PORTFOLIO BUDGET STATEMENTS 2026-27

BUDGET RELATED PAPER NO. 1.4A

DEFENCE PORTFOLIO

Budget Initiatives and Explanations of Appropriations
Specified by Outcomes and Programs by Entity

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DEPUTY PRIME MINISTER
MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit the Portfolio Budget Statements in support of the 2026-27 Budget for the Defence Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the Portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Richard Marles

Richard Marles

Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

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

Enquiries

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

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

User Guide
To The
Portfolio Budget Statements

User Guide

The purpose of the *2026-27 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2026-27 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2026-27 for the parliamentary departments) and related Supply Bills where they exist applicable to the 2026-27 Budget. In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

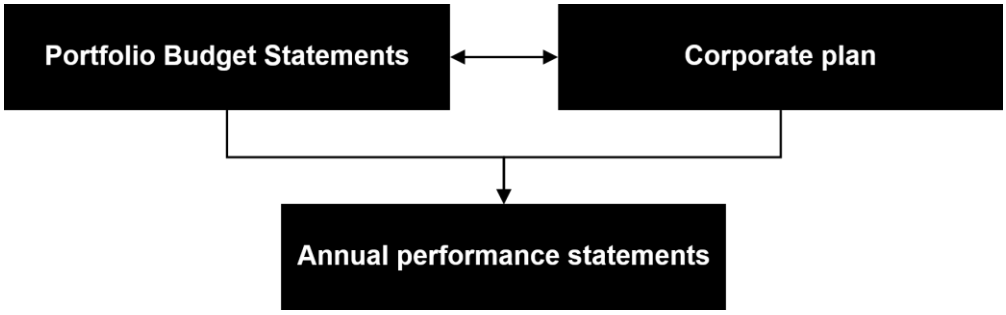
As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and Planned Performance.

Commonwealth Performance Framework

Key components of relevant publications



Portfolio Budget Statements

(Typically in May) Portfolio based

Supports Annual Appropriations. Informs senators and members of parliament of the proposed allocations of other resources to government outcomes and programs.

Provides links to relevant programs undertaken by other Commonwealth entities.

Provides high-level performance information for current, ongoing programs.

Provides detailed performance information for proposed new Budget Measures that require a new program or significantly change an existing program.

Links to the corporate plan through reporting key activities.

Corporate Plan

(by 31 August) Entity based

Primary planning document of a Commonwealth entity.

Sets out the purposes of the entity and the key activities it will undertake to achieve its purposes**,** over a minimum 4-year period.

Describes the environment in which the entity operates, the capability it requires to undertake its key activities, its risk oversight and management systems including key risks and how those are managed, and how it will cooperate with others, including any subsidiaries, to achieve its purposes.

Explains how the entity's performance will be measured and assessed.

Annual Performance Statements

(October in the following year) Entity based

Included in the Commonwealth entity's annual report.

Reports on the actual performance results for the reporting year as set out in the corporate plan and Portfolio Budget Statements.

Provides an analysis of the factors that may have contributed to the entity's performance results.

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Portfolio Overview

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Defence Portfolio Overview

Ministers and their Portfolio Responsibilities

The Defence Portfolio has four Ministers:

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

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

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

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

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

The Defence Portfolio

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

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

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

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

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

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

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

Portfolio Structure and Outcomes

Figure 1: Defence Portfolio Structure and Outcomes

On 28 April 2026, Ms Meghan Quinn PSM was announced as the Secretary of Defence, and will commence 18 May 2026.

Other Defence Portfolio Bodies

AAF Company

Chair: Colonel James Murray

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

Army and Air Force Canteen Service

Chair: Peter Goldsworthy FCPA GAICD

The Army and Air Force Canteen Service (AAFCANS), a Commonwealth authority established under the *Army and Air Force Canteen Service Regulations 1959* supplies goods, facilities and services to, or for the entertainment and recreation of, members of the Army and the Air Force including persons employed in, or in connection with, Army or Air Force installations and dependants of those members or persons, visitors to such installations and members of the Army or Air Force Cadets.

Australian Military Forces Relief Trust Fund

Chair: Major General Craig Dobson AM CSC

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

Australian Strategic Policy Institute Limited

Chair: Ms Gai Brodtmann GAICD

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

Royal Australian Air Force Veterans' Residences Trust

Chair: Mr David E. Tindal

The Royal Australian Air Force Veterans' Residences Trust, a Commonwealth authority established by the *Royal Australian Air Force Veterans' Residences Act 1953*, provides residences in which eligible persons (as defined in the Act) who are in necessitous circumstances and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.

Royal Australian Air Force Welfare Recreational Company

Chair: Air Commodore Martin Smith GAICD

The Royal Australian Air Force Welfare Recreational Company is a Commonwealth company that provides access to discounted recreational accommodation and manages and promotes the Royal Australian Air Force Central Welfare Trust Fund owned recreational facilities for the Royal Australian Air Force members, their families and other eligible persons. It also provides financial support to, and assists in the provision of, recreational facilities and services to the Royal Australian Air Force members.

