

**PORTFOLIO ADDITIONAL ESTIMATES
STATEMENTS 2025-26**

DEFENCE PORTFOLIO

Explanations of Additional Estimates 2025-26

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

**PARLIAMENT HOUSE
CANBERRA 2600**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2025-26 Additional Estimates for the Defence Portfolio.

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

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

Yours sincerely

Richard Marles

Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance Group, Department of Defence on (02) 5108 6064.

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

User Guide to the Portfolio Additional Estimates Statements

User Guide

The purpose of the 2025-26 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcomes since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in *Appropriation Bills (Nos. 3 and 4)* and *Appropriation (Parliamentary Departments) Bill (No. 2)* 2025-26. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User Guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio Overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity overview and resources

This section details the **changes** in total resources available to an entity and staffing levels, the impact of any measures since Budget, and impact of *Appropriation Bills Nos. 3 and 4*.

Section 2: Revisions to outcomes and planned performance

This section details **changes** to Government outcomes and/or **changes** to the planned performance of entity programs.

Section 3: Special account flows and budgeted financial statements

This section contains updated explanatory tables on special account flows and revisions to the budgeted financial statements.

Portfolio Glossary

Explains key terms relevant to the Portfolio.

Portfolio Acronyms

Explains acronyms relevant to the Portfolio.

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Portfolio Overview

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Defence Portfolio Overview

Ministers and their Portfolio Responsibilities

The Defence Portfolio has four Ministers:

- the Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence;
- the Hon Pat Conroy MP, Minister for Defence Industry and Minister for Pacific Island Affairs;
- the Hon Matt Keogh MP, Minister for Veterans' Affairs and Minister for Defence Personnel; and
- the Hon Peter Khalil MP, Assistant Minister for Defence.

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

- the Hon Tony Burke MP, Minister for Home Affairs, Minister for Immigration and Citizenship, Minister for Cyber Security and Minister for the Arts.

In addition to the above Ministers, the Prime Minister made the following non-Ministerial appointment:

- Mr Luke Gosling OAM MP, Special Envoy for Defence, Veterans' Affairs and Northern Australia.

The Defence Portfolio

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

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

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

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

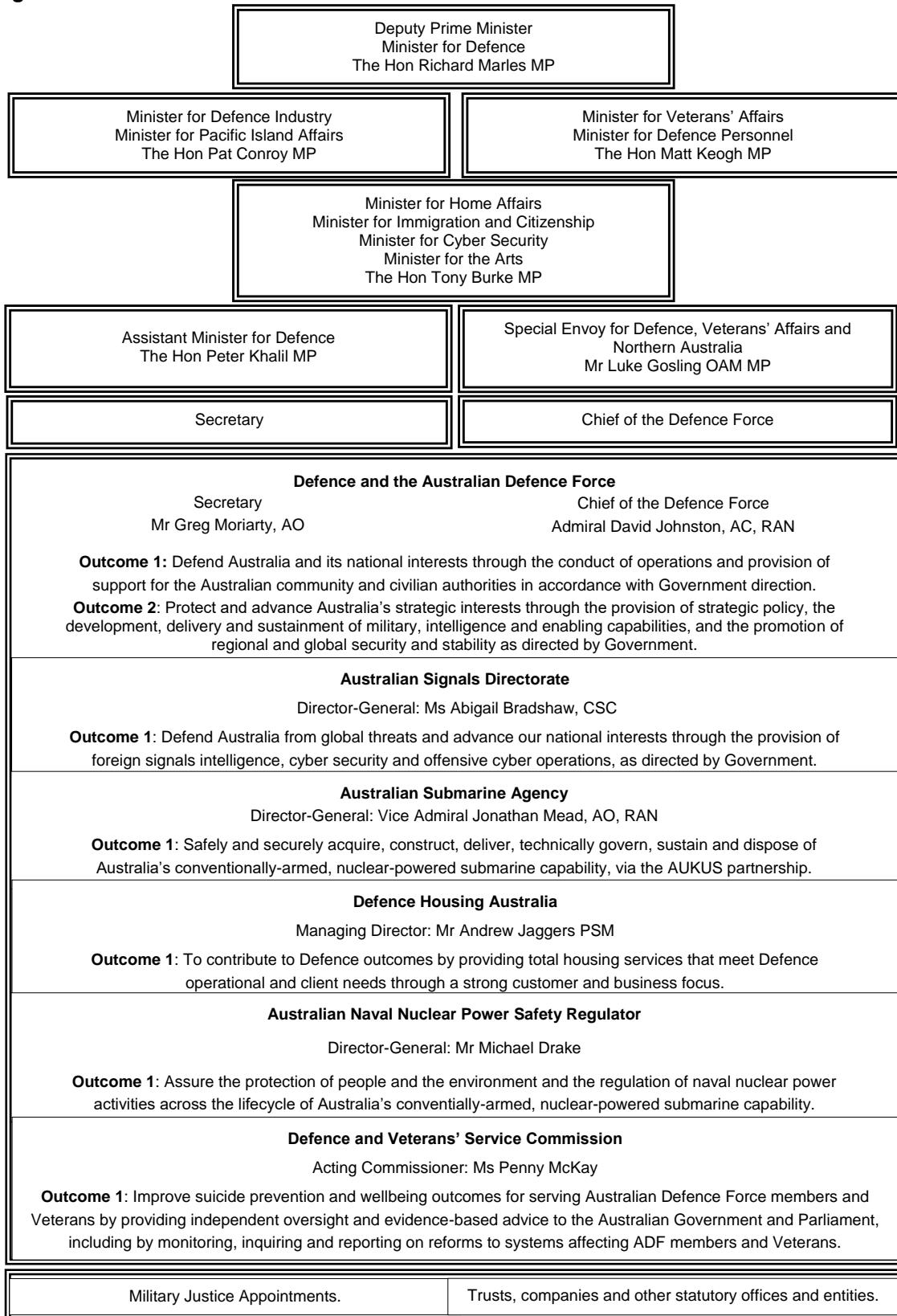
The Portfolio includes the Australian Signals Directorate (ASD), the Australian Submarine Agency (ASA), Defence Housing Australia (DHA), the Australian Naval Nuclear Power Safety Regulator (ANNPSR) and the Defence and Veterans' Service Commission (DVSC). The Portfolio also contains some smaller entities,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

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

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

Portfolio Structure and Outcomes

Figure 1: Defence Portfolio Structure and Outcomes



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

Defence Portfolio Bodies

The following changes have taken place since the *PB Statements 2025-26*:

Defence and Veterans' Service Commission

Acting Commissioner: Ms Penny McKay

Since the publication of the *PB Statements 2025-26*, the Defence and Veterans' Service Commission (DVSC) was established under the *Defence Act 1903*, to provide independent oversight and evidence-based advice to the Australian Government. The new entity commenced operations on 29 September 2025.

The launch of DVSC marks an important step in strengthening accountability to improve suicide prevention and wellbeing outcomes for current and ex-serving Australian Defence Force (ADF) members.

Australian Naval Nuclear Power Safety Regulator

Director-General: Mr Michael Drake

Since the publication of the *PB Statements 2025-26*, the Australian Naval Nuclear Power Safety Regulator (ANNPSR) commenced operation as a separate agency under the *Australian Naval Nuclear Power Safety Act 2024* to promote nuclear safety for the environment and people in relation to Australia's naval nuclear power. The new entity commenced operations on 1 November 2025.

No other changes have been made to the Defence Portfolio Bodies since the *PB Statements 2025-26*.

Defence

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Defence

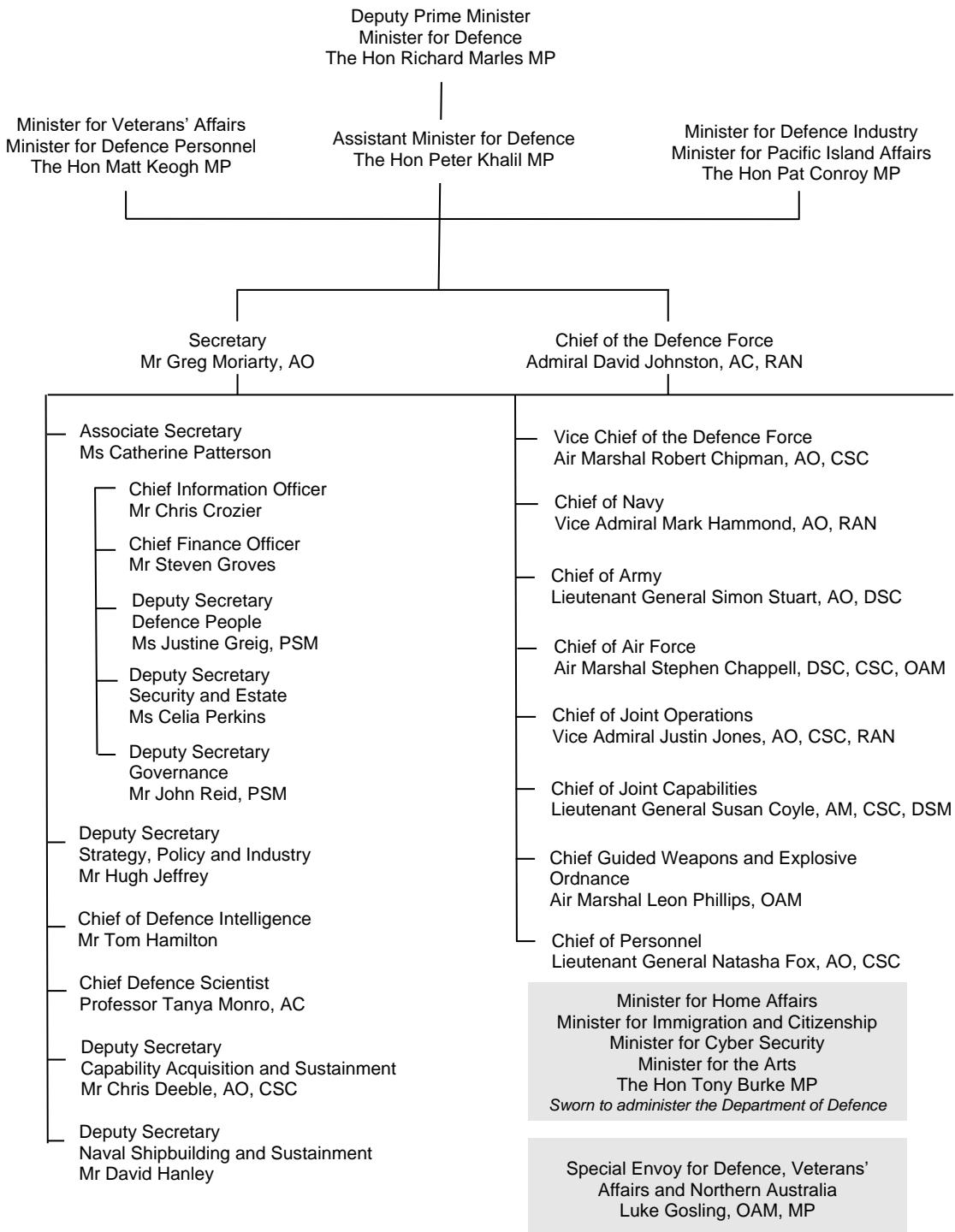
Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

No changes have been made to the Defence Strategic Direction Statement since the *PB Statements 2025-26*.

Defence Organisational Chart

Figure 2: Defence Organisational Chart



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

Senior Executive Changes

The following changes have taken place since the *PB Statements 2025-26*:

On 11 April 2025, Mr Jim McDowell, Deputy Secretary Naval Shipbuilding and Sustainment retired from the Australian Public Service;

On 21 July 2025, Mr David Hanley was appointed as the Deputy Secretary Naval Shipbuilding and Sustainment;

On 29 September 2025, Mr Matthew Yannopoulos, PSM, the previous Associate Secretary, moved to the Department of Finance as Secretary, following a short period of leave; and

On 8 December 2025, Ms Catherine Patterson was appointed to the position of Associate Secretary.

Organisational Structure

The following changes have taken place since the *PB Statements 2025-26*:

On 1 November 2025, the Nuclear-Powered Submarine Regulatory Design Taskforce transitioned to the Australian Naval Nuclear Power Safety Regulator, a statutory agency established under the *Australian Naval Nuclear Power Safety Act 2024*.

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 2025-26 budget year, including variations through *Appropriation Bills No. 3 and No. 4*, Special Appropriations and Special Accounts.

Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves, and as published in appropriation notes to the 2024-25 financial statements.

Table 1: Total Defence Resourcing [a]

Serial No.	2024-25		Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'000	Variation %	2026-27	2027-28	2028-29
	Actual Result						Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
	\$'000								
Defence Resourcing									
1	38,977,679	Appropriation for departmental outcomes	40,709,350	41,100,477	391,127	1.0	41,073,699	43,483,856	47,229,785
2	2,734,831	Departmental capital budget	3,128,980	2,814,734	-314,247	-10.0	3,034,422	3,300,457	3,370,206
3	11,112,977	Equity injection appropriation	12,274,359	14,229,960	1,955,601	15.9	14,699,302	16,045,486	18,972,927
4	700,000	Funding movement for 2024-25 Working Capital [b]	-	-	-	-	-	-700,000	-
5	-	Prior year appropriation	-	-	-	-	-	-	-
6	53,525,487	Current year's appropriation (1 + 2 + 3 + 4 + 5) [c] [d] [e]	56,112,689	58,145,171	2,032,482	3.6	58,807,423	62,129,799	69,572,918
7	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
8	-	Other appropriation receivable movements	-	-	-	-	-	-	-
9	-	Return to the Official Public Account [f]	-	-	-	-	-	-	-
10	-	Funding from / to the OPA (7 + 8 + 9)	-	-	-	-	-	-	-
11	53,525,487	Funding from Government (6 + 10)	56,112,689	58,145,171	2,032,482	3.6	58,807,423	62,129,799	69,572,918
12	113,112	Capital receipts [g]	-	37,608	42,159	4,551	12.1	20,572	21,215
13	1,867,108	Own source revenue (s74 receipts) [g]	-	1,270,948	1,200,870	-70,078	-5.5	996,672	971,351
14	-	Prior year receipts	-	-	-	-	-	-	-
15	1,980,220	Funding from other sources (12 + 13 + 14)	1,308,556	1,243,029	-65,527	-5.0	1,017,244	992,566	954,167
Total Departmental funding excl. Defence Trusts and Joint Accounts									
16	55,505,707	Joint Accounts (11 + 15)	57,421,245	59,388,200	1,966,955	3.4	59,824,667	63,122,365	70,527,085
Defence Trusts and Joint Accounts									
17	32,329	Revenue [g]	-	114,222	71,631	-42,591	-37.3	74,387	339,143
18	-27,169	Expenditure (Operating and Capital)	-	-114,171	-77,611	36,559	-32.0	-76,682	-340,872
19	5,160	Total Defence Trusts and Joint Accounts (17 + 18)	51	-5,980	-6,031	-11,825.5	-2,295	-1,729	-1,710
20	55,510,867	Total Departmental funding (16 + 19)	57,421,296	59,382,220	1,960,924	3.4	59,822,372	63,120,636	70,525,375
Administered [h]									
21	4,774,564	Administered special appropriations	-	4,935,116	5,270,922	335,806	6.8	5,673,990	6,131,699
22	1,508,432	Own source revenue [i]	-	1,367,249	1,418,251	51,002	3.7	1,346,320	1,280,685
23	-1,508,432	Returns to the Official Public Account [i]	-	-1,367,249	-1,418,251	-51,002	3.7	-1,346,320	-1,280,685
24	4,774,564	Total Administered funding (21 + 22 + 23)	4,935,116	5,270,922	335,806	6.8	5,673,990	6,131,699	6,612,533
25	60,285,431	Total Defence resourcing (20 + 24)	62,356,412	64,653,143	2,296,731	3.7	65,496,362	69,252,335	77,137,908
Appropriation carried forward									
26	992,123	Appropriation receivable including previous year's outputs	-	1,467,283	1,049,467	-417,816	-28.5	1,186,833	877,313
27	707,361	Cash in bank - Departmental	-	321,680	767,317	445,637	138.5	751,022	696,429
28	-	Cash in bank - Administered	-	-	-	-	-	-	-
29	1,699,484	Total appropriation carried forward (25 + 26 + 27)	1,788,963	1,816,784	27,821	1.6	1,937,855	1,573,742	1,703,147

Notes

- a. This table is prepared on an accrual basis, except for serials 7 to 10, 12, 14, 21 to 24, 27 and 28.
- b. As per the *PB Statements 2025-26*, Defence received \$700 million of working capital in 2024-25 from the 2027-28 Forward Estimate. The purpose of the funding was underpinned by the increase in Defence's capital requirements. This adjustment provided an increase to cash reserves to meet Defence industry commitments as and when they fall due for payment. While the increase in working capital in 2024-25 is by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was to be used to address existing expenditure commitments already incurred/recognised. In 2027-28, the reduction of appropriation will not impact planned capital expenditure levels as Government has agreed Defence will operate with a Net Capital Deficit in that financial year.
- c. 2025-26 Budget Estimate Appropriations excludes measures published in the Explanatory Memorandum to the *Appropriation Bills (No. 1) 2025-26 and Appropriation Bills (No. 2) 2025-26*. These adjustments related to Appropriation transfers to Australian Naval Nuclear Power Safety Regulator (ANNPSR) (2025-26: \$29.3 million) and Defence and Veterans' Service Commission (DVSC) (2025-26: \$10.0 million), and savings in 2025-26 for the first year of further reducing spending on consultants, contractors and labour hire, and non-wage expenses election commitment (2025-26: \$241.0 million).
- d. The appropriations for 2025-26 as disclosed in Serials 1 to 3, include amounts in *Appropriation Bills (No. 3)* and *(No. 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 arrangements, are provided in Tables 2a, 2b and 3 where applicable.
- e. The appropriations as per the 2025-26 Revised Estimate reflects a movement of funds of \$2.0 billion from 2027-28 to 2025-26 towards increased preparedness in Sustainment and the acceleration of Capability.
- f. Represents net transfers to and from the Official Public Account (OPA).
- g. All figures are net of GST.
- h. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.
- i. Own Source Revenue received in cash is returned to the OPA.

Annual Appropriations

Table 2a: Appropriation Bill (No. 3) 2025-26

	2024-25	2025-26			2025-26
	Actual Result	Budget Estimate	Increases in Estimates	Decreases in Estimates	Revised Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Outputs					
Appropriation for departmental outcomes	38,785,373	40,441,657	1,071,573	-345,655	41,167,575
Total [a] [b] [c] [d] [e]	38,785,373	40,441,657	1,071,573	-345,655	41,167,575

Notes

- 2024-25 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- 2025-26 Budget Estimate Appropriations includes measures published in the Explanatory Memorandum to the *Appropriation Bill (No. 1) 2025-26* and *Appropriation Bill (No. 2) 2025-26*. These adjustments related to Appropriation transfers to ANNPSR and DVSC, and savings in 2025-26 for the first year of further reducing spending on consultants, contractors and labour hire, and non-wage expenses election commitment.
- The Budget Estimate and Revised Estimate for 2025-26 includes additional appropriation for the Special Purpose Aircraft (SPA) of \$12.5 million which was received through the *Appropriation Bill (No. 1) 2025-26*, however the expense was incurred during 2024-25, hence the appropriation revenue per Table 1 has been recognised in Defence in 2024-25.
- The Revised Estimate for 2025-26 includes \$54.6 million of appropriations which were recognised as revenue from government (in relation to No Win/No Loss supplementation) in the Defence 2024-25 Financial Statements. Since Table 1 - Total Defence resourcing is prepared on an accrual basis, these amounts are reflected under 2024-25 Actual Result and not reflected in the 2025-26 Revised Estimate in Table 1.
- Decrease in estimates of \$345.7 million relates to reductions in estimates for *Appropriation Act (No.1) 2025-26* which will be withheld under s.51 arrangements against *Appropriation Act (No.1) 2025-26*.

Table 2b: Appropriation Bill (No. 3 DCB) 2025-26

	2024-25	2025-26			2025-26
	Actual Result	Budget Estimate	Increases in Estimates	Decreases in Estimates	Revised Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-operating					
Departmental capital budget	2,703,669	3,128,980	-	-314,247	2,814,734
Total non-operating [a] [b]	2,703,669	3,128,980	-	-314,247	2,814,734

Notes

- 2024-25 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- Decrease in estimates of \$314.2 million relates to reductions in estimates for *Appropriation Act (No.1) 2025-26* which will be withheld under s.51 arrangements against *Appropriation Act (No.1) 2025-26*.

Table 3: Appropriation Bill (No. 4) 2025-26

	2024-25	2025-26			2025-26
	Actual Result	Budget Estimate	Increases in Estimates	Decreases in Estimates	Revised Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-operating					
Equity injections	10,952,770	12,274,359	2,051,525	-95,924	14,229,960
Total non-operating [a] [b] [c]	10,952,770	12,274,359	2,051,525	-95,924	14,229,960

Notes

- 2024-25 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- This table does not include the working capital adjustment as per Table 1 Serial 4.
- Decrease in estimates of \$95.9 million relates to reductions in estimates for *Appropriation Act (No.2) 2025-26* which will be withheld under s.51 arrangements against *Appropriation Act (No.2) 2025-26*.

Drawdown of Appropriations Carried Forward**Table 4: Revised Appropriation Receivable**

	2025-26	2026-27	2027-28	2028-29
	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Portfolio Budget Statements 2025-26 Estimates	1,467,283	1,565,059	1,232,918	1,366,158
Net movement	-417,816	-378,226	-355,605	-357,730
Closing balance appropriation receivable	1,049,467	1,186,833	877,313	1,008,428

Funding from Other Sources**Own Source Revenue****Table 5: Variation in Own Source Revenue**

	2025-26	2026-27	2027-28	2028-29
	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Portfolio Budget Statements 2025-26 Estimates	1,270,948	996,710	971,390	932,270
Variation in own source revenue	-70,078	-38	-39	-40
Own source revenue revised estimates	1,200,870	996,672	971,351	932,230
Prior year receipts	-	-	-	-
Total	1,200,870	996,672	971,351	932,230

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 6: Variation to Defence Funding

	Program	2025-26 Revised Estimate \$m	2026-27 Forward Estimate \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	Total \$m
Budget Measures						
Payment Measures						
Guardian-class Patrol Boat to the Republic of the Maldives ^[a]	2.1	-	-	-	-	-
Supporting Defence Community Engagement ^{[b][c]}	Various	-	-	-	-	-
Savings from External Labour and Other Non-Wage Expenses ^[c]	Various	-241.0	-376.6	-437.7	-502.7	-1,557.9
Papua New Guinea - Australia Mutual Defence Treaty ^[d]	2.1	-	-	-	-	-
Establishment of the Defence and Veterans' Services Commission	Various	-10.0	-10.4	-12.0	-12.2	-44.5
Further Investment in Defence Naval Shipbuilding in Australia ^[e]	Various	nfp	nfp	nfp	nfp	nfp
Continued Defence Support to Ukraine ^[f]	2.1	-	-	-	-	-
Establishing the Agency for Veteran and Family Wellbeing	2.3	-10.7	-23.8	-22.9	-20.6	-78.0
Continuing to Support Veterans and their Families ^[g]	2.12	-	-	-	-	-
Nuclear-Powered Submarine Program - Further Program Support ^[e]	2.16	nfp	nfp	nfp	nfp	nfp
Total Departmental Budget Measures		-261.7	-410.8	-472.6	-535.4	-1,680.5
Other Departmental Budget Adjustments						
Operation KUDU	1.2	6.0	-	-	-	6.0
Foreign Exchange	Various	-200.8	-158.0	-150.4	-272.3	-781.6
Other Budget Adjustments ^[h]	Various	2,457.3	633.6	-2,244.7	-1,067.3	-221.1
Total Other Departmental Budget Adjustments		2,262.5	475.6	-2,395.1	-1,339.6	-996.6
Total Defence Funding		2,000.8	64.8	-2,867.7	-1,875.0	-2,677.1

Notes

- a. This measure provides \$31.7 million over five years from 2024-25 to 2028-29, which is being met from existing resourcing of the Department of Defence.
- b. This measure provides \$4.3 million for 2025-26, which is being met from existing resourcing of the Department of Defence and revenue from the sale of Airshow tickets.
- c. These measures relate to election commitments/savings identified in the 2025 Pre-election Economic and Fiscal Outlook and also in the 2025 Explanatory Memorandum to the *Appropriation Act (No. 1) 2025-26* and *Appropriation Act (No. 2) 2025-26*.
- d. This measure provides \$60.0 million over the period 2025-26 to 2028-29, which is being met from existing resourcing of the Department of Defence.
- e. This measure is nfp due to commercial sensitivities.
- f. This measure provides \$95.5 million for 2025-26, which is being met from existing resourcing of the Department of Defence.
- g. This measure provides \$3.0 million over the period 2026-27 to 2028-29, which is being met from existing resourcing of the Department of Defence.
- h. Adjustments include the re-profiling of \$2.0 billion from 2027-28 to 2025-26 to support increased preparedness and capability acquisition within the Integrated Investment Program. Other movements include the re-profiling of funds for the Nuclear-Powered Submarine Program (\$1.2 billion re-profiled from 2027-28 and 2028-29, to 2025-26 and 2026-27), and the transfer of Defence funding to support the operation of the ANNPSR (\$0.2 billion over the Forward Estimates).

Operations Summary

Table 7: Net Additional Cost of Current Major Operations to 2028-29 [a] [b] [c]

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
	Actual Result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
	\$m	\$m	\$m	\$m	\$m	\$m
Operation ACCORDION	81.1	91.8	-	-	-	172.9
Operation RESOLUTE	118.9	130.1	-	-	-	249.0
Operation BEECH	27.1	-	-	-	-	27.1
Operation KUDU	15.0	50.9	-	-	-	65.9
Total Net Additional Costs	242.1	272.9	-	-	-	514.9
Sources of Funding for Major Operations						
Government Supplementation	242.1	272.9	-	-	-	514.9
Total Cost	242.1	272.9	-	-	-	514.9

Notes

- This table reflects ongoing and new Major Operations funded under No Win/No Loss arrangement.
- The Net Additional Cost of Major Operations include the budget adjustments shown under Table 6.
- Certain Operations are nfp due to national security reasons.

1.4 Key Cost Categories Estimates

Table 8a: Defence, ASD, ASA and ANNPSR Funding from Government ^[a]

Serial No.		2024-25	2025-26	2025-26	Variation
		Actual Result	Budget Estimate	Revised Estimate	
		\$m	\$m	\$m	\$m
1	Defence ^[b]	53,525.5	56,112.7	58,145.2	2,032.5
2	Australian Signals Directorate	2,740.4	2,478.4	2,325.7	-152.6
3	Australian Submarine Agency	353.0	397.6	385.4	-12.2
4	Australian Naval Nuclear Power Safety Regulator ^[c]	-	-	29.3	29.3
5	Consolidated Defence, ASD, ASA and ANNPSR Funding	56,618.9	58,988.7	60,885.6	1,896.9

Notes

- a. Provides a consolidated summary of Defence Portfolio funding, excluding Defence Housing Australia (DHA), Department of Veterans' Affairs (DVA) and the DVSC.
- b. These amounts refer to appropriations only. Refer Table 1 Serial 6 for total planned expenditure.
- c. The ANNPSR was established on 1 November 2025 and received \$29.3 million from the Department of Defence.

Table 8b: Defence Planned Expenditure by Key Cost Category ^{[a] [b] [c]}

Serial No.		2024-25	2025-26	2025-26	Variation
		Actual Result	Budget Estimate	Revised Estimate	
		\$m	\$m	\$m	\$m
1	Workforce	16,590.5	17,170.9	17,571.3	400.4
2	Operations	330.7	317.9	349.0	31.1
3	Capability Acquisition Program ^[d]	18,151.7	18,800.5	20,222.5	1,422.0
4	Capability Sustainment Program ^[d]	17,093.3	18,758.8	18,855.3	96.5
5	Operating	3,083.0	2,373.1	2,390.1	17.0
6	Total Defence Planned Expenditure	55,249.1	57,421.2	59,388.2	1,967.0

Notes

- a. These categories are funded by appropriations, and funding from other sources.
- 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 17-19 and Table 42.
- c. The 2024-25 Actual Result does not include the impact of changes to Defence Working Capital on account of movement of funds as shown under Table 1 Serial 4. While the increase in working capital in 2024-25 was by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was used to address existing expenditure commitments already incurred/recognised, such as prepayments.
- d. The 2025-26 Revised Estimate reflects the expenditure corresponding to a movement of funds of \$2.0 billion from 2027-28 to 2025-26 towards increased preparedness in Sustainment and Capability Acquisition.

Table 9: Capability Acquisition Program [a]

Serial No.		2024-25	2025-26	2025-26	Variation
		Actual Result	Budget Estimate	Revised Estimate	
		\$m	\$m	\$m	\$m
1	Military Equipment Acquisition Program	14,182.0	14,320.1	15,430.1	1,110.1
2	Enterprise Estate and Infrastructure Program	2,862.2	3,531.8	3,670.0	138.1
3	ICT Acquisition Program	547.0	407.2	457.1	50.0
4	Minors Program	560.5	541.4	665.2	123.8
5	Total Capability Acquisition Program [b][c]	18,151.7	18,800.5	20,222.5	1,422.0

Notes

- a. These categories are funded by appropriations, and funding from other sources.
- b. The expenditure for the 2025-26 Revised Estimate reflects a movement of funds of \$2.0 billion from 2027-28 to 2025-26 of which \$1.5 billion will be applied to Capability Acquisition.
- c. The Capability Acquisition Program includes unapproved and approved projects.

Table 10: Capability Sustainment Program [a]

Serial No.		2024-25	2025-26	2025-26	Variation
		Actual Result	Budget Estimate	Revised Estimate	
		\$m	\$m	\$m	\$m
1	Navy Sustainment	3,536.1	4,041.1	3,987.4	-53.8
2	Army Sustainment	2,592.7	2,947.5	2,921.7	-25.8
3	Air Force Sustainment	3,778.8	4,182.3	4,257.2	74.9
4	Defence Digital Sustainment [b]	2,028.4	2,053.5	2,082.1	28.6
5	Joint Capabilities Sustainment	847.9	1,017.7	1,031.3	13.6
6	Strategy, Policy and Industry Sustainment	98.4	148.7	147.5	-1.2
7	Defence Intelligence Sustainment	166.7	280.7	281.5	0.8
8	Security and Estate Sustainment [c]	3,749.2	3,751.5	3,758.8	7.2
9	Nuclear-Powered Submarines Sustainment	0.3	6.2	61.1	54.9
10	Guided Weapons & Explosive Ordnance Sustainment	144.5	164.8	162.7	-2.1
11	Other Minor Sustainment	150.5	164.7	164.1	-0.6
12	Total Capability Sustainment Program [d][e]	17,093.3	18,758.8	18,855.3	96.5

Notes

- a. These categories are funded by appropriations, and funding from other sources.
- 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 approved (current) sustainment and unapproved sustainment (relating to unapproved projects).
- e. The expenditure for the 2025-26 Revised Estimate reflects a movement of funds of \$2.0 billion from 2027-28 to 2025-26 of which \$0.5 billion will be utilised towards increased preparedness and sustainment activities.

Table 11: Retained Capital Receipts

Serial No.		2025-26	2025-26	Variation	2026-27	2027-28	2028-29
		Budget Estimate	Revised Estimate		Forward Estimate	Forward Estimate	Forward Estimate
		\$m	\$m		\$m	\$m	\$m
1	Proceeds from sale of property	37.6	27.7	-9.9	5.8	6.1	6.4
2	Proceeds from sale of specialist military equipment	-	-	-	-	-	-
3	Proceeds from sale of infrastructure, plant and equipment	-	14.5	14.5	14.8	15.1	15.5
4	Retained Capital Receipts (1 + 2 + 3)	37.6	42.2	4.6	20.6	21.2	21.9

Table 12: Variation in Estimates of Retained Capital Receipts

		2025-26	2026-27	2027-28	2028-29
		Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
		\$m	\$m	\$m	\$m
Portfolio Budget Statements 2025-26 Estimates		37.6	4.8	5.1	5.4
Movement in net proceeds from sales associated with the capital disposal program		4.6	15.8	16.1	16.5
Variation in Retained Capital Receipts		4.6	15.8	16.1	16.5
Total Retained Capital Receipts		42.2	20.6	21.2	21.9

1.5 People

Workforce Overview

The *Defence Workforce Plan 2024* (Workforce Plan), released in November 2024, sets out how Defence will achieve the integrated force required to deliver Australia's National Defence Strategy. This integrated force includes Australian Defence Force personnel, Australian Public Servants and the external workforce.

The Workforce Plan includes eight strategic tasks with defined actions and outcomes to meet total workforce requirements. These tasks address ADF recruitment and retention, APS skilling and development, and initiatives to improve organisational culture, workforce wellbeing, and support for ADF members and their families.

Through actions outlined in the Workforce Plan, the permanent ADF will grow to approximately 69,000 personnel by the early 2030s, with a focus on strengthening junior and middle ranks.

Defence will continue investing in the skilling and development of the APS workforce while reducing reliance on contracted support, noting that specialist contract services will remain necessary in some areas.

The Workforce Plan complements broader efforts to improve lifetime wellbeing for Defence members, veterans and families, including implementing the Government Response to the Final Report of the Royal Commission into Defence and Veteran Suicide.

An update to the Workforce Plan is anticipated for release in 2026, to reflect outcomes of the National Defence Strategy 2026.

Through the remainder of 2025-26 implementation of Defence reforms will include a focus on workforce considerations, including organisational design, recruitment, retention, skilling and change management.

Workforce Summary

Since the *PB Statements 2025-26*, Defence has experienced improved ADF recruitment and retention due to focused efforts including the expansion of the Continuation Bonus to middle ranks and ongoing reform of the ADF recruitment system. This has resulted in an adjusted ADF growth path to achieve 69,000 permanent ADF in the early 2030s.

