

Defence

Entity Additional Estimates Statements

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

1.1 Strategic Direction Statement 9

1.2 Defence Resource Statement..... 12

1.3 Budget Measures..... 16

1.4 Key Cost Categories Estimates 18

1.5 People..... 21

Section 2: Defence Revisions to Outcomes and Planned Performance.....26

2.1 Changes to Outcome and Program Structures 26

2.2 Budgeted Expenses and Performance for Outcome 1 27

2.3 Budgeted Expenses and Performance for Outcome 2 32

Section 3: Defence Explanatory Tables and Budgeted Financial Statements64

3.1 Explanatory Tables 64

3.2 Resource Summary 65

3.3 Budgeted Financial Statements..... 67

This page intentionally left blank.

Defence

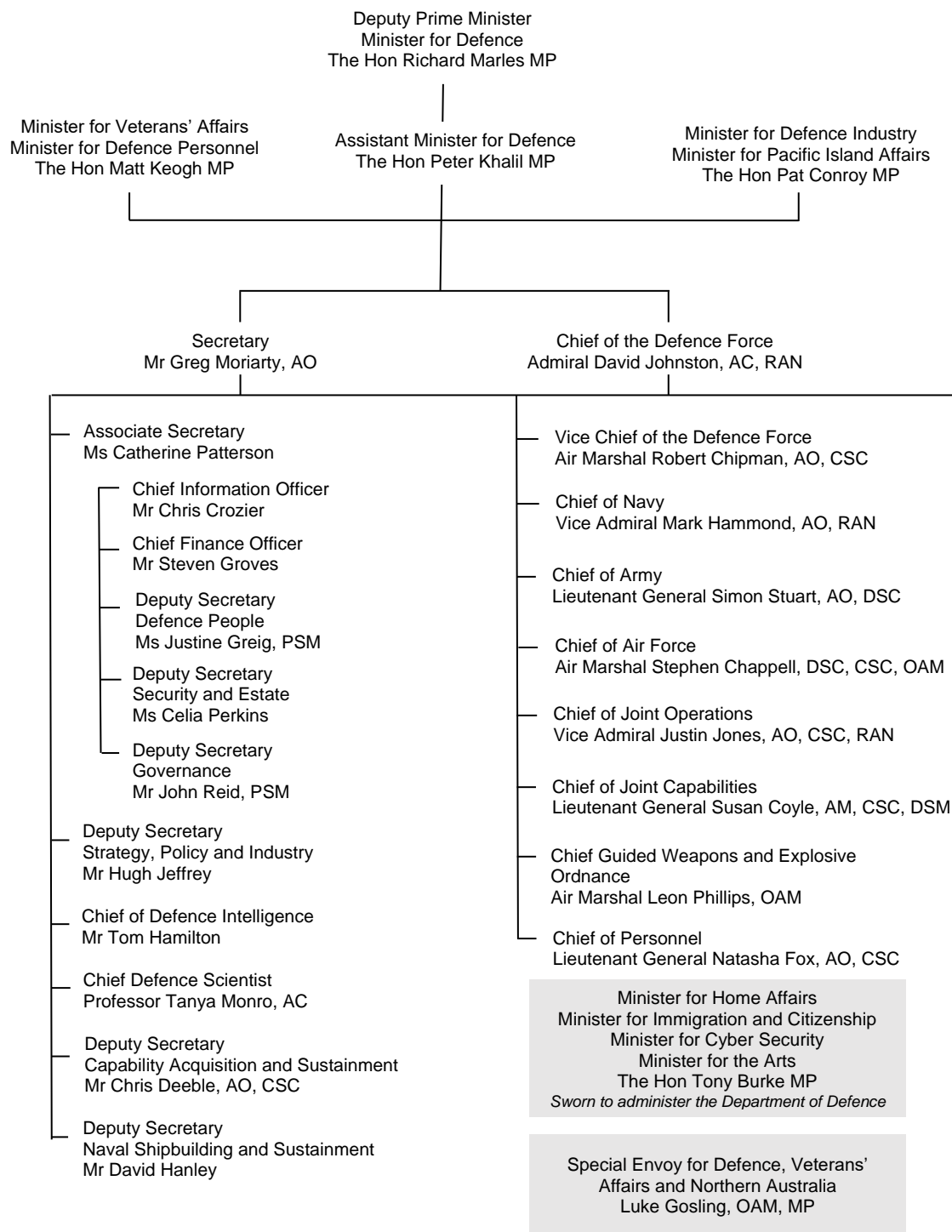
Section 1: Defence Overview and Resources