Royal Australian Air Force Welfare Trust Fund

Chair: Principal Air Chaplain James Cox

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

Royal Australian Navy Central Canteens Board

Chair: Captain Steve Bowater OAM RAN

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

Royal Australian Navy Relief Trust Fund

Chair: Commodore Shane Glassock CSC RAN

The Royal Australian Navy Relief Trust Fund, a corporate Commonwealth entity established under the *Services Trust Funds Act 1947*, provides benefits for members of the ADF who have served in, or in association with, the Royal Australian Navy (RAN) and to the dependants of such members.

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Defence

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Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

The deteriorating trends in the strategic environment that were identified in the *2024 National Defence Strategy* have broadened and intensified. New strategic challenges have emerged that further threaten Australia's security and complicate the pursuit of Australia's interests. Australia will face elevated levels of geopolitical risk over the coming decade and our exposure to force projection and military coercion will reach levels not seen since the Second World War.

The *2026 National Defence Strategy* sets out the Government's strategic framework to guide the continued transformation of Defence's capability, force structure, force posture, acquisition, recruitment and international engagement. This includes the continued implementation of *National Defence*, and the Strategy of Denial, set out in the *2024 National Defence Strategy*.

National Defence is a coordinated, whole-of-government and whole-of-nation approach to meet the strategic challenges Australia faces, including the threat of conflict and prospect of coercion. It harnesses all arms of Australia's national power to establish a holistic, integrated and focused approach to protect our security and advance Australia's interest. The Government is determined to ensure that Australia becomes more self-reliant, more resilient and takes greater responsibility for our own security. Strengthening Australia's *National Defence* is a prudent and effective approach to achieve these objectives.

The Strategy of Denial is designed to deter a potential adversary from taking actions that would be inimical to Australia's interests and regional stability. It requires demonstrating the Australian Defence Force's (ADF) credible capability, capacity and resolve to hold a potential adversary's forces at risk and degrade their willingness and confidence to employ force or military coercion against us. It involves working with the United States and key partners to contribute to regional stability and security and strengthen deterrence against the threat of military coercion or a conflict.

The *2026 National Defence Strategy* builds on the foundations of the *2024 National Defence Strategy* by:

- increasing efforts to develop greater self-reliance over the longer term so Defence can more ably and independently deter force projection against Australia;
- prioritising capability acquisition and sustainment plans to deliver the Strategy of Denial, drawing on lessons learned from the war in Ukraine and conflicts in the Middle East;
- strengthening the resilience of Australia's sovereign defence industrial base and building stronger, more diverse international industrial partnerships;
- improving national civil preparedness and national resilience as part of *National Defence* to help shield Australia from regional and global disruptions; and
- increasing coordination with regional partners to collectively deter actions inimical to our shared interests and shape a region governed by rights and rules, not fear or force.

To deliver the *2026 National Defence Strategy*, the Government is increasing investment in the *2026 Integrated Investment Program* to record levels. This includes new investments in capabilities that increase the ADF's ability to deter and respond to current and emerging threats, while also investing in the longer term to build a more self-reliant ADF. It also includes targeted investments to increase preparedness and resilience to ensure the ADF is postured and ready today to respond to unforeseen events tomorrow.

Together, the *2026 National Defence Strategy* and the *2026 Integrated Investment Program* are designed to ensure the ADF has the capacity to:

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

To meet the challenges posed by our complex strategic environment and ensure the Government's investment is well spent, Defence will continue to drive urgent and fundamental reform. It includes:

- reforming the portfolio's capability development and delivery functions;
- enhancing the delivery of the conventionally-armed, nuclear-powered submarine enterprise; and
- delivering the Government's response to the Defence Estate Audit.

The establishment of the Defence Delivery Agency (DDA) will ensure capability acquisition and sustainment are streamlined and accelerated. The implementation plan includes two phases. Phase 1 involves the consolidation of the capability development functions under the Vice Chief of the Defence Force and the three delivery groups (Capability Acquisition and Sustainment Group, Guided Weapons and Explosive Ordnance Group and Naval Shipbuilding and Sustainment Group) into a Defence Delivery Group Organisation by 1 July 2026.

Under Phase 2, the DDA will commence from July 2027 and be led by the National Armaments Director, who will report directly to Ministers. The National Armaments Director will play a crucial role in providing advice to the Government on acquisition strategies and delivery of acquisition and sustainment projects. The DDA will have control over its budget, which will enable coordinated and holistic delivery of defence capability and improve Australia's ability to maintain its sovereign defence industrial base.

Defence will also continue to grow naval shipbuilding and sustainment capabilities and deliver the conventionally-armed, nuclear-powered submarine program, in coordination with whole-of-government and whole-of-nation partners. Under the trilateral partnership between Australia, the United Kingdom and the United States (AUKUS), Australia will acquire a fleet of conventionally-armed, nuclear-powered submarines to enhance our ability to deter aggression and contribute to stability in the Indo-Pacific.

AUKUS Pillar II is harnessing developments in cutting-edge technologies with the United Kingdom and the United States to deliver asymmetric advantage to our defence forces, as well as bolstering industry and innovation sector collaboration. This collaboration is focused on near-term warfighting objectives.

Acquiring, building and sustaining Australia's conventionally-armed, nuclear-powered submarine capability is one of Australia's most complex national endeavours. Successful delivery of the Optimal Pathway will require whole-of-government support and expertise in workforce delivery, industrial uplift, environmental planning, infrastructure, education and training and diplomacy. This requires close coordination with whole-of-government and whole-of-nation partners, as well as industry and workers.

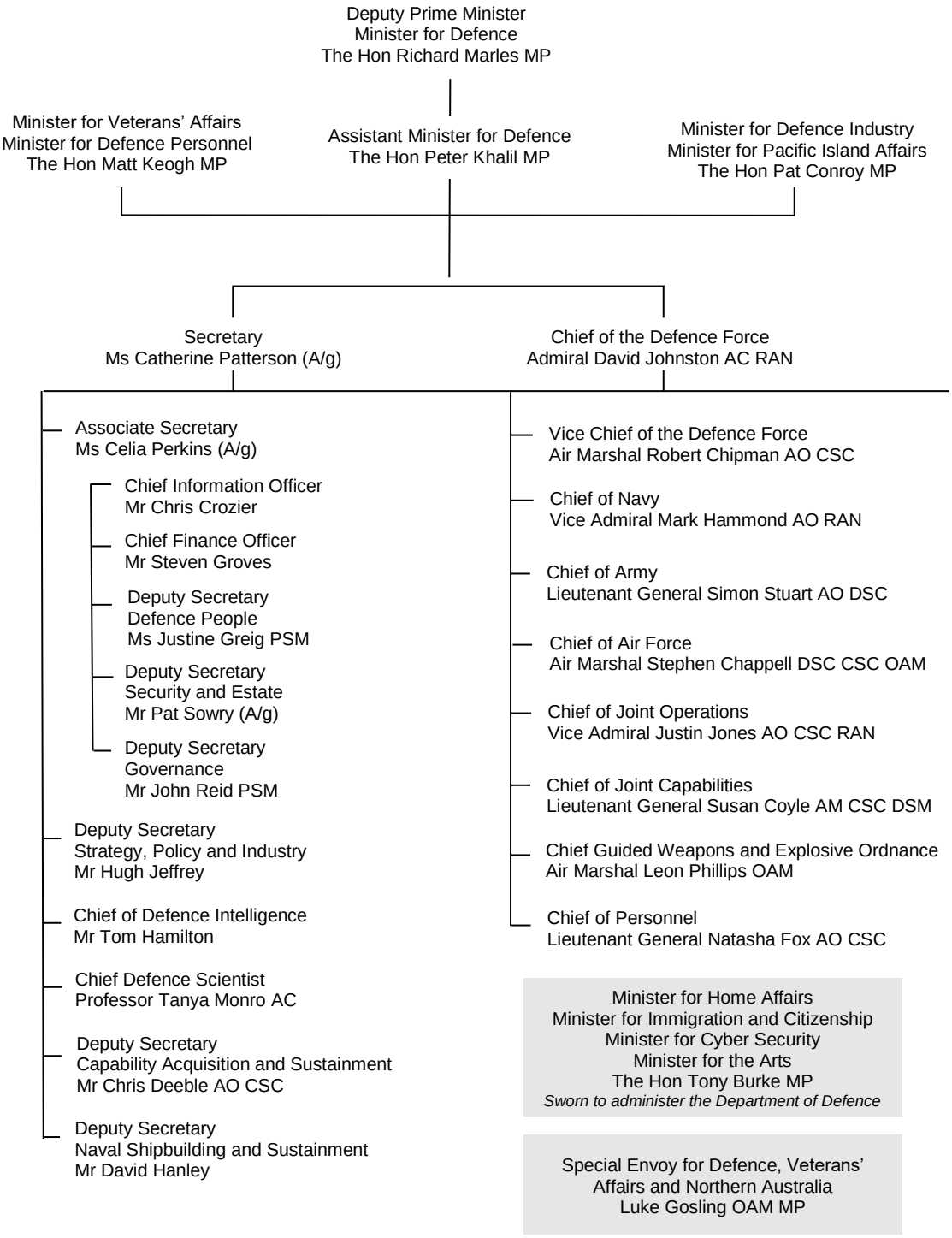
Defence will also continue to implement the recommendations of the Defence Estate Audit to ensure that the defence estate is fit for purpose.

Improving Defence's culture is fundamental to achieving the Defence mission and delivering the *2026 National Defence Strategy*. Defence will continue to implement initiatives that enable an inclusive, respectful and psychologically safe workplace, including continued implementation of the recommendations of the Royal Commission into Defence and Veteran Suicide.

The biennial National Defence Strategy cycle will continue to form the structured basis for Government to regularly re-evaluate effort to support *National Defence*. This ensures policy, strategy, capability and planning keeps pace with the rapidly evolving strategic environment, and remains fit-for-purpose to respond to Australia's national security priorities and to provide clarity of process and approach to Defence and defence industry. The next National Defence Strategy will be delivered in 2028.

Defence Organisational Chart

Figure 1: Defence Organisational Chart



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

Senior Executive Changes

The following changes have been announced at the time of this publication's release:

On 3 April 2026, Ms Catherine Patterson was appointed as Acting Secretary;

On 3 April 2026, Ms Celia Perkins was appointed as Acting Associate Secretary;

On 3 April 2026, Mr Pat Sowry was appointed as Acting Deputy Secretary Security and Estate;

On 19 April 2026, Mr Greg Moriarty AO completed his appointment as the Secretary of Defence, following a short period of leave; and

On 28 April 2026, Ms Meghan Quinn PSM was announced as the Secretary of Defence, and will commence 18 May 2026.

Organisational Structure

As part of the first phase of establishing the Defence Delivery Agency, the capability function will be consolidated from 1 July 2026. This includes the consolidation of the three delivery groups (Capability Acquisition and Sustainment Group, Guided Weapons and Explosive Ordnance Group and Naval Shipbuilding and Sustainment Group) into a Defence Delivery Group Organisation by 1 July 2026.

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1.2 Defence Resource Statement

The Defence Resource Statement details the resourcing for Defence at Budget Estimates. Table 1 outlines the total resourcing available from all sources for the 2026-27 Budget year, including variations through Special Appropriations and Special Accounts. For more detailed information, please refer to Budget Paper No. 4 - Agency Resourcing.

Table 1: Total Defence Resourcing [a]

Serial No.	2025-26 Estimated Actual $'000		2026-27 Previous Estimate $'000	2026-27 Budget Estimate $'000	Variation $'000	Variation %	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
		Defence Resourcing							
1	42,774,967	Appropriation for departmental outcomes	41,073,699	41,134,492	60,793	0.1	42,397,470	46,685,043	49,008,238
2	2,787,334	Departmental capital budget	3,034,422	3,065,953	31,531	1.0	3,307,092	3,420,238	3,555,890
3	14,036,118	Equity injection appropriation	14,699,302	15,301,054	601,752	4.1	17,037,557	19,351,405	21,448,932
4	900,000	Funding movement for Working Capital [b] [c]	-	-	-	-	-700,000	-	-
5	-	Prior year appropriation	-	-	-	-	-	-	-
6	**60,498,419**	**Current year's appropriation (1 + 2 + 3 + 4 + 5) [d] [e]**	**58,807,423**	**59,501,499**	**694,076**	**1.2**	**62,042,119**	**69,456,686**	**74,013,060**
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	**60,498,419**	**Funding from Government (6 + 10)**	**58,807,423**	**59,501,499**	**694,076**	**1.2**	**62,042,119**	**69,456,686**	**74,013,060**
12	42,159	Capital receipts [g]	20,572	20,572	-	-	21,215	21,937	13,954
13	1,328,575	Own source revenue (s74 receipts) [g]	996,672	1,124,408	127,736	12.8	1,077,340	1,036,475	1,034,121
14	-	Prior year receipts	-	-	-	-	-	-	-
15	**1,370,734**	**Funding from other sources (12 + 13 + 14)**	**1,017,244**	**1,144,980**	**127,736**	**12.6**	**1,098,555**	**1,058,412**	**1,048,075**
16	**61,869,153**	**Total Departmental funding excl. Defence Trusts and Joint Accounts (11 + 15)**	**59,824,667**	**60,646,479**	**821,812**	**1.4**	**63,140,674**	**70,515,098**	**75,061,135**
		Defence Trusts and Joint Accounts							
17	56,875	Revenue [g]	74,387	86,752	12,365	16.6	329,181	248,624	270,551
18	-59,327	Expenditure (Operating and Capital)	-76,682	-91,450	-14,768	19.3	-332,866	-252,104	-272,153
19	**-2,452**	**Total Defence Trusts and Joint Accounts (17 + 18)**	**-2,295**	**-4,698**	**-2,403**	**104.7**	**-3,685**	**-3,480**	**-1,602**
20	**61,866,701**	**Total Departmental funding (16 + 19)**	**59,822,372**	**60,641,781**	**819,409**	**1.4**	**63,136,989**	**70,511,618**	**75,059,533**
		Administered [h]							
21	5,270,924	Administered special appropriations	5,673,990	5,744,027	70,037	1.2	6,217,531	6,707,096	6,934,265
22	1,436,587	Own source revenue [i]	1,346,320	1,385,138	38,818	2.9	1,314,978	1,252,515	1,189,731
23	-1,436,587	Returns to the Official Public Account [i]	-1,346,320	-1,385,138	-38,818	2.9	-1,314,978	-1,252,515	-1,189,731
24	**5,270,924**	**Total Administered funding (21 + 22 + 23)**	**5,673,990**	**5,744,027**	**70,037**	**1.2**	**6,217,531**	**6,707,096**	**6,934,265**
25	**67,137,625**	**Total Defence resourcing (20 + 24)**	**65,496,362**	**66,385,808**	**889,446**	**1.4**	**69,354,520**	**77,218,714**	**81,993,798**
		Appropriation carried forward							
26	1,049,467	Appropriation receivable including previous year's outputs	1,186,833	1,186,833	-	-	877,313	1,008,428	1,107,138
27	787,436	Cash in bank - Departmental	751,022	863,989	112,967	15.0	821,698	808,141	827,621
28	-	Cash in bank - Administered	-	-	-	-	-	-	-
29	**1,836,903**	**Total appropriation carried forward (26 + 27 + 28)**	**1,937,855**	**2,050,822**	**112,967**	**5.8**	**1,699,011**	**1,816,569**	**1,934,759**

Notes

a. This table is prepared on an accrual basis, except for serials 7 to 10, 12, 14, 21 to 24, 27 and 28.
b. The Funding increase in 2025-26 of $900 million is to address Defence's ongoing working capital requirements. The adjustment provides an increase to cash reserves to meet Defence industry commitments as and when they fall due for payments. The increase in working capital in 2025-26 is represented by an equity injection and not as increased Defence funding. This is because the injection will be used to address existing expenditure commitments already incurred/recognised.
c. As per the PB Statements 2025-26, Defence had 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.
d. The appropriations as per the 2025-26 Estimated Actual 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.
e. The appropriations as per the 2025-26 Estimated Actual reflects a movement of funds of $1.7 billion from 2026-27 and 2027-28 for acceleration of capability acquisition predominantly in relation to the Nuclear-Powered Submarines Program.
f. Represents net transfers to and from the Official Public Account (OPA).
g. All figures are net of GST.
h. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
i. Own Source Revenue received in cash is returned to the OPA.

1.3 Budget Measures

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

2026-27 Budget Measures and Other Budget Adjustments

Table 2: Defence 2026-27 Budget Measures and Other Budget Adjustments

	Program	2025-26 Estimated Actual [m] $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
Budget Measures							
Payment Measures							
2026 National Defence Strategy and Integrated Investment Program [a]	Various	-	2,164.7	2,616.0	1,318.1	704.6	**6,803.4**
2026 National Defence Strategy - Enhancing Defence Cooperation in the Indo-Pacific [b]	Various	-	41.3	79.7	34.9	22.4	**178.4**
Supporting Defence Industry and the Strategic Policy Sector [c]	2.1	-	-1.4	-1.4	-1.4	-1.5	**-5.7**
Defence Assistance [d]	2.1	-	-	-	-	-	**-**
Attorney-General's Portfolio - Additional Resourcing [e]	2.3	-	-50.4	-	-	-	**-50.4**
Nuclear-Powered Submarine Program - continuation of government resourcing [f]	2.16	-	-91.7	-312.5	-267.9	-191.8	**-863.8**
Nuclear-Powered Submarine Program - further program support [g]	2.16	-	-	-	-	-	**-**
Royal Commission into Defence and Veteran Suicide – continued implementation [h]	Various	-	-	-	-	-	**-**
Australian Naval Infrastructure Injection for the Nuclear-Powered Submarine Program [i]	2.16	-	nfp	nfp	nfp	nfp	**nfp**
Finance Portfolio – additional resourcing [j]	Various	-	-3.1	-4.6	-4.7	-4.7	**-17.1**
Savings from External Labour and non-wage expenses - one year extension	Various	-	-	-	-	-1,435.2	**-1,435.2**
Total Departmental Budget Measures		**-**	**2,059.4**	**2,377.3**	**1,079.0**	**-906.2**	**4,609.5**
Other Departmental Budget Adjustments							
Further Savings from External Labour and non-wage expenses	Various	-	-458.6	-490.5	-515.8	-	**-1,464.9**
Foreign Exchange	Various	-387.9	-694.7	-782.5	-894.7	-844.9	**-3,604.7**
Working Capital Injection [k]	Various	900.0	-	-	-	-	**900.0**
Operation ACCORDION	1.2	-	83.2	-	-	-	**83.2**
Operation RESOLUTE	1.3	-	165.6	-	-	-	**165.6**
Operation KUDU	1.2	-	22.9	-	-	-	**22.9**
Other Budget Adjustments [l]	Various	1,841.1	-469.2	-1,138.5	320.0	-420.0	**133.4**
Total Other Departmental Budget Adjustments		**2,353.2**	**-1,350.8**	**-2,411.4**	**-1,090.5**	**-1,264.9**	**-3,764.5**
Total Defence Funding		**2,353.2**	**708.5**	**-34.1**	**-11.6**	**-2,171.2**	**845.0**

Notes

a. This measure provides $6.8 billion from 2026-27 to 2029-30 for the implementation of the *2026 National Defence Strategy* and the Integrated Investment Program. This funding includes new investment for two marquee capability projects, General Purpose Frigates and Nuclear-Powered Submarines, as well as a targeted uplift for other capability enhancements and sustainment activities.

   Consistent with the *2026 National Defence Strategy*, released on 16 April 2026, the Government has identified approximately $5 billion of investment over the Forward Estimates for which Defence will prioritise the development of alternative financing and delivery options. This includes projects relating to the Defence estate, the consolidation of the Henderson Defence Precinct, and the development of the Guided Weapons and Explosive Ordnance Enterprise.

   In addition to the direct investment outlined in this measure, the Government has provisioned further funding in the 2026-27 Budget for the implementation of the *2026 National Defence Strategy* over the Forward Estimates. Details of this funding are not for publication (nfp) due to commercial sensitivities.

b. This measure provides further Defence investment in the Pacific region, including Defence's implementation of the PukPuk Treaty.

c. This measure provides a total of $106.4 million over six years, including $47.3 million from 2026-27 to 2029-30 for continued investment in Defence careers through the Schools Pathways Program, and $59.1 million from 2027-28 to 2031-32 for the implementation of 5-year Operating Funding for Strategic Policy Sector, which is being met from existing resourcing of the Department of Defence.

d. This measure provides $6.7 million in 2025-26, for military assistance including Gifting of Advanced Medium Range Air-to-Air Missiles to the Government of the UAE and Gifting of Weapons System for Guardian-class Patrol Boat to the Republic of the Maldives, which is being met from existing resourcing of the Department of Defence.

e. This measure provides funding for the continued operation of the Office of the Special Investigator, which is being offset from the Department of Defence.

f. This measure includes transferring $711.9 million in funding from Defence Program 2.16 Nuclear-Powered Submarines to the Australian Submarine Agency.

g. This measure provides $218.4 million over eight years from 2026-27 for continued support to the Nuclear-Powered Submarine Program, which is being met from existing resourcing of the Department of Defence.

h. This measure will provide $311.9 million from 2026-27 to 2029-30 to implement the Government's response to the Final Report of the Royal Commission into Defence and Veteran Suicide, which is being held in the Contingency Reserve.

i. This measure is nfp due to commercial sensitivities.

j. This measure provides funding for an independent cost assurance function within the Department of Finance, offset from the Department of Defence.

k. This funding adjustment of $900 million is to support Defence's ongoing working capital requirements, and is in addition to the $700 million of working capital provided in the 2025-26 Budget. These funding adjustments increase Defence cash reserves to meet Defence industry commitments as and when they fall due for payment.

l. This adjustment predominately relates to bringing forward Defence funding to accelerate delivery of capability, including $1.7 billion into 2025-26 for the Nuclear-Powered Submarine Program.

m. An amount of $1,841.1 million is expected to be received through Appropriation Bill (No. 5) 2025-26 and $900 million through Appropriation Bill (No.6) 2025-26. The *2025-26 Portfolio Supplementary Additional Estimates Statements* also provide detail on these amounts.

Operations Summary

Table 3: Net Additional Cost of Current Major Operations to 2029-30 [a] [b] [c]

	2025-26 Estimated Actual $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
Operation ACCORDION	91.8	83.2	-	-	-	**175.0**
Operation RESOLUTE	130.1	165.6	-	-	-	**295.7**
Operation KUDU	50.9	22.9	-	-	-	**73.8**
Total Net Additional Costs	**272.9**	**271.7**	**-**	**-**	**-**	**544.6**
Sources of Funding for Major Operations						
Government Supplementation	272.9	271.7	-	-	-	**544.6**
Total Cost	**272.9**	**271.7**	**-**	**-**	**-**	**544.6**

Notes
a. This table reflects ongoing and new Major Operations funded under No Win/No Loss arrangements.
b. The Net Additional Cost of Major Operations includes the budget adjustments shown under Table 2.
c. Certain Operations are not for publication (nfp) due to national security reasons.

1.4 Key Cost Category Estimates

Table 4a: Defence, ASD, ASA and ANNPSR Funding from Government [a]

Serial No.		2025-26 Estimated Actual $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
1	Defence [b]	60,498.4	59,501.5	62,042.1	69,456.7	74,013.1	325,511.8
2	Australian Signals Directorate	2,330.9	2,531.5	2,382.3	2,265.9	2,404.0	11,914.5
3	Australian Submarine Agency	385.4	512.5	593.5	641.1	601.6	2,734.1
4	Australian Naval Nuclear Power Safety Regulator [c]	29.3	50.0	62.9	75.9	61.4	279.4
5	**Consolidated Defence, ASD, ASA and ANNPSR Funding**	**63,243.9**	**62,595.5**	**65,080.8**	**72,439.6**	**77,080.1**	**340,439.9**

Notes
a. Provides a consolidated summary of Defence Portfolio funding, excluding Defence Housing Australia (DHA), Department of Veterans' Affairs (DVA) and the Defence and Veterans' Service Commission (DVSC).
b. These amounts refer to appropriations only. Refer Table 1, Serial 6 for total appropriation.
c. The Australian Naval Nuclear Power Safety Regulator (ANNPSR) was established on 1 November 2025.

Table 4b: Defence Planned Expenditure by Key Cost Category [a] [b]

Serial No.		2025-26 Estimated Actual $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
1	Workforce	17,576.0	18,390.8	19,175.9	20,028.4	20,705.5	95,876.5
2	Operations	348.9	405.0	1.3	1.3	1.3	757.9
3	Capability Acquisition Program [c] [d]	21,721.6	20,998.1	22,775.4	25,794.9	27,121.5	118,411.4
4	Capability Sustainment Program [c]	18,803.1	18,520.2	19,427.0	22,170.2	24,382.0	103,302.5
5	Operating	2,519.6	2,332.4	2,461.1	2,520.3	2,850.8	12,684.2
6	**Total Defence Planned Expenditure [e] [f]**	**60,969.2**	**60,646.5**	**63,840.7**	**70,515.1**	**75,061.1**	**331,032.6**

Notes
a. These categories are for Defence only and funded by appropriations, and funded from other sources.
b. Does not include expenses in relation to Defence Trusts and Joint Accounts, as these expenses are incurred on behalf of such trusts and joint accounts and are offset by revenues. Refer Table 1, Serials 17-19 and Table 38.
c. The 2025-26 Estimated Actual 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.
d. The appropriations as per the 2025-26 Estimated Actual reflects a movement of funds of $1.7 billion from 2026-27 and 2027-28 for acceleration of capability acquisition predominantly in relation to the Nuclear-Powered Submarines program.
e. The Defence Planned Expenditure for 2025-26 is lower than the Total Departmental funding as per Table 1, Serial 16, in accordance with the Government's agreement that the increase in working capital in 2025-26 is represented by an equity injection and not as increased Defence funding. This is because the injection will be used to address existing expenditure commitments already incurred/recognised. Refer Table 1, Note b.
f. The Defence Planned Expenditure for 2027-28 is higher than the Total Departmental funding as per Table 1, Serial 16, in accordance with the Government's agreement that Defence will operate with a Net Capital Deficit in that financial year. Refer Table 1, Note c.

Table 5: Capability Acquisition Program [a]

Serial No.		2025-26 Estimated Actual $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
1	Military Equipment Acquisition Program	16,824.4	15,398.9	17,044.1	20,399.0	21,458.5	91,124.9
2	Enterprise Estate and Infrastructure Program	3,763.8	4,248.8	4,178.9	3,840.9	4,209.8	20,242.2
3	ICT Acquisition Program	468.3	815.7	1,056.7	1,048.1	950.6	4,339.3
4	Minors Program	665.1	534.7	495.7	507.0	502.5	2,705.0
5	**Total Capability Acquisition Program [b] [c] [d]**	**21,721.6**	**20,998.1**	**22,775.4**	**25,794.9**	**27,121.5**	**118,411.4**

Notes
a. These categories are for Defence only and funded by appropriations, and funded from other sources.
b. The expenditure for the 2025-26 Estimated Actual 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 appropriations as per the 2025-26 Estimated Actual reflects a movement of funds of $1.7 billion from 2026-27 and 2027-28 for acceleration of Capability Acquisition predominantly in relation to the Nuclear-Powered Submarines Program.
d. The Capability Acquisition Program includes unapproved and approved projects.

Table 6: Capability Sustainment Program [a]

Serial No.		2025-26 Estimated Actual $m	2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m	Total $m
1	Navy Sustainment	4,004.7	3,779.5	3,602.1	3,834.5	4,236.0	19,456.7
2	Army Sustainment	2,901.8	2,797.9	2,760.7	3,382.4	3,684.4	15,527.1
3	Air Force Sustainment	4,190.1	4,236.2	4,330.2	4,946.9	5,217.2	22,920.6
4	Defence Digital Sustainment [b]	2,060.7	2,158.8	2,102.9	2,572.8	3,295.8	12,190.9
5	Joint Capabilities Sustainment	1,039.6	962.9	1,306.3	1,544.4	1,817.8	6,671.1
6	Strategy, Policy and Industry Sustainment	136.9	113.3	159.1	222.6	227.7	859.6
7	Defence Intelligence Sustainment	279.0	298.8	538.7	697.7	722.9	2,537.1
8	Security and Estate Sustainment [c]	3,770.1	3,741.6	3,850.7	3,913.9	4,013.9	19,290.2
9	Nuclear-Powered Submarines Sustainment	61.1	68.5	433.2	435.8	498.5	1,497.0
10	Guided Weapons & Explosive Ordnance Sustainment	188.0	201.3	180.4	466.6	505.8	1,542.2
11	Other Minor Sustainment	171.2	161.5	162.8	152.6	162.0	810.0
12	**Total Capability Sustainment Program [d] [e]**	**18,803.1**	**18,520.2**	**19,427.0**	**22,170.2**	**24,382.0**	**103,302.5**

Notes
a. These categories are for Defence only and funded by appropriations, and funded 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 sustainment and unapproved sustainment (relating to unapproved projects).
e. The expenditure for the 2025-26 Estimated Actual 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 7: Retained Capital Receipts

Serial No.		2026-27 Budget Estimate $m	2027-28 Forward Estimate $m	2028-29 Forward Estimate $m	2029-30 Forward Estimate $m
1	Proceeds from sale of property	5.8	6.1	6.4	14.0
2	Proceeds from sale of specialist military equipment	-	-	-	-
3	Proceeds from sale of infrastructure, plant and equipment	14.8	15.1	15.5	-
4	**Retained Capital Receipts (1 + 2 + 3)**	**20.6**	**21.2**	**21.9**	**14.0**

1.5 People

Workforce Overview

Defence's people, across the ADF, APS and external workforce are central to delivering the capability, readiness and integration required under the *2026 National Defence Strategy*.

Through 2026-27, Defence will continue to implement the *2024 Defence Workforce Plan*, while finalising the 2026 Defence Workforce Plan.

Strengthening recruitment and retention to achieve a permanent ADF of around 69,000 by the early 2030s remains a priority as does implementation of recommendations from the Strategic Review of the ADF Reserves.

For the Defence APS workforce, uplifting professionalisation remains important particularly in relation to project and program management, contracting, procurement and use of Artificial Intelligence (AI). This uplift will enable Defence to continue to reduce reliance on contractors in line with the Strategic Commissioning Framework.

The wellbeing of our people remains central to the delivery of Australia's *National Defence*, as does the support we provide to our ADF families. Defence will continue to implement the recommendations of the Royal Commission into Defence and Veteran Suicide as well as the *Defence and Veteran Mental Health and Wellbeing Strategy 2024-2029*; the *Defence and Veteran Family Wellbeing Strategy 2024-29*; the *Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023-2028*; and the *Veteran Transition Strategy 2023*.

Implementation of Defence reform, including the establishment of the Defence Delivery Agency, through 2026-27 will require workforce agility and resilience.

Workforce Summary

Since the PAES 2025-26, Defence has continued to experience improved ADF recruitment and retention, resulting in a growth path to achieve around 69,000 permanent ADF personnel by the early 2030s.

The planned 2026-27 full-time equivalent workforce is 83,514, comprising:

- 63,345 permanent ADF personnel (76%); and
- 20,169 APS employees (24%).

The permanent ADF workforce will include:

- 16,193 Navy personnel;
- 29,685 Army personnel; and
- 17,467 Air Force personnel.

Whilst the Defence workforce is now growing, maintaining the required growth rate across all Services is a priority. Defence will continue to improve 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 Eyes countries living in Australia and from 1 January 2026 this includes eligible permanent residents 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 targeting skills gaps;

- encouraging retention through continued implementation of initiatives such as the ADF Continuation Bonus; and
- growing the Reserve workforce by up to 1,000 positions across Air Force, Navy, Army and Cyber Command by 2030.

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 2026-27 is 1,175,681 days of service performed by an estimated 23,315 Reserve members. This may fluctuate depending on domestic response requirements. 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 focus on reshaping, skilling, and professionalising the APS workforce to deliver the priorities outlined in the *2026 National Defence Strategy* and *2026 Integrated Investment Program*. The 2026 Defence Workforce Plan will strengthen the focus on skilling in critical areas including project and program management, procurement and contracting, and expand to include AI literacy.

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

Implementation of reforms involving the delivery of Defence capability will consider the required composition of the future workforce.

Defence People

Defence will continue to prioritise the recruitment, retention, culture and wellbeing of its people and support to ADF families.

Implementation of the recommendations from the Royal Commission into Defence and Veteran Suicide will remain a focus, including actions to prevent sexual violence and improve complaints management. Actions associated with the Defence Culture Blueprint Program and 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 further its work in mental health, wellbeing and suicide prevention through the *Defence and Veteran Mental Health and Wellbeing Strategy 2024-2029*. Implementation of Defence work health and safety reforms will continue.

Defence will continue to support Defence members and their families through the implementation of the *Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023-2028* and *Defence and Veteran Family Wellbeing Strategy 2025-2030*. Defence will also continue to support transitioning members through the *Veteran Transition Strategy 2023*, recognising that transition requires coordinated support across wellbeing, employment, social connection and lifelong access to services.

The APS workforce will be strengthened through skills uplift, training and professionalisation, including through the Defence APS Academy, organisational capability reviews, job family reform, and ongoing implementation of the Strategic Commissioning Framework.

Defence personnel will be supported as reforms associated with capability delivery continue, ensuring the workforce is postured to meet contemporary and emerging capability needs.

Table 8: Planned Workforce Forecast for the 2026-27 Budget and Forward Estimates - Average Full-time equivalent [a] [b]

		2025-26 Estimated