The planned growth path for the full-time equivalent workforce for 2025-26 is 81,574, comprising:

- 61,711 permanent ADF personnel (76 per cent).
- 19,863 APS employees (24 per cent).

The permanent ADF workforce will include:

- 15,805 Navy personnel.
- 29,056 Army personnel.
- 16,850 Air Force personnel.

The workforce growth path across the Forward Estimates (Table 13) positions Defence to reach an ADF of 69,000 by the early 2030s, as outlined in the Workforce Plan.

Whilst the Defence workforce is now growing, maintaining the required growth rate across all Services is a priority. Defence will continue to transform ADF recruitment and retention by:

- widening eligibility criteria to enable more people to join the ADF, including the recruitment of eligible permanent residents from Five Eye countries living in Australia and from 1 January 2026 from Papua New Guinea;
- expanding the recruiting system to convert this wider pool of eligible applicants into ADF recruits;
- streamlining processes to enable faster recruiting and a quicker response to skills gaps;
- growing the Reserve workforce of up to 1,000 positions across Air Force, Navy and Cyber Command by 2030 as part of the Strategic Review of the ADF Reserves; and
- encouraging retention in the junior and middle ranks through continued implementation of initiatives such as the ADF Continuation Bonus.

The ADF Reserves remain a critical component of the total workforce. Focus remains on implementation of the Strategic Review of the ADF Reserves. The forecast contribution from Service Categories (SERCAT) 3, 4 and 5 in 2025-26 is 1,135,450 days of service performed by an estimated 22,475 members of the Reserve Forces. This may fluctuate pending reserve activity that responds to domestic matters such as support during the High Risk Weather Season. 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>.

Defence will continue focusing on reshaping, skilling, and professionalising the APS workforce to deliver the priorities outlined in the *2024 National Defence Strategy* and *2024 Integrated Investment Program*.

Defence will continue to implement the Strategic Commissioning Framework, reducing reliance on contractors undertaking work that is considered core APS work. There will be surge requirements and highly specialist skill requirements that will necessitate a level of ongoing engagement of the external workforce.

Implementation of reforms involving the delivery of Defence capability will consider the required composition of the future workforce including the ADF, APS and external workforce.

Defence People

Defence will continue to focus on the recruitment, retention, culture and wellbeing of its people and support to ADF families as outlined in the *Defence Workforce Plan 2024*.

Implementation of the recommendations from the Royal Commission into Defence and Veteran Suicide will continue to be prioritised including actions to prevent sexual violence and improve complaints management. Actions associated with the Defence Culture Blueprint Program and implementation of Respect@Work will also continue to be implemented. All of these actions have a common goal - a Defence workplace where all personnel are safe and respected.

Defence will continue investing in mental health, wellbeing and suicide prevention through the *Defence and Veteran Mental Health and Wellbeing Strategy 2024-2029*. Implementation of the Defence Work Health and Safety will remain a focus with Defence implementing reform following a 2025 internal WHS audit.

To further support Defence personnel and their families implementation of the *Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023-2028* will be ongoing.

Defence will also continue to support transitioning members through the implementation of the *Veteran Transition Strategy 2023*, recognising that it is essential that we support personnel as they transition from permanent service.

The APS workforce will be strengthened through skills uplift, training and professionalisation, enabling rebalancing in critical areas such as engineering, intelligence, cyber, project and program management and contract management. This uplift and rebalancing will be achieved through delivery of the Defence APS Academy, organisational capability reviews, implementation of job family reform and ongoing implementation of the Strategic Commissioning Framework.

Defence personnel will be supported through the implementation of reforms associated with capability delivery.

Table 13: Workforce Forecast for the 2025-26 Budget and Required Workforce Forward Estimates - Average Full-time equivalent

	2024-25 Actual	2025-26 Budget Estimate	2025-26 Revised Estimate [b]	2026-27 Forward Estimate [b]	2027-28 Forward Estimate [b]	2028-29 Forward Estimate [b]
ADF Permanent Force^[a]						
Navy	15,239	15,392	15,805	16,191	16,603	17,010
Army	28,050	27,773	29,056	29,685	30,445	31,169
Air Force ^[c]	15,858	16,208	16,850	17,469	17,794	17,834
1 Total Permanent Force	59,147	59,373	61,711	63,345	64,842	66,013
Civilian Employees^[a]						
APS	19,301	19,863	19,863	20,261	20,274	20,275
2 Total Civilian Employees	19,301	19,863	19,863	20,261	20,274	20,275
Total Workforce Strength (1 + 2)	78,448	79,236	81,574	83,606	85,116	86,288

Notes

- All numbers for the permanent and full-time workforce elements represent average full-time equivalents.
- Revised and Forward Estimates reflect the budgeted workforce requirements for ADF and approved Government budgeted allocations for APS.
- The budgeted workforce requirement will be reviewed with each PB Statements and PAES.

Table 14: Planned Workforce Allocation for the 2025-26 Budget and Forward Estimates - Reserve (Service Categories 3, 4, and 5) ^{[a] [b] [c]}

		2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	Service Category 3 and 5					
	Navy	120,500 (2,050)	119,932 (1,753)	122,853 (1,793)	125,969 (1,839)	129,048 (1,884)
	Army	740,000 (15,500)	676,210 (15,754)	700,799 (16,331)	713,708 (16,633)	725,545 (16,912)
	Air Force	274,000 (4,100)	273,052 (4,187)	283,068 (4,342)	288,325 (4,423)	293,146 (4,497)
1	Sub-total Service Category 3 and 5	1,134,500 (21,650)	1,069,194 (21,694)	1,106,720 (22,466)	1,128,002 (22,895)	1,147,739 (23,293)
	Service Category 4 ^[d]					
	Navy	- -	568 (6)	590 (6)	615 (6)	639 (7)
	Army	- -	63,790 (747)	66,386 (777)	67,750 (793)	69,000 (807)
	Air Force	950 (40)	1,898 (28)	1,985 (29)	2,031 (30)	2,073 (30)
2	Sub-total Service Category 4	950 (40)	66,256 (781)	68,961 (812)	70,396 (829)	71,712 (844)
	Total Reserves (1 + 2)	1,135,450 (21,690)	1,135,450 (22,475)	1,175,681 (23,278)	1,198,398 (23,724)	1,219,451 (24,137)

Notes

- This table does not include Reservists undertaking continuous full-time service (Service Option C), as these are captured in Table 13. It also does not include Reservists that are not currently rendering service (including Service Category 2).
- As the number of days or hours worked by Reserve members can vary greatly, figures in Table 14 show the total number of days of service rendered, with a headcount of members rendering service within the year in brackets.
- Reserve Personnel can move between SERCATs at anytime as part of the Total Workforce System.
- The increase in Service Category 4 utilisation is related to implementation of the Operational Reserve workforce recommended in the Strategic Review of the ADF Reserves 2024 and the readiness of forces to support domestic events such as those that occur during the high risk weather season. The Forward Estimates totals are subject to further review and will be confirmed in the *PB Statements 2026-27*.

Table 15: Forecast Breakdown of Workforce by Service and Rank

	2025-26 Budget Estimate	2025-26 Revised Estimate ^[a]
Navy		
One Star and above ^[b]	83	77
Senior Officers ^[c]	873	897
Officers	3,576	3,674
Other Ranks	10,860	11,157
Total Navy	15,392	15,805
Army		
One Star and above ^[b]	97	93
Senior Officers ^[c]	1,078	1,128
Officers	5,376	5,626
Other Ranks	21,221	22,209
Total Army	27,773	29,056
Air Force		
One Star and above ^[b]	73	68
Senior Officers ^[c]	897	933
Officers	4,946	5,144
Other Ranks	10,292	10,705
Total Air Force	16,208	16,850
APS		
Senior Executives ^[d]	204	204
Senior Officers ^[c]	7,719	7,719
Other APS Staff	11,940	11,940
Total APS	19,863	19,863
Total Workforce ^[e]	79,236	81,574

Notes

- a. 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.
- b. The figures for One Star and above include Chief of the Defence Force, Service Chiefs and Group Heads. This does not include Chaplains.
- c. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
- d. The figures for Senior Executives include the Secretary, SES Band One, Two and Three employees, Chiefs of Divisions and Medical Officers.
- e. All figures represent total estimated headcount in 2025-26.

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 *PB Statements 2025-26*.

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.

New Operations

Since the *PB Statements 2025-26*, no updates have been made to New Operations.

Amended Operations

Since the *PB Statements 2025-26*, no changes have been made to Amended Operations.

Ceased Operations

Since the *PB Statements 2025-26*, the following updates have been made to Ceased Operations:

Operation STEADFAST - Contribute to the NATO Mission in Iraq supporting continued capacity building of the Iraqi Security Forces.

Linked Programs

Since the *PB Statements 2025-26*, the following change has been made to the Outcome 1 Strategy.

Australian Communications and Media Authority

Program 1.1 - Communications regulation, planning and licensing.

Contribution to Outcome 1 by linked program

Defence provides support to fulfil Australia's international responsibilities to manage interference through High Frequency Direction Finding as part of Project Nullarbor improvements to the Defence High Frequency Communications System.

Outcome 1 Resources

Table 16: Total Budgeted Resources Available for Outcome 1

	2024-25 Actual Result	2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 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	49,204	49,783	69,861	40	41	42
Program 1.2 - Operations Supporting Wider Interests						
Revenues from other sources	1,654	-	-	-	-	-
Expenditure funded by appropriations	156,452	137,937	148,824	1,218	1,222	1,225
Program 1.3 - Defence Contribution to National Support Tasks in Australia						
Revenues from other sources	-	-	-	-	-	-
Expenditure funded by appropriations	123,397	130,162	130,311	22	22	22
Total resourcing						
Total departmental revenue from other sources	1,654	-	-	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	298,015	317,882	348,996	1,280	1,285	1,289
Total capital expenditure funded by appropriation	-	-	-	-	-	-
Total capital expenditure funded by equity injection:						
- Bill 1 DCB	31,038	-	-	-	-	-
- Bill 2 Equity	-	-	-	-	-	-
Total resources for Outcome 1	330,707	317,882	348,996	1,280	1,285	1,289

Contributions to Outcome 1**Program 1.1: Operations Contributing to the Safety of the Immediate Neighbourhood**

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	1,680	-	-	-	-	-
Suppliers	22,479	49,783	69,861	40	41	42
Net foreign exchange losses	4	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	24,163	49,783	69,861	40	41	42
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	28	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	28	-	-	-	-	-
Total operating expenses	24,191	49,783	69,861	40	41	42
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	25,041	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	25,041	-	-	-	-	-
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure ^[a]	49,204	49,783	69,861	40	41	42

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 *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	10,824	797	797	-	-	-
Suppliers	146,650	137,140	148,027	1,218	1,222	1,225
Net foreign exchange losses	5	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	157,479	137,937	148,824	1,218	1,222	1,225
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	-	-	-	-	-	-
Total operating expenses	157,479	137,937	148,824	1,218	1,222	1,225
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	627	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	627	-	-	-	-	-
Program 1.2 - Operations Supporting Wider Interests Total funded expenditure ^[a]	158,106	137,937	148,824	1,218	1,222	1,225

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 *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	12,764	11,261	11,261	-	-	-
Suppliers	105,263	118,901	119,050	22	22	22
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	118,027	130,162	130,311	22	22	22
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	15	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	15	-	-	-	-	-
Total operating expenses	118,042	130,162	130,311	22	22	22
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	5,370	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	5,370	-	-	-	-	-
Program 1.3 - Defence Contribution to National Support Tasks in Australia Total funded expenditure ^[a]	123,397	130,162	130,311	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 *PB Statements 2025-26* as follows:

Defence ensures that its policy, strategy, capability and planning keeps pace with the rapidly changing strategic environment through the biennial National Defence Strategy cycle. The Defence Strategy Framework, endorsed by the Secretary of the Department of Defence and the Chief of the Defence Force, outlines the intelligence-informed, strategy-led and accountable process by which strategy cascades throughout the organisation.

The biennial National Defence Strategy is Defence's highest-level 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 as the cornerstone of Defence planning. This approach aims to deter a potential adversary from taking actions that would be inimical to Australia's interests and regional stability. The Strategy of Denial involves working with the United States and key partners to ensure no country attempts to achieve its regional objectives through military action. By signalling a credible ability to hold potential adversary forces at risk, this strategy also seeks to deter attempts to coerce Australia through force.

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 contribute to regional security and stability, and strengthen deterrence against the threat of military coercion or a major conflict. 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 shape a region that is peaceful, stable and prosperous, that operates by rules, standards and norms and in which countries exercise their own agency to safeguard sovereignty.

Australia's support for the principles of sovereignty, territorial integrity and international law is not constrained by geography. Australia has committed over \$1.7 billion in support of Ukraine's self-defence. In addition to materiel and financial support, the ADF continues to make an important contribution to multinational efforts in support of Ukraine under Operation Kudu. The ADF 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.

A continued focus in 2025-26 and beyond will be reviewing the ongoing implementation of the *Defence Trade Control Amendment Act 2014* which established a trilateral export control licence-free environment with the United States and the United Kingdom. This legislation came into effect on 1 September 2024, with the commencement of its three new offences coming into effect on 1 March 2025. Defence continues to pursue further changes to the military and dual-use goods and technology export framework to protect and strengthen our capability edge while accelerating capability delivery. Defence will seek to strengthen industrial engagement with priority partners, bolster collective capability and resilience, and advance collaboration through the Partnership for Indo-Pacific Industrial Resilience (a multilateral forum bringing together Indo-Pacific and Euro-Atlantic partners). Regulating the export of military and dual-use goods, software, technology and services (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, through participation in a series of multilateral non-proliferation and export control regimes, and preventing the illicit trade of conventional weapons and proliferation of weapons of mass destruction.

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 to 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's *2024 Defence Industry Development Strategy* establishes 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.

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 linked programs since the *PB Statements 2025-26*:

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 Defence's Industry Engagement Division to share industry insights and identify alignment opportunities for inter-departmental policy on promoting Australian businesses seeking to increase their capability and capacity to participate in supply chains for defence projects.
DISR engages with Defence on a cross-portfolio approach to artificial intelligence across the economy.
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, provides expert advice to support Defence's conventionally-armed, nuclear submarine program. 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 Science Technology Engineering and Mathematics (STEM) by attracting and retaining Australians from diverse backgrounds in STEM education and careers.

Department of the Treasury
Program 1.3 - Support for Markets and Business.
Program 1.4 - Commonwealth-State Financial Relations.
Contribution to Outcome 2 by linked programs
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.

Australian Security Intelligence Organisation

Program 1.1 - Security Intelligence.

Contribution to Outcome 2 by linked program

Consistent with the *Australian Security Intelligence Organisation Act 1979*, Australian Security Intelligence Organisation (ASIO) also provides advice to Defence on matters relevant to security. ASIO exercises its foreign intelligence collection powers under warrant at the request of the Minister for Defence or the Minister for Foreign Affairs.

Australian Federal Police

Program 1.1 - Federal Policing.

Program 3.1 - Specialist Protective Services.

Program 3.2 - International Police Assistance and External Territories.

Program 3.3 - AFP Nuclear-Powered Submarine Program.

Contribution to Outcome 2 by linked programs

The Australian Federal Police (AFP) engages with the Department of Defence under a framework for cooperation between the participants to strengthen and consolidate sharing of information in national security, international and border-related activities (directly and through the National Intelligence Community). This cooperation promotes security and stability within Australia's external and internal territories, including Christmas Island, Cocos (Keeling) Islands, Norfolk Island and the Jervis Bay Territory.

The AFP delivers protective security services for Defence at Defence Sites. The AFP National Operations State Service Centre works closely with Defence for matters of crisis management and response, assisting domestic and international coordination and management to protect national interests. The placement of AFP advisors at the Australian Civil-Military Centre (ACMC) supports a high-priority Australian Government initiative to enhance the effectiveness of national and regional civil-military-police interaction in conflict and disaster management and promotes regional and global security.

The AFP collaborates with Defence in building and integrating the interim AFP protective security overlay in support of the Australian nuclear submarine program under the Australia, the United Kingdom and the United States (AUKUS) initiative.

Defence and Veterans' Service Commission

Program 2.12 - Defence People.

Contribution to Outcome 2 by linked program

The Defence and Veterans' Service Commission provides independent oversight and evidence-based advice to the Australian Government and Parliament, including by monitoring, inquiring and reporting on reforms to systems affecting ADF members and Veterans.

Outcome 2 Resources

Table 20: Total Budgeted Resources Available for Outcome 2

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 2.1 Strategy, Policy and Industry						
Revenues from other sources	55,875	579	579	602	629	653
Expenditure funded by appropriations	659,884	781,311	849,145	708,348	832,637	1,053,221
Program 2.2 Defence Executive Support						
Revenues from other sources	3,496	3,403	1,800	3,524	3,068	1,403
Expenditure funded by appropriations	717,250	649,470	559,770	670,405	690,221	565,627
Program 2.3 Defence Finance ^[a]						
Revenues from other sources	110,951	7,833	26,640	8,047	7,175	4,215
Expenditure funded by appropriations	262,946	177,397	175,924	182,522	181,229	186,930
Program 2.4 Joint Capabilities						
Revenues from other sources	12,816	15,429	15,421	15,840	16,210	16,638
Expenditure funded by appropriations	2,365,763	2,507,508	2,758,130	3,033,456	3,070,866	4,369,180
Program 2.5 Navy Capabilities						
Revenues from other sources	70,857	22,844	22,844	23,440	24,053	24,681
Expenditure funded by appropriations	11,226,874	11,862,635	12,036,596	12,313,971	12,958,928	14,560,518
Program 2.6 Army Capabilities						
Revenues from other sources	41,300	47,486	47,486	41,293	44,974	44,649
Expenditure funded by appropriations	12,580,628	13,034,364	13,501,259	13,751,665	14,545,375	14,503,417
Program 2.7 Air Force Capabilities						
Revenues from other sources	106,951	42,978	44,579	44,082	45,216	46,381
Expenditure funded by appropriations	10,016,667	9,958,345	10,511,000	11,136,807	11,324,567	12,756,808
Program 2.8 Australian Defence Force Headquarters						
Revenues from other sources	263,842	329,746	329,708	175,740	121,792	112,278
Expenditure funded by appropriations	371,866	213,977	404,693	478,168	594,180	627,009
Program 2.9 Capability Acquisition and Sustainment						
Revenues from other sources	54,927	2,000	2,452	2,000	2,000	2,000
Expenditure funded by appropriations	1,105,312	1,539,643	1,579,205	1,809,350	1,934,492	2,964,467
Program 2.10 Security and Estate						
Revenues from other sources	807,750	708,444	615,675	585,025	615,208	610,755
Expenditure funded by appropriations	6,236,010	6,128,523	6,427,518	6,402,554	6,685,011	6,999,326
Program 2.11 Defence Digital						
Revenues from other sources	54,395	65,791	65,791	72,240	66,712	46,826
Expenditure funded by appropriations	1,636,361	1,664,235	1,638,323	1,861,991	2,151,965	2,301,510
Program 2.12 Defence People						
Revenues from other sources	14,348	15,181	15,181	15,373	14,618	11,817
Expenditure funded by appropriations	1,942,085	2,058,635	1,963,263	2,070,635	2,180,933	2,299,947
Program 2.13 Defence Science and Technology						
Revenues from other sources	42,830	4,643	8,123	4,759	4,872	4,989
Expenditure funded by appropriations	537,568	736,851	547,435	551,898	602,950	724,513
Program 2.14 Defence Intelligence						
Revenues from other sources	310,433	4,592	4,592	4,707	4,825	4,945
Expenditure funded by appropriations	811,425	1,066,964	1,114,221	1,531,974	1,567,583	1,601,086
Program 2.15 Naval Shipbuilding and Sustainment						
Revenues from other sources	30	-	-	-	-	-
Expenditure funded by appropriations	232,537	341,250	403,439	294,018	244,078	245,871
Program 2.16 Nuclear-Powered Submarines						
Revenues from other sources	-	-	-	-	-	-
Expenditure funded by appropriations	2,264,435	3,111,304	3,368,409	2,028,952	3,284,711	3,834,133

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 2.19 Defence Trusts and Joint Accounts						
Revenues from other sources	32,329	114,222	71,631	74,387	339,143	257,418
Total Expenditure	27,169	114,171	77,611	76,682	340,872	259,129
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)	33,612	25,568	31,000	30,712	29,371	28,189
Defence Force Retirement and Death Benefits Act, 1973 Part XII, s.125 (3)	1,863,062	1,847,396	1,892,982	1,894,625	1,905,343	1,914,715
Military Superannuation and Benefits Act, 1991 Part V, s.17 ^[b]	2,497,237	2,551,277	2,825,056	3,084,619	3,407,052	3,736,022
Australian Defence Force Cover Act 2015	165,315	255,776	220,000	315,799	406,418	515,062
Expenses not requiring appropriation	5,788,906	5,386,428	5,529,953	5,270,117	5,460,161	5,593,356
Total Administered expenses^[c]	10,348,132	10,066,445	10,498,991	10,595,872	11,208,345	11,787,344
Administered revenues from other sources ^[d]	-1,102,317	-1,043,042	-1,072,084	-1,013,292	-957,230	-903,424
Total Program 2.20 and 2.21	9,245,815	9,023,403	9,426,907	9,582,581	10,251,115	10,883,920
Program 2.22 Housing Assistance						
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	289,412	255,100	301,886	348,236	383,515	418,546
Expenses not requiring appropriation	-	-	-	-	-	-
Total Administered expenses	289,412	255,100	301,886	348,236	383,515	418,546
Administered revenues from other sources	-25,274	-26,573	-28,000	-30,300	-33,430	-36,560
Total Program 2.22	264,138	228,527	273,886	317,936	350,085	381,986
Program 2.23 Other Administered						
Expenses not requiring appropriation	39	-	-	-	-	-
Total Administered expenses	39	-	-	-	-	-
Administered revenues from other sources	-48,893	-43,047	-47,509	-47,583	-48,290	-51,054
Total Program 2.23	-48,854	-43,047	-47,509	-47,583	-48,290	-51,054
Total resourcing						
Total operating expense (incl. repayment of lease liabilities) funded by appropriation ^[e]	40,399,441	40,429,075	40,793,639	41,092,991	44,203,785	47,250,434
Net capital surplus / (deficit) ^[f]	-1,248,600	-	-	-	-700,000	-
Capital Prepayment	-	-	-	-	-	-
Total Gifted assets included in budget estimates	-	-	-	-	-	-
Total Administered^[g]	4,774,564	4,935,116	5,270,922	5,673,990	6,131,699	6,612,533
Total Departmental revenue from other sources	1,950,801	1,270,949	1,200,870	996,672	971,351	932,230
Total Administered revenue from other sources ^[h]	1,176,484	1,112,662	1,147,593	1,091,175	1,038,950	991,038
Administered returns to the Official Public Account ^[i]	-1,508,432	-1,367,249	-1,418,251	-1,346,320	-1,280,685	-1,220,526
Prior year appropriation	-	-	-	-	-	-
Total capital expenditure funded by Equity injection:						
- Bill 1 DCB	2,703,793	3,128,980	2,814,734	3,034,422	3,300,457	3,370,206
- Bill 2 Equity ^[e]	11,112,977	12,274,359	14,229,960	14,699,302	15,345,486	18,972,927
Total resources for Outcome 2	59,361,028	61,783,893	64,039,468	65,242,231	69,011,042	76,908,841
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts	5,160	51	-5,980	-2,295	-1,729	-1,710
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	59,366,188	61,783,944	64,033,488	65,239,935	69,009,314	76,907,131

Notes:

- a. The higher Defence finance expenditure in 2024-25 is driven by the whole-of-department employees expenses, net foreign exchange losses and expenditure recognised against cash transferred to the OPA in relation to non-retainable income under section 74 of *Public Governance, Performance and Accountability Act 2013* 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*.
- c. Figures for 2025-26 have been calculated using the applicable Australian Accounting Standards Board (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. The decrease in Military superannuation contributions from 2024-25 is attributable to the closure of Military Superannuation and Benefits Scheme (MSBS) to new ADF personnel, resulting in a gradual decline in the number of contributing members in MSBS.
- e. The expenditure for the 2025-26 Revised Estimate reflects a movement of funds of \$2.0 billion from 2027-28 to 2025-26 towards increased preparedness in Sustainment and the acceleration of Capability.
- f. The funding movement from 2027-28 to 2024-25 of \$700 million was to partly address Defence's ongoing working capital requirements. This adjustment provided short-term relief to increase cash reserves to meet Defence industry commitments as and when they fell due for payment. Refer Table 1 Serial 4. While the increase in working capital in 2024-25 was by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was used to address existing expenditure commitments already incurred/recognised. In 2027-28, the reduction of appropriation will not impact planned capital expenditure levels as Government has agreed Defence will operate with a Net Capital Deficit in that financial year.
- g. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.
- h. Total Administered revenue from other sources comprises of Military superannuation contributions, competitive neutrality revenue received from DHA and licence fees received under the DHOAS.
- i. Administered returns to the 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 *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	114,817	124,933	130,578	134,966	139,204	143,503
Suppliers	581,148	615,237	709,155	561,185	628,721	716,897
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	19,651	8,287	8,581	10,110	10,112	10,113
	715,616	748,457	848,314	706,261	778,037	870,513
Expenses not requiring appropriation						
Depreciation and amortisation	11,314	8,401	12,631	14,101	15,743	17,575
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets ^[a]	16,309	-394	4,203	4,444	4,699	4,969
	27,623	8,007	16,834	18,545	20,442	22,544
Total operating expenses	743,239	756,464	865,148	724,806	798,479	893,057
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	143	25,906	1,410	2,689	55,229	183,361
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	7,526	-	-	-	-
Total capital expenditure	143	33,432	1,410	2,689	55,229	183,361
Program 2.1 Strategy, Policy and Industry Total funded expenditure ^[b]	715,759	781,890	849,724	708,950	833,266	1,053,874

Notes

- Negative amounts denote a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2025-26 Budget Estimate. This program is in a Net write-on position in 2025-26 Budget Estimate.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.2: Defence Executive Support

Performance information is as reported in the *PB Statements 2025-26*.

Table 22: Cost Summary for Program 2.2 Defence Executive Support [a]

	2024-25 Actual result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	144,276	157,957	152,825	144,905	146,160	137,530
Suppliers	339,527	393,686	286,280	360,382	387,663	305,599
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	5,375	2,811	4,645	2,882	2,753	3,028
	489,178	554,454	443,751	508,169	536,576	446,156
Expenses not requiring appropriation						
Depreciation and amortisation	31,156	35,311	31,477	35,183	39,329	43,971
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	283	17,632	44	46	49	51
	31,439	52,943	31,521	35,229	39,378	44,022
Total operating expenses	520,617	607,397	475,272	543,398	575,954	490,178
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	231,568	98,401	117,820	165,760	156,713	120,874
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	18	-	-	-	-
Total capital expenditure	231,568	98,419	117,820	165,760	156,713	120,874
Program 2.2 Defence Executive Support Total funded expenditure [b][c]	720,746	652,873	561,570	673,929	693,289	567,030

Notes

- The Defence Executive Program Budget Estimate in *PB Statements 2025-26* included the amounts that were subsequently transferred to the ANNPSR upon its creation on 1 November 2025.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.3: Defence Finance

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees ^{[b][c]}	175,067	111,395	114,486	115,215	112,712	116,090
Suppliers	79,404	69,957	84,200	71,398	71,640	70,921
Net foreign exchange losses ^[d]	69,017	-	-	-	-	-
Other expenses ^[e]	50,409	3,878	3,878	3,956	4,052	4,134
	373,897	185,230	202,564	190,569	188,404	191,145
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	-	-	-	-	-	-
Total operating expenses	373,897	185,230	202,564	190,569	188,404	191,145
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 ^[f]	373,897	185,230	202,564	190,569	188,404	191,145

Notes

- The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
- Employee Budget for whole of Defence FTE is held in this Program from time to time for future prioritisation.
- Employee expenses for 2024-25 Actual Result are higher than 2025-26 Revised Estimate and Forward Estimates predominantly due to the loss associated with the actuarial assumptions, including the decrease in government bond rates as at 30 June 2025 compared to 30 June 2024.
- Net foreign exchange losses are driven by fluctuations in the value of the Australian Dollar. The Australian Dollar was weaker in 2024-25, with Program 2.3 Defence Finance including all impacts for the whole of Defence for programs within Outcome 2.
- Other expenses for 2024-25 Actual Result represents cash transferred to the OPA in relation to non-retainable income under section 74 of *Public Governance, Performance and Accountability Act 2013*.
- 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 *PB Statements 2025-26*.

Table 24: Cost Summary for Program 2.4 Joint Capabilities

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	186,582	199,532	201,206	209,462	215,895	221,212
Suppliers	1,574,628	1,470,321	1,617,455	1,806,206	1,975,479	2,183,325
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	2,485	21	17	17	17	18
	1,763,695	1,669,874	1,818,678	2,015,685	2,191,391	2,404,554
Expenses not requiring appropriation						
Depreciation and amortisation	131,243	123,127	141,784	153,353	166,138	180,310
Inventory consumption ^[a]	91,064	-	-	-	-	-
Net write-down and net impairment of assets	763,806	475,227	504,905	535,756	570,523	607,076
	986,113	598,354	646,689	689,109	736,661	787,386
Total operating expenses	2,749,808	2,268,227	2,465,367	2,704,794	2,928,052	3,191,940
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	569,279	853,006	954,873	1,033,611	895,685	1,981,264
Purchases of inventory ^[a]	45,605	-	-	-	-	-
Principal repayments of lease liabilities	-	58	-	-	-	-
Total capital expenditure	614,884	853,064	954,873	1,033,611	895,685	1,981,264
Program 2.4 Joint Capabilities Total funded expenditure ^{[b][c]}	2,378,579	2,522,937	2,773,551	3,049,296	3,087,076	4,385,818

Notes

- Purchase of inventory and inventory consumption are predominately budgeted in military programs (2.5 Navy Capabilities, 2.6 Army Capabilities and 2.7 Air Force Capabilities), however, actual purchase and consumption of inventory may occur under different programs.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.5: Navy Capabilities

Performance information is as reported in the *PB Statements 2025-26*.

Table 25: Cost Summary for Program 2.5 Navy Capabilities

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	2,915,576	2,963,404	3,132,821	3,276,152	3,440,491	3,608,972
Suppliers	4,133,331	4,428,681	4,453,995	4,223,990	4,012,649	4,938,167
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	12,886	6,276	6,266	5,816	5,412	4,974
	7,061,793	7,398,360	7,593,082	7,505,958	7,458,553	8,552,113
Expenses not requiring appropriation						
Depreciation and amortisation	1,407,847	1,849,348	1,499,886	1,574,081	1,650,246	1,728,131
Inventory consumption ^[a]	162,644	367,939	293,489	273,592	298,965	300,114
Net write-down and net impairment of assets	528,845	27,776	154,258	164,752	176,334	189,211
	2,099,336	2,245,063	1,947,633	2,012,425	2,125,545	2,217,456
Total operating expenses	9,161,129	9,643,424	9,540,715	9,518,383	9,584,098	10,769,569
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,734,210	3,887,549	4,132,601	4,315,463	4,996,534	5,519,194
Purchases of inventory ^[a]	494,264	571,399	312,476	494,161	505,568	491,054
Principal repayments of lease liabilities	7,464	28,170	21,281	21,829	22,326	22,837
Total capital expenditure	4,235,938	4,487,118	4,466,358	4,831,453	5,524,428	6,033,086
Program 2.5 Navy Capabilities Total funded expenditure^{[b][c]}	11,297,731	11,885,479	12,059,440	12,337,411	12,982,981	14,585,199

Notes

- Purchase of inventory and inventory consumption are predominately budgeted in military programs (2.5 Navy Capabilities, 2.6 Army Capabilities and 2.7 Air Force Capabilities), however, actual purchase and consumption of inventory may occur under different programs.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

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

Deliverables		2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
16	Major Combatants ^[b]	3,126	2,626	2,875	3,258	3,366
15	Minor Combatants ^[c]	3,892	3,536	3,063	2,950	2,820
5	Amphibious and Afloat Support ^[d]	1,113	1,009	1,039	1,089	1,168
12	Maritime Teams ^[e]	3,267	3,285	3,213	3,292	3,285
2	Hydrographic Force ^[f]	664	670	628	496	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 UADs is due to variation of maintenance activities across Anzac-class frigates and delayed planned maintenance periods across Collins class submarines.
- c. Minor Combatants comprises three Armidale class patrol boats, ten Cape class patrol boats, two Huon class coastal minehunters and Arfura Offshore Patrol Vessels. Reduction of UADs due to variation of maintenance periods across all classes and decommissioning dates for Armidale Class Patrol Boats. This has had a flow on effect in outer year estimates for the Huon class coastal minehunters.
- d. Amphibious and Afloat Support comprises two Supply class replenishment ships, two Canberra class amphibious ships and HMAS Choules. Reduction in UADs due to defect repairs for both Auxiliary Oiler Replenishments'.
- e. Maritime Teams comprises two Clearance Diving Teams, four Deployable Geospatial Support, two Deployable Meteorological and Oceanographic Teams, two Deployable Geospatial Support Teams, one Deployable Shallow Water Survey Team and one Deployable Multibeam Survey Team. Nil significant change.
- f. Hydrographic Force comprises one Leeuwin class hydrographic ship and the Naval Air Station Weather and Oceanographic Centre. Nil significant change.

Table 27: Navy Deliverables (Flying Hours)

Deliverables		2025-26 Budget Estimates	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
23	MH-60R ^[a]	6,250	6,450	6,750	7,200	7,200

Note

- a. Increase in flying hours due to the increased availability of workforce.

Program 2.6: Army Capabilities

Performance information is as reported in the *PB Statements 2025-26*.