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 Actual Result \$'000		2025-26 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'000	Variation %	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'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	21,937
13	1,867,108	Own source revenue (s74 receipts) ^[g]	1,270,948	1,200,870	-70,078	-5.5	996,672	971,351	932,230
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
16	55,505,707	Total Departmental funding excl. Defence Trusts and 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	257,418
18	-27,169	Expenditure (Operating and Capital)	-114,171	-77,611	36,559	-32.0	-76,682	-340,872	-259,129
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	6,612,533
22	1,508,432	Own source revenue ^[i]	1,367,249	1,418,251	51,002	3.7	1,346,320	1,280,685	1,220,526
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	-1,220,526
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	1,008,428
27	707,361	Cash in bank - Departmental	321,680	767,317	445,637	138.5	751,022	696,429	694,719
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

- This table is prepared on an accrual basis, except for serials 7 to 10, 12, 14, 21 to 24, 27 and 28.
- 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.
- 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).
- 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.
- 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.
- Represents net transfers to and from the Official Public Account (OPA).
- All figures are net of GST.
- Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.
- Own Source Revenue received in cash is returned to the OPA.

Annual Appropriations

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

	2024-25 Actual Result \$'000	2025-26 Budget Estimate \$'000	Increases in Estimates \$'000	Decreases in Estimates \$'000	2025-26 Revised Estimate \$'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)* in 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 Actual Result \$'000	2025-26 Budget Estimate \$'000	Increases in Estimates \$'000	Decreases in Estimates \$'000	2025-26 Revised Estimate \$'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 Actual Result \$'000	2025-26 Budget Estimate \$'000	Increases in Estimates \$'000	Decreases in Estimates \$'000	2025-26 Revised Estimate \$'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
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
Further Investment in Defence Naval Shipbuilding in Australia ^[e]	Various	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
Continuing to Support Veterans and their Families ^[g]	2.12	-	-	-	-
Nuclear-Powered Submarine Program - Further Program Support ^[e]	2.16	nfp	nfp	nfp	nfp
Total Departmental Budget Measures		-261.7	-410.8	-472.6	-535.4
Other Departmental Budget Adjustments					
Operation KUDU	1.2	6.0	-	-	-
Foreign Exchange	Various	-200.8	-158.0	-150.4	-272.3
Other Budget Adjustments ^[h]	Various	2,457.3	633.6	-2,244.7	-1,067.3
Total Other Departmental Budget Adjustments		2,262.5	475.6	-2,395.1	-1,339.6
Total Defence Funding		2,000.8	64.8	-2,867.7	-1,875.0

Notes

- 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.
- 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.
- 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*.
- 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.
- This measure is nfp due to commercial sensitivities.
- This measure provides \$95.5 million for 2025-26, which is being met from existing resourcing of the Department of Defence.
- 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.
- 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	
	Actual Result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate	Total
	\$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 Actual Result \$m	2025-26 Budget Estimate \$m	2025-26 Revised Estimate \$m	Variation \$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

- Provides a consolidated summary of Defence Portfolio funding, excluding Defence Housing Australia (DHA), Department of Veterans' Affairs (DVA) and the DVSC.
- These amounts refer to appropriations only. Refer Table 1 Serial 6 for total planned expenditure.
- 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 Actual Result \$m	2025-26 Budget Estimate \$m	2025-26 Revised Estimate \$m	Variation \$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