Table 28: Cost Summary for Program 2.6 Army Capabilities

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	4,912,772	5,166,879	5,211,390	5,454,672	5,657,584	5,949,942
Suppliers	2,509,549	3,085,319	2,988,999	3,102,464	2,991,765	3,806,553
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	1,772	4,427	4,479	4,546	4,613	4,680
	7,424,093	8,256,625	8,204,869	8,561,682	8,653,961	9,761,174
Expenses not requiring appropriation						
Depreciation and amortisation	1,745,120	1,858,642	1,836,871	1,926,292	2,017,349	2,109,525
Inventory consumption ^[a]	333,140	624,890	517,224	553,975	555,647	570,589
Net write-down and net impairment of assets	59,481	236,293	96,960	29,993	32,562	38,510
	2,137,741	2,719,825	2,451,055	2,510,260	2,605,558	2,718,624
Total operating expenses	9,561,834	10,976,450	10,655,924	11,071,942	11,259,519	12,479,799
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	4,376,528	3,847,099	4,454,110	4,255,397	4,994,849	3,867,605
Purchases of inventory ^[a]	821,307	969,054	889,766	975,879	941,538	919,287
Principal repayments of lease liabilities	-	9,072	-	-	-	-
Total capital expenditure	5,197,835	4,825,225	5,343,876	5,231,276	5,936,387	4,786,892
Program 2.6 Army Capabilities Total funded expenditure ^{[b][c]}	12,621,928	13,081,850	13,548,745	13,792,958	14,590,349	14,548,066

Notes

- Purchase of inventory and inventory consumption are predominately budgeted in military programs (2.5 Navy Capabilities, 2.6 Army Capabilities and 2.7 Air Force Capabilities), however, actual purchase and consumption of inventory may occur under different programs.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

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

Deliverables		2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
14	CH-47F Chinook	3,000	3,000	3,000	3,000	3,000
22	ARH Tiger ^[a]	1,315	1,315	450	450	-
29	AH-64E Apache ^[b]	700	700	2,200	3,700	5,800
40	UH-60M Black Hawk ^[c]	3,600	3,600	4,000	4,900	6,900
6	Integrator - TUAS ^[d]	2,750	1,250	1,750	2,000	2,000
3	AW139 ^[e]	-	-	-	-	-
5	H135 ^[f]	3,000	1,500 ^[f]	3,000	3,000	1,500

Notes

- a. Reducing ARH Tiger Rate of Effort (ROE) reflects transition of the capability to the replacement Boeing AH-64E Apache.
- b. AH-64E Apache Forward Estimates reflect the fleet's planned introduction into service in accordance with Plan TALON V2.0 as it replaces ARH Tiger. Aircraft deliveries will progressively increase to a fleet of 29.
- c. 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.
- d. Integrator Tactical Unmanned Aircraft System (TUAS) Forward Estimates reflect the fleet's planned Introduction into service as it replaces Shadow 200 TUAS. The Budget Estimate has been revised down to reflect revised timings for introduction into service. System deliveries have commenced and will progressively increase to a fleet of six systems.
- e. The AW139 fleet was withdrawn from service at the end of Quarter 2, 2025.
- f. H135 estimate has reduced for 2025-26 due to a maturing support system and unscheduled maintenance requirements.

Program 2.7: Air Force Capabilities

Performance information is as reported in the *PB Statements 2025-26*.

Table 30: Cost Summary for Program 2.7 Air Force Capabilities

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	2,929,341	2,951,848	3,187,466	3,377,938	3,516,847	3,591,370
Suppliers	4,177,705	4,576,287	4,604,531	4,703,340	4,407,320	5,464,823
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	18,221	2,006	1,766	1,792	1,818	1,844
	7,125,267	7,530,141	7,793,764	8,083,070	7,925,985	9,058,036
Expenses not requiring appropriation						
Depreciation and amortisation	2,042,008	1,865,906	2,159,389	2,268,263	2,380,016	2,494,230
Inventory consumption ^[a]	420,402	384,592	326,482	357,006	378,785	404,568
Net write-down and net impairment of assets	152,856	60,286	52,294	58,627	66,299	75,677
	2,615,266	2,310,784	2,538,165	2,683,896	2,825,100	2,974,475
Total operating expenses	9,740,533	9,840,925	10,331,929	10,766,966	10,751,085	12,032,511
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	2,477,157	1,858,289	2,249,127	2,469,482	2,801,644	3,093,018
Purchases of inventory ^[a]	521,194	599,698	512,689	628,337	642,154	652,135
Principal repayments of lease liabilities	-	13,195	-	-	-	-
Total capital expenditure	2,998,351	2,471,182	2,761,815	3,097,818	3,443,798	3,745,153
Program 2.7 Air Force Capabilities Total funded expenditure ^{[b][c]}	10,123,618	10,001,323	10,555,579	11,180,889	11,369,783	12,803,189

Notes

- Purchase of inventory and inventory consumption are predominately budgeted in military programs (2.5 Navy Capabilities, 2.6 Army Capabilities and 2.7 Air Force Capabilities), however, actual purchase and consumption of inventory may occur under different programs.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Table 31: Air Force Deliverables (Flying Hours)

Air Force is expecting to under-fly its budgeted annual Rate of Effort for some aircraft types in Financial Year 2025-26. Generating flying hours is a complex relationship between critical enablers, increasing sustainment costs, and variability in aircraft employment to meet Government directed tasks.

Deliverables ^[a]		2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
49	PC-21	26,820	24,700	24,700	24,700	24,700
11	KA350 King Air	3,800	3,800	3,800	3,800	1,900
12	C-130J Hercules	7,350	5,900	6,650	7,350	7,350
8	C-17A Globemaster III	6,200	5,400	5,800	6,200	6,200
10	C-27J Spartan	5,500	5,050	5,300	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	1,950	2,150	2,400	2,400
13	P-8A Poseidon ^[b]	6,200	6,200	6,600	7,000	7,400
6	E-7A Wedgetail	3,600	3,350	3,600	3,600	3,600
24	F/A-18F Super Hornet	4,500	3,960	4,140	4,200	4,400
33	Hawk 127	6,500	5,550	5,750	6,000	6,000
12	EA-18G Growler	2,800	2,550	2,800	3,200	3,400
72	F-35A Lightning II ^[c]	11,500	10,500	11,000	11,500	12,000
-	MC-55A Peregrine ^[d]	400	400	1,600	2,400	2,400
-	MQ-4C Triton ^[e]	1,500	700	2,000	2,600	4,050

Notes

- a. Fleet sizes represent totals in service at 1 December 2025.
- b. P-8A Poseidon Forward Estimates reflect 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. Second and Third MQ-4C Triton arrived in Australia in May 2025 and will not enter service with Air Force in 2025-26.

Program 2.8: Australian Defence Force Headquarters

Performance information is as reported in the *PB Statements 2025-26*.

Table 32: Cost Summary for Program 2.8 Australian Defence Force Headquarters ^[a]

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	52,217	45,266	63,860	68,310	70,205	72,156
Suppliers	571,172	498,351	670,525	585,581	627,223	603,800
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	3,179	88	16	17	17	17
	626,568	543,705	734,401	653,908	697,445	675,973
Expenses not requiring appropriation						
Depreciation and amortisation	22,330	13,807	23,752	25,582	27,576	29,756
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	224	218	7	7	8	8
	22,554	14,025	23,759	25,589	27,584	29,764
Total operating expenses	649,122	557,729	758,160	679,497	725,029	705,737
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	9,120	-	-	-	18,527	63,315
Purchases of inventory	20	-	-	-	-	-
Principal repayments of lease liabilities	-	18	-	-	-	-
Total capital expenditure	9,140	18	-	-	18,527	63,315
Program 2.8 Australian Defence Force Headquarters Total funded expenditure ^{[b][c]}	635,708	543,723	734,401	653,908	715,972	739,287

Notes

- The 2025-26 Revised Estimate and Forward Estimates contains funding relating to the Advanced Strategic Capabilities Accelerator (ASCA) which was established as a separately branded division within Defence in *PB Statements 2023-24*. All funding relating to ASCA was transferred from Program 2.13 Defence Science and Technology to Program 2.8 Australian Defence Force Headquarters in March 2025. This includes the transfer of associated 2024-25 expenditure.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.9: Capability Acquisition and Sustainment (including Guided Weapons and Explosive Ordnance Group)

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	503,234	484,272	508,163	524,621	539,791	556,336
Suppliers	517,269	491,498	619,240	649,832	588,592	1,021,291
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	25,068	24,470	24,470	26,200	26,200	26,200
	1,045,571	1,000,240	1,151,872	1,200,653	1,154,583	1,603,827
Expenses not requiring appropriation						
Depreciation and amortisation	628	1,049	723	875	1,060	1,285
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets ^[a]	470	-2,811	126	133	140	148
	1,098	-1,762	849	1,008	1,200	1,433
Total operating expenses	1,046,669	998,478	1,152,721	1,201,661	1,155,783	1,605,260
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	110,505	541,403	429,785	610,697	781,909	1,362,640
Purchases of inventory	4,163	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	114,668	541,403	429,785	610,697	781,909	1,362,640
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure ^[b]	1,160,239	1,541,643	1,581,657	1,811,350	1,936,492	2,966,467

Notes

- Negative amounts denote a net reversal of previous asset write-downs (net write-on position). Total Defence is in a net write-down and impairment of assets position in 2025-26 Budget Estimate. This program is in a net write-on position in 2025-26 Budget Estimate.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.10: Security and Estate

Performance information is as reported in the *PB Statements 2025-26*.

Table 34: Cost Summary for Program 2.10 Security and Estate

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	1,275,191	1,555,619	1,569,039	1,651,387	1,736,991	1,833,931
Suppliers	3,841,849	3,533,077	3,521,569	3,543,250	4,029,979	4,389,165
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	192,231	110,263	111,546	109,404	107,175	104,435
	5,309,271	5,198,959	5,202,155	5,304,041	5,874,145	6,327,531
Expenses not requiring appropriation						
Depreciation and amortisation	1,688,198	1,688,284	1,768,053	1,864,095	1,968,987	2,083,725
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	42,349	6,578	59,347	64,868	72,205	77,580
	1,730,547	1,694,862	1,827,400	1,928,963	2,041,192	2,161,305
Total operating expenses	7,039,818	6,893,821	7,029,555	7,233,004	7,915,338	8,488,835
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	1,322,654	1,317,221	1,437,277	1,274,501	1,011,630	862,634
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	411,835	320,787	403,762	409,037	414,444	419,916
Total capital expenditure	1,734,489	1,638,008	1,841,039	1,683,538	1,426,074	1,282,550
Program 2.10 Security and Estate Total funded expenditure ^{[a][b]}	7,043,760	6,836,967	7,043,193	6,987,579	7,300,219	7,610,081

Notes

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

Program 2.11: Defence Digital

Performance information is as reported in the *PB Statements 2025-26*.

Table 35: Cost Summary for Program 2.11 Defence Digital

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	122,568	101,378	101,378	104,681	107,858	111,133
Suppliers	1,563,583	1,598,667	1,532,861	1,589,508	1,774,926	1,890,992
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	2	27	27	27	27	28
	1,686,153	1,700,072	1,634,266	1,694,216	1,882,811	2,002,153
Expenses not requiring appropriation						
Depreciation and amortisation	152,911	213,336	163,664	190,396	221,898	259,077
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets ^[a]	-16,175	-6,255	-3,299	-3,480	-3,670	-3,872
	136,736	207,081	160,365	186,916	218,228	255,205
Total operating expenses	1,822,889	1,907,153	1,794,631	1,881,132	2,101,039	2,257,358
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	4,603	11,871	69,848	240,016	335,865	346,183
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	18,083	-	-	-	-
Total capital expenditure	4,603	29,954	69,848	240,016	335,865	346,183
Program 2.11 Defence Digital Total funded expenditure ^{[b] [c]}	1,690,756	1,730,026	1,704,114	1,934,231	2,218,677	2,348,336

Notes

- Negative amounts denote a net reversal of previous asset write-downs (net write-on position). Total Defence is in a net write-down and impairment of assets position in 2024-25 Actual Result, 2025-26 Budget Estimate, 2025-26 Revised Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Actual Result, 2025-26 Budget Estimate, 2025-26 Revised Estimate and the Forward Estimates.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.12: Defence People (including Chief of Personnel)

Performance information is as reported in the *PB Statements* 2025-26.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	980,565	1,215,147	1,175,483	1,218,493	1,282,912	1,351,679
Suppliers	960,664	818,296	772,275	837,172	881,669	928,136
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	5,714	5,106	5,118	5,140	5,163	5,186
	1,946,943	2,038,549	1,952,876	2,060,805	2,169,744	2,285,001
Expenses not requiring appropriation						
Depreciation and amortisation	27,682	29,390	28,674	30,022	31,452	32,970
Inventory consumption ^[b]	1,418	12,309	10,179	10,453	11,157	12,172
Net write-down and net impairment of assets ^[c]	89	-898	5	5	5	6
	29,189	40,801	38,858	40,480	42,614	45,148
Total operating expenses	1,976,132	2,079,349	1,991,734	2,101,285	2,212,358	2,330,148
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	4,329	6,857	6,857	6,759	6,921	7,178
Purchases of inventory ^[b]	5,161	18,711	18,711	18,444	18,886	19,586
Principal repayments of lease liabilities	-	9,699	-	-	-	-
Total capital expenditure	9,490	35,267	25,568	25,203	25,807	26,763
Program 2.12 Defence People Total funded expenditure ^{[d] [e]}	1,956,433	2,073,816	1,978,444	2,086,008	2,195,551	2,311,764

Notes

- The Defence People Group includes the funded expenditure for the Military Personnel Group and the People Strategy Group.
- Purchase of inventory and Inventory consumption are predominately budgeted in military programs (2.5 Navy Capabilities, 2.6 Army Capabilities and 2.7 Air Force Capabilities), however, actual purchase and consumption of inventory may occur under different programs.
- Negative amounts denote a net reversal of previous asset write-downs (net write-on position). Total Defence is in a net write-down and impairment of assets position in 2025-26 Budget Estimate. This program is in a net write-on position in 2025-26 Budget Estimate.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.13: Defence Science and Technology

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	383,636	383,602	380,764	390,887	402,791	415,062
Suppliers ^[a]	190,989	356,620	173,662	164,627	185,697	214,946
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	704	1,131	1,132	1,143	1,154	1,166
	575,329	741,353	555,558	556,657	589,642	631,174
Expenses not requiring appropriation						
Depreciation and amortisation	30,254	79,405	33,803	40,957	49,632	60,152
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets ^[b]	5,295	-4,739	1,078	1,137	1,199	1,265
	35,549	74,666	34,881	42,094	50,831	61,417
Total operating expenses	610,878	816,019	590,439	598,751	640,473	692,591
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	5,069	-	-	-	18,180	98,328
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	141	-	-	-	-
Total capital expenditure	5,069	141	-	-	18,180	98,328
Program 2.13 Defence Science and Technology Total funded expenditure ^[c]	580,398	741,494	555,558	556,657	607,822	729,502

Notes

- The 2025-26 Budget Estimate contains funding relating to ASCA which was established as a separately branded division within Defence in *PB Statements 2023-24*. All funding relating to ASCA was transferred to Program 2.8 Australian Defence Force Headquarters in March 2025. Following the March 2025-26 Budget, estimates have been retrospectively updated.
- Negative amounts denote a net reversal of previous asset write-downs (net write-on position). Total Defence is in a net write-down and impairment of assets position in 2025-26 Budget Estimate. This program is in a net write-on position in 2025-26 Budget Estimate.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.14: Defence Intelligence

Performance information is as reported in the *PB Statements 2025-26*.

Table 38: Cost Summary for Program 2.14 Defence Intelligence

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	171,791	160,025	167,058	171,884	177,101	182,489
Suppliers	831,146	590,933	596,649	824,713	977,189	1,016,420
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	4	806	14,639	9	9	9
	1,002,941	751,764	778,346	996,606	1,154,299	1,198,918
Expenses not requiring appropriation						
Depreciation and amortisation	44,274	63,599	49,428	55,181	61,604	68,775
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	43,913	56,500	15,247	17,770	20,924	24,890
	88,187	120,099	64,675	72,951	82,528	93,665
Total operating expenses	1,091,128	871,863	843,021	1,069,557	1,236,827	1,292,583
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	118,788	319,668	340,468	540,075	418,108	407,112
Purchases of inventory	129	-	-	-	-	-
Principal repayments of lease liabilities	-	124	-	-	-	-
Total capital expenditure	118,917	319,792	340,468	540,075	418,108	407,112
Program 2.14 Defence Intelligence Total funded expenditure [a]	1,121,858	1,071,556	1,118,813	1,536,681	1,572,408	1,606,031

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	2025-26 Budget Estimate	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
Maritime Safety Updates ^[a]	100%	100%	100%	100%	100%
Charting Projects ^[b]	15	15	15	15	15
Nautical Publications ^[c]	31	30	30	30	31
Survey Projects ^[d]	10	10	13	13	13
Australian Hydrographic Office Availability ^[e]	248	248	249	249	252

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 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. 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 *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	158,809	187,082	187,839	185,896	191,495	197,262
Suppliers	72,315	154,139	123,388	76,668	51,740	47,776
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	-	4	3	3	3	3
	231,124	341,225	311,229	262,567	243,238	245,041
Expenses not requiring appropriation						
Depreciation and amortisation	28	207	27	29	31	33
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	4	-	-	-	-	-
	32	207	27	29	31	33
Total operating expenses	231,156	341,432	311,256	262,596	243,269	245,074
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	1,395	-	92,210	31,451	840	830
Purchases of inventory	48	-	-	-	-	-
Principal repayments of lease liabilities	-	25	-	-	-	-
Total capital expenditure	1,443	25	92,210	31,451	840	830
Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure ^[a]	232,567	341,250	403,439	294,018	244,078	245,871

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 *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	199	-	-	-	-	-
Suppliers	2,054,654	2,634,098	2,343,743	1,357,949	2,539,552	1,486,599
Net foreign exchange losses	-	-	-	-	-	-
Other expenses	1,451	-	-	-	-	-
	2,056,304	2,634,098	2,343,743	1,357,949	2,539,552	1,486,599
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
Total operating expenses	2,056,304	2,634,098	2,343,743	1,357,949	2,539,552	1,486,599
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	208,131	477,206	1,024,666	671,003	745,159	2,347,535
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	208,131	477,206	1,024,666	671,003	745,159	2,347,535
Program 2.16 Nuclear-Powered Submarines Total funded expenditure ^[a]	2,264,435	3,111,304	3,368,409	2,028,952	3,284,711	3,834,133

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 2.19: Defence Trusts and Joint Accounts

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue						
Employees	-	-	-	-	-	-
Suppliers	-	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-	-
Other expenses ^[a]	18,524	54,061	24,099	14,765	10,906	11,097
	18,524	54,061	24,099	14,765	10,906	11,097
Expenses not requiring appropriation						
Depreciation and amortisation	-	34,013	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	-	34,013	-	-	-	-
Total operating expenses	18,524	88,074	24,099	14,765	10,906	11,097
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	8,645	60,110	53,513	61,918	329,966	248,031
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	8,645	60,110	53,513	61,918	329,966	248,031
Program 2.19 Defence Trusts and Joint Accounts ^[b]	27,169	114,171	77,611	76,682	340,872	259,129

Notes

- The change between the Budget Estimate and the Revised Estimate is due to Special Public Monies (SPM) arrangements for Oakey and Pearce which were budgeted for in *PB Statements 2025-26* Budget Estimate but have since been removed as they are no longer SPM arrangements.
- 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 *PB Statements 2025-26*.

Administered Program 2.21: Defence Force Superannuation Nominal Interest

Performance information is as reported in the *PB Statements 2025-26*.

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

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual Result \$'000	Budget Estimate \$'000	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
Expenses						
Military retention benefits	16,161	8,727	1,117	1,821	1,473	364
Military superannuation benefits ^[a]						
- benefits	3,804,000	3,243,167	3,665,207	3,463,611	3,802,512	4,101,374
- interest	6,527,971	6,814,551	6,832,667	7,130,441	7,404,360	7,685,606
Total expenses	10,348,132	10,066,445	10,498,991	10,595,872	11,208,345	11,787,344
Income						
Revenues ^[b]						
Military superannuation contributions	-1,102,317	-1,043,042	-1,072,084	-1,013,292	-957,230	-903,424
Total income	-1,102,317	-1,043,042	-1,072,084	-1,013,292	-957,230	-903,424
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	9,245,815	9,023,403	9,426,907	9,582,581	10,251,115	10,883,920

Notes

- a. Figures for 2024-25 and 2025-26 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 *PB Statements 2025-26*.

Table 44: Cost Summary for Administered Program 2.22 Housing Assistance

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual Result	Budget Estimate	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Housing subsidies	289,412	255,100	301,886	348,236	383,515	418,546
Total expenses	289,412	255,100	301,886	348,236	383,515	418,546
Income						
Revenues ^[a]						
Dividends	-	-	-	-	-	-
License fees ^[b]	-25,274	-26,573	-28,000	-30,300	-33,430	-36,560
Other	-	-	-	-	-	-
Total income	-25,274	-26,573	-28,000	-30,300	-33,430	-36,560
Program 2.22 Housing Assistance	264,138	228,527	273,886	317,936	350,085	381,986

Notes

- a. Negative amount denotes revenue.
- b. Licence fees are charged to home loan providers under the DHOAS. 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 *PB Statements 2025-26*.

Table 45: Cost Summary for Administered Program 2.23 Other Administered

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses						
Supplier expenses	39	-	-	-	-	-
Total expenses	39	-	-	-	-	-
Income						
Revenues ^[a]						
Other ^[b]	-48,893	-43,047	-47,509	-47,583	-48,290	-51,054
Total income	-48,893	-43,047	-47,509	-47,583	-48,290	-51,054
Program 2.23 Other Administered	-48,854	-43,047	-47,509	-47,583	-48,290	-51,054

Notes

- Negative amounts denote revenue.
- Other revenue predominantly includes competitive neutrality revenue from DHA.

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 2025-26 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 2025-26 as at February 2026 [a]

	Actual Appropriation 2024-25	Estimate as at Budget 2025-26	Proposed Additional Estimates 2025-26	Total Estimate at Additional Estimates 2025-26
	\$'000	\$'000	\$'000	\$'000
Departmental				
Annual appropriations - ordinary annual services	38,977,679	40,709,350	391,127	41,100,477
Prior year appropriations available	992,123	1,467,283	-417,816	1,049,467
Equity injection	11,112,977	12,274,359	1,955,601	14,229,960
Departmental Capital Budget	2,734,831	3,128,980	-314,246	2,814,734
Funding movement for 2024-25 Working Capital [b]	700,000	-	-	-
Total departmental annual appropriations [c]	54,517,610	57,579,972	1,614,666	59,194,638
Total departmental resourcing [d]	54,517,610	57,579,972	1,614,666	59,194,638
Administered				
Annual appropriations - ordinary annual services	4,774,564	4,935,116	335,806	5,270,922
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	4,774,564	4,935,116	335,806	5,270,922
Total administered resourcing	4,774,564	4,935,116	335,806	5,270,922

Notes

- a. This table is prepared on the same basis as Table 1.
- b. The funding movement from 2027-28 to 2024-25 of \$700 million was partly to address Defence's ongoing working capital requirements. This adjustment provided short-term relief to increase cash reserves to meet Defence industry commitments as and when they fell due for payment. Refer Table 1 Serial 4. While the increase in working capital in 2024-25 was by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was used to address existing expenditure commitments already incurred/recognised. In 2027-28, the reduction of appropriation will not impact planned capital expenditure levels as Government has agreed Defence will operate with a net capital deficit in that financial year.
- c. Represents Defence actual appropriation for 2024-25 as per Defence financial statements. Details of supplementation/handback in relation to prior years, mainly on account of No Win/No Loss arrangements, are provided in Tables 2a, 2b and 3 where applicable.
- d. Does not include Defence Trusts and Joints Accounts, as expenses are incurred on behalf of such trusts and joint accounts and are offset by revenues. Refer Table 1, Serials 17-19, and Table 42.

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

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000
Receipts from Defence Housing Australia for competitive neutrality revenue (Administered)	43,047	47,509
Payments made to Defence Housing Australia for the provision of services (Departmental)	910,352	886,747
Payments made to CEA Technologies Pty Ltd for the provision of services (Departmental)	715,685	569,405
Receipts from Australian Signals Directorate for the provision of services (Departmental)	105,439	105,439
Receipts from Australian Submarine Agency for the provision of services (Departmental)	36,725	36,725
Receipts from Australian Naval Nuclear Power Safety Regulator for the provision of services (Departmental)	-	3,912
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	24,260	24,260
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	44,533	44,533
Payments made to the Department of Finance for the provision of services (Departmental)	56,107	56,107
Payments made to Comcare for workers compensation premiums (Departmental)	24,452	21,481
Payments made to Bureau of Meteorology for the provision of services (Departmental)	24,469	19,283
Payments made to the Australian Federal Police for the provision of services (Departmental)	72,038	61,125

Note

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

3.3 Budgeted Financial Statements

3.3.1 Departmental and Administered Budgeted Financial Statements

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

	2025-26	2025-26	
	Budget Estimate	Revised Estimate	Variation
	\$'000	\$'000	\$'000
EXPENSES			
Employee benefits	15,820,396	16,296,415	476,019
Supplier expenses	27,010,722	26,582,840	-427,881
Grants [a]	44,907	43,528	-1,379
Depreciation and amortisation	7,863,825	7,750,162	-113,663
Finance costs	124,156	125,660	1,504
Write-down of assets and impairment of assets	1,852,543	1,855,819	3,276
Foreign exchange losses	-	-	-
Net losses from sale of assets	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	54,061	24,099	-29,962
Other	538	17,394	16,856
Total expenses	52,771,148	52,695,917	-75,230
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sales of goods and rendering of services	731,912	727,222	-4,690
Revenue in relation to Defence Trusts and Joint Accounts	114,222	71,631	-42,591
Other revenue	539,036	473,648	-65,388
Total own-source revenue	1,385,170	1,272,502	-112,669
Gains			
Foreign exchange	-	-	-
Reversals of previous asset write-downs	987,130	970,644	-16,486
Net gains from sale of assets	-	-	-
Other gains	-	-	-
Total gains	987,130	970,644	-16,486
Total own-source income	2,372,300	2,243,146	-129,155
Net cost of (contribution by) services	50,398,847	50,452,771	53,925
Revenue from Government	40,709,350	41,100,477	391,127
Surplus (Deficit) attributable to the Australian Government	-9,689,497	-9,352,294	337,202
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	-9,689,497	-9,352,294	337,202

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

	2025-26 Budget Estimate \$'000	2025-26 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	22,554	5,374	-17,180
Less: Items previously included in revenue appropriation:			
Depreciation and amortisation	7,863,825	7,750,162	-113,663
Inventory consumption	1,389,731	1,147,375	-242,356
Net write-down and net impairment of assets	865,413	885,175	19,762
Add: Repayment of lease liabilities funded through revenue appropriations	406,918	425,043	18,125
Surplus/(Deficit) attributable to the Australian Government as per above	-9,689,497	-9,352,294	337,202

Note

a. Grant expenses do not include the gifting of assets to foreign governments.

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

	2025-26 Budget Estimate	2025-26 Revised Estimate	Variation
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	321,680	767,317	445,637
Trade and other receivables	271,222	297,101	25,879
Tax assets	396,818	382,386	-14,432
Appropriation receivable	1,467,283	1,049,467	-417,816
Other receivables	840,358	1,414,824	574,466
Total financial assets	3,297,361	3,911,094	613,733
Non-financial assets			
Land and buildings	27,148,892	29,357,017	2,208,125
Infrastructure, plant and equipment	12,125,821	13,085,445	959,623
Specialist military equipment	95,184,253	99,588,397	4,404,144
Intangibles	4,149,610	4,175,718	26,108
Heritage and cultural	369,519	388,981	19,462
Inventories	11,225,024	11,490,772	265,748
Prepayments	4,112,381	4,515,471	403,090
Total non-financial assets	154,315,500	162,601,800	8,286,300
Assets held for sale	68,417	33,612	-34,805
Total assets	157,681,278	166,546,507	8,865,229
LIABILITIES			
Payables			
Suppliers	5,184,755	5,990,886	806,132
Other	1,381,735	1,688,709	306,974
Total payables	6,566,490	7,679,596	1,113,106
Interest bearing liabilities			
Leases	3,376,832	3,355,252	-21,580
Total interest bearing liabilities	3,376,832	3,355,252	-21,580
Provisions			
Employee provisions	3,743,051	3,862,714	119,663
Restoration, decontamination and decommissioning	1,056,201	1,082,647	26,446
Other	266,892	238,391	-28,501
Total provisions	5,066,143	5,183,752	117,609
Total liabilities	15,009,465	16,218,600	1,209,134
NET ASSETS	142,671,813	150,327,907	7,656,094
EQUITY			
Contributed equity	123,391,191	125,040,308	1,649,117
Retained surplus (accumulated deficit)	-18,124,955	-16,326,105	1,798,849
Reserves	37,405,577	41,613,704	4,208,127
Total equity	142,671,813	150,327,907	7,656,094

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

	2025-26	2025-26	Variation \$'000
	Budget Estimate \$'000	Revised Estimate \$'000	
OPERATING ACTIVITIES			
Cash received			
Appropriations (current year)	40,457,316	40,679,893	222,578
Appropriations (prior year)	-	-	-
Goods and services	737,733	1,053,288	315,555
Net GST received	3,125,378	3,431,883	306,505
Interest	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	123,192	125,066	1,874
Other cash received	533,213	202,182	-331,031
Cash transfer from the Official Public Account (receivables)	-	-	-
Total cash received	44,976,832	45,492,312	515,481
Cash used			
Employees	15,555,862	15,917,930	362,068
Suppliers	25,620,991	25,435,466	-185,525
Net GST paid	3,125,378	3,431,883	306,505
Grants	44,907	43,528	-1,379
Payments in relation to Defence Trusts and Joint Accounts	114,171	77,610	-36,560
Other cash used	124,691	143,054	18,363
Cash transfer to the Official Public Account (receivables)	-	-	-
Total cash used	44,585,999	45,049,472	463,473
Net cash from (used by) operating activities	390,833	442,840	52,007
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of non-financial assets	37,608	42,159	4,551
Other cash received	-	-	-
Total cash received	37,608	42,159	4,551
Cash used			
Purchase of non-financial assets	13,244,477	15,311,053	2,066,575
Purchase of inventory	2,158,862	1,733,641	-425,220
Selling costs on sale of assets	-	-	-
Finance costs	-	-	-
Total cash used	15,403,339	17,044,694	1,641,355
Net cash from (used by) investing activities	-15,365,731	-17,002,535	-1,636,804

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

	2025-26	2025-26	
	Budget Estimate	Revised Estimate	Variation
	\$'000	\$'000	\$'000
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity	12,274,359	14,229,960	1,955,601
Appropriations - departmental capital budget	3,128,980	2,814,734	-314,247
Prior year appropriation	-	-	-
Total cash received	15,403,339	17,044,694	1,641,355
Cash used			
Principal repayments of lease liabilities	406,918	425,043	18,125
Cash to the Official Public Account	-	-	-
Total cash used	406,918	425,043	18,125
Net cash from (used by) financing activities	14,996,421	16,619,651	1,623,230
Net increase (decrease) in cash and cash equivalents held	21,523	59,956	38,433
Cash and cash equivalents at the beginning of the reporting period	300,157	707,361	407,204
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	321,680	767,317	445,637

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result \$'000	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
EXPENSES					
Employee benefits	15,051,909	16,296,415	17,029,469	17,738,038	18,488,665
Supplier expenses	25,282,036	26,582,840	25,654,571	27,377,643	30,374,140
Grants ^[a]	79,342	43,528	44,999	45,108	45,205
Depreciation and amortisation	7,334,993	7,750,162	8,178,410	8,631,061	9,109,515
Finance costs	161,427	125,660	123,184	120,667	117,606
Write-down of assets and impairment of assets	2,290,761	1,855,819	1,901,808	2,030,042	2,167,467
Foreign exchange losses	69,026	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	18,524	24,099	14,765	10,906	11,097
Other	98,383	17,394	2,879	2,750	3,025
Total expenses	50,386,401	52,695,917	52,950,085	55,956,215	60,316,720
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	1,086,432	727,222	571,620	527,949	524,727
Revenue in relation to Defence Trusts and Joint Accounts	32,329	71,631	74,387	339,143	257,418
Other revenue	658,482	473,648	425,052	443,402	407,503
Total own-source revenue	1,777,243	1,272,502	1,071,059	1,310,494	1,189,648
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	693,012	970,644	1,027,750	1,088,765	1,151,948
Net gains from sale of assets	85,348	-	-	-	-
Other gains	122,194	-	-	-	-
Total gains	900,554	970,644	1,027,750	1,088,765	1,151,948
Total own-source income	2,677,797	2,243,146	2,098,809	2,399,259	2,341,596
Net cost of (contribution by) services	47,708,604	50,452,771	50,851,276	53,556,956	57,975,124
Revenue from Government	38,977,679	41,100,477	41,073,699	43,483,856	47,229,785
Surplus (Deficit) attributable to the Australian Government	-8,730,925	-9,352,294	-9,777,577	-10,073,100	-10,745,339
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	4,208,127	-	-	-	-
Total other comprehensive income/(loss)	4,208,127	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-4,522,798	-9,352,294	-9,777,577	-10,073,100	-10,745,339

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result \$'000	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	791,229	5,374	39,051	307,022	224,384
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	7,334,993	7,750,162	8,178,410	8,631,061	9,109,515
Inventory consumption	1,008,711	1,147,375	1,195,026	1,244,554	1,287,442
Net write-down and net impairment of assets	1,597,749	885,175	874,058	941,277	1,015,519
Add: Repayment of lease liabilities funded through revenue appropriations	419,299	425,043	430,866	436,770	442,753
Surplus (Deficit) attributable to the Australian Government as per above	-8,730,925	-9,352,294	-9,777,577	-10,073,100	-10,745,339

Note:

- Grant expenses do not include the gifting of assets to foreign governments.

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result \$'000	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	707,361	767,317	751,022	696,429	694,719
Trade and other receivables	338,361	297,101	297,099	297,097	297,095
Tax assets	382,386	382,386	382,386	382,386	382,386
Appropriation receivable	992,123	1,049,467	1,186,833	877,313	1,008,428
Other receivables	1,469,408	1,414,824	1,414,846	1,414,864	1,416,452
Total financial assets	3,889,639	3,911,094	4,032,186	3,668,090	3,799,080
Non-financial assets					
Land and buildings	28,871,909	29,357,017	30,260,040	30,742,278	31,253,131
Infrastructure, plant and equipment	12,393,364	13,085,445	13,434,618	14,124,540	14,187,434
Specialist military equipment	93,662,080	99,588,397	105,496,417	112,949,416	123,798,847
Intangibles	3,710,086	4,175,718	4,479,690	4,720,237	4,581,298
Heritage and cultural	403,210	388,981	375,310	362,176	349,557
Inventories	11,356,198	11,490,772	11,994,101	12,416,666	12,749,209
Prepayments	4,115,972	4,515,471	4,943,769	5,402,469	5,943,415
Total non-financial assets	154,512,819	162,601,800	170,983,945	180,717,783	192,862,891
Assets held for sale	33,612	33,612	33,612	33,612	33,612
Total assets	158,436,070	166,546,507	175,049,743	184,419,484	196,695,583
LIABILITIES					
Payables					
Suppliers	5,633,975	5,990,886	6,419,184	7,577,884	8,118,830
Other	1,915,251	1,688,709	1,589,990	1,027,895	968,756
Total payables	7,549,226	7,679,596	8,009,175	8,605,779	9,087,586
Interest bearing liabilities					
Leases	3,364,542	3,355,252	3,350,676	3,351,262	3,357,502
Total interest bearing liabilities	3,364,542	3,355,252	3,350,676	3,351,262	3,357,502
Provisions					
Employee provisions	3,565,757	3,862,714	4,084,799	4,284,508	4,474,764
Restoration, decontamination and decommissioning	1,082,647	1,082,647	1,082,647	1,082,647	1,082,647
Other	238,391	238,391	238,391	238,391	238,391
Total provisions	4,886,795	5,183,752	5,405,837	5,605,546	5,795,802
Total liabilities	15,800,563	16,218,600	16,765,688	17,562,587	18,240,890
NET ASSETS	142,635,507	150,327,907	158,284,055	166,856,897	178,454,693
EQUITY					
Contributed equity	107,999,056	125,040,308	142,774,034	161,419,976	183,763,111
Retained surplus (accumulated deficit)	-6,977,253	-16,326,105	-26,103,683	-36,176,783	-46,922,122
Reserves	41,613,704	41,613,704	41,613,704	41,613,704	41,613,704
Total equity	142,635,507	150,327,907	158,284,055	166,856,897	178,454,693

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (current year)	38,550,237	40,679,893	40,768,574	43,678,533	46,986,812
Appropriations (prior year)	-	-	-	-	-
Goods and services	2,208,084	1,053,288	912,137	901,121	911,200
Net GST received	3,630,922	3,431,883	3,596,064	4,077,860	4,448,525
Interest	50,316	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	23,781	125,066	60,388	286,277	257,418
Other cash received	286,101	202,182	84,537	70,231	21,027
Cash transfer from the Official Public Account (receivables)	2,607,298	-	-	-	-
Total cash received	47,356,739	45,492,312	45,421,699	49,014,021	52,624,983
Cash used					
Employees	14,901,506	15,917,930	16,724,344	17,932,713	18,245,690
Suppliers	24,001,772	25,435,466	24,459,545	25,433,089	29,086,698
Net GST paid	3,616,488	3,431,883	3,596,064	4,077,860	4,448,525
Grants	79,342	43,528	44,999	45,108	45,205
Payments in relation to Defence Trusts and Joint Accounts	33,911	77,610	76,684	340,871	259,129
Other cash used	220,278	143,054	126,063	123,417	120,631
Cash transfer to the Official Public Account (receivables)	2,657,591	-	-	-	-
Total cash used	45,510,888	45,049,472	45,027,699	47,953,059	52,205,877
Net cash from (used by) operating activities	1,845,851	442,840	394,000	1,060,962	419,106
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of non-financial assets	113,112	42,159	20,572	21,215	21,937
Other cash received	-	-	-	-	-
Total cash received	113,112	42,159	20,572	21,215	21,937
Cash used					
Purchase of non-financial assets	13,494,216	15,311,053	15,616,902	17,237,797	20,261,069
Purchase of inventory	1,976,976	1,733,641	2,116,821	2,108,146	2,082,063
Selling costs on sale of assets	17,792	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	15,488,984	17,044,694	17,733,724	19,345,943	22,343,133
Net cash from (used by) investing activities	-15,375,872	-17,002,535	-17,713,152	-19,324,728	-22,321,196

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

	2024-25 Actual Result	2025-26 Revised Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,565,651	14,229,960	14,699,302	16,045,486	18,972,927
Appropriations - departmental capital budget	2,755,828	2,814,734	3,034,422	3,300,457	3,370,206
Appropriations - funding movement for 2024-25	-	-	-	-700,000	-
Working Capital					
Prior year appropriation	-	-	-	-	-
Total cash received	14,321,479	17,044,694	17,733,724	18,645,943	22,343,133
Cash used					
Principal repayments of lease liabilities	419,299	425,043	430,866	436,770	442,753
Cash to the Official Public Account	-	-	-	-	-
Total cash used	419,299	425,043	430,866	436,770	442,753
Net cash from (used by) financing activities	13,902,180	16,619,651	17,302,858	18,209,173	21,900,380
Net increase (decrease) in cash and cash equivalents held					
Cash and cash equivalents at the beginning of the reporting period	372,159	59,956	-16,295	-54,593	-1,710
Transfer of cash from administered programs	332,349	707,361	767,317	751,022	696,429
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	2,853	-	-	-	-
Cash and cash equivalents at the end of the reporting period	707,361	767,317	751,022	696,429	694,719

**Table 54: Departmental Statement of Changes in Equity - Summary of Movement
(Budget year 2025-26)**

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2025				
Balance carried forward from previous period	-6,977,253	41,613,704	107,999,056	142,635,507
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	-6,977,253	41,613,704	107,999,056	142,635,507
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-9,352,294	-	-	-9,352,294
Total comprehensive income recognised directly in equity	-9,352,294	-	-	-9,352,294
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	14,229,960	14,229,960
Departmental Capital Budget	-	-	2,814,734	2,814,734
Other	-	-	-	-
Sub-total transaction with owners	-	-	17,044,694	17,044,694
Transfers between equity components	3,442	-	-3,442	-
Estimated closing balance as at 30 June 2026	-16,326,105	41,613,704	125,040,308	150,327,907

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result \$'000	Revised Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,734,831	2,814,734	3,034,422	3,300,457	3,370,206
Bill 2 Equity	11,112,977	14,229,960	14,699,302	16,045,486	18,972,927
Funding movement for 2024-25 Working Capital ^[a]	700,000	-	-	-700,000	-
Total capital appropriations	14,547,808	17,044,694	17,733,724	18,645,943	22,343,133
Represented by:					
Purchase of non-financial assets	13,173,479	15,311,053	15,616,902	17,237,797	20,261,069
Purchase of inventory	1,922,929	1,733,641	2,116,821	2,108,146	2,082,063
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
Total Items	15,096,408	17,044,694	17,733,723	19,345,943	22,343,132
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	15,096,408	17,044,694	17,733,723	19,345,943	22,343,132
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Net capital surplus/(deficit) ^{[a] [b]}	-1,248,600	-	-	-700,000	-
Total	13,847,808	17,044,694	17,733,723	18,645,943	22,343,132
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	15,105,053	17,098,207	17,795,641	19,675,909	22,591,163
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	8,645	53,513	61,918	329,966	248,031
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	15,096,408	17,044,694	17,733,723	19,345,943	22,343,132

Notes

- a. The funding movement from 2027-28 to 2024-25 of \$700 million was to partly address Defence's ongoing working capital requirements. This adjustment provided short term relief to increase cash reserves to meet Defence industry commitments as and when they fell due for payment. Refer Table 1 Serial 4. While the increase in working capital in 2024-25 was by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was used to address existing expenditure commitments already incurred/recognised. In 2027-28, the reduction of appropriation will not impact planned capital expenditure levels as Government has agreed Defence will operate with a net capital deficit in that financial year.
- b. 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 2025-26)

	Land \$'000	Buildings \$'000	Specialist Military Equipment \$'000	Infrastructure, Plant and Equipment \$'000	Intangibles \$'000	Heritage and Cultural Assets \$'000	Assets Held for Sale \$'000	Total \$'000
As at 1 July 2025								
Gross book value	7,498,918	20,018,337	93,722,302	12,999,058	5,881,907	414,837	33,612	140,568,971
Gross book value - ROU	52,348	3,163,273	285,779	630,693	-	-	-	4,132,093
Accumulated depreciation/amortisation and impairment	-	661,906	227,748	914,639	2,171,821	11,627	-	3,987,741
Accumulated depreciation/amortisation and impairment - ROU	-	1,199,061	118,253	321,748	-	-	-	1,639,062
Opening net book balance	7,551,266	21,320,643	93,662,080	12,393,364	3,710,086	403,210	33,612	139,074,261
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	24,239	1,424,587	11,597,532	1,474,673	790,022	-	-	15,311,053
By purchase - appropriation equity - ROU	-	367,985	14,829	32,939	-	-	-	415,753
By purchase - donated funds	-	26,756	-	26,756	-	-	-	53,512
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
Total additions	24,239	1,451,343	11,597,532	1,501,429	790,022	-	-	15,364,565
Total additions - ROU	-	367,985	14,829	32,939	-	-	-	415,753
Other movements								
Reclassifications ^[a]	-	-195,532	550,523	329,721	5,738	-	-	690,450
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	743,755	5,349,743	993,150	253,578	14,229	-	7,354,455
Depreciation and amortisation - ROU	-	290,340	39,418	65,949	-	-	-	395,707
Disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Disposal of entities or operations (including restructuring) - ROU	-	-	-	-	-	-	-	-
Other disposals ^[b]	-	128,832	847,406	112,909	76,550	-	-	1,165,697
Other disposals - ROU	-	-	-	-	-	-	-	-
Total other movements	-	-1,068,119	-5,646,625	-776,338	-324,390	-14,229	-	-7,829,702
Total other movements - ROU	-	-290,340	-39,418	-65,949	-	-	-	-395,707
As at 30 June 2026								
Gross book value	7,523,157	21,145,316	105,022,951	14,717,299	6,601,117	414,837	33,612	155,458,288
Gross book value - ROU	52,348	3,531,258	300,608	663,632	-	-	-	4,547,846
Accumulated depreciation/amortisation and impairment	-	1,405,661	5,577,491	1,907,789	2,425,399	25,856	-	11,342,196
Accumulated depreciation/amortisation and impairment - ROU	-	1,489,401	157,671	387,697	-	-	-	2,034,769
Closing net book value	7,575,505	21,781,512	99,588,397	13,085,445	4,175,718	388,981	33,612	146,629,170

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)

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT			
Revenue			
Non-taxation			
Dividends	-	-	-
Military superannuation contributions	1,043,042	1,072,084	29,042
Fees	26,573	28,000	1,427
Other	43,047	47,509	4,462
Total non-taxation	1,112,662	1,147,593	34,931
Total revenues administered on behalf of Government	1,112,662	1,147,593	34,931
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT			
Subsidies	255,100	301,886	46,786
Military retention benefits	8,727	1,117	-7,610
Military superannuation benefits	10,057,719	10,497,874	440,155
Other	-	-	-
Total expenses administered on behalf of Government	10,321,546	10,800,877	479,331

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

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT			
Financial assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	48,645	50,072	1,427
Investments accounted for using the equity method	4,152,780	4,256,952	104,172
Total financial assets	4,201,425	4,307,024	105,599
Non-financial assets			
Prepayments	3,359	3,855	496
Total non-financial assets	3,359	3,855	496
Total assets administered on behalf of Government	4,204,784	4,310,879	106,095
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT			
Payables			
Other	106,541	94,631	-11,910
Total payables	106,541	94,631	-11,910
Provisions			
Superannuation - DFRB	183,977	253,924	69,947
Superannuation - DFRDB	28,798,420	28,710,767	-87,653
Superannuation - MSBS	105,569,173	105,928,243	359,070
Superannuation - ADF Cover	7,957,080	8,508,333	551,253
Total provisions	142,508,650	143,401,267	892,617
Total liabilities administered on behalf of Government	142,615,191	143,495,898	880,707

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

	2025-26	2025-26	
	Budget Estimate	Revised Estimate	Variation
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Interest	-	-	-
Military superannuation contributions	1,300,224	1,345,468	45,244
Fees	23,978	25,274	1,296
Other	43,047	47,509	4,462
Total cash received	1,367,249	1,418,251	51,002
Cash used			
Subsidies paid	255,100	301,886	46,786
Military benefits	4,680,016	4,969,036	289,020
Total cash used	4,935,116	5,270,922	335,806
Net cash from or (used by) operating activities	-3,567,867	-3,852,671	-284,804
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	-3,567,867	-3,852,671	-284,804
Cash at the beginning of reporting period	-	-	-
Cash from the Official Public Account for appropriations	4,935,116	5,270,922	335,806
Cash to the Official Public Account	-1,367,249	-1,418,251	-51,002
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)

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Dividends	-	-	-	-	-
Military superannuation contributions	1,102,317	1,072,084	1,013,292	957,230	903,424
Fees	25,274	28,000	30,300	33,430	36,560
Other	48,893	47,509	47,583	48,290	51,054
Total non-taxation	1,176,484	1,147,593	1,091,175	1,038,950	991,038
Total revenues administered on behalf of Government	1,176,484	1,147,593	1,091,175	1,038,950	991,038
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	289,412	301,886	348,236	383,515	418,546
Military retention benefits	16,161	1,117	1,821	1,472	364
Military superannuation benefits	10,331,971	10,497,874	10,594,051	11,206,872	11,786,981
Other	39	-	-	-	-
Total expenses administered on behalf of Government	10,637,583	10,800,877	10,944,109	11,591,859	12,205,891

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	50,103	50,072	52,372	55,502	58,632
Investments accounted for using the equity method	4,160,995	4,256,952	4,423,453	4,676,701	4,917,336
Total financial assets	4,211,098	4,307,024	4,475,825	4,732,203	4,975,968
Non-financial assets					
Prepayments	4,972	3,855	2,034	562	198
Total non-financial assets	4,972	3,855	2,034	562	198
Total assets administered on behalf of Government	4,216,070	4,310,879	4,477,859	4,732,765	4,976,166
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	94,631	94,631	94,631	94,631	94,631
Total payables	94,631	94,631	94,631	94,631	94,631
Provisions					
Superannuation - DFRB	296,500	253,924	235,150	216,811	198,766
Superannuation - DFRDB	31,583,000	28,710,767	28,219,921	27,690,348	27,121,898
Superannuation - MSBS	102,166,000	105,928,243	109,862,114	113,545,202	116,967,841
Superannuation - ADF Cover	7,026,000	8,508,333	10,610,036	13,178,414	16,167,881
Total provisions	141,071,500	143,401,267	148,927,221	154,630,775	160,456,386
Total liabilities administered on behalf of Government	141,166,131	143,495,898	149,021,852	154,725,406	160,551,017

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

	2024-25	2025-26	2026-27	2027-28	2028-29
	Actual Result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,437,668	1,345,468	1,270,737	1,202,095	1,136,042
Fees	21,408	25,274	28,000	30,300	33,430
Other	49,356	47,509	47,583	48,290	51,054
Total cash received	1,508,432	1,418,251	1,346,320	1,280,685	1,220,526
Cash used					
Subsidies paid	215,338	301,886	348,236	383,515	418,546
Military benefits	4,559,226	4,969,036	5,325,754	5,748,184	6,193,987
Total cash used	4,774,564	5,270,922	5,673,990	6,131,699	6,612,533
Net cash from or (used by) operating activities	-3,266,132	-3,852,671	-4,327,670	-4,851,014	-5,392,007
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	-3,266,132	-3,852,671	-4,327,670	-4,851,014	-5,392,007
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	4,774,564	5,270,922	5,673,990	6,131,699	6,612,533
Cash to the Official Public Account	-1,508,432	-1,418,251	-1,346,320	-1,280,685	-1,220,526
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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Appendix A: Defence Cooperation Program

No changes have been made to the Defence Cooperation Program (DCP) since the *PB Statements 2025-26*, except for the following revision.

Table 63: Defence Cooperation Program Budget 2025-26 [a]

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000
Pacific Region	248,988	335,191	335,699
Southeast Asia	32,364	36,887	36,887
Other regional activities	23,525	28,668	28,668
Defence International Training Centre	1,123	537	662
Total	306,000	401,282	401,916

Note

a. Defence Cooperation Program funding does not include support provided through the Capability Acquisition Program.

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects

The Top 30 Military Equipment Acquisition Program Approved Projects table includes other elements of acquisition that contribute to an overall capability (excluding workforce). Projects are grouped in the revised domain structure introduced through Defence's Capability Program Architecture.

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

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) [a] [b] [c] [d]

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Air Domain									
P-8A Poseidon	AIR 7000	Military Equipment Acquisition	7,476	5,254	204	261	333	72	During 2025-26, the project delivered the thirteenth RAAF P-8A Poseidon to Australia, and is completing development and incorporation of major training system upgrades, and commencing Increment 3 Block 2 fleet upgrades of the P-8A Poseidon fleet.
		Other Project Inputs to Capability	986	833	5	42	58	17	The variation is primarily due to accelerated delivery for aircraft production, training system upgrades, modification kit hardware and ICT integration development work.
Medium Air Mobility Aircraft	AIR 7404	Military Equipment Acquisition	10,184	207	108	182	378	195	During 2025-26, the project commenced aircraft production activities, and established contracts to acquire aircraft training devices.
		Other Project Inputs to Capability	60	21	17	11	10	-1	The variation is based on United States Air Force forecasts for aircraft production and training devices delivery.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Air Domain (Continued)									
EA-18G - Growler	AIR 5349	Military Equipment Acquisition	6,755	3,987	279	260	222	-39	<p>During 2025-26, the project is commencing the introduction into service of the first ALQ-249v1 Next Generation Jammer - Mid Band shipsets for the EA-18G Growler fleet. The project is also commencing operation of the ALQ-99 Tactical Jammer System enhanced sovereign maintenance capability. Additionally, the project is enabling aircraft upgrade development via a Research Development Test and Evaluation Project Arrangement with the United States Navy.</p>
		Other Project Inputs to Capability	801	546	23	148	145	-2	<p>The variation is due to the re-alignment of funding for partial elements of the Research Development Test and Evaluation Project Arrangement with the United States Navy.</p>
F-35A Lightning II Acquisition	AIR 6000 Phase 2A/B	Military Equipment Acquisition	16,612	12,650	240	238	310	72	<p>During 2025-26, the project continues to deliver the next tranche of spares, upgrade the United States-based software laboratories, and finalise the sovereign Maintenance Repair Overhaul and Upgrade capability.</p>
		Other Project Inputs to Capability	1,726	1,543	2	-	-	-	<p>The variation is due to scheduling of the annual contribution to the F-35 multilateral program costs.</p>

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Air Domain (Continued)									
Integrated Air and Missile Defence Command and Control	AIR 6500	Military Equipment Acquisition	1,095	599	231	263	264	1	During 2025-26, the project is delivering new air defence radars and the initial version of the Joint Air Battle Management System to address obsolescence in the current in-service Air Battle Management System.
		Other Project Inputs to Capability	115	27	10	10	16	6	The variation is predominantly due to the delayed delivery from financial year 2024-25 of the new High Power Phased Array Radar sensors.
MQ-4C Triton	AIR 7001	Military Equipment Acquisition	2,408	1,478	293	232	188	-44	During 2025-26, the project is delivering the second and third MQ-4C Triton aircraft, remaining ground segments, and completing the required facility works to establish permanent operations out of RAAF Base Tindal. The project continues to progress towards Initial Operational Capability, inclusive of integration to Australian networks and associated test and evaluation activities.
		Other Project Inputs to Capability	680	427	183	72	87	15	The variation is due to re-prioritisation of funding for selected spares procurements to later years.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Air Domain (Continued)									
Air Launched Multi Domain Strike	AIR 6004	Military Equipment Acquisition	2,507	1,003	243	308	192	-116	During 2025-26, the project has continued to progress deliveries of the Long Range Anti-Ship Missile (LRASM), Joint Air to Surface Stand-off Missile - Extended Range (JASSM-ER) and aircraft guided bombs, including Small Diameter Bomb I and II. LRASM and JASSM-ER final deliveries were completed in early 2025-26.
		Other Project Inputs to Capability	5	5	0	-	-	-	The variation in 2025-26 is due to aircraft guided bombs and LRASM deliveries being accelerated into 2024-25, which reduced the budget requirement for 2025-26. Contracting delays have further reduced the requirement for 2025-26.
Joint Strike Fighter Follow-on Development	AIR 6000 Phase 6	Military Equipment Acquisition	2,130	112	81	139	134	-6	During 2025-26, the project commenced aircraft upgrade activities to incorporate technical refresh 3 and initial electronic warfare capabilities across the F-35A Lightning II fleet.
		Other Project Inputs to Capability	-	-	-	-	-	-	The variation is primarily due to minor delays in contract awards for modification kit hardware.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Enterprise and Enabling									
Sovereign Weapons Manufacturing	JP 2087	Military Equipment Acquisition	2,303	123	90	402	275	-128	During 2025-26, the project is continuing its programmatic approach to the manufacture of select guided weapons, commencing with assembly of imported sections and components; manufacture of expanded types and quantities of non-guided munitions; uplift of industry for the development of technologies through research and development; and co-assembly and co-production activities with trusted partners.
		Other Project Inputs to Capability	139	18	18	-	68	68	The variation reflects alignment with maturing contract schedules.
Guided Weapons and Explosive Ordnance Enterprise	JP 2092	Military Equipment Acquisition	1,769	293	92	193	172	-21	During 2025-26, the Project is continuing its programmatic approach to the acquisition of war stock and delivery of increased inventory levels, including the accelerated delivery of missiles. The Project has progressed the delivery of Guided Weapons and Explosive Ordnance enabling capability elements, with construction and security upgrades progressing at several sites.
		Other Project Inputs to Capability	459	67	34	149	157	8	The variation is due to alignment with updated war stock delivery schedules.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Enterprise and Enabling (Continued)									
Theatre Logistics	JP 8218	Military Equipment Acquisition	20	2	2	2	12	10	During 2025-26, the project is continuing to incrementally deliver the theatre logistics capabilities required to sustain the ADF in protracted combat operations. This includes facilities, infrastructure, deployable assets, equipment, supplies, ICT hardware and software, and data and services.
		Other Project Inputs to Capability	401	55	45	221	168	-53	The variation is due to the resequencing of selected construction work packages to align with the engagement of the construction contractor for new facilities in the Albury/Wodonga Military Area, as well as an updated schedule for the design and construction of a new warehouse at the Australian Maritime Complex in Henderson, WA.
Information and Cyber									
Communications Security Modernisation	JP 9141	Military Equipment Acquisition	1,301	776	187	168	157	-11	During 2025-26, the project continues to upgrade secure communications on ADF platforms and facilities and is focused on the delivery of training and software.
		Other Project Inputs to Capability	119	31	2	9	20	11	The variation is due to later than expected United States Government security accreditation of one product, which resulted in delays to the integration of platforms and ground sites.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Land Domain									
AH-64E Apache Attack Helicopter	LAND 4503	Military Equipment Acquisition	4,579	852	503	989	790	-199	During 2025-26, the project is delivering the first six Apache aircraft with essential role and mission equipment, as well as the first flight simulator and other training systems. The project continues to procure spares and support equipment, train personnel and provide essential support services required for introduction into service of the capability. The variation is primarily due to revised Foreign Military Sales forecasts.
		Other Project Inputs to Capability	584	47	31	116	109	-7	
Redback Infantry Fighting Vehicle	LAND 400 Phase 3	Military Equipment Acquisition	6,867	970	604	773	709	-64	During 2025-26, the project is progressing the design program for the vehicle, training and support systems and conduct verification and testing activities, prior to commencement of local hull production. The variation is due to alignment with the latest delivery schedule for weapons, communications equipment (C4I) and explosive ordnance; foreign exchange updates; and minor variations associated with the prime contract with Hanwha Defence Australia.
		Other Project Inputs to Capability	392	38	5	21	15	-6	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Land Domain (Continued)									
UH-60M Black Hawk Utility Helicopter	LAND 4507	Military Equipment Acquisition	3,494	1,116	652	705	546	-160	During 2025-26, further UH-60M Black Hawks are being delivered, along with the second Black Hawk Aircrew Trainer simulator. A second Black Hawk operating node has been established in Oakey, QLD. Retrofit activities have commenced under Foreign Military Sales arrangements and will see the initial fleet of UH-60M upgraded to a common capability baseline. The variation is due to earlier than anticipated achievement of Aircraft, Engine and Common Missile Warning System costs within the Foreign Military Sales case in financial year 2024-25.
		Other Project Inputs to Capability	378	38	17	16	19	3	
Armoured Combat	LAND 907	Military Equipment Acquisition	2,349	1,513	731	611	507	-104	During 2025-26, the project continues production, acceptance and delivery of M1A2 Abrams Main Battle Tanks and Combat Engineering Vehicles. Introduction into service activities continue, together with the establishment and implementation of contracts with Australian industry for the support of the capabilities. The variation is primarily due to acceleration of the production line under the Foreign Military Sales arrangement for this capability in 2024-25, as well as foreign exchange updates.
		Other Project Inputs to Capability	68	34	11	10	9	0	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Land Domain (Continued)									
Boxer Combat Reconnaissance Vehicles	LAND 400 Phase 2	Military Equipment Acquisition	5,863	3,141	352	513	425	-88	During 2025-26, the project continues delivery and acceptance activities for the Block II Reconnaissance turreted variant, with related introduction into service activities ongoing. The project is progressing the design review program and testing activities for the Block II non-turreted Joint Fires and Surveillance, Command, Repair, and Recovery variants.
		Other Project Inputs to Capability	132	76	17	10	9	-1	The variation is primarily due to alignment with the latest Rheinmetall Defence Australia milestones, and delivery of spares, support and test equipment, integrated logistics deliverables, as well as costs associated with the remote weapon station and other activities.
First Long Range Fires Regiment	LAND 8113 Phase 1	Military Equipment Acquisition	2,292	246	214	419	353	-66	During 2025-26, the project is on track to deliver additional HIMARS launchers and associated munitions, and continue with introduction into service activities.
		Other Project Inputs to Capability	481	107	27	60	38	-22	The variation is primarily due to earlier than forecast Foreign Military Sales activities in 2024-25 for the HIMARS, Launchers and Munitions Foreign Military Sales cases, Protected Mobility Milestone Payment, HIMARS Air Lift, as well as foreign exchange updates.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Land Domain (Continued)									
Army Water Transport	LAND 8710 Phase 1	Military Equipment Acquisition	2,310	85	61	233	232	-1	<p>This Project will acquire 18 Landing Craft Medium (LCM) and 15 Amphibious Vehicle Logistics (AVL), allowing Army to replace the legacy landing craft (Landing Craft Mechanized, Mark 8) and the legacy over-the-shore capability (Lighter Amphibious Re-supply Cargo 5(V) ton) respectively providing a significant increase in capability.</p> <p>The AVL will provide over-the-shore mobility and sustainment of the Integrated Force in littoral environments inaccessible to landing craft or vehicles. It will be able to transport cargo loads of around five tonnes, playing an essential role in providing access over beaches and through waterways that may be obstructed by obstacles or debris.</p> <p>Birdon has been awarded the contract to design and build the AVL prototype.</p>
		Other Project Inputs to Capability	290	19	15	42	42	0	
Special Operations Capability Enhancements	LAND 1508	Military Equipment Acquisition	400	230	45	37	45	7	<p>During 2025-26, the project continues to rapidly evolve leading-edge capability in response to the changing operational environment, emerging threats and advancing technology. Final Materiel Releases under Tranche 1 continue, together with the delivery of the first Tranche 2 capabilities.</p> <p>The variation is primarily due to alignment of the project schedule with the various contract delivery schedules.</p>
		Other Project Inputs to Capability	503	108	18	169	120	-49	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Land Domain (Continued)									
AS9 Huntsmen Self-Propelled Howitzers	LAND 8116	Military Equipment Acquisition	1,326	874	180	214	141	-73	During 2025-26, the project continues with vehicle production in Australia and testing, training and integration activities.
		Other Project Inputs to Capability	42	18	12	17	17	0	The variation is primarily due to alignment with the latest prime contract delivery milestones and associated escalation costs with Hanwha Defence Australia and the timing of spares.
Uncrewed Aerial Vehicles	DEF 129	Military Equipment Acquisition	585	384	80	130	118	-12	During 2025-26, this project is delivering the ADF's newest Tactical Uncrewed Aerial Systems (UAS), the Insitu Integrator and the ADF's newest Small UAS, the Sympaq Systems CorvoX and Quantum Systems Vector 2-in-1.
		Other Project Inputs to Capability	77	26	7	32	37	5	The variation is due to accelerated expenditure in 2024-25, reducing the requirement for 2025-26. This acceleration aligned with objectives of the National Defence Strategy.
Short Range Ground Based Air Defence	LAND 19	Military Equipment Acquisition	1,243	1,051	28	109	41	-68	During 2025-26, the project continues final introduction into service tasks, certification activities and trials.
		Other Project Inputs to Capability	286	241	112	41	29	-13	The variation is primarily due to lower than forecast Foreign Military Sales activities for the Advanced Medium Range Air-to-Air Missile Foreign Military Sales case.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Maritime Domain									
Nuclear-Powered Submarines	DEF 1	Military Equipment Acquisition	16,138	2,397	2,037	2,684	3,463	778	<p>During 2025-26, the project continues to:</p> <ul style="list-style-type: none"> • Grow, skill and integrate Royal Australian Navy personnel, Australia's sovereign submarine partners and industry workforce in preparation for Submarine Rotational Force (SRF) West; • Work towards the acquisition of Virginia class submarines; • Mobilisation activities in respect of the construction of SSN-AUKUS Submarines; and • Deliver infrastructure works at HMAS Stirling, and provision of initial SRF-West housing requirements for United States and United Kingdom personnel. <p>The variation is due to:</p> <ul style="list-style-type: none"> • Mobilisation of the Australian Sovereign Submarine Build Partner's workforce; • Industrial uplift activities; and • Refinement of the schedule for the delivery of priority works at HMAS Stirling and planning for the next tranche.
		Other Project Inputs to Capability	2,429	323	225	642	466	-176	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Maritime Domain (Continued)									
Hunter Class Frigate	SEA 5000	Military Equipment Acquisition	26,097	5,004	1,366	1,902	1,942	40	During 2025-26, the project continues the design and productionisation phase and will continue until 2027-28. The project transitioned to the construction phase on 1 July 2024 with the commencement of construction of the first three ships.
		Other Project Inputs to Capability	1,200	696	58	30	31	1	The variation reflects improved certainty in the supply chain expenditure profile, a maturing of the construction schedule for Ship 1, and foreign exchange variation.
Aegis Baseline	SEA 4000 Phase 6	Military Equipment Acquisition	4,370	1,022	423	786	757	-29	During 2025-26, the project continues to increase the ADF air and missile defence capability, including upgrading Hobart class destroyers. The project remains on schedule and commenced Ship 1 production in 2025.
		Other Project Inputs to Capability	145	15	7	10	10	0	The variation is a consequence of the prime and major subcontractors meeting their deliverables at a lower labour cost than planned.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Maritime Domain (Continued)									
Maritime Guided Weapons and Munitions	SEA 1300	Military Equipment Acquisition	16,519	2,316	555	769	699	-70	During 2025-26, the project continues to progress development and acquisition activities related to long-range anti-ship missiles, extended range surface-to-air missiles, advanced lightweight torpedoes, heavyweight torpedoes and advanced maritime land strike capabilities and munitions.
		Other Project Inputs to Capability	86	11	8	12	14	1	The variation reflects refinement of estimated expenditure to align with cost and schedule expectations.
MH 60R Seahawk Helicopter	SEA 9100	Military Equipment Acquisition	4,767	3,217	303	391	377	-14	During 2025-26, the project is progressing the acquisition of additional MH-60R helicopters to improve embarked logistics helicopter support to the fleet, while rationalising Navy helicopters to a single operational type.
		Other Project Inputs to Capability	378	228	10	60	41	-18	The variation is due to re-alignment of project budget with aircraft production schedules.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Maritime Domain (Continued)									
Arafura Class	SEA 1180	Military Equipment Acquisition	3,751	2,057	503	325	235	-89	The project achieved Contract Acceptance in Jan 2025 and Sep 2025 respectively for the first and second Offshore Patrol Vessels (OPV) following construction in Adelaide, South Australia. OPV 1 was commissioned in Jun 2025.
		Other Project Inputs to Capability	984	633	139	161	131	-30	The next four OPVs are under construction at Henderson, Western Australia. The Third OPV was launched in October 2025. The variation is due to commercial terms implementing the reduction in scope from 12 to 6 OPVs, offset by an underspend in production of OPVs 1 to 6.
Collins Life Of Type Extension	SEA 1450	Military Equipment Acquisition	1,434	341	152	264	179	-85	This project is one of the three elements of the Collins Class Submarine (CCSM) Life of Type Extension (CSMP LOTE) Program. During 2025-26, the project continues to address the most significant risks to enduring availability and reliability of CCSM out to the Amended Planned Withdrawal Date.
		Other Project Inputs to Capability	15	1	1	2	2	0	The variation is due to the re-alignment of training and implementation activities cost, and savings in indirect costs and consultant use.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b] [c] [d]}

	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m
Total Top 30 Projects (Gross Plan) - Total	172,898	59,536	11,897	16,612	16,061	-551
Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability	13,957	6,234	1,060	2,111	1,869	-242
Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition	158,941	53,302	10,837	14,501	14,192	-309
Other Approved Project Gross Plans - Military Equipment Acquisition	58,340	33,518	3,298	3,942	3,974	32
Total Approved Projects (Gross Plan) - Military Equipment Acquisition	217,281	86,820	14,134	18,443	18,166	-277
Over-programming - Military Equipment Acquisition				-4,469	-2,918	1,550
Net Approved Program - Military Equipment Acquisition				13,974	15,248	1,274

Notes

- Approved Project Expenditure, Cumulative Expenditure to 30 June 2025, Budget Estimate 2025-26 and Revised Estimate 2025-26 are on an accrual basis, and funded by appropriation.
- Budget estimates shown as 0 are amounts greater than \$0 but less than \$500,000.
- Minor variations to Approved Project Expenditure from the *PB Statements 2025-26* are due to foreign exchange variations.
- Figures may not add due to rounding.

Appendix C: Top 30 Capability Sustainment Products

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

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 ^[a] ^[b] ^[c]

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Air Domain					
F-35 Joint Strike Fighter	CAF30	716	700	-16	<p>During 2025-26, the first Australian F-35A Lightning II aircraft is scheduled to begin a Follow-on Modernisation program. Another key focus is the continued maturation of the sustainment system.</p> <p>The variation is due to a foreign exchange adjustment.</p>
F/A-18F Super Hornet & Growler Weapon System	CAF21	600	559	-41	<p>During 2025-26, the F/A-18F Super Hornet and EA-18G Growler fleets continue to deliver the force generation outcomes. The Spiral Upgrade Program delivers hardware, software and training system upgrades to the F/A-18F and EA-18G fleets and the integration of a range of new weapons and stores. This integration work will enhance the lethality and survivability of the platforms, and maintain configuration alignment with the United States Navy.</p> <p>The variation is due to the transfer of the Mobile Threat Training Emitter System (MTTES) to CAF23 Advanced Testing and Training Environment (ATTE) capability, as well as a foreign exchange adjustment.</p>
Airborne Early Warning and Control System	CAF20	302	348	46	<p>During 2025-26, the focus is on improving E-7A Wedgetail sustainment performance and treating mission system and support system obsolescence issues.</p> <p>The variation is due to the transfer of remaining sustainment funds from project AIR 5077 Phase 6, as part of project closure, for the treatment of E-7A Wedgetail obsolescence issues.</p>
P-8A Poseidon Maritime Patrol and Response	CAF35	309	303	-6	<p>During 2025-26, the focus is on supporting military operations and force generation, including P-8A Poseidon aircrew growth. Preparations are also being undertaken to move contracted aircraft maintenance operations into the new Deeper Maintenance and Modification Facility at Edinburgh.</p> <p>The variation is due to a foreign exchange adjustment.</p>

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 (Continued) [a] [b] [c]

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Air Domain (Continued)					
KC-30A Weapon System Multi-role Tanker Transport	CAF22	209	211	2	During 2025-26, the focus continues on supporting sustainment performance, military operations, progressing a mid-life upgrade and addressing obsolescence activities. The number of aircraft types certified as capable of air-to-air refuelling from the KC-30A Multi-Role Tanker Transport are being expanded to improve the preparedness posture of the capability. The variation is predominantly due to a foreign exchange adjustment.
C-17 Heavy Air Lift Weapons System	CAF19	191	187	-5	During 2025-26, there continues to be a number of minor upgrades to the fleet to address obsolescence and maintain configuration alignment with the United States Air Force. The variation is predominately due to a foreign exchange adjustment.
Pilot Training System	CAF37	147	151	4	During 2025-26, the focus is on sustainable delivery of the Pilot Training System. The variation is due to a foreign exchange adjustment.
Lead-In Fighter Hawk 127 Weapon System	CAF03	144	146	1	During 2025-26, the focus remains on generating required rates of availability, while supporting and governing the embodiment of new engines into the fleet, as procured and certified by the Lead-In Fighter Capability Assurance Project AIR 5438 Phase 2. The variation is due to a foreign exchange adjustment.
C130J-30 Weapon System	CAF06	147	144	-2	During 2025-26, the focus is on continued delivery of the deeper maintenance schedule, and contract planning to ensure fit-for-purpose commercial agreements through to planned withdrawal date. The variation is due to a foreign exchange adjustment.
C27J Spartan Battlefield Airlifters	CAF34	134	141	7	During 2025-26, the focus remains on improving sustainment support, while concurrently remediating the aircraft deeper maintenance program. The variation is due to the transfer of funding from Air Mobility Group for C-27J overseas pilot simulator training to sustain the recently acquired domestic C-27J Spartan Flight Training Device and the variation in foreign exchange.
MC-55A Long Range ISREW Aircraft	CAF40	128	124	-3	During 2025-26, the focus is on the maturation of initial sustainment arrangements to support the introduction into service of the MC-55A Peregrine capability, and commence the capability spiral development program. The variation is due to a foreign exchange adjustment.

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 (Continued) [a] [b] [c]

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Air Domain (Continued)					
Wide Area Surveillance	CAF13	120	120	0	During 2025-26, the focus remains on sustainment of new enhancements and upgrades to the JORN capability system. The sustainment obsolescence program will contribute to enhanced supportability of current assets.
Defence Enterprise Programs					
Explosive Ordnance Manufacturing Facilities	GWEO01	144	144	0	During 2025-26, critical sustainment outcomes will continue to be achieved with a strong and enduring commitment to safety, security and capability realisation. Resource prioritisation, guided by a clear understanding of strategic requirements, will ensure expenditure remains aligned with forecasts. The facilities will preserve their existing explosives and munitions manufacturing capabilities, strengthening resilient supply chains for Australia and our strategic partners.
Defence Logistics	CJC034	133	139	6	<p>The Defence Logistics product operates warehouses across the Logistic network to support the national support base including the provision of freight services (domestically and International), along with the provision of Clothing and retail stores services. In 2025-26 the focus will be on the transition into service and the amalgamation of existing warehousing and distribution contract and the provision of retail stores into one encompassing contract whilst continuing to support the ADF and partners.</p> <p>The variation is due to transition costs between service providers.</p>
Land Domain					
Explosive Ordnance - Army Munitions Branch	CA59	327	334	6	<p>During 2025-26, key sustainment activities include ongoing rationalisation of land explosive ordnance inventory, maturing through life management plans, and transitioning new capabilities procured by major projects to in-service sustainment. The product continues to refine the long-term forecast with Army to mitigate supply chain uncertainty and consider opportunities, which include considerations around potential domestic manufacturing options.</p> <p>The variation is a result of schedule changes across a complex supply chain.</p>
Armed Reconnaissance Helicopter Weapons System	CA12	146	169	22	<p>During 2025-26, the Armed Reconnaissance Helicopter (ARH) capability continues to support the capability prior to its planned withdrawal from service.</p> <p>The variation is predominately due to spare part repairs, critical industry staff retention and treatment of obsolescence, together with foreign exchange adjustment.</p>

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 (Continued) [a] [b] [c]

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Land Domain (Continued)					
Protected Mobility Fleet - Bushranger	CA04	162	159	-3	<p>During 2025-26, Defence continues to sustain the Bushmaster and Hawkei fleets, as well as conduct risk reduction activities to prepare for the LAND 4111 Protected Mobility Vehicle Technology Modernisation Program.</p> <p>The variation is due to minor changes to the planned schedule of deliverables.</p>
Battlespace Communication Systems	CA31	174	148	-26	<p>During 2025-26, Defence continues with capability enhancements to the Integrated Battlespace Telecommunications Network, the ongoing development and delivery of a Mobile Retransmission System, the ongoing management of Tactical Communication Network equipment; the reduction and disposal of obsolete radio systems, the continued rationalisation and improvement of Land Force headset fleets, and support for design, acquisition and sustainment of related systems.</p> <p>The variation is predominantly due to realignment of schedules for 2025-26 planned activities to align with contracted deliverables.</p>
Black Hawk Weapons System	CA11	120	78	-42	<p>During 2025-26, sustainment arrangements to support the UH-60M operational fleet are being expanded in line with LAND 4507 materiel deliveries and introduction into service activities. The second UH-60M node at Swartz Barracks, Oakey QLD has commenced operations with the Army Aviation Training Centre.</p> <p>The variation is due to lower than forecast sustainment costs associated with contracted workforce, domestic support contracts, and spares procurement.</p>
Boxer	CA82	138	38	-100	<p>During 2025-26, Defence continues to sustain the Boxer Block I fleet, as well as work with Rheinmetall Defence Australia to ensure support requirements for the Block II fleet are optimised to meet Army's requirements.</p> <p>The variation is predominately due to realignment of the support contract commencement date, together with the delivery of spares, with Rheinmetall Defence Australia.</p>
Maritime Domain					
Collins Class Submarine	CN10	1,004	1,014	10	<p>The Collins class submarine product comprises support arrangements to safely maintain the materiel capability of six Collins class submarines and the present submarine escape and rescue capability. This work is conducted under enterprise arrangements with industry and through key contracts with ASC Pty Ltd, Raytheon Australia, Thales Australia, BAE Systems Australia, PMB Defence, JFD Australia and other providers.</p> <p>The variation is due to the in Service Support Contract extension of a key industry contract.</p>

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 (Continued) ^{[a] [b] [c]}

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Maritime Domain (Continued)					
Anzac Class Frigate	CN02	339	363	24	<p>This product supports seven Anzac Class frigates and associated support systems through the provision of materiel support, maintenance and engineering services.</p> <p>During 2025-26, the product is delivering as planned. The variation is predominantly due to increased activity across maintenance programs and transitional contract close out requirements.</p>
Hobart Class Destroyer	CN40	284	285	1	<p>This product supports the three Hobart Class destroyers through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities.</p>
MH-60R Seahawk Romeo Helicopter	CN35	240	231	-9	<p>During 2025-26, Defence continues the expansion of current sustainment arrangements to support the additional helicopters delivered under the Improved Embarked Logistics Support Helicopter project (SEA 9100).</p> <p>The variation is predominantly due to revised through-life support contract estimates and a foreign exchange adjustment.</p>
Canberra Class Amphibious Ship	CN34	188	193	5	<p>This product supports the 2 Canberra Class Landing Helicopter Docks (LHDs) and 12 LHD landing craft, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities.</p> <p>The variation is due to increased support for ship maintenance.</p>
Large Hull Vessels	CN58	149	177	28	<p>This product supports offshore auxiliary vessels including ADV Ocean Protector, ADV Besant, ADV Stoker, ADV Sycamore, ADV Reliant, ADV Guidance and MV Mercator through the provision of contractor vessel operation, materiel support, maintenance and engineering and other sustainment requirements.</p> <p>The variation is predominately due to disposal costs for MV Mercator and modification requirements for the replacement eCape training vessel (ADV Otway).</p>
Anzac Class Frigate Capability Assurance Program	CN65	154	154	0	<p>This product supports the Transition Capability Assurance Program (TransCAP), an upgrade and obsolescence management project to extend the life of type of the Anzac class frigates until the arrival of the Hunter class frigates and is funded from SEA 5014 Phase 1. Following the decision that TransCAP would not proceed, the focus in 2025-26 is on closure and finalisation of the TransCAP design and long lead procurements activities already underway, and negotiate and close out any matters arising from cancellation.</p>

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2025-26 (Continued) [a] [b] [c]

Domain/Product Name	Product Serial	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Product Performance Update and Explanation of Variation
Maritime Domain (Continued)					
Navy Explosive Ordnance	CN54	139	141	2	<p>During 2025-26, the focus continues to be on maintaining in-service inventories at funded readiness levels, incorporating new products into existing support systems, and preparing support systems to meet future inventory demand. This will also include consideration of domestic manufacturing opportunities and in-country maintenance, repair, overhaul and upgrades.</p> <p>The variation is due to increased funding for future sustainment of in-service inventory, partially offset by foreign exchange adjustments.</p>
Armidale Class Patrol Boat	CN09	149	140	-9	<p>This product comprises support arrangement to maintain the capability of the Armidale Class Patrol Boats, Cape Class Patrol Boats and Evolved Cape Class Patrol Boats through the provision of materiel support of the ships and associated equipment and systems.</p> <p>During 2025-26, the focus will be on continued materiel delivery in support of the patrol force, including asset management, engineering and logistics support and development of the enduring support system for the Evolved Cape Class Patrol Boats.</p> <p>The variation is due to a reduction of in-year requirements with the decommissioning of the Armidale Class and delayed transition of Evolved Cape Class asset management to the Capability Life Cycle Manager and Designer Support Contractor contract frameworks.</p>
Aegis Combat System	CN60	131	88	-43	<p>This product covers the Aegis Combat System in the Hobart class destroyer, as well as the related shore-based test and training infrastructure in Australia and the United States. The focus for 2025-26 is for ready, reliable and capable Hobart class destroyers, optimised to deter and respond in the primary operating environment.</p> <p>The variance in 2025-26 is due to a reduction in Foreign Military Sales sustainment expenditure on the current equipment baseline. This baseline has commenced its planned withdrawal, being replaced through the SEA4000PH6 project with an upgraded system.</p>
Total Top 30 Capability Sustainment Products		7,268	7,126	-141	
Other Sustainment Product Estimates		4,854	5,181	327	
Total Capability Sustainment Product Funds Available		12,121	12,307	186	

Notes

- Budget Estimate 2025-26 and Revised Estimate 2025-26 are on an accrual basis, and funded by appropriation.
- Budget estimates shown as 0 are amounts greater than \$0 but less than \$500,000.
- Figures may not add due to rounding.

Appendix D: Enterprise Estate and Infrastructure Program

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

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

Approved Major and Medium Enterprise Estate and Infrastructure Program Projects

The table below, and the descriptions following, provide details on the progress and expenditure of approved major and medium Enterprise Estate and Infrastructure Program projects for 2025-26.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
DEF 01 Submarine Rotational Force - West Infrastructure Project Priority Works								
HMAS Stirling	WA - Brand	2,256.7	197.1	210.7	642.3	435.9	-206.4	This financial variation is the result of complex design activities requiring some works to be re-sequenced. This has resulted in construction program changes pushing expenditure outside this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative (USFPI) Airfield Works and Associated Infrastructure								
RAAF Base Tindal	NT - Lingiari	1,582.0	1,039.9	1,073.4	231.6	279.8	48.2	This financial variation is the result of resequencing works to accelerate the delivery of critical airfield infrastructure, thereby increasing the estimated expenditure this financial year.
Enhanced Land Force (ELF) Stage 2								
Lone Pine Barracks	NSW - Hunter	115.8	115.8	-	-	-	-	
Puckapunyal Training Area	VIC - Nicholls	11.7	11.7	-	-	-	-	
Simpson Barracks	VIC - Jagajaga	20.2	20.2	-	-	-	-	
RAAF Base Amberley	QLD - Blair	9.6	9.6	-	-	-	-	
Lavarack Barracks	QLD - Herbert	62.0	62.0	-	-	-	-	
Townsville Training Area	QLD - Kennedy	3.9	3.9	-	-	-	-	
Greenbank Training Area	QLD - Wright	120.7	120.7	-	-	-	-	
Gallipoli Barracks	QLD - Ryan	828.9	828.9	-	-	-	-	
Wide Bay Training Area	QLD - Wide Bay	78.3	78.3	-	-	-	-	
Kokoda Barracks	QLD - Wright	71.8	71.8	-	-	-	-	
Cultana Training Area	SA - Grey	70.0	69.2	10.8	10.8	0.0		
RAAF Base Edinburgh	SA - Spence	34.7	34.7	-	-	-	-	
Majura Field Training Area	ACT - Canberra	13.4	13.4	-	-	-	-	
Royal Military College Canberra	ACT - Canberra	9.0	9.0	-	-	-	-	
Mount Stuart	QLD - Kennedy	4.1	4.1	-	-	-	-	
Total		1,476.0	1,454.1	1,453.3	10.8	10.8	0.0	Nil variance.
Navy Capability Infrastructure								
Sub-program: Offshore Patrol Vessel (OPV) Facilities (SEA 1180 Phase 1)								
HMAS Coonawarra	NT - Solomon	135.5	187.0	0.5	22.2	21.7		
RAAF Base Darwin	NT - Solomon	78.4	12.9	32.0	0.5	-31.5		
HMAS Cairns	QLD - Leichhardt	115.5	119.5	125.4	105.6	-19.8		
HMAS Stirling	WA - Brand	213.3	213.3	0.3	1.3	1.0		
Henderson Maritime Precinct	WA - Fremantle	54.7	54.7	0.0	0.3	0.3		
Total		918.5	597.4	587.4	158.2	129.9	-28.3	

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Navy Capability Infrastructure								
Sub-program: Hunter Class Frigate Program Facilities (SEA 5000 Phase 1)								
HMAS Watson	NSW - Wentworth	0.0	0.0	-	-	-	-	
Garden Island Defence Precinct	NSW - Wentworth	0.0	0.0	-	-	-	-	
St Kilda	SA - Spence	100.1	98.8	8.8	2.0	-6.8		This financial variation is the result of typical variances that occur during construction as works progress across multiple works packages and sites. This has resulted in a slight overall increase in estimated expenditure this financial year.
Osborne Naval Shipyard	SA - Hindmarsh	137.2	133.6	8.6	15.9	7.3		
HMAS Stirling	WA - Brand	268.7	266.1	0.4	2.0	1.6		
Henderson Maritime Precinct	WA - Fremantle	104.7	104.7	-	0.7	0.7		
Total		915.5	610.7	603.2	17.8	20.6	2.8	
Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)								
RAAF Base Edinburgh	SA - Spence	526.4	515.7	17.5	28.2	10.7		This financial variation is the result of resequencing works to accelerate the delivery of infrastructure to support critical air capability. This has resulted in an increase in estimated expenditure this financial year.
RAAF Base Darwin	NT - Solomon	159.4	159.5	-	-	-		
RAAF Base Townsville	QLD - Herbert	9.3	0.0	16.0	21.9	5.9		
RAAF Base Pearce	WA - Durack	109.5	109.4	-	0.7	0.7		
HMAS Stirling	WA - Brand	4.6	4.6	-	-	-		
Total		896.9	809.1	789.2	33.5	50.8	17.3	
USFPI Northern Territory Training Areas and Ranges Upgrades								
Bradshaw Field Training Area	NT - Lingiari	294.8	305.6	65.9	72.2	6.3		
Kangaroo Flats Training Area	NT - Lingiari	97.1	106.1	1.5	4.7	3.2		
Mount Bunday Training Area	NT - Lingiari	60.7	69.6	31.9	22.7	-9.2		
Robertson Barracks Close Training Area	NT - Lingiari	108.3	110.4	0.7	0.4	-0.3		
Total		747.0	560.8	591.7	100.0	100.0	0.0	Nil overall variance.
Facilities to Support Highly Available ICT Project								
South Australia	SA	674.7	37.7	52.4	182.3	150.2	-32.1	This financial variation is the result of resequencing selected construction works to ensure they are effectively coordinated with works under other projects to minimise operational impacts and base disruptions. This has resulted in a decrease in estimated expenditure this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
RAAF Base Learmonth Redevelopment Enabling KC-30 Operations								
RAAF Base Learmonth	WA - Durack	662.2	187.9	98.8	167.9	79.4	-88.5	This financial variation is the result of delays in finalising the delivery contract to enable the construction works to commence, and additional time being required to overcome remote locality challenges. This has resulted in a decrease in estimated expenditure this financial year.
Larrakeyah Defence Precinct Redevelopment Program								
Larrakeyah Defence Precinct	NT - Solomon	601.7	521.9	532.3	39.5	40.2	0.7	This financial variation is the result of resequencing selected construction works. This has resulted in a slight increase in estimated expenditure this financial year.
RAAF Base Wagga Redevelopment								
RAAF Base Wagga	NSW - Riverina	590.0	10.4	18.2	50.0	49.0	-1.0	This financial variation is the result of resequencing selected construction works as subcontracts continue to be awarded. This has resulted in a slight decrease in estimated expenditure this financial year.
Cocos (Keeling) Islands Airfield Upgrade								
Cocos (Keeling) Islands	NT - Lingiari	567.6	79.0	59.8	136.5	131.1	-5.4	This financial variation is the result of delays caused by poor weather affecting the shipping of materials to the Island. This has resulted in a decrease in estimated expenditure this financial year.
Army Aviation Program of Works								
RAAF Base Townsville	QLD - Herbert		18.9	16.2	110.1	105.4	-4.7	This financial variation is the result of resequencing selected works as subcontracts continue to be awarded and construction continues. This has resulted in a slight decrease in estimated expenditure this financial year.
Townsville Field Training Area	QLD - Kennedy		-	-	-	-	-	
Total		518.3	18.9	16.2	110.1	105.4	-4.7	

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
HMAS Watson Redevelopment								
HMAS Watson	NSW - Wentworth	484.0	305.1	323.3	55.7	49.4	-6.3	This financial variation is the result of resequencing selected construction works packages. The overall budget has increased with an estimated decrease in expenditure this financial year.
Facilities to Support DEF 2150 Joint Intelligence and Targeting Training Facility								
RAAF Base Edinburgh	SA - Spence		1.6	1.5	88.3	81.8	-6.5	This financial variation is the result of resequencing selected works as subcontracts continue to be awarded and construction continues. This has resulted in a decrease in estimated expenditure this financial year.
Canberra	ACT		8.0	10.2	48.6	42.4	-6.2	
Total		433.6	9.6	11.7	136.9	124.2	-12.7	
Airfield Maintenance Works P0010 (Amberley, Pearce, Richmond and Albatross)								
HMAS Albatross	NSW - Gilmore		78.7	75.6	30.6	29.9	-0.7	This financial variation is the result of resequencing works to accelerate the delivery of infrastructure to support critical air capability. This has resulted in an increase in estimated expenditure this financial year.
RAAF Base Richmond	NSW - Macquarie		57.9	51.9	23.4	29.3	5.9	
RAAF Base Amberley	QLD - Blair		92.8	92.1	0.0	4.3	4.3	
RAAF Base Pearce	WA - Durack		107.4	103.2	9.5	7.7	-1.8	
Total		427.9	336.9	322.9	63.6	71.2	7.6	
Facilities to Support AIR 7000 Phase 1B Remotely Piloted Aircraft System								
RAAF Base Tindal	NT - Lingiari		272.1	282.0	51.9	68.2	16.3	This financial variation is the result of resequencing works to accelerate the delivery of infrastructure to support critical air capability. This has resulted in an increase in estimated expenditure this financial year.
Edinburgh Defence Precinct	SA - Spence		40.4	41.2	0.1	0.7	0.6	
Total		427.1	312.5	323.2	52.0	68.9	16.9	
Albury Wodonga Military Area Redevelopment								
Albury Wodonga Military Area	VIC - Indi	395.7	14.3	18.5	32.5	40.6	8.1	This financial variation is the result of resequencing selected construction works to align with subcontractor programs as contracts are awarded. This has resulted in an increase in estimated expenditure this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Robertson Barracks Base Improvements Project								
Robertson Barracks	NT - Lingiari	389.1	70.1	94.6	170.2	157.1	-13.1	This financial variation is the result of resequencing selected construction works due to finding more in-ground issues than expected. This has resulted in a decrease in estimated expenditure this financial year.
Facilities to Support LAND8113PH1 Long Range Fires First Regiment								
Edinburgh Defence Precinct	SA - Spence		-	-	36.0	36.0		
Puckapunyal Military Area	VIC - Nicholls		-	1.5	-	0.4	0.4	
Total		376.7	-	1.5	-	36.4	36.4	This financial variation is the result of the project being newly approved.
Explosive Ordnance Facilities Northern NSW Redevelopment								
Defence Establishment Orchard Hills	NSW - Lindsay	359.3	6.0	6.0	30.0	22.9	-7.1	This financial variation is the result of resequencing selected construction works to minimise operational impacts and base disruptions. This has resulted in a decrease in estimated expenditure this financial year.
Airfield Capital Works P0009 (RAAF Darwin and Mount Bunday)								
Mount Bunday	NT - Lingiari		5.1	0.7	8.2	6.4	-1.8	
RAAF Base Darwin	NT - Solomon		287.7	176.1	21.3	19.3	-2.0	
Total		351.7	292.8	176.8	29.5	25.7	-3.8	This financial variation of the result of the project approaching completion and it estimating a requirement for less funding to be spent this financial year.
Edinburgh Defence Precinct Mid-Term Refresh								
RAAF Base Edinburgh	SA - Spence	311.9	17.9	11.3	115.7	90.6	-25.1	This financial variation is the result of resequencing selected construction works to maximise synergies with other projects at the base. This has resulted in a decrease in estimated expenditure this financial year.
Guided Weapons Explosive Ordnance Storage								
Defence Establishment Orchard Hills	NSW - Lindsay		30.2	7.6	79.4	58.5	-20.9	
RAAF Base Amberley	QLD - Blair		13.5	11.0	9.0	8.6	-0.4	
HMAS Stirling	WA - Brand		15.2	12.6	3.3	4.3	1.0	
Total		302.0	58.8	31.2	91.7	71.4	-20.3	This financial variation is the result of resequencing selected construction works to minimise disruptions at the respective bases. This has resulted in a decrease in estimated expenditure this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Defence Fuel Transformation Program - Tranche 2 Facilities								
HMAS Creswell	ACT - Fenner	0.1	-	1.4	0.3	-1.1		
Garden Island Defence Precinct	NSW - Wentworth	1.2	0.3	14.5	3.6	-10.9		
HMAS Albatross	NSW - Gilmore	0.2	0.5	2.9	0.7	-2.2		
HMAS Waterhen	NSW - Warringah	0.2	0.4	1.4	0.3	-1.1		
Holsworthy Barracks	NSW - Hughes	0.2	0.5	1.4	0.3	-1.1		
RAAF Base Williamtown	NSW - Paterson	0.3	0.3	2.9	0.7	-2.2		
RAAF Base Darwin	NT - Solomon	0.2	0.3	2.9	0.7	-2.2		
RAAF Base Tindal	NT - Lingiari	0.4	1.0	2.9	0.7	-2.2		
Borneo Barracks	QLD - Groom	0.2	0.2	1.4	0.3	-1.1		
Longreach	QLD - Maranoa	0.2	0.3	2.9	0.7	-2.2		
Lavarack Barracks	QLD - Herbert	0.2	0.2	2.9	0.7	-2.2		
RAAF Base Amberley	QLD - Blair	0.7	1.3	5.8	1.5	-4.3		
RAAF Base Townsville	QLD - Herbert	0.7	1.3	4.3	1.2	-3.1		
Port Wakefield	SA - Grey	0.3	0.4	1.4	0.3	-1.1		
RAAF Base Edinburgh	SA - Spence	0.1	-	1.4	0.3	-1.1		
Puckapunyal Military Area	VIC - Nicholls	0.8	0.4	7.2	1.7	-5.5		
Army Testing Ground Monegeetta	VIC - McEwen	0.2	0.2	2.9	0.7	-2.2		
RAAF Base Learmonth	WA - Durack	8.8	6.0	78.1	19.0	-59.1	This financial variation is the result of delays in finalising procurement activities to enable the construction works to commence, and additional time required to overcome remote locality challenges. This has resulted in a decrease in estimated expenditure this financial year.	
Geraldton	WA - Durack	0.1	0.2	1.4	0.3	-1.1		
Laverton	WA - O'Connor	0.1	0.3	1.4	0.3	-1.1		
HMAS Stirling	WA - Brand	0.2	0.4	2.9	0.7	-2.2		
Bindoon Training Area	WA - Bullwinkel	0.5	0.5	-	-	-		
Total		286.9	16.1	15.0	144.7	35.0	-109.7	
Garden Island Critical Infrastructure Recovery Program Stage 2								
Garden Island Defence Precinct	NSW - Wentworth	286.5	283.6	284.9	0.0	0.0	0.0	Nil variance.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation	
AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities									
Cocos (Keeling) Islands	NT - Lingiari	23.0	24.5	2.6	1.0	-1.6		This financial variation is the result of the project having completed construction and it estimating a requirement for less funding to be spent this financial year. The project has now entered the Defects Liability Period accordingly.	
RAAF Base Darwin	NT - Solomon	1.1	1.1	-	-	-			
RAAF Base Townsville	QLD - Herbert	13.8	13.7	0.1	0.0	-0.1			
RAAF Base Edinburgh	SA - Spence	231.3	232.4	0.9	0.0	-0.9			
Total		284.8	269.3	271.8	3.6	1.1	-2.6		
Facilities to Support JP 9101 Enhanced Defence Communications									
HMAS Harman	ACT - Bean	0.0	0.0	-	-	-		This financial variation is the result of poor weather, which affected construction progress in the Darwin region. This has resulted in a decrease in estimated expenditure this financial year.	
Russell Offices	ACT - Canberra	0.0	0.0	-	-	-			
Riverina Region	NSW - Riverina	32.7	2.9	9.4	14.9	5.5			
Darwin Region	NT - Solomon	30.6	21.8	33.6	20.9	-12.7			
Townsville Region	QLD - Herbert	36.8	16.6	6.9	5.4	-1.5			
North West Cape Region	WA - Durack	17.6	0.9	6.6	9.5	2.9			
Total		280.3	117.7	42.2	56.5	50.7	-5.8		
Facilities to Support LAND 19 Phase 7B Short Range Ground Based Air Defence									
RAAF Base Edinburgh	SA - Spence	266.1	214.8	227.4	40.5	28.0	-12.5	This financial variation is the result of the project having completed construction and it estimating a requirement for less funding to be spent this financial year. The project has now entered the Defects Liability Period accordingly.	
Armoured Fighting Vehicles Facilities Program Stage 1									
Lavarack Barracks	QLD - Herbert	32.7	32.7	-	-	-			
Edinburgh Defence Precinct	SA - Spence	76.4	76.8	-	-	-			
Puckapunyal Military Area	VIC - Nicholls	112.0	109.7	0.5	6.3	5.8			
Total		248.5	221.1	219.3	0.5	6.3	5.8		
Airfield Capital Works P0013 (Curtin and Learmonth)									
RAAF Base Curtin	WA - Durack	-	0.0	-	-	-		This financial variation is the result of delays in commencing the construction of selected works in order to overcome remote locality challenges. This has resulted in a decrease in estimated expenditure this financial year.	
RAAF Base Learmonth	WA - Durack	9.5	0.9	66.2	25.0	-41.2			
Total		237.2	9.5	1.0	66.2	25.0	-41.2		

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation	
Facilities to Support AIR 5349 Phase 6 Advanced Growler									
Delamere Air Weapons Range									
	NT - Lingiari	3.0	16.9	100.4	102.4	102.4	2.0		
	RAAF Base Amberley	2.0	2.0	39.9	37.9	37.9	-2.0		
Total		228.2	5.0	18.9	140.3	140.3	0.0	Nil overall variance.	
Facilities to Support LAND 1508 Phase 1 Special Operations Capability Enhancements									
Holsworthy Barracks									
	NSW - Hughes	8.1	-	51.6	35.2	35.2	-16.4	This financial variation is the result of delays in mobilising to site as part of ensuring appropriate environmental and security activities were completed prior.	
	Campbell Barracks	9.9	-	53.0	53.0	53.0	-		
Total		225.6	18.0	-	104.6	88.2	-16.4		
LAND 121 Phase 5B Facilities Project									
Lavarack Barracks									
	QLD - Herbert	7.0	7.0	-	-	-	0.0		
	Robertson Barracks	0.0	0.0	0.0	-	-	0.0		
	Gallipoli Barracks	107.9	107.5	6.6	6.7	6.7	0.1		
	Derwent Barracks	17.2	17.3	0.0	-	-	0.0		
	Puckapunyal Military Area	9.0	9.0	0.0	-	-	0.0		
	Campbell Barracks	35.5	35.7	0.0	-	-	0.0	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.	
	Porton Barracks	0.1	0.1	0.0	-	-	0.0		
Total		183.3	176.6	176.5	6.6	6.7	0.1		
Airfield Capital Works P0008 (RAAF Base Williamtown)									
RAAF Base Williamtown									
	NSW - Paterson	181.3	178.1	178.0	0.8	0.9	0.1	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.	
Fishermans Bend Redevelopment									
	Fishermans Bend	160.9	42.2	39.7	55.6	49.9	-5.7		
RAAF Base Darwin Mid-Term Refresh									
RAAF Base Darwin									
	NT - Solomon	159.9	12.0	21.3	92.4	80.0	-12.4	This financial variation is the result of resequencing selected construction works due to finding more in-ground issues than expected. This has resulted in a decrease in estimated expenditure this financial year.	

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation	
Facilities to Support SEA 9100 Phase 1									
Improved Embarked Logistics Support Helicopter Tranche 1									
HMAS Albatross	NSW - Gilmore	1.7	4.2	56.0	37.5	-18.5		This financial variation is the result of the program being resequenced upon engagement of the construction contractor. This has resulted in a decrease in estimated expenditure this financial year.	
HMAS Stirling	WA - Brand	1.7	-	1.5	1.6	0.1			
Total		146.0	3.4	4.2	57.5	39.1	-18.4		
Airfield Capital Works P0012 (RAAF Base Townsville)									
RAAF Base Townsville	QLD - Herbert	127.6	5.2	1.2	59.9	47.9	-12.0	This financial variation is the result of resequencing selected construction works due to a delay in finalising contractual arrangements. This has resulted in a decrease in estimated expenditure this financial year.	
HMAS Harman Redevelopment									
HMAS Harman	ACT - Bean	116.4	43.5	31.7	53.1	45.1	-8.0		
Armoured Fighting Vehicles Facilities Program Stage 2									
Gallipoli Barracks	QLD - Ryan	5.0	0.0	7.9	13.2	5.3		This financial variation is the result of the project finding trade savings as contracts are awarded. This has resulted in a decrease in estimated expenditure this financial year.	
Lavarack Barracks	QLD - Herbert	3.5	-	7.4	25.4	18.0			
Albury Wodonga Military Area	VIC - Indi	1.6	0.7	47.2	7.3	-39.9			
Puckapunyal Military Area	VIC - Nicolls	2.1	-	4.5	7.6	3.1			
Total		104.4	12.2	0.7	67.0	53.5	-13.5		
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project									
Alice Springs	NT - Lingiari	56.5	57.4	-	13.8	13.8		This financial variation is the final works being delivered under the project. This has resulted in an increase in estimated expenditure this financial year.	
Murray Bridge Training Area	SA - Barker	1.4	1.4	-	-	-			
RAAF Base Learmonth	WA - Durack	-	-	-	-	-			
Geraldton	WA - Durack	3.2	3.2	-	-	-			
Total		96.7	61.1	62.0	0.0	13.8	13.8		

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Airfield Capital Works P0006 (Curtin, Tindal and Townsville)								
RAAF Base Tindal	NT - Lingiari		47.5	47.5	-	-	-	This financial variation is the result of coordinating with other works at Townsville to harness synergies and minimise disruptions. This has resulted in a slight decrease in estimated expenditure this financial year.
RAAF Base Townsville	QLD - Herbert		1.0	1.0	12.0	10.1	-1.9	
RAAF Base Curtin	WA - Durack		15.2	15.2	-	-	-	
Total		95.3	63.7	63.7	12.0	10.1	-1.9	
Cultana Training Area Redevelopment Phase 2								
Cultana Training Area	SA - Grey	79.8	9.3	4.8	20.9	20.2	-0.7	This financial variation is the result of resequencing selected works packages to limit disruptions to training activities. This has resulted in a slight decrease in estimated expenditure this financial year.
Facilities to Support JP 9111 Phase 1 Information and Communication Technology Early Works								
New South Wales	NSW		0.2	-	6.5	1.9	-4.6	This financial variation is the result of revalidating design to ensure requirements remain met. This has resulted in a decrease in estimated expenditure this financial year.
Queensland	QLD		0.0	0.5	34.4	9.9	-24.5	
South Australia	SA		0.0	-	1.1	0.3	-0.8	
Total		73.8	0.2	0.5	42.0	12.1	-29.9	
North Queensland Mid-Term Refresh Program: RAAF Base Townsville Mid-Term Refresh Project								
RAAF Base Townsville	QLD - Herbert	72.8	59.6	60.7	5.3	3.3	-2.0	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
Facilities to Support JP 8218 Theatre Logistics								
North Bandiana	VIC - Indi	67.3	1.0	0.6	57.0	28.0	-29.0	This financial variation is the result of resequencing selected construction works packages to align with the construction contractor's engagement. This has resulted in a decrease in estimated expenditure this financial year.
Facilities to Support SEA2000 Phase 1 ADF Maritime Mining								
HMAS Stirling	WA - Brand		-	-	-	-	-	
HMAS Waterhen	NSW - Warringah		-	-	-	1.9	1.9	This financial variation is the result of the project being newly approved.
Total		60.5	-	-	-	1.9	1.9	
LAND 4502 Phase 1 Additional CH-47F Chinook Facilities								
RAAF Base Townsville	QLD - Herbert	57.9	55.4	51.7	0.3	0.1	-0.2	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Anglesea Paterson Project								
Anglesea Barracks	TAS - Clark		21.6	20.9	0.1	1.2	1.1	
North Launceston	TAS - Bass		2.0	1.7	0.8	0.0	-0.8	
Youngtown Depot	TAS - Bass		2.9	1.7	7.8	5.4	-2.4	
Total		57.4	26.5	24.3	8.7	6.6	-2.1	This financial variation is the result of resequencing selected construction works packages noting the completion of the works at Anglesea Barracks. This has resulted in a slight decrease in estimated expenditure this financial year.
Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project								
HMAS <i>Kuttabul</i>	NSW - Wentworth		5.6	5.6	0.0	-	-	
HMAS <i>Cerberus</i>	VIC - Flinders		0.5	0.5	-	-	-	
HMAS <i>Stirling</i>	WA - Brand		27.5	28.0	2.2	0.2	-2.0	
HMAS <i>Coonawarra</i>	NT - Solomon		2.3	2.1	1.0	0.8	-0.2	
HMAS <i>Cairns</i>	QLD - Leichhardt		0.3	0.3	0.5	0.5	0.0	
Total		56.2	36.2	36.5	3.7	1.5	-2.2	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
Guided Weapons Explosive Program Accelerated Storage								
Defence Establishment Myabat	NSW - New England	52.2	8.0	1.9	30.3	41.0	10.7	This financial variation is the result of a change in the construction works program to support capability requirements. This has resulted in an increase in estimated expenditure this financial year.
Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles								
Gallipoli Barracks	QLD - Ryan	51.7	15.6	16.6	27.0	31.5	4.5	This financial variation is the result of a change in the construction works program to support capability requirements. This has resulted in an increase in estimated expenditure this financial year.
Guided Weapons Explosive Ordnance Program Accelerated Storage								
Defence Establishment Jennings	NSW - New England	44.1	21.0	1.8	21.0	31.6	10.6	This financial variation is the result of a change in the construction works program to support capability requirements. This has resulted in an increase in estimated expenditure this financial year.
RAAF Base Amberley Sewage Treatment Plant								
RAAF Base Amberley	QLD - Blair	41.7	25.7	24.3	7.2	15.8	8.6	This financial variation is the result of resequencing selected construction works to align with a revised construction program. This has resulted in an increase in estimated expenditure this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Guided Weapons Production Capability Assembly Facility								
Port Wakefield	SA - Grey	40.2	-	3.9	23.2	31.9	8.7	This financial variation is the result of a change in the construction works program to support capability requirements. This has resulted in an increase in estimated expenditure this financial year.
General John Baker Complex Capability Assurance Project Tranche One								
General John Baker Complex	NSW - Eden Monaro	37.3	25.2	26.7	9.3	9.8	0.5	This financial variation is the result of resequencing selected construction works as the project approaches planned completion. This has resulted in a slight increase in estimated expenditure this financial year.
Facilities to Support LAND 8116 Phase 1 Protected Mobile Fires								
Lavarack Barracks	QLD - Herbert		14.9	12.8	17.0	16.5	-0.5	
Puckapunyal Military Area	VIC - Nicholls		0.4	0.0	0.0	0.5	0.5	
Total		36.5	15.3	12.8	17.0	17.0	0.0	Nil overall variation.
Relocation of Units from Elizabeth North Training Depot								
Edinburgh Defence Precinct	SA - Spence	35.4	12.3	12.0	13.6	15.3	1.7	This financial variation is the result of a change in the construction works program to support planned upcoming completion. This has resulted in a slight increase in estimated expenditure this financial year.
Facilities to Support LAND 3025 Phase 2 Deployable Special Operations Engineer Regiment								
Holsworthy Barracks	NSW - Hughes	35.3	30.3	30.5	0.2	1.1	0.9	This financial variation is the result of a change in the construction works program to reflect an increase in the project's total estimate expenditure. This has resulted in an increase in estimated expenditure this financial year.
Facilities to Support LAND 8180 Phase 1 Aviation and Field Fire Truck								
RAAF Base Richmond	NSW - Macquarie		-	-	0.6	0.8	0.2	
RAAF Base Williamtown	NSW - Paterson		0.1	-	0.4	0.8	0.4	
RAAF Base Tindal	NT - Lingiari		-	0.2	0.8	0.8	-	
RAAF Base Amberley	QLD - Blair		0.9	-	22.7	13.4	-9.3	
Total		32.4	1.0	0.2	24.5	15.8	-8.7	This financial variation is the result of revalidating design to ensure requirements remain met. This has resulted in a decrease in estimated expenditure this financial year.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
HMAS Creswell Mid-Term Refresh								
HMAS Creswell	ACT - Fenner	30.7	25.1	23.3	2.1	3.3	1.2	This financial variation is the result of a change in the construction works program with the project being able to address in-ground issues more efficiently than originally anticipated. This has resulted in an increase in estimated expenditure this financial year.
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence Facilities								
HMAS Stirling	WA - Brand	0.8	0.8	-	-	-	-	
Bindoon Training Area	WA - Bullwinkel	0.5	0.5	-	-	-	-	
Robertson Barracks	NT - Lingiari	0.6	1.2	0.0	1.8	1.8		
RAAF Base Edinburgh	SA - Spence	0.4	1.1	0.0	0.8	0.8		
Lavarack Barracks	QLD - Herbert	0.5	1.2	0.0	1.0	1.0		
Gallipoli Barracks	QLD - Ryan	4.0	0.8	0.4	0.3	-0.1		
RAAF Base Amberley	QLD - Blair	2.5	1.0	1.0	1.3	0.3		
Holsworthy Barracks	NSW - Hughes	1.1	1.1	-	-	-	-	
Kapooka Military Area	NSW - Riverina	5.4	5.4	-	-	-	-	
RAAF Base Wagga	NSW - Riverina	0.9	0.9	-	-	-	-	
HMAS Creswell	ACT - Fenner	2.5	1.7	0.5	-	-0.5		This financial variation is the result of a change in the construction works program with the project being able to deliver slightly more than anticipated this year. This has resulted in an increase in estimated expenditure this financial year.
Majura Range	ACT - Canberra	1.4	1.4	0.0	-	0.0		
HMAS Cerberus	VIC - Flinders	0.8	0.8	-	-	-		
Dutson Air Weapons Range	VIC - Gippsland	1.1	1.1	-	-	-		
Total		25.7	22.6	19.0	2.0	5.2	3.2	
North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project								
Townsville Field Training Area	QLD - Kennedy	22.8	18.1	17.5	3.6	0.8	-2.8	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region								
Tweed Heads	NSW - Richmond	17.4	14.7	15.6	0.0	0.6	0.6	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
North Queensland Mid-Term Refresh Program: HMAS Cairns Mid-Term Refresh Project								
HMAS Cairns	QLD - Leichhardt	15.6	12.8	14.4	2.0	0.2	-1.8	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.

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

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2025 \$m	Cumulative Expenditure to 30 June 2025 (Revised) \$m	2025-26 Budget Estimate \$m	2025-26 Budget Estimate (Revised) \$m	Variation \$m	Explanation of Financial Variation
Facilities to Support JP 8190 Phase 1 Deployable Bulk Fuel Distribution								
Lavarack Barracks	QLD - Herbert	6.9	2.5	0.1	1.3	1.2		This financial variation is the result of a change in the construction works program with the project being able to deliver slightly more than anticipated this year. This has resulted in an increase in estimated expenditure this financial year.
RAAF Base Amberley	QLD - Blair	4.9	2.0	0.0	2.1	2.1		
Cowley Beach Training Area	QLD - Kennedy	1.5	0.1	0.0	1.0	1.0		
Greenbank Training Area	QLD - Wright	0.2	0.0	0.0	0.1	0.1		
Townsville Field Training Area	QLD - Kennedy	0.7	0.1	0.0	0.0	0.0		
Total		15.0	14.2	4.7	0.1	4.5	4.4	
RAAF Base Pearce Additional Flight Training Device								
RAAF Base Pearce	WA - Durack	11.5	11.5	10.9	0.0	0.4	0.4	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
Facilities to Support LAND 159 Phase 1 Lethality Systems								
Greenbank Training Area	QLD - Wright	8.2	3.5	1.1	4.2	4.2	0.0	Nil variance.
Facilities to Support P-8A Poseidon Capability Assurance Program								
RAAF Base Edinburgh	SA - Spence	4.9	0.4	0.4	1.7	1.8	0.1	This financial variation is the result of the project having completed construction and it entering the Defects Liability Period.
Projects in the Defects Liability Period ^[a]								
Total ^[b]		21,446.3	9,767.5	9,483.6	3,959.3	3,371.2	-588.1	

Notes

- a. This amount represents the expenditure estimates for completed projects during their first year in-use.
b. The sub-total of individual projects and the table's total figures may differ due to rounding. Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.

Explanation of Projects

The following additional projects have been approved and included in the previous table since the *PB Statements 2025-26*:

Facilities to Support LAND 8113 PH1 Long Range Fires First Regiment

This project is providing facilities and infrastructure at the Edinburgh Defence Precinct SA and the Puckapunyal Military Area VIC to support the operation and maintenance of long range fire capability. The scope includes new and refurbished training, storage and maintenance facilities. This project is scheduled for completion in late 2028.

Facilities to Support SEA 2000 Australian Defence Force Maritime Mining Capability

This project is providing facilities and infrastructure at HMAS Stirling WA and HMAS Waterhen NSW to support Australian Defence Force Maritime Mining capability. The scope includes new storage and workforce facilities, and engineering services upgrades. This project is scheduled for completion in mid-2027.

Guided Weapons Production Capability Assembly Facility

This project provided a missile assembly facility and associated infrastructure at Port Wakefield SA to support the manufacturing of Guided Multiple Launch Rocket System (GMLRS) missiles. This project commenced construction in mid-2025 and was completed in late 2025 with the works now in the Defects Liability Period.

Joint Health Command Garrison Facilities Upgrade

This project is now in the Defects Liability Period.

DEF101 Data Centre Upgrade

This project is now in the Defects Liability Period.

Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2025-26

Program of Works Foreshadowed for Consideration and Approval

During 2025-26, Defence expects to present a number of Enterprise Estate and Infrastructure Program capital facilities and infrastructure project proposals to the Parliamentary Standing Committee on Public Works (PWC). The following tables detail the proposed major projects expected to be referred to the PWC, and medium projects expected to be notified to the PWC, for the remainder of 2025-26.

Table 67: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval for the Remainder of 2025-26

Project Description	State/Electorate	Actual/Indicative PWC Referral Date ^[a]	Actual/Indicative PWC Hearing Date ^{[a] [b]}
Blamey Barracks Redevelopment	NSW - Riverina	02-Sep-2025	Early 2026
Facilities to Support Air Mission Training System	VIC - Gippsland	Early 2026	Early 2026
Armoured Fighting Vehicle Facilities Program Stage 3	QLD - Various	Early 2026	Early 2026
Facilities to Support Theatre Logistics (Work Package 2.6)	NT - Lingiari	Early 2026	Mid-2026
Facilities to Support Theatre Logistics (Work Package 2.4)	WA - Perth	Early 2026	Mid-2026
Facilities to Support Hobart Class Destroyer Aegis System Upgrade	Various	Mid-2026	Late 2026

Notes

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

Table 68: Medium Capital Facilities Projects Foreshadowed for Notification for the Remainder of 2025-26

Project Description	State/Electorate	Actual/Indicative PWC Notification Date ^[a]	Indicative PWC Approval Date
Facilities to Support Joint Counter Improvised Explosive Device (Tranche 2)	Various	Early 2026	Early 2026
Borneo Barracks Redevelopment	QLD - Groom	Mid-2026	Mid-2026
Facilities to Support Special Operations Enhancements	Various	Mid-2026	Mid-2026

Note

- a. Actual dates are shown in full. Forecast dates are shown as "Early", "Mid", "Late".

Explanation of Projects

Australian Capital Territory

Not applicable.

New South Wales

Blamey Barracks Redevelopment

This project proposes to provide new and upgraded facilities and infrastructure at Blamey Barracks (Kapooka Military Area) NSW. The proposed scope includes the demolition of aged buildings, infrastructure repairs and upgrades, and new training range, living-in accommodation, and headquarter buildings.

Northern Territory

Facilities to Support Theatre Logistics (Work Package 2.6)

This project proposes to provide logistics enabling facilities and infrastructure in the NT. The proposed scope includes storage, warehousing, distribution, maintenance and support facilities.

Queensland

Armoured Fighting Vehicle Facilities Program Stage 3

This project proposes to provide new and upgraded facilities and infrastructure at Gallipoli Barracks, Lavarack Barracks and Townsville Field Training Area QLD. The proposed scope includes workshop and storage facilities.

Borneo Barracks Redevelopment

The project proposes to provide new and upgraded facilities and infrastructure at Borneo Barracks QLD. The proposed scope includes upgrades to engineering services such as water and power, and road infrastructure.

South Australia

Not applicable.

Victoria

Facilities to Support Air Mission Training System

This project proposes to provide facilities and infrastructure at RAAF Base East Sale VIC to support the replacement of the Air Mission Training System. The proposed scope includes living-in accommodation and training facilities.

Western Australia

Facilities to Support Theatre Logistics (Work Package 2.4)

This project proposes to provide logistics enabling facilities and infrastructure in Perth WA. The proposed scope includes storage, warehousing, distribution, maintenance and support facilities.

Various Locations

Facilities to Support Hobart Class Destroyer Aegis System Upgrade

This project proposes to provide facilities and infrastructure at multiple sites across NSW and SA. The proposed scope includes logistics, test, support and training facilities.

Facilities to Support Joint Counter Improvised Explosive Device (Tranche 2)

This project proposes to provide facilities and infrastructure at multiple sites across QLD and the NT. The proposed scope includes storage facilities.

Facilities to Support Special Operations Enhancements

This project proposes to provide facilities and infrastructure at Holsworthy Barracks NSW, Randwick Barracks NSW and Campbell Barracks WA. The proposed scope maintenance and storage facilities.

Appendix F: Top 5 Information and Communication Technology Approved Projects

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

Table 69: Top 5 ICT Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) ^[a] ^[b]

Project Name	Project Number/Phase	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Enterprise Resource Planning (ERP)	ICT 2283	1,642	914	203	174	173	-1	<p>The project will modernise, integrate and transform Defence's processes to manage its HR, finance, procurement, logistics, engineering and maintenance and estate functions.</p> <p>During 2025-26 and the Forward Estimates, key activities include process design, build and testing, data conversion and migration, and business preparations and transformation activities required to deliver Enterprise Resource Planning across Defence.</p>
Health Knowledge Management	JP 2060 Phase 4	380	300	45	24	41	17	<p>The project will replace the ADF's legacy electronic health record product (DeHS) with a modern, patient-centric health solution. The new Health Knowledge Management (HKM) System will replace Defence's Electronic Health System in Garrison and on board, and will offer a new e-Health System for the deployed environments. The new HKM System will record, store, aggregate and allow analysis via One Defence Data Capability of de-identified health data and information for the ADF population, unifying multidisciplinary primary and occupational care with emergency and hospital care, to enable better clinical decision-making. HKM will provide a longitudinal health record that will span the individual's entire career and provide the ability to integrate into other government systems and programs, including the Department of Veteran's Affairs, ComSuper and My Health Record.</p> <p>During 2025-26, the project will continue transformation of the ADF's Deployable Health Capability. This will include delivery of clinical and operational medical training for ADF personnel, and the delivery of a new patient centric e-Health system for Garrison and deployed environments.</p> <p>The variation is due to revised forecast of Prime System Integration and associated contract costs.</p>

Table 69: Top 5 ICT Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b]}

Project Name	Project Number/Phase	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Fleet Information Environment Modernisation	SEA 2273	578	426	58	20	36	15	<p>The project will deliver a suite of integrated ICT systems, applications and infrastructure that supports both deployed operations and day-to-day administrative activities, where ships and submarine crews are located. The systems, collectively, will provide Command and Control between headquarters and other Navy platforms, Communication and information sharing with other Navy platforms, ADF deployed forces, Coalition partners, and Other Government Organisation assets. Situational awareness, intelligence and surveillance information to enable timely decision-making.</p> <p>In 2025-26 the project is scheduled to meet Initial Operating Capability together with installs on both a Major and Minor vessel.</p> <p>The variation is predominantly due to the return of project budget no longer required for working accommodation.</p>
Integrated Intelligence Surveillance Reconnaissance and Processing Exploitation Dissemination Enterprise	DEF 2150	202	104	52	40	30	-11	<p>This project will deliver the baseline Distributed Ground Station - Australia (DGS-AUS) Capability for the Processing, Exploitation and Dissemination (PED) of data and information collected by a range of airborne Intelligence, Surveillance and Reconnaissance (ISR) platforms.</p> <p>The variation is due to the transfer of funding, associated with Defence Science and Technology Activities, in support of the Project.</p>

Table 69: Top 5 ICT Approved Projects by 2025-26 Forecast Expenditure (Gross Plan) (Continued) ^{[a] [b]}

Project Name	Project Number/Phase	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2025 \$m	Actual Expenditure 2024-25 \$m	Budget Estimate 2025-26 \$m	Revised Estimate 2025-26 \$m	Variation 2025-26 \$m	Project Performance Update and Explanation of Financial Variation
Intelligence Surveillance and Reconnaissance Integration	JP 2096	188	128	9	26	26	0	<p>The project is delivering a Mission System known as 'Wagardi', which will provide a capability for intelligence analysts and planners to rapidly search and discover Intelligence, Surveillance and Reconnaissance (ISR) data, enabling the timely provision of intelligence support to Australian Defence Force (ADF) commanders and war fighters. In June 2022, Tranche 1 of the JP2096 project delivered the Wagardi Mission System on the Defence fixed environment.</p> <p>The major achievement scheduled for 2025-26 is the delivery of the next iteration of the Wagardi Mission System to users operating in a deployed environment. The project will also make available more mission critical ISR data required by the Wagardi user community.</p>
Total Top 5 ICT Projects (Gross Plan)		2,989	1,871	367	285	305	21	

Notes

- Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2025, Budget Estimate 2025-26 and Revised Estimate 2025-26 are on an accrual basis and funded by appropriation.
- Figures may not add due to rounding.

Appendix G: Australian Government Indigenous Expenditure

Table 70: Australian Government Indigenous Expenditure

Program	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000
Defence Indigenous Strategy	2.12	6,807
Army Aboriginal Community Assistance Program	2.6	5,470
Total Australian Government Indigenous Expenditure*	12,277	14,743

* Note the above funding is reallocated funding within Defence.

Defence's commitment to reconciliation and implementing the National Agreement on Closing the Gap will continue by focusing on the attraction, recruitment, and retention of First Nations peoples, and empowering the First Nations business sector to enhance Defence capability.

Defence Indigenous Participation

Defence has First Nations representation targets of 5 per cent for the Defence Australian Public Service (APS) workforce by 2030, and 5 per cent for the Australian Defence Force (ADF) by 2025. As at 1 January 2025, the ADF participation rate was 3.9 per cent and the Defence APS participation rate was 1.8 per cent. Over 2025-26, Defence will increase the opportunities of the First Nations workforce through targeted recruitment and retention programs and initiatives.

Defence Indigenous Procurement Policy (IPP)

Defence continues to exceed Government targets under the Indigenous Procurement Policy (IPP) and is the Commonwealth's largest procurer of First Nations goods and services. As at November 2025, over \$13.3 billion of Commonwealth Government contracts have been awarded to First Nations businesses since the introduction of the IPP in 2015. Of this, Defence has awarded over \$6.5 billion in contract value to First Nations businesses. Defence places a strong emphasis on engagement with the First Nations business sector, creating opportunities and promoting greater inclusion of First Nations businesses within Defence's procurement practices.

Defence Indigenous Programs

The ADF operates a number of First Nations employment pathway programs, including specialist ADF First Nations Recruitment Teams, the Navy and Army Indigenous Development Programs and Air Force Indigenous Recruitment Pathways Programs. The ADF also implements the Indigenous Pre-Recruit Program, a Tri-Service program, delivered across Australia.

Defence will continue to partner with the National Indigenous Australians Agency (NIAA) to support programs identified in the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020-24. The Indigenous Graduate Pathway Program (managed by Defence since 2021) and the Indigenous Apprenticeship Program (IAP) aim to increase First Nations graduates and apprentices across Government agencies. Defence will also implement the Indigenous Development Employment Program (IDEP), to provide First Nations personnel with development opportunities in areas of communication, leadership, teamwork, personal development and critical thinking.

Defence Indigenous Community Assistance Programs

Defence delivers two Indigenous Community Assistance Programs, the Army Aboriginal Community Assistance Program (AACAP) and the Air Force Exercise Kumundoo. AACAP is a Commonwealth Government initiative between Defence (Army) and the National Indigenous Australians Agency (NIAA). It aims to improve infrastructure, health, living and economic conditions within remote Indigenous communities. These aims support the National Agreement on Closing the Gap which brings Aboriginal and Torres Strait Islander peoples, governments and key stakeholders together, to address the inequality experienced by Aboriginal and Torres Strait Islander peoples.

AACAP projects leverage the ability of Army to deliver a range of services in remote areas, providing infrastructure works, employability skills training, health promotion and community support in a holistic and highly effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP projects to exercise various operational capabilities in a unique cultural and physical environment. AACAP projects have recently occurred in Amata, SA (2024) and the Torres Strait, QLD (2025); AACAP 2026 will occur in Yungngora, WA. The increase in the revised estimate is due to an increase in shipping costs for AACAP 2025 - Torres Strait and increase scope of works for AACAP 2026 - Yungngora.

The Kummundoo Program is a partnership between Air Force and the National Aboriginal Community Controlled Health Organisation (NACCHO), as the national peak body for First Nations health. Through this ongoing initiative, Air Force will continue to contribute to the enhancement of primary health care outcomes in First Nations communities.

Australian Signals Directorate

Agency Resources and Planned Performance

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Australian Signals Directorate

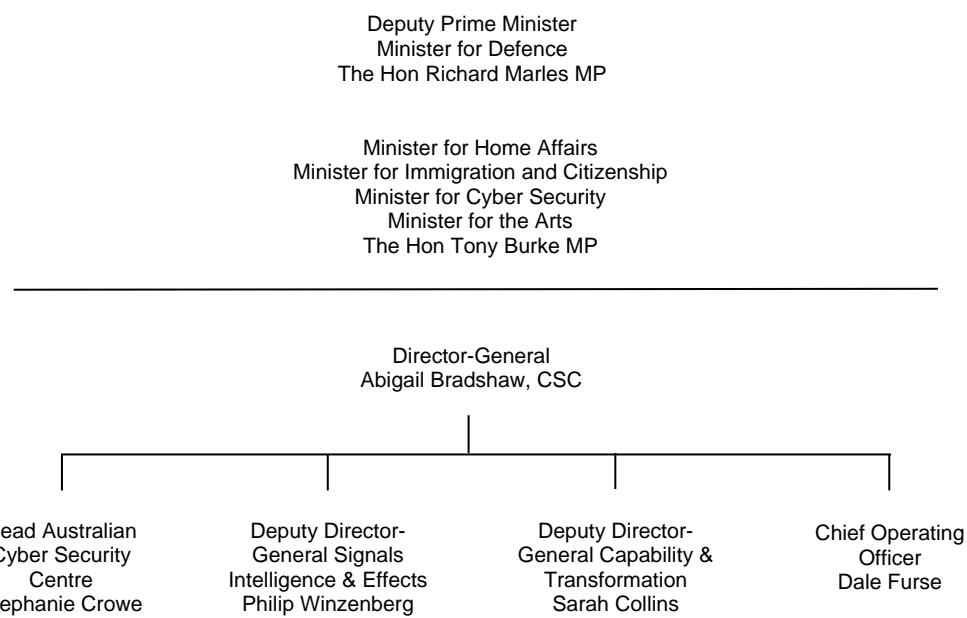
Section 1: ASD Overview and Resources

1.1 Strategic Direction Statement

No changes have been made to the ASD Strategic Direction Statement since the *PB Statements 2025-26*.

ASD Organisational Chart

Figure 1: ASD Organisational Structure



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

Organisational Structure

No changes have taken place since the *PB Statements 2025-26*.

1.2 ASD Resource Statement

The ASD Resource Statement details the resourcing for the Australian Signals Directorate at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2025-26 Budget Year and Forward Estimates, including variations through *Appropriation Bills No. 3* and *No. 4*, Special Appropriations and Special Accounts.

Table 1: ASD Resource Statement - Budget Estimates for 2025-26 as at Additional Estimates February 2026

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Proposed Additional Estimates \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Departmental							
Annual appropriations - ordinary annual services							
Departmental appropriation	1,683,109	1,748,497	-3,185	1,745,312	1,937,174	1,958,011	2,003,431
s74 External Revenue	4,705	3,064	—	3,064	3,141	3,221	3,301
Departmental Capital Budget	30,000	30,000	-8,000	22,000	38,000	30,000	30,000
Annual appropriations - other services - non-							
Equity injection	1,027,283	699,859	-141,432	558,427	563,539	398,651	237,802
Total departmental annual appropriations	2,745,097	2,481,420	-152,617	2,328,803	2,541,854	2,389,883	2,274,534
Total departmental resourcing	2,745,097	2,481,420	-152,617	2,328,803	2,541,854	2,389,883	2,274,534
Total resourcing for ASD	2,745,097	2,481,420	-152,617	2,328,803	2,541,854	2,389,883	2,274,534

Annual Appropriations**Table 2: Appropriation Bill (No. 3) 2025-26**

	2024-25 Available \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimate \$'000	Reduced Estimates \$'000
Departmental Programs					
Departmental Outputs ^[a]	1,713,109	1,778,497	1,767,312	-	-11,185
Total	1,713,109	1,778,497	1,767,312	-	-11,185

Note

- a. Appropriation reduction of \$11.2 million includes \$8 million from *Appropriation Act (No. 1)* - Departmental Capital Budget 2025-26 which has been quarantined for administrative purposes and \$3.2 million relates to Foreign Exchange handback from *Appropriation Act (No. 1)* - Operating 2025-26.

Table 3: Appropriation Bill (No. 4) 2025-26

	2024-25 Available \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimate \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections ^[a]	1,027,283	699,859	558,427	-	-141,432
Total non-operating	1,027,283	699,859	558,427	-	-141,432

Note

- a. Equity reduction includes \$139.5 million from *Appropriation Act (No. 2)* 2025-26 which has been quarantined for administrative purposes and \$1.9 million relates to Foreign Exchange handback from *Appropriation Act (No. 2)* 2025-26.

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 4: Additional Estimates and Other Variations to Outcomes Since the 2025-26 Budget

	2025-26 Revised Estimate \$m	2026-27 Forward Estimate \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m
Other Budget Adjustments				
Foreign Exchange	-5.1	-4.4	-3.2	-2.7
Other Adjustments	-147.5	76.6	172.9	20.4
Total Other Departmental Budget Adjustments	-152.6	72.2	169.7	17.7
Variation to ASD Departmental Funding	-152.6	72.2	169.7	17.7

Section 2: ASD Revisions to Outcomes and Planned Performance

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome Expense Statement

Table 5: Budgeted Expenses for Outcome 1

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations					
Expenses funded by appropriation and own source revenue^[a]					
Employees	644,079	725,294	781,069	824,584	817,804
Suppliers	940,258	967,374	1,106,969	1,083,065	1,164,313
Other expenses	13,782	5,860	5,188	4,499	3,962
	1,598,119	1,698,528	1,893,226	1,912,148	1,986,079
Expenses not requiring appropriation^[b]					
Resources received free of charge	3,309	159	160	162	161
Depreciation and amortisation	602,862	603,311	662,886	653,010	773,539
Net Write-Down and net impairment of assets	15,435	-	-	-	-
Other gain	627	-	-	-	-
	622,233	603,470	663,046	653,172	773,700
Total operating expenses	2,220,352	2,301,998	2,556,272	2,565,320	2,759,779
Capital expenditure funded by appropriation					
Purchases of non-financial assets	1,038,905	580,427	601,539	428,651	267,802
Principal repayments of lease liabilities	64,557	49,848	47,089	49,084	20,653
	1,103,462	630,275	648,628	477,735	288,455
Total capital expenditure	1,103,462	630,275	648,628	477,735	288,455
Total funded expenditure Program 1.1^[c]	2,701,581	2,328,803	2,541,854	2,389,883	2,274,534
	2024-25	2025-26			
Average Staffing Level (number)	nfp	nfp			

Notes

- a. Section 74 external revenues contribution to expenditure.
- b. Expenses not requiring appropriation include depreciation cost and auditor fees.
- c. Total program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Contributions to Outcome 1

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

Performance information is as reported in the *PB Statements 2025-26*, except for the following revisions:

Table 6: Performance Measures for Outcome 1

Table 6 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured.

Outcome 1 - Defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.	
Program 1.1- Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations To defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.	
Key Activities	<ul style="list-style-type: none">Provide foreign signals intelligence.Provide cyber security services.Conduct offensive cyber operations.

Year	Performance Objectives ¹	Expected Performance Results
Budget Year 2025-26	ASD's foreign signals intelligence products and enabling capabilities meet Government's expectations to deliver strategic advantage and support National Intelligence Community (NIC) operations.	<p>Government expectations to deliver strategic advantage are met.</p> <p><i>Expected to be met.</i></p>
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	<p>National Intelligence Community operational requirements are met.</p> <p><i>Expected to be met.</i></p>
	ASD provides high-quality, impactful cyber security services to government, critical infrastructure and services, business, families and individuals.	<p>ASD's foreign signals intelligence and enabling capabilities support the ADF's military operations and activities, technological advantage and capabilities.</p> <p><i>Expected to be met.</i></p>
		<p>ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture.</p> <p><i>Expected to be met.</i></p>
		<p>Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders.</p> <p><i>Expected to be met.</i></p>
		<p>ASD's Top Secret network assessment and authorisation activities and key management services support stakeholders' requirements.</p> <p><i>Expected to be met.</i></p>
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security or resilience.	<p>Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia.</p> <p><i>Expected to be met.</i></p>
		<p>ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia.</p> <p><i>Expected to be met.</i></p>
	ASD's offensive cyber operations provide effective and timely support for military operations and activities, and meet whole-of-government requirements for countering offshore cyber threats.	<p>Offensive cyber capabilities provide effective and timely support for ADF military operations and activities.</p> <p><i>Expected to be met.</i></p>
		<p>Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements.</p> <p><i>Expected to be met.</i></p>
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 1.1 resulting from 2025-26 Budget Measures: Nil.		

¹ Performance objectives and underlying measures have been amended to align with the *ASD Corporate Plan 2025-26*.

Linked Programs

No changes have been made to Linked Programs since the *PB Statements 2025-26*.

Section 3: ASD Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of ASD's finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Explanatory Tables

Table 6: Third Party Payments to and from Other Agencies [a]

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'000
Payments made to Department of Defence for provision of services (Departmental)	105,439	105,439	-

Note

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES					
Employee benefits	644,079	725,294	781,069	824,584	817,804
Supplier expenses	944,194	967,533	1,107,129	1,083,227	1,164,474
Depreciation and amortisation	602,862	603,311	662,886	653,010	773,539
Write-down of assets and impairment of assets	15,435	-	-	-	-
Foreign exchange losses	544	-	-	-	-
Other	13,238	5,860	5,188	4,499	3,962
Total expenses	2,220,352	2,301,998	2,556,272	2,565,320	2,759,779
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	4,705	3,064	3,141	3,221	3,301
Resources received free of charge	3,309	159	160	162	161
Total own-source revenue	8,014	3,223	3,301	3,383	3,462
Gains					
Reversals of previous asset write-downs	2,216	-	-	-	-
Other gains	627	-	-	-	-
Total gains	2,843	-	-	-	-
Total own-source income	10,857	3,223	3,301	3,383	3,462
Net cost of (contribution by) services	-2,209,495	-2,298,775	-2,552,971	-2,561,937	-2,756,317
Revenue from Government	1,683,109	1,745,312	1,937,174	1,958,011	2,003,431
Surplus (Deficit) attributable to the Australian Government	-526,386	-553,463	-615,797	-603,926	-752,886
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	2,801	-	-	-	-
Total other comprehensive income/(loss)	2,801	-	-	-	-
Total comprehensive income/(loss)	2,801	-	-	-	-
Total comprehensive income attributable to the Australian Government	-523,585	-553,463	-615,797	-603,926	-752,886

Note: Impact of net cash appropriation arrangements

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation					
Adjustments	14,720	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations	602,862	603,311	662,886	653,010	773,539
add: principal repayments on leased assets	64,557	49,848	47,089	49,084	20,653
Total comprehensive income/(loss) - as per the statement of comprehensive income	-523,585	-553,463	-615,797	-603,926	-752,886

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	23,008	23,008	23,008	23,008	23,008
Trade and other receivables	427,850	305,450	305,450	305,450	305,450
Total financial assets	450,858	328,458	328,458	328,458	328,458
Non-financial assets					
Land and buildings	1,313,103	1,257,117	1,075,786	1,121,902	592,318
Property, plant and equipment	794,916	823,040	912,604	649,070	699,485
Heritage	338	338	338	338	338
Intangibles	342,737	347,715	378,133	371,192	344,624
Other non-financial assets	167,935	167,935	167,935	167,935	167,935
Total non-financial assets	2,619,029	2,596,145	2,534,796	2,310,437	1,804,700
Total assets	3,069,887	2,924,603	2,863,254	2,638,895	2,133,158
LIABILITIES					
Payables					
Suppliers	433,170	433,170	433,170	433,170	433,170
Other	33,491	33,491	33,491	33,491	33,491
Total payables	466,661	466,661	466,661	466,661	466,661
Interest bearing liabilities					
Leases	604,373	554,525	507,436	458,352	437,699
Total interest bearing liabilities	604,373	554,525	507,436	458,352	437,699
Provisions					
Employee provisions	175,433	175,433	175,433	175,433	175,433
Total provisions	175,433	175,433	175,433	175,433	175,433
Total liabilities	1,246,467	1,196,619	1,149,530	1,100,446	1,079,793
NET ASSETS	1,823,420	1,727,984	1,713,724	1,538,449	1,053,365
EQUITY					
Contributed equity	3,548,049	4,006,076	4,607,613	5,036,264	5,304,066
Reserves	47,592	47,592	47,592	47,592	47,592
Retained surplus (accumulated deficit)	-1,772,221	-2,325,684	-2,941,481	-3,545,407	-4,298,293
Total equity	1,823,420	1,727,984	1,713,724	1,538,449	1,053,365

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,895,065	1,745,312	1,937,174	1,958,011	2,003,431
Goods and services	33,606	3,064	3,141	3,221	3,301
Net GST received	144,245	114,325	119,361	98,854	77,140
Other operating receipts	17,222	-	-	-	-
Total cash received	2,090,138	1,862,701	2,059,676	2,060,086	2,083,872
Cash used					
Employees	609,464	725,294	781,069	824,584	817,804
Suppliers	842,144	967,374	1,106,969	1,083,065	1,164,313
Net GST paid	148,966	114,325	119,361	98,854	77,140
Interest payments on lease liabilities	13,238	5,860	5,188	4,499	3,962
Other	1,904	-	-	-	-
Cash transfer to the Official Public Account (receivables)	198,501	-	-	-	-
Total cash used	1,814,217	1,812,853	2,012,587	2,011,002	2,063,219
Net cash from (used by) operating activities	275,921	49,848	47,089	49,084	20,653
INVESTING ACTIVITIES					
Cash used					
Purchase of assets	1,038,905	580,427	601,539	428,651	267,802
Total cash used	1,038,905	580,427	601,539	428,651	267,802
Net cash from (used by) investing activities	-1,038,905	-580,427	-601,539	-428,651	-267,802
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	802,831	580,427	601,539	428,651	267,802
Total cash received	802,831	580,427	601,539	428,651	267,802
Cash used					
Principal repayments of lease liabilities	64,557	49,848	47,089	49,084	20,653
Cash to the Official Public Account	-	-	-	-	-
Total cash used	64,557	49,848	47,089	49,084	20,653
Net cash from (used by) financing activities	738,274	530,579	554,450	379,567	247,149
Net increase (decrease) in cash and cash equivalents held	-24,710	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	47,718	23,008	23,008	23,008	23,008
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	23,008	23,008	23,008	23,008	23,008

Table 10: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2025-26)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	-1,772,221	47,592	-	3,548,049	1,823,420
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	-1,772,221	47,592	-	3,548,049	1,823,420
Comprehensive income					
Comprehensive income recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
Subtotal comprehensive income	-	-	-	-	-
Surplus (Deficit) for the period	-553,463	-	-	-	-553,463
Total comprehensive income recognised directly in equity	-553,463	-	-	-	-553,463
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital:	-	-	-	-	-
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	558,427	558,427
Departmental Capital Budget (DCB)	-	-	-	22,000	22,000
Other	-	-	-	-	-
Sub-total transaction with owners	-	-	-	580,427	580,427
Transfers between equity components	-	-	-	-122,400	-122,400
Estimated closing balance as at 30 June 2026	-2,325,684	47,592	-	4,006,076	1,727,984
Closing balance attributable to the Australian Government	-2,325,684	47,592	-	4,006,076	1,727,984

Table 11: Statement of Departmental Asset Movements (Budget Year 2025-26)

	Buildings \$'000	Other Property, Plant and Equipment \$'000	Heritage Assets \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2025					
Gross book value	763,671	1,015,860	338	460,394	2,240,263
Gross book value - ROU assets	889,106	-	-	-	889,106
Accumulated depreciation/amortisation and impairment	-14,313	-220,944	-	-117,657	-352,914
Accumulated depreciation/amortisation and impairment - ROU assets	-325,361	-	-	-	-325,361
Opening net book balance	1,313,103	794,916	338	342,737	2,451,094
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ^[a]	-	508,208	-	50,219	558,427
By purchase - appropriation equity - ROU assets	-	-	-	-	-
By purchase - appropriation ordinary annual services ^[b]	-	22,000	-	-	22,000
By purchase - appropriation ordinary annual services - ROU assets	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By purchase - other - ROU assets	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Total additions	-	530,208	-	50,219	580,427
Other movements					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
ROU assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-4,922	-502,084	-	-45,241	-552,247
Depreciation/amortisation on ROU assets	-51,064	-	-	-	-51,064
Disposals	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	-	-	-	-
From disposal of entities or operations (including restructuring) on ROU assets	-	-	-	-	-
Other	-	-	-	-	-
Other - ROU assets	-	-	-	-	-
Total other movements	-55,986	-502,084	-	-45,241	-603,311
As at 30 June 2026					
Gross book value	763,671	1,546,068	338	510,613	2,820,690
Gross book value - right of use	889,106	-	-	-	889,106
Accumulated depreciation/amortisation and impairment	-19,235	-723,028	-	-162,898	-905,161
Accumulated depreciation/amortisation and impairment - ROU assets	-376,425	-	-	-	-376,425
Closing net book value	1,257,117	823,040	338	347,715	2,428,210

Notes

- a. 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Act (No. 2) 2025-26* and *Appropriation Bill (No. 4) 2025-26*, including Collection Development Acquisition Budget.
- b. 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Act (No. 1) 2025-26* and *Appropriation Bill (No.3) 2025-26* for Departmental Capital Budget or other operational expenses.

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	30,000	22,000	38,000	30,000	30,000
Equity injections - Bill 2	1,027,283	558,427	563,539	398,651	237,802
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	1,057,283	580,427	601,539	428,651	267,802
<i>Provided for:</i>					
Purchase of non-financial assets	1,038,905	580,427	601,539	428,651	267,802
Annual finance lease costs	-	-	-	-	-
Other items	-	-	-	-	-
Total items	1,038,905	580,427	601,539	428,651	267,802
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,008,905	558,427	563,539	398,651	237,802
Funded by capital appropriation - DCB	30,000	22,000	38,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	1,038,905	580,427	601,539	428,651	267,802
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,038,905	580,427	601,539	428,651	267,802
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	1,038,905	580,427	601,539	428,651	267,802

3.2.2 Notes to the Financial Statements

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

Australian Submarine Agency

Agency Resources and Planned Performance

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Australian Submarine Agency

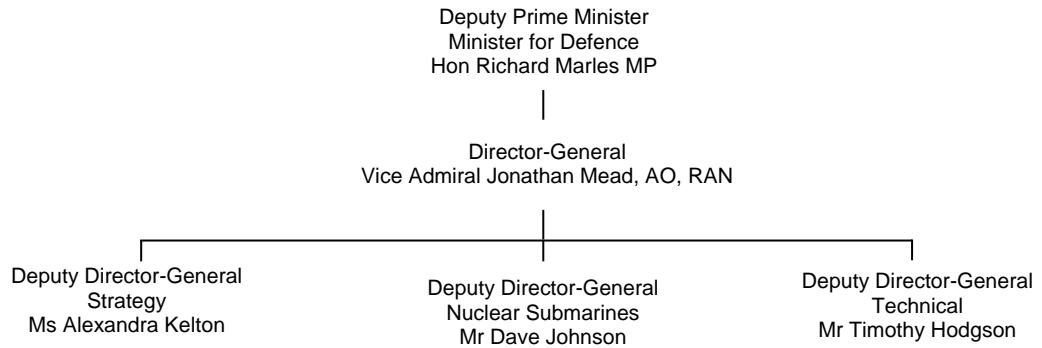
Section 1: ASA Overview and Resources

1.1 Strategic Direction Statement

No changes have been made to the ASA Strategic Direction Statement since the *PB Statements 2025-26*.

ASA Organisational Structure

Figure 2: ASA Organisational Chart



This Organisational Chart is effective as of January 2026. This chart has been amended since the *PB Statements 2025-26* to reflect key management personnel of the ASA.

Senior Executive Changes

The following changes have taken place since the *PB Statements 2025-26*:

- On 29 November 2025, Ms Samantha Higgins ceased in the position as Chief Operating Officer;
- On 29 November 2025, Ms Marlena Davis was appointed Acting Chief Operating Officer; and
- On 27 January 2026, Mr Dave Johnson was appointed Deputy Director-General Nuclear Submarines.

Organisational Structure

As of January 2026, the following organisational changes have taken place since the *PB Statements 2025-26* in order to reflect the roles and accountabilities within the ASA:

- On 25 August 2025, Infrastructure Planning and Coordination Division was established under the Technical Group;
- On 10 November 2025, Workforce, Industry & Supply Chain Division was established under the then Program and Policy Group;
- On 12 January 2026, Program and Policy Group was renamed Strategy Group with the Chief Operating Officer Division transferring to the Group by end of March 2026; and
- On 27 January 2026, the Nuclear Submarines Group was established.

1.2 ASA Resource Statement

The ASA Resource Statement details the resourcing for the Australian Submarine Agency at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2025-26 budget year, including variations through *Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts*.

Table 1: ASA Resource Statement - Budget Estimates for 2025-26 as at Additional Estimates February 2026

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Proposed Additional Estimates ^[a] \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate ^[a] \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Departmental							
Annual appropriations - ordinary annual services							
Departmental appropriation ^[a]	300,111	388,788	-12,193	376,595	488,063	356,932	372,485
Annual appropriations - other services - non-operating							
Equity injection	52,843	8,805	-	8,805	8,069	-	-
Total departmental resourcing	352,954	397,593	-12,193	385,400	496,132	356,932	372,485
Total resourcing for ASA	352,954	397,593	-12,193	385,400	496,132	356,932	372,485

Note

- a. Decrease in estimates of \$12.193 million in 2025-26 and \$75.265 million in the Forward Estimates relates to a 2025-26 savings measure from external labour and other non-wage expenses.

Annual Appropriations

Table 2: Appropriation Bill (No. 3) 2025-26

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental Outputs					
Departmental Outputs	300,111	388,788	376,595	-	-12,193
Total	300,111	388,788	376,595	-	-12,193

Table 3: Appropriation Bill (No. 4) 2025-26

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	52,843	8,805	8,805	-	-
Total non-operating	52,843	8,805	8,805	-	-

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 4: ASA 2025-26 Measures Since Budget

	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	Total Forward Estimates \$'000
Budget Measures					
Payment Measures					
Savings from external labour - extension	-12,193	-	-	-	-12,193
Savings from external labour and other non-wage expenses	-	-31,466	-22,234	-21,565	-75,265
Nuclear-Powered Submarine Program – further program support ^[a]	-	-	-	-	-
Total Departmental Budget Measures	-12,193	-31,466	-22,234	-21,565	-87,458
Other Departmental Budget Adjustments					
Other Budget Adjustments	-	-1,432	-366	-380	-2,178
Total Other Departmental Budget Adjustments	-	-1,432	-366	-380	-2,178
Variation to ASA Departmental Funding	-12,193	-32,898	-22,600	-21,945	-89,636

Note

a. The ASA will meet the costs of this measure from within existing resources.

Section 2: ASA Revisions to Outcomes and Planned Performance

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome 1 Strategy

Linked Programs

The following changes have been made to the Linked Programs since the *PB Statements* 2025-26.

Australian Federal Police

Program 3.3 – Nuclear-Powered Submarine Program.

Contribution to Outcome 1 by linked program

The Australian Federal Police works with the Australian Submarine Agency to build and integrate the interim protective security overlay for Submarine Rotational Force West at HMAS Stirling under the AUKUS initiative.

Department of Industry, Science and Resources

Program 1.4 - Nuclear-Powered Submarines.

Contribution to Outcome 1 by linked program

The Department of Industry, Science and Resources, through the Australian Radioactive Waste Agency and the Australian Nuclear Science and Technology Organisation, provides expert advice to support Agency's conventionally-armed, nuclear submarine program.

Outcome Expense Statement

Table 5: Budgeted Expenses for Outcome 1

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 - Nuclear-Powered Submarines					
Expenses funded by appropriation and own source revenue					
Employees	115,631	160,261	204,691	152,644	167,626
Suppliers	167,832	206,136	272,814	193,356	193,541
Other expenses	5,157	4,868	4,636	4,380	4,096
	288,620	371,265	482,141	350,380	365,263
Expenses not requiring appropriation^[a]					
Resources received free of charge	18,418	-	-	-	-
Depreciation and amortisation	11,358	10,628	10,827	10,827	10,827
Net write-down and net impairment of assets	1,176	-	-	-	-
	30,952	10,628	10,827	10,827	10,827
Total operating expenses	319,572	381,893	492,968	361,207	376,090
Capital expenditure funded by appropriation					
Purchases of non-financial assets	35,000	8,805	8,069	-	-
Principal repayments on lease liabilities	5,575	5,330	5,922	6,552	7,222
Total capital expenditure	40,575	14,135	13,991	6,552	7,222
Total funded expenditure for Program 1.1^[b]	329,195	385,400	496,132	356,932	372,485

	2024-25	2025-26
Average Staffing Level (number)	636	883

Notes

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

2.2 Contributions to Outcome 1

Program 1.1: Nuclear-Powered Submarines

Performance information is as reported in the *PB Statements 2025-26*.

Section 3: ASA Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ASA's finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Explanatory Tables

Table 6: Third Party Payments to and from Other Agencies ^[a]

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000
Payments made to Department of Defence for provision of services (Departmental)	36,725	36,725

Note

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 7: Comprehensive Income Statement (showing net cost of services) (for the period ended 30 June) ^[a]

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES					
Employee benefits	132,101	160,261	204,691	152,644	167,626
Suppliers	169,780	206,136	272,814	193,356	193,541
Depreciation and amortisation	11,358	10,628	10,827	10,827	10,827
Other expenses	6,333	4,868	4,636	4,380	4,096
Total expenses	319,572	381,893	492,968	361,207	376,090
LESS					
OWN-SOURCE INCOME					
Own-source revenue					
Resources received free of charge	18,418	-	-	-	-
Other revenue	169	-	-	-	-
Total own-source revenue	18,587	-	-	-	-
Gains	436	-	-	-	-
Total gains	436	-	-	-	-
Total own-source income	19,023	-	-	-	-
Net cost of (contribution by) services	-300,549	-381,893	-492,968	-361,207	-376,090
Revenue from Government	300,111	376,595	488,063	356,932	372,485
Surplus/(Deficit) attributable to the Australian Government	-438	-5,298	-4,905	-4,275	-3,605
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	-438	-5,298	-4,905	-4,275	-3,605
Note: Impact of net cash appropriation arrangements					
	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	5,345	-	-	-	-
less: depreciation/amortisation expenses previously funded through revenue appropriations ^[b]	11,358	10,628	10,827	10,827	10,827
add: principal repayments on leased assets ^[c]	5,575	5,330	5,922	6,552	7,222
Total comprehensive income/(loss) as per the statement of comprehensive income	-438	-5,298	-4,905	-4,275	-3,605

Notes

- Prepared on Australian Accounting Standards basis.
- From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Bill* (No. 1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget or DCB) provided through *Appropriation Bill* (No. 1) equity appropriations. For information regarding DCBs, please refer to Table 12 Departmental Capital Budget Statement.
- Applies leases under AASB 16 Leases.

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,332	5,332	5,332	5,332	5,332
Trade and other receivables	190,043	219,460	253,064	213,797	216,138
Total financial assets	195,375	224,792	258,396	219,129	221,470
Non-financial assets					
Land and buildings	109,671	108,368	106,244	98,339	90,433
Plant and equipment	40,535	40,013	39,268	36,346	33,425
Prepayments	-	-	-	-	-
Total non-financial assets	150,206	148,381	145,512	134,685	123,858
Assets held for sale	-	-	-	-	-
Total assets	345,581	373,173	403,908	353,814	345,328
LIABILITIES					
Payables					
Suppliers	70,390	84,008	104,161	81,493	84,452
Other payables	6,399	8,304	10,185	8,733	3,792
Total payables	76,789	92,312	114,346	90,226	88,244
Interest bearing liabilities					
Leases	118,061	112,625	106,703	100,151	92,929
Total interest bearing liabilities	118,061	112,625	106,703	100,151	92,929
Provisions					
Employee provisions	36,716	50,714	62,179	47,032	51,355
Total provisions	36,716	50,714	62,179	47,032	51,355
Total liabilities	231,566	255,651	283,228	237,409	232,528
Net assets	114,015	117,522	120,680	116,405	112,800
EQUITY					
Contributed equity	87,860	96,666	104,735	104,735	104,735
Reserves	-	-	-	-	-
Retained surplus/(accumulated deficit)	26,155	20,856	15,945	11,670	8,065
Total Equity	114,015	117,522	120,680	116,405	112,800

Note

a. Prepared on Australian Accounting Standards basis.

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	254,144	347,180	454,459	396,199	370,144
Net GST received	6,709	-	-	-	-
Other	8,116	-	-	-	-
Total cash received	268,969	347,180	454,459	396,199	370,144
Cash used					
Employees	112,384	144,464	191,240	169,243	168,244
Suppliers	143,170	192,518	252,661	216,024	190,582
Interest payments on lease liability	5,336	4,868	4,636	4,380	4,096
Other	106	-	-	-	-
Total cash used	260,996	341,850	448,537	389,647	362,922
Net cash from (used by) operating activities	7,973	5,330	5,922	6,552	7,222
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	35,000	8,805	8,069	-	-
Total cash used	35,000	8,805	8,069	-	-
Net cash from (used by) investing activities	-35,000	-8,805	-8,069	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	35,000	8,805	8,069	-	-
Total cash received	35,000	8,805	8,069	-	-
Cash used					
Principal repayments on leased assets	5,575	5,330	5,922	6,552	7,222
Total cash used	5,575	5,330	5,922	6,552	7,222
Net cash from (used by) financing activities	29,425	3,475	2,147	-6,552	-7,222
Net increase/(decrease) in cash and cash equivalents held	2,398	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	2,934	5,332	5,332	5,332	5,332
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	5,332	5,332	5,332	5,332	5,332

Note

a. Prepared on Australian Accounting Standards basis.

**Table 10: Departmental Statement of Changes in Equity - Summary of Movement
(Budget Year 2025-26) ^[a]**

	Retained Earnings \$'000	Contributed Equity \$'000	Total Equity \$'000
Opening balance as at 1 July 2025	26,155	87,860	114,015
Comprehensive income			
Comprehensive income recognised directly in equity	-	-	-
Subtotal Comprehensive income	-	-	-
Surplus/(deficit) for the period	-5,298	-	-5,298
Total comprehensive income recognised directly in equity	-5,298	-	-5,298
Transactions with owners			
<i>Contributions by owners</i>			
Appropriation (equity injection)	-	8,805	8,805
Subtotal transactions with owners	-	8,805	8,805
Transfers between equity components	-	-	-
Estimated closing balance as at 30 June 2026	20,856	96,666	117,522
Closing balance attributable to the Australian Government	20,856	96,666	117,522

Note

a. Prepared on Australian Accounting Standards basis.

Table 11: Statement of Departmental Asset Movements (Budget Year 2025-26)

	Land and Buildings \$'000	Other Property, Plant and Equipment \$'000	Total \$'000
Opening balance as at 1 July 2025			
Gross book value	128,877	41,683	170,560
Accumulated depreciation/amortisation and impairment	-19,205	-1,148	-20,353
Opening net book balance	109,671	40,535	150,206
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity	8,456	349	8,805
Total additions	8,456	349	8,805
Other movements			
Depreciation/amortisation expense	-9,757	-871	-10,628
Total other movements	-9,757	-871	-10,628
Closing balance as at 30 June 2026			
Gross book value	137,332	42,032	179,364
Accumulated depreciation/amortisation and impairment	-28,964	-2,019	-30,983
Closing net book balance	108,368	40,013	148,381

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

	2024-25 Actual Result \$'000	2025-26 Revised Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	52,843	8,805	8,069	-	-
Total new capital appropriations	52,843	8,805	8,069	-	-
<i>Provided for:</i>					
Purchase of non-financial assets	35,000	8,805	8,069	-	-
Other items	-	-	-	-	-
Total items	35,000	8,805	8,069	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	8,805	8,069	-	-
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funding by special appropriations	-	-	-	-	-
TOTAL	-	8,805	8,069	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	35,000	8,805	8,069	-	-
less additions by finance lease	-	-	-	-	-
less additions by creditor/borrowings	-	-	-	-	-
plus borrowing/finance cost	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	35,000	8,805	8,069	-	-

3.2.2 Notes to the Financial Statements

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

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Defence Housing Australia

Agency Resources and Planned Performance

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Defence Housing Australia

Section 1: DHA Overview and Resources

1.1 Strategic Direction Statement

Defence Housing Australia's (DHA) purpose is meeting the operational needs of the Defence Force and the requirements of the Department of Defence (Defence) by providing adequate and suitable housing for, and housing-related services to members of the Australian Defence Force (ADF) and their families, foreign government and defence personnel, and philanthropic organisations assisting the ADF.

DHA is a corporate Commonwealth entity and Government Business Enterprise (GBE) operating under the provisions of the *Defence Housing Australia Act 1987* (DHA Act), *the Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). DHA's Shareholders are the Minister for Defence Personnel and the Minister for Finance acting on behalf of the Australian Government.

DHA Organisational Structure

The composition of DHA's Board of Directors and associated committees is detailed below. As at 31 December 2025, the DHA Board members were:

Chairman	Dr Robert Lang
Managing Director	Mr Andrew Jaggers, PSM
Commercial Director	Ms Gai Brodtmann
Commercial Director	Ms Andrea Galloway
Commercial Director	Vacant
Commercial Director	Vacant
Nominee Secretary of Defence	Ms Monique Hamilton
Nominee Chief of Defence Force	BRIG Leigh Wilton, AM
Nominee Secretary of Finance	Vacant

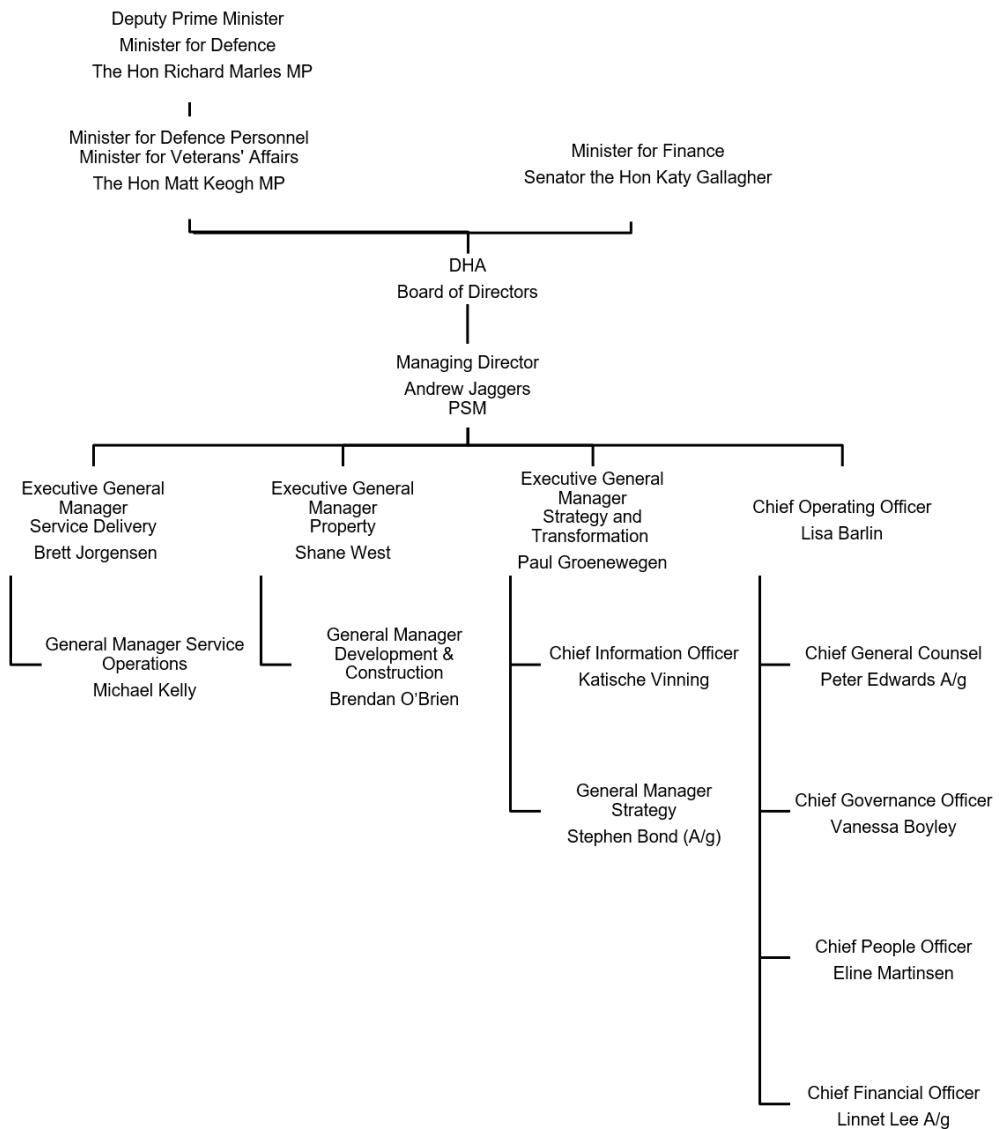
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Property and Services Committee, People and Culture Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 31 December 2025:

Chairperson	BRIG Leigh Wilton, AM
Appointees of the Chief of the Defence Force	RADM Matthew Buckley, AM, CSC, RAN (Deputy Chief of Navy)
	MAJGEN Chris Smith, DSC, AM, CSC (Deputy Chief of Army)
	AVM Harvey Reynolds, AM (Deputy Chief of Air Force)
Appointee of Defence Housing Australia	Mr Andrew Jaggers, PSM (Managing Director)

The chart below shows DHA's Senior Executive.

Figure 1: DHA Organisational Structure (as at 31 December 2025)



1.2 DHA Resource Statement

The DHA Resource Statement details the resourcing for Defence Housing Australia at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2025-26 budget year.

Table 1: DHA Resource Statement - Additional Estimates for 2025-26 as at February 2026 [a]

	Actual Available Appropriation	Estimate as at Budget	Proposed Additional Estimates	Total Estimate at Additional Estimates 2025-26 \$'000
	2024-25 \$'000	2025-26 \$'000	2025-26 \$'000	2025-26 \$'000
Opening balance/cash reserves at 1 July	108,073	119,929	(13,110)	106,819
Funds from Government				
Amounts received from related entities				
Amounts from portfolio department	814,170	909,279	(23,717)	885,562
Total amounts received from related entities	814,170	909,279	(23,717)	885,562
Total funds from Government	814,170	909,279	(23,717)	885,562
Funds from other sources				
Interest	4,497	1,365	2,325	3,690
Sale of goods and services	60,838	174,431	(122,216)	52,215
Total funds from other sources	65,335	175,796	(119,891)	55,905
Total net resourcing for DHA	987,578	1,205,004	(156,718)	1,048,286
	Actual 2024-25	2025-26		
Average staffing level (number)		621		643

Note

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

1.3 Budget Measures

There are no budget measures relating to DHA for the 2025-26 *Additional Estimates*.

Section 2: DHA Revisions to Outcomes and Planned Performance

2.1 Outcome and Performance Information

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

Outcome Expense Statement

Table 2: Budgeted Expenses for Outcome 1

	2024-25 Actual Expenses \$'000	2025-26 Revised Estimated Expenses \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 Other Departmental - DHA					
Revenue from Government					
Payment from related entities	816,546	886,747	991,274	1,032,510	1,052,231
Revenues from other independent sources	56,326	56,914	60,872	185,237	139,655
Total expenses for Program 1.1	872,872	943,661	1,052,146	1,217,747	1,191,886
Average Staffing Level (number)		2024-25	2025-26		
		621	643		

Contributions to Outcome 1

Table 3 details the performance measures for each program associated with Outcome 1 as outlined in the *PB Statements 2025-26*. Further detail is provided in the DHA Corporate Plan 2025-26 to 2028-29 about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured.

Table 3: Performance Measures for Outcome 1

Outcome 1: To contribute to Defence outcomes by providing total housing services that meet Defence operational and client needs through a strong customer and business focus.		
Program 1.1: The provision of Defence housing and housing-related services		
<p>Program 1.1 Objective</p> <p>Aligned housing solutions delivered through a modern, customer-centric operating model.</p> <p>Build an agile and scalable housing capability.</p> <p>Commitment to environmental, social, and governance (ESG) excellence.</p> <p>Fiscal responsibility and long-term financial stability.</p>		
Key Activities	<p>Reorient our operating model and leverage technology to deliver future housing needs which align to the preferences of members and their families.</p> <p>Agree and formalise future housing needs with Defence to ensure certainty in housing supply.</p> <p>Future ready scalability in housing solutions which are responsive to changes in market conditions and investor sentiment.</p> <p>Ensure DHA represents strong value for money for Government and is able to support the long-term portfolio objectives for Defence and the Australian Defence Force.</p>	
Year	<p>Performance measures</p> <p>Prior Year 2024-25</p> <p>Housing solutions supplied against provisioning schedule</p> <p>ADF Members satisfied with housing solutions</p> <p>Return on equity</p>	<p>Performance results</p> <p>101%</p> <p>82%</p> <p>1.4%</p>
Year	<p>Performance measures</p> <p>Budget Year 2025-26</p> <p>Provisioning of housing solutions to the Approved Provisioning Schedule</p> <p>ADF member satisfaction with housing solutions</p> <p>ADF member customer service satisfaction</p> <p>Return on equity</p>	<p>Planned Performance Results</p> <p>>99%</p> <p>>80%</p> <p>>85%</p> <p>>3%</p>
Forward estimates from 2026-29	<p>Provisioning of housing solutions to the Approved Provisioning Schedule</p> <p>ADF member satisfaction with housing solutions</p> <p>ADF member customer service satisfaction</p> <p>Return on equity</p>	<p>>99%</p> <p>>80%</p> <p>>85%</p> <p>>3%</p>

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of DHA's finances for the 2025-26 budget year, including the impact of resourcing on financial statements.

3.1 Explanatory Tables

Not applicable to DHA.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 4: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June [a] [b]

	2024-25 Actual Result \$'000	2025-26 Revised Budget \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
INCOME					
Revenue					
Sale of goods and rendering of services	867,935	939,971	1,048,633	1,214,156	1,188,325
Interest	4,495	3,690	3,513	3,591	3,561
Total revenue	872,430	943,661	1,052,146	1,217,747	1,191,886
Gains					
Net reversals of previous asset write-downs and impairment	442	-	-	-	-
Total gains	442	-	-	-	-
Total income	872,872	943,661	1,052,146	1,217,747	1,191,886
EXPENSES					
Employee benefits	98,859	117,002	117,002	117,002	117,002
Suppliers	261,748	293,665	341,121	357,829	338,717
Depreciation and amortisation	420,065	439,234	458,858	483,701	504,661
Finance costs	78,174	88,418	100,608	110,702	114,214
Losses from asset sales	274	-	-	-	-
Total expenses	859,120	938,319	1,017,589	1,069,234	1,074,594
Profit (Loss) before income tax	13,752	5,342	34,557	148,513	117,292
Income tax expense	9,889	3,885	13,077	46,886	37,682
Net profit/(loss)	3,863	1,457	21,480	101,627	79,610
Profit/(loss) attributable to the Australian Government	3,863	1,457	21,480	101,627	79,610
Total comprehensive income attributable to the Australian Government	3,863	1,457	21,480	101,627	79,610
Total comprehensive income/(loss) as per statement of Comprehensive Income	3,863	1,457	21,480	101,627	79,610
plus: depreciation of ROU	366,649	388,768	403,105	424,996	441,936
less: principal repayments	343,688	369,384	384,646	406,087	426,449
Net Cash Operating Surplus/ (Deficit)	26,824	20,841	39,939	120,536	95,097

Notes

- Prepared on Australian Accounting Standards basis.
- Impact of net cash appropriation arrangements - Included in accordance with Resource Management Guide 125 Commonwealth Entities Financial Statements Guide. As DHA is not directly appropriated, the above information is presented for reporting purposes only and includes the depreciation and principal repayments of leases under AASB 16 Leases.

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

	2024-25 Actual Result \$'000	2025-26 Revised Budget \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	106,819	100,831	100,821	100,660	100,171
Trade and other receivables	10,456	12,649	14,148	15,637	16,850
Other financial assets	32,381	32,382	32,382	32,382	32,382
Total financial assets	149,656	145,862	147,351	148,679	149,403
Non-financial assets					
Land and buildings	5,716,812	6,052,287	6,381,883	6,823,420	7,093,525
Property, plant and equipment	15,049	13,784	12,251	10,443	8,392
Intangibles	0	1	1	1	1
Inventories	231,456	164,997	215,079	220,393	297,442
Tax assets	44,133	40,834	43,067	44,148	46,177
Other non-financial assets	7,906	8,262	8,634	9,022	9,428
Total non-financial assets	6,015,356	6,280,165	6,660,915	7,107,427	7,454,965
Total assets	6,165,012	6,426,027	6,808,266	7,256,106	7,604,368
LIABILITIES					
Payables					
Suppliers	34,539	34,539	34,539	34,539	34,539
Other payables	44,598	37,829	37,174	64,761	82,015
Total payables	79,137	72,368	71,713	99,300	116,554
Interest bearing liabilities					
Loans	270,000	439,000	509,600	509,600	509,600
Leases	1,693,530	1,661,668	1,802,757	1,963,944	2,050,801
Total interest bearing liabilities	1,963,530	2,100,668	2,312,357	2,473,544	2,560,401
Provisions					
Employee provisions	17,737	19,930	22,220	24,607	26,994
Other provisions	111,840	109,177	114,402	120,753	124,938
Total provisions	129,577	129,107	136,622	145,360	151,932
Total liabilities	2,172,244	2,302,143	2,520,692	2,718,204	2,828,887
Net assets	3,992,768	4,123,884	4,287,574	4,537,902	4,775,481
EQUITY [b]					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	3,482,228	3,611,887	3,754,097	3,902,798	4,060,767
Retained surplus / (accumulated deficit)	114,392	115,849	137,329	238,956	318,566
Total parent entity interest	3,992,768	4,123,884	4,287,574	4,537,902	4,775,481
Total non-controlling interest					
Total Equity	3,992,768	4,123,884	4,287,574	4,537,902	4,775,481

Notes

- Prepared on Australian Accounting Standards basis.
- Equity is the residual interest in assets after the deduction of liabilities.

**Table 6: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June) [a]**

	2024-25 Actual Result \$'000	2025-26 Revised Budget \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	877,465	937,778	1,047,134	1,238,824	1,198,595
Interest	4,497	3,690	3,513	3,591	3,561
Net GST received	18,672	-	-	-	-
Other	(2,457)	(1)	-	-	-
Total cash received	898,177	941,467	1,050,647	1,242,415	1,202,156
Cash used					
Employees	86,415	114,809	114,712	114,615	114,615
Suppliers	307,772	180,051	343,992	315,241	365,118
Borrowing costs	11,268	17,358	26,008	27,225	27,150
Net GST paid	18,672	-	-	-	-
Interest payments on lease liability	66,499	71,060	74,600	83,477	87,064
Other	59,192	54,864	63,548	94,827	84,994
Total cash used	549,818	438,142	622,860	635,385	678,941
Net cash from/(used by) operating activities	348,359	503,325	427,787	607,030	523,215
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,582	-	-	-	-
Total cash received	1,582	-	-	-	-
Cash used					
Purchase of property, plant, and equipment and intangibles	107,507	308,929	113,751	201,104	97,255
Total cash used	107,507	308,929	113,751	201,104	97,255
Net cash from/(used by) investing activities	(105,925)	(308,929)	(113,751)	(201,104)	(97,255)
FINANCING ACTIVITIES					
Cash received					
Cash received from borrowing	100,000	169,000	70,600	-	-
Total cash received	100,000	169,000	70,600	-	-
Cash used					
Repayments of borrowings	-	-	-	-	-
Principal payments on lease liability	343,688	369,384	384,646	406,087	426,449
Dividends paid	-	-	-	-	-
Total cash used	343,688	369,384	384,646	406,087	426,449
Net cash from/(used by) financing activities	(243,688)	(200,384)	(314,046)	(406,087)	(426,449)
Net increase/(decrease) in cash held	(1,254)	(5,988)	(10)	(161)	(489)
Cash and cash equivalents at the beginning of the reporting period	108,073	106,819	100,831	100,821	100,660
Cash and cash equivalents at the end of the reporting period	106,819	100,831	100,821	100,660	100,171

Note

a. Prepared on Australian Accounting Standards basis.

Table 7: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2025-26) ^[a]

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	114,392	3,482,228	-	396,148	3,992,768
Adjusted opening balance	114,392	3,482,228	-	396,148	3,992,768
Comprehensive income					
Surplus/(deficit) for the period	1,457	-	-	-	1,457
Total comprehensive income	1,457	-	-	-	1,457
Contributions by owners					
Other	-	129,659	-	-	129,659
Sub-total transactions with owners	-	129,659	-	-	129,659
Estimated closing balance as at 30 June 2026	115,849	3,611,887	-	396,148	4,123,884
Closing balance attributable to the Australian Government	115,849	3,611,887	-	396,148	4,123,884

Note

a. Prepared on Australian Accounting Standards basis.

Table 8: Statement of Departmental Asset Movements (Budget Year 2025-26) [a]

	Land \$'000	Buildings \$'000	Other Property, Plant and Equipment \$'000	Computer Software and Intangibles \$'000	Total \$'000
As at 1 July 2025					
Gross book value	2,089,749	1,952,528	30,888	21,162	4,094,327
Gross book value - ROU assets	-	3,339,891	2,524	-	3,342,415
Accumulated depreciation/ amortisation and impairment	-	150	(17,100)	(21,162)	(38,112)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(1,665,506)	(1,263)	-	(1,666,769)
Opening net book balance	2,089,749	3,627,063	15,049	-	5,731,861
CAPITAL ASSET ADDITIONS					
<i>Estimated expenditure on new or replacement assets</i>					
By purchase - other	131,558	162,809	1,200	1	295,568
By purchase - other - ROU assets	-	348,219	(1)	-	348,218
Total additions	131,558	511,028	1,199	1	643,786
Other movements					
Depreciation/amortisation expense	-	(48,813)	(1,653)	-	(50,466)
Depreciation/amortisation on ROU assets	-	(387,957)	(811)	-	(388,768)
Other	41,795	87,864	-	-	129,659
Total other movements	41,795	(348,906)	(2,464)	-	(309,575)
As at 30 June 2026					
Gross book value	2,263,102	2,203,201	32,088	21,163	4,519,554
Gross book value - ROU assets	-	3,688,110	2,523	-	3,690,633
Accumulated depreciation/ amortisation and impairment	-	(48,663)	(18,753)	(21,162)	(88,578)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(2,053,463)	(2,074)	-	(2,055,537)
Closing net book balance	2,263,102	3,789,185	13,784	1	6,066,072

Note

a. Prepared on Australian Accounting Standards basis.

Australian Naval Nuclear Power Safety Regulator

Agency Resources and Planned Performance

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Australian Naval Nuclear Power Safety Regulator

Section 1: ANNPSR Overview and Resources

1.1 Strategic Direction Statement

In alignment with the 2024 *National Defence Strategy*, conventionally-armed, nuclear-powered submarines represent a central tenet of the approach to enhance Australia's capability to deter threats to its national security and contribute to regional stability. By adopting safety as a key feature for managing this unique naval capability, Australia is preserving its sovereignty, maintaining our economic connection to the world and investing in progress against the Optimal Pathway.

The establishment of the Australian Naval Nuclear Power Safety Regulator (ANNPSR) as an independent regulator on 1 November 2025 represents an enduring commitment to safety for the environment and people across the naval nuclear-powered submarine program and capability.

ANNPSR is accountable for assuring nuclear safety and radiation protection for naval nuclear power activities across Australia's nuclear-powered submarine program lifecycle, including licensing activities, monitoring and investigating to ensure compliance, and taking enforcement action where required. Defence, through the ASA, is responsible for the acquisition, delivery, sustainment and disposal of nuclear-powered submarines, and the Royal Australian Navy will continue to be responsible for submarine operations.

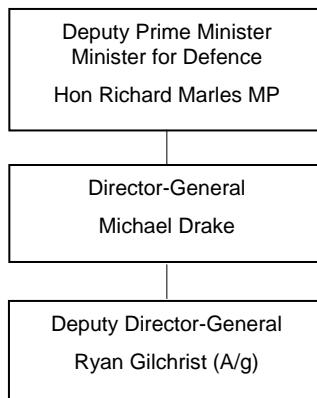
In addition to AUKUS partners, ANNPSR works in partnership with units within the Defence portfolio, and with Australian Government, state and territory departments and agencies to assure safety across the nuclear-powered submarine lifecycle.

Key priorities for ANNPSR in 2025-26 include our regulatory activities: monitoring the activities occurring under the transitional licences, which transferred from the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) on establishment of ANNPSR in relation to HMAS *Stirling*, and the assessment of a siting licence for the Nuclear-Powered Submarine Construction Yard at Osborne.

Throughout 2025-26, ANNPSR will continue to build Australian naval nuclear regulatory capability, working closely with ARPANSA, as well as other key stakeholders, such as AUKUS partners and the Australian Naval Seaworthiness Authority, on building the regulatory workforce capability ahead of Submarine Rotational Force-West in 2027.

ANNPSR Organisational Structure

Figure 2: ANNPSR Organisational Chart



Organisational Structure

ANNPSR is an independent statutory authority which operates within the Defence portfolio, contributing to the defence of Australia and our national interests by regulating naval nuclear power for those that are collectively responsible for the lifecycle of Australia's nuclear power submarine enterprise. The Director-General ANNPSR reports directly to the Deputy Prime Minister in his role as Minister for Defence, on the performance of the agency.

ANNPSR is led by the Director-General and consists of Australian Public Servants and persons assisting the regulator, including Australian Defence Force members and contracted subject matter experts. ANNPSR is responsible for regulating activities related to naval nuclear propulsion, promoting nuclear safety for the environment and people in relation to Australia's naval nuclear power, and works collaboratively with other Commonwealth regulators to support the safety of Australia's conventionally-armed, nuclear-powered submarines, Australian and international communities and the environment. ANNPSR also works with our AUKUS partners, states and territories, and industry in Australia to build capabilities and regulate activities across the nuclear-powered submarine program.

Senior Executive Changes

The following appointments have been made:

- On 1 November 2025, Mr Michael Drake was appointed as Director-General; and
- On 1 November 2025, Mr Ryan Gilchrist was appointed as Acting Deputy Director-General.

1.2 ANNPSR Resource Statement

Table 1.1 shows the total resourcing available to the ANNPSR for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and departmental (for ANNPSR's operations) classification.

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

Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

Table 1.1: ANNPSR Resource Statement - Budget Estimates for 2025-26 as at Additional Estimates February 2026^{[a][b][c]}

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Departmental				
Annual appropriations - ordinary annual services				
Departmental appropriation ^[a]	29,250	50,351	63,665	76,955
Annual appropriations - other services - non-operating				
Equity injection	-	-	-	-
Total departmental resourcing	29,250	50,351	63,665	76,955
Total resourcing for ANNPSR	29,250	50,351	63,665	76,955

Notes

- a. The Agency has received \$3,656,250 from the Department of Defence under a section 75 determination due to machinery of government changes, with effect from 1 November 2025.
- b. Actual results are not applicable as the Agency was not formed before the previous financial year.
- c. No revised estimate as this is the first time ANNPSR's budget is being published.

Annual Appropriations**Table 1.2: Appropriation Bill (No.3) 2025-26**

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental Outputs				
Departmental Outputs	29,250	29,250	-	-
Total	29,250	29,250	-	-

Table 1.3: Appropriation Bill (No.4) 2025-26

	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 1.4: ANNPSR 2025-26 Measures Since Budget

There are no budget adjustments as the ANNPSR established on 1 November 2025.

Section 2: ANNPSR Revisions to Outcomes and Planned Performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan and annual performance statement for ANNPSR can be found at: <https://www.anbpsr.gov.au/corporate-information/corporate-publications>.

2.1 Budgeted Expenses and Performance for Outcome 1

Outcome 1: Assure the protection of people and the environment and the regulation of naval nuclear power activities across the lifecycle of Australia's conventionally-armed, nuclear-powered submarine capability.

This table shows how much the ANNPSR intends to spend (on an accrual basis) on achieving the outcome, broken down by program and departmental funding sources.

Table 2.1.1 Budgeted Expenses for Outcome 1

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 - Regulation of Naval Nuclear Power Activities				
Expenses funded by appropriation and own source revenue^[a]				
Employees	7,814	15,727	17,985	18,524
Suppliers	20,983	33,922	44,956	57,684
Other expenses	59	73	53	33
	28,856	49,722	62,994	76,241
Expenses not requiring appropriation^[b]				
Resources received free of charge	-	-	-	-
Depreciation and amortisation	453	679	679	679
Net write-down and net impairment of assets	-	-	-	-
	453	679	679	679
Total operating expenses	29,309	50,401	63,673	76,920
Capital expenditure funded by appropriation				
Purchases of non-financial assets	-	-	-	-
Principal repayments of lease liabilities	394	629	671	714
	394	629	671	714
Total capital expenditure	394	629	671	714
Total funded expenditure for Program 1.1	29,250	50,351	63,665	76,955

	2025-26	2026-27
Average Staffing Level (number)	77	92

Notes

- a. The Agency has received \$3,656,250 from the Department of Defence under a section 75 determination due to machinery of government changes, with effect from 1 November 2025.
- b. Section 74 external revenues contribution to expenditure

Table 2.1.2: Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2025-26), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 budget measures that have created new programs or materially changed existing programs are provided.

Program 1.1: Regulation of Naval Nuclear Power Activities		
Program 1.1 Objective		
<p>The ANNPSR's objectives are to protect the environment and people by providing assurance for nuclear safety of Australia's nuclear-powered submarine program, as well as promote, monitor and enforce compliance with the <i>Australian Naval Nuclear Power Safety Act 2024</i>.</p>		
Key Activities	Performance measures	Expected Performance Results
Previous Year 2024-25	N/A.	N/A.
Year	Performance measures	Planned Performance Results
Budget Year 2025-26	<p>Conduct effective regulatory action</p> <p>Promote public confidence and trust in the regulator through public consultation and engagement.</p>	<p>Percentage of Licence applications processed in accordance with established timeframes. Target: 90%</p> <p>Percentage of planned inspections and audits completed in accordance with relevant Regulatory Oversight Plans and Annual Inspection Plans. Target: 90%</p> <p>Public enquiries received and responded within 20 working days. Target: 90%</p> <p>Conduct engagement activities with relevant stakeholders. Target: at least 20 per annum</p>

	<p>Support the AUKUS partnership by assuring nuclear safety aligned with the optimal pathway</p>	<p>AUKUS peer regulators are regularly engaged.</p> <p>ANNPSR regulatory capability is aligned with nuclear-powered submarine activities.</p> <p>Monitoring of US and UK nuclear-powered submarine visits.</p>
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.

Section 3: ANNPSR Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ANNPSR's finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Explanatory Tables

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted Departmental Income Statements

The ANNPSR is budgeting for a break-even result in 2025-26 and across the forward estimates, after excluding unfunded depreciation and amortisation expenses.

Budgeted Departmental Balance Sheet

The statement shows the estimated end of year position for departmental assets and liabilities and it decreases over the Forward Estimates as it is not funded for depreciation for major assets.

Budgeted Departmental Statement of Cash Flows

The statement provides information on estimates of the extent and nature of cash flows by categorising the expected cash flows against operating, investing and financing activities.

Table 3.1:Third Party Payments to and from Other Agencies^[a]

	2025-26 Estimated Actual \$'000	2025-26 Budget Estimate \$'000
Payments made to Department of Defence for provision of services (Departmental)	3,912	3,912

Note

a. Third party payments to and from other Agencies include Shared Services arrangements.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 3.2: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June^[a]

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES				
Employee benefits	7,814	15,727	17,985	18,524
Suppliers	20,983	33,922	44,957	57,684
Finance Costs	59	73	53	33
Depreciation and amortisation	453	679	679	679
Total expenses	29,309	50,401	63,674	76,920
LESS				
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	-	-	-	-
Rental income	-	-	-	-
Total own-source revenue	-	-	-	-
Gains	-	-	-	-
Total gains	-	-	-	-
Total own-source income	-	-	-	-
Net cost of (contribution by) services	-29,309	-50,401	-63,674	-76,920
Revenue from Government	29,250	50,351	63,665	76,955
Surplus/(Deficit) attributable to the Australian Government	-59	-50	-9	35
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	-59	-50	-9	35
Note: Impact of net cash appropriation arrangements				
	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	-59	-50	-9	35
plus: depreciation/amortisation expenses for ROU assets ^[b]	453	679	679	679
less: principal repayments on leased assets ^[b]	394	629	670	714
Net Cash Operating Surplus/(Deficit)	-	-	-	-

Notes

- a. Prepared on Australian Accounting Standards basis.
 b. Applies leases under AASB 16 Leases.

Table 3.3: Budgeted Departmental Balance Sheet (as at 30 June)^[a]

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	500	500	500	500
Trade and other receivables	6,655	6,736	6,820	6,906
Total financial assets	7,155	7,236	7,320	7,406
Non-financial assets				
Land and buildings	2,716	2,037	1,358	679
Property, plant and equipment	-	-	-	-
Intangibles	-	-	-	-
Total non-financial assets	2,716	2,037	1,358	679
Assets held for sale	-	-	-	-
Total assets	9,871	9,273	8,678	8,085
LIABILITIES				
Payables				
Suppliers	1,440	1,440	1,440	1,440
Other payables	454	454	454	454
Total payables	1,894	1,894	1,894	1,894
Provisions				
Employee provisions	2,709	2,790	2,874	2,960
Lease Liability	2,775	2,146	1,475	761
Total provisions	5,484	4,936	4,349	3,721
Total liabilities	7,378	6,830	6,243	5,615
Net assets	2,493	2,443	2,435	2,470
EQUITY				
Contributed equity	2,552	2,552	2,552	2,552
Reserves	-	-	-	-
Retained surplus/(accumulated deficit)	-59	-109	-117	-82
Total Equity	2,493	2,443	2,435	2,470

Note

a. Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June) [a]**

	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations	22,745	50,270	63,581	76,869
Sale of goods and rendering of services	-	-	-	-
Total cash received	22,745	50,270	63,581	76,869
Cash used				
Employees	4,651	15,646	17,901	18,438
Suppliers	19,752	33,995	45,009	57,717
Total cash used	24,403	49,641	62,910	76,155
Net cash from (used by) operating activities	-1,658	629	671	714
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets	-	-	-	-
Lease Liability - Principal payments	394	629	671	714
Total cash used	394	629	671	714
Net cash from (used by) investing activities	-394	-629	-671	-714
FINANCING ACTIVITIES				
Cash received				
Contributed equity	2,552	-	-	-
Total cash received	2,552	-	-	-
Net cash from (used by) financing activities	2,552	-	-	-
Net increase/(decrease) in cash and cash equivalents held	500	-	-	-
Cash and cash equivalents at the beginning of the reporting period	-	500	500	500
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	-	-	-	-
Cash and cash equivalents at the end of the reporting period	500	500	500	500

Note

a. Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental Statement of Changes in Equity - Summary of Movement
(Budget Year 2025-26)^[a]**

	Retained Earnings \$'000	Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity \$'000	Asset Total Equity \$'000
Opening balance as at 1 July 2025	-	-	-	-	-
Comprehensive income					
Comprehensive income recognised directly in equity	-	-	-	-	-
Subtotal Comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity Injection ^[b]	-	-	-	2,552	2,552
Subtotal transactions with owners	-	-	-	2,552	2,552
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2026	-	-	-	2,552	2,552
Closing balance attributable to the Australian Government	-	-	-	2,552	2,552

Notes

- Prepared on Australian Accounting Standards basis.
- The Agency will receive \$2,552,690 from the Department of Defence for transfer of employee liabilities due to machinery of government changes, with effect from 1 November 2025.

Table 3.6: Statement of Departmental Asset Movements (Budget Year 2025-26)^[a]

	Buildings \$'000	Plant and Equipment \$'000	Other \$'000	Total \$'000
Opening balance as at 1 July 2025				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ^[b]	-	-	-	-
By purchase - appropriation ordinary annual services ^[c]	-	-	-	-
By purchase - right of use	3,169	-	-	3,169
Total additions	3,169	-	-	3,169
Other movements				
Depreciation/amortisation expense	453	-	-	453
Total other movements	453	-	-	453
Closing balance as at 30 June 2026				
Gross book value	3,169	-	-	3,169
Accumulated depreciation/amortisation and impairment	-453	-	-	-453
Closing net book balance	2,716	-	-	2,716

Notes

- a. Prepared on Australian Accounting Standards basis.
- b. 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No.2) 2025-26*.
- c. 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No.1) 2025-26* for depreciation/amortisation expenses, DCBs or other operational expenses.

3.2.2 Notes to the Financial Statements

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

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Defence and Veterans' Service Commission

Agency Resources and Planned Performance

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Defence and Veterans' Service Commission

Section 1: DVSC Overview and Resources

1.1 Strategic Direction Statement

The Royal Commission into Defence and Veteran Suicide (RCDVS) recommended (Recommendation 122) that a new entity be created to address a gap in the system-wide oversight of the Defence and veteran ecosystem. The RCDVS found:

"Current oversight mechanisms do not enable system-wide visibility to reveal what is and is not working to reduce rates of suicide and suicidality among serving and ex-serving ADF members. Opportunities are being lost for systemic reforms to prevent suicide and suicidality among this cohort. In the absence of a new entity, oversight will remain fragmented and the impact of interventions may be limited."¹

The Defence and Veterans' Service Commission (DVSC) commenced operation on 29 September 2025. The Commissioner and the Commission are separate to, and independent from, all government and non-government entities in the Defence and veteran ecosystem.

In accordance with recommendations from the Foreign Affairs, Defence and Trade Legislation Committee review, the Government prioritised introducing amended legislation to the Parliament in the form of a stand-alone Act that will further clarify and strengthen the independence and transparency of the Commission, including the appointment of the inaugural Commissioner by the Governor General. This Bill was introduced to Parliament on 27 November 2025.

Key functions performed by the Defence and Veterans' Service Commissioner include:

- Monitoring, inquiring into and reporting on matters including:
 - data and trends regarding suicide and suicidality among serving and ex-serving ADF members;
 - systemic factors relating to the Australian Government's administration of policies, programs, systems and practices that contribute to suicide and suicidality among serving and ex-serving ADF members; and
 - the state of the Defence and veteran ecosystem, as it relates to the prevention of suicide and suicidality.
- Oversee, inquire into and report on the Australian Government's implementation of the Government's response to the recommendations of the Royal Commission into Defence and Veteran Suicide.
- Promoting understanding of suicide risks for Defence members and veterans, and factors that can improve their wellbeing, including through engaging with people with lived experience and promoting that lived experience.

¹ . Royal Commission into Defence and Veteran Suicide, Final Report Volume 6, Chapter 30, p. 280.

The Commissioner will also:

- conduct inquiries and advise on matters requested by the Minister; and
- work with coroners to understand issues contributing to Defence and veteran deaths by suicide.

The DVSC will not inquire into or intervene in individual matters, including claims for entitlements, complaints or appeals against another entity. The DVSC does not replace or duplicate the responsibilities or duties of existing agencies. The DVSC is focused on influencing system-level reforms as envisaged by the RCDVS.

In 2025-26 the DVSC will focus on:

- engaging with people who have an interest in, and who can provide insights to inform our future work including ex-service organisations, government entities, people with lived experience and researchers;
- establishing a framework, processes and procedures for monitoring, overseeing and reporting on the implementation of the recommendations made by the RCDVS;
- establishing advisory bodies with a mix of skills, experience and expertise, including people with lived experience of suicide and suicidality, relevant areas of expertise and experience serving in the Defence Force; and
- building staffing, capability, systems and governance.

The DVSC will also undertake an independent inquiry into military sexual violence arising from Recommendation 25 of the RCDVS and in accordance with a request from the Minister for Veterans' Affairs and Defence Personnel made under section 110ZFB of the *Defence Act 1903*. The Minister engaged the Australian Human Rights Commission to undertake initial consultation on the terms of reference for the inquiry and asked for the inquiry to commence by mid-2026. Planning and preparation for this inquiry will be a focus in 2025-26.

Senior Executive Changes

- Ms Penny McKay commenced as the Acting Commissioner of the Defence and Veterans' Service Commission on 22 September 2025; and
- Three SES officers are on secondment to the DVSC while merit-based recruitment rounds are completed.

1.2 DVSC Resource Statement

Table 1: DVSC Resource Statement - Budget Estimates for 2025-26 as at Additional Estimates February 2026

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000 ^[a]	2025-26 Proposed Additional Estimates \$'000	2025-26 Total Estimate at Additional Estimates \$'000
Departmental				
Departmental appropriation	-	7,453	-	7,453
Departmental capital budget	-	1,991	-	1,991
Total departmental annual appropriations	-	9,444	-	9,444
Total departmental resourcing	-	9,444	-	9,444
Total resourcing for DVSC	-	9,444	-	9,444
				2024-25
Average staffing level (number)				22

Note

- a. Includes measures published in the Explanatory Memorandum to *the Appropriation Bill (No. 1) 2025-26 and Appropriation Bill (No. 2) 2025-26*.

Annual Appropriations

Table 2: Appropriation Bill (No. 3) 2025-26

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1 - Defence and Veterans' Service Commission	-	9,444	9,444	-	-
Total departmental	-	9,444	9,444	-	-
Total administered and departmental	-	9,444	9,444	-	-

Table 3: Appropriation Bill (No. 4) 2025-26

There is no *Appropriation Bill (No. 4)* for the DVSC. The DVSC was established in September 2025.

1.3 Budget Measures

2025-26 Budget Measures and Other Budget Adjustments

Table 4: DVSC 2025-26 Measures Since Budget

	Program	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Payment measures					
Establishment of the Defence and Veterans' Service Commission ^[a]	1.1				
Departmental payments		9,957	10,393	12,024	12,172
Total		9,957	10,393	12,024	12,172
Total payment measures					
Departmental		9,957	10,393	12,024	12,172
Total		9,957	10,393	12,024	12,172

Note

- a. Measure relates to an election commitment identified in the 2025 Explanatory Memorandum to the *Appropriation Act (No. 1) 2025-26* and *Appropriation Act (No. 2) 2025-26*.

Section 2: DVSC Revisions to Outcomes and Planned Performance

2.1 Budgeted Expenses and Performance for Outcome 1

Outcome 1: Improve suicide prevention and wellbeing outcomes for serving Australian Defence Force members and Veterans by providing independent oversight and evidence-based advice to the Australian Government and Parliament, including by monitoring, inquiring and reporting on reforms to systems affecting ADF members and Veterans.

Outcome 1 Strategy

The Commission commenced operation on 29 September 2025 and the Corporate Plan for the Commission is yet to be developed.

Linked Programs

The Commission is an independent oversight agency.

Outcome Expense Statement

Table 5: Budgeted Expenses for Outcome 1

	2024-25 Actual Result	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Defence and Veterans' Service Commission					
Departmental expenses	-	-	-	-	-
Departmental appropriation	-	7,453	10,034	11,695	11,843
Departmental total	-	7,453	10,034	11,695	11,843
Total expenses for program 1.1	-	7,453	10,034	11,695	11,843
	2024-25	2025-26			
Average staffing level (number)	-	22			

Contributions to Outcome 1

Program 1.1: Improving suicide prevention and wellbeing outcomes for serving Australian Defence Force members and Veterans.

The Commission commenced operation on 29 September 2025 and the Corporate Plan for the Commission is yet to be developed.

Section 3: DVSC Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of DVSC's finances for the 2025-26 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Explanatory Tables

Table 6: Third Party Payments to and from Other Agencies

There are no third party payments for DVSC. The DVSC was established in September 2025.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES					
Employee benefits	-	4,398	5,921	7,277	7,369
Suppliers	-	3,055	4,113	4,418	4,474
Total expenses	-	7,453	10,034	11,695	11,843
LESS:					
OWN-SOURCE INCOME					
Total own-source income	-	-	-	-	-
Net (cost of)/contribution by services	-	(7,453)	(10,034)	(11,695)	(11,843)
Revenue from Government	-	7,453	10,034	11,695	11,843
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS					
Non-financial assets					
Land and buildings	-	1,145	1,145	1,145	1,145
Intangibles	-	846	1,205	1,534	1,863
Total non-financial assets	-	1,991	2,350	2,679	3,008
Total assets	-	1,991	2,350	2,679	3,008
Net assets	-	1,991	2,350	2,679	3,008
EQUITY					
Parent entity interest					
Contributed equity	-	1,991	2,350	2,679	3,008
Total parent entity interest	-	1,991	2,350	2,679	3,008
Total Equity	-	1,991	2,350	2,679	3,008

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	-	7,453	10,034	11,695	11,843
Total cash received	-	7,453	10,034	11,695	11,843
Cash used					
Employees		4,398	5,921	7,277	7,369
Suppliers	-	3,055	4,113	4,418	4,474
Total cash used	-	7,453	10,034	11,695	11,843
Cash used					
Purchase of property, plant, and equipment and intangibles	-	1,991	359	329	329
Total cash used	-	1,991	359	329	329
Net cash from/(used by) investing activities	-	(1,991)	(359)	(329)	(329)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	1,991	359	329	329
Total cash received	-	1,991	359	329	329
Net cash from/(used by) financing activities	-	1,991	359	329	329
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Table 10: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2025-26)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2025					
of which:					
Attributable to the Australian Government	-	-	-	-	-
Attributable to non-controlling interest					
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,991	1,991
Sub-total transactions with owners					
Estimated closing balance as at 30 June 2026					
Less: non-controlling interests	-	-	-	-	-
Closing balance attributable to the Australian Government					
	-	-	-	1,991	1,991

Table 11: Statement of Departmental Asset Movements (Budget Year 2025-26)

	Asset Category			\$'000
	Buildings	Computer Software and Intangibles	Total	
As at 1 July 2025				
Opening net book balance				-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	1,145	846	1,991	
Total additions	1,145	846	1,991	
As at 30 June 2026				
Gross book value	1,145	846	1,991	
Closing net book balance	1,145	846	1,991	

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 and Bill 3 (DCB)	-	1,991	359	329	329
Total new capital appropriations	-	1,991	359	329	329
<i>Provided for:</i>					
Purchase of non-financial assets	-	1,991	359	329	329
Total Items	-	1,991	359	329	329
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	-	1,991	359	329	329
TOTAL	-	1,991	359	329	329
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	1,991	359	329	329
Total cash used to acquire assets	-	1,991	359	329	329

3.2.2 Notes to the Financial Statements

The DVSC was established in September 2025. No budget or financial statements have previously been published.

Glossary

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

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

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

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

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

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

Acronyms

A

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

A

AUSMIN	Australia-US Ministerial Consultations
AVM	Air Vice-Marshal
AWD	Air Warfare Destroyer

B

BMS	Battlefield Management Systems
BRIG	Brigadier

C

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

D

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

D

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

E

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

F

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

G

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

H

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

I

IAEA	International Atomic Energy Agency
IAGDP	Indigenous Australian Government Development Program
ICT	Information and Communications Technology
IED	Improvised Explosive Device
IOC	Initial Operational Capability
IPP	Indigenous Procurement Policy
ISREW	Intelligence Surveillance Reconnaissance and Electronic Warfare

J

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

L

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

M

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

N

NACC	New Air Combat Capability
NATO	North Atlantic Treaty Organization

O

ODIS	Office of Defence Industry Support
OPA	Official Public Account
OPV	Offshore Patrol Vessel
OTHR	Over the Horizon Radar

P

PAES	Portfolio Additional Estimates Statements
PB	
Statements	Portfolio Budget Statements
PEAP	Partner Employment Assistance Program
PEFO	Pre-election Economic and Fiscal Outlook
PGPA	Public Governance, Performance and Accountability
PMICA	Protected Mobility Integrated Capability Assurance
PMSP	Pacific Maritime Security Program
PMV-L	Protected Mobility Vehicle
PNG	Papua New Guinea
PSM	Public Service Medal
PWC	Parliamentary Standing Committee on Public Works

R

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RAN	Royal Australian Navy
RANCCB	Royal Australian Navy Central Canteens Board
RA	Rent Allowance
RCDVS	Royal Commission into Defence and Veteran Suicide
REDSPICE	Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers
RMG	Resource Management Guide
ROE	Rate of Effort - Flying Hours
ROU	Right of Use
RMC	Royal Military College
RSC	Recruiting Services Contract

S

SERCAT	Service Category
SES	Senior Executive Service

S

SME	Specialist Military Equipment / School of Military Engineering / Small Medium Enterprise
SML	Survey Motor Launch
SPM	Special Public Monies
STEM	Science, Technology, Engineering and Mathematics

T

TAS	Trusted Autonomous Systems / Tasmania
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U

UAD	Unit Availability Days
UNDOF	United Nations Disengagement Observer Force
UNSCR	United Nations Security Council Resolutions
US	United States
USFPI	United States Force Posture Initiatives