- These categories are funded by appropriations, and funding from other sources.
- 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.
- 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.
- 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 Actual Result \$m	2025-26 Budget Estimate \$m	2025-26 Revised Estimate \$m	Variation \$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 Actual Result \$m	2025-26 Budget Estimate \$m	2025-26 Revised Estimate \$m	Variation \$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	Revised		Forward	Forward	Forward
		Estimate	Estimate		Estimate	Estimate	Estimate
		\$m	\$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	Forward	Forward	Forward
	Estimate	Estimate	Estimate	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

- The forecast distribution by rank and service is based on a forecast workforce supply and the current workforce distribution. This is subject to review as the workforce is reset and grows to fill ADF requirements.
- The figures for One Star and above include Chief of the Defence Force, Service Chiefs and Group Heads. This does not include Chaplains.
- Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
- The figures for Senior Executives include the Secretary, SES Band One, Two and Three employees, Chiefs of Divisions and Medical Officers.
- 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 \$'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 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	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 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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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
<p>Program 1.1 - Growing innovative and competitive businesses, industries and regions.</p> <p>Program 1.2 - Investing in science and technology.</p> <p>Program 1.4 - Nuclear-Powered Submarines.</p>
Contribution to Outcome 2 by linked programs
<p>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.</p> <p>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.</p> <p>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.</p> <p>DISR engages with Defence on a cross-portfolio approach to artificial intelligence across the economy.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Department of the Treasury
<p>Program 1.3 - Support for Markets and Business.</p> <p>Program 1.4 - Commonwealth-State Financial Relations.</p>
Contribution to Outcome 2 by linked programs
<p>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.</p>

Australian Security Intelligence Organisation
Program 1.1 - Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the <i>Australian Security Intelligence Organisation Act 1979</i> , 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
<p>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.</p> <p>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.</p> <p>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.</p>

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	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 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	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 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 Retirements 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 ^[e]	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 ^[a]	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 ^[a]	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 ^[b]	1,176,484	1,112,662	1,147,593	1,091,175	1,038,950	991,038
Administered returns to the Official Public Account ^[f]	-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	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
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
	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 ^{(a) (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 Arafura 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	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 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	-	-	-	-
	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

- Reducing ARH Tiger Rate of Effort (ROE) reflects transition of the capability to the replacement Boeing AH-64E Apache.
- 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.
- 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.
- 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.
- The AW139 fleet was withdrawn from service at the end of Quarter 2, 2025.
- 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

- Fleet sizes represent totals in service at 1 December 2025.
- P-8A Poseidon Forward Estimates reflect projected workforce growth.
- F-35A Lightning II forward estimates reflects projected workforce growth.
- MC-55A Peregrine forward estimates variation due to maturing understanding of the platform's employment.
- 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	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 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]}	658,262	557,747	758,160	679,497	743,556	769,052

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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	-	-	-	-
	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	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 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	-	-	-	-
	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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	2025-26	2025-26	2026-27	2027-28	2028-29
	Actual	Budget	Revised	Forward	Forward	Forward
	Result	Estimate	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	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
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 ^(a)	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	Budget Estimate	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

- Negative amount denotes revenue.
- 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	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
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

- a. Negative amounts denote revenue.
b. 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 \$'000	Estimate as at Budget 2025-26 \$'000	Proposed Additional Estimates 2025-26 \$'000	Total Estimate at Additional Estimates 2025-26 \$'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

- This table is prepared on the same basis as Table 1.
- 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.
- 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.
- 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 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'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 \$'000	2025-26 Revised Estimate \$'000	Variation \$'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 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'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 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'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	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	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:

a. 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	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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 Working Capital	-	-	-	-700,000	-
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	372,159	59,956	-16,295	-54,593	-1,710
Cash and cash equivalents at the beginning of the reporting period	332,349	707,361	767,317	751,022	696,429
Transfer of cash from administered programs	-	-	-	-	-
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	Asset Revaluation Reserve	Contributed Equity/ Capital	Total Equity
	\$'000	\$'000	\$'000	\$'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	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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

- 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.
- 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 Budget Estimate \$'000	2025-26 Revised Estimate \$'000	Variation \$'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	2025-26	2026-27	2027-28	2028-29
	Actual Result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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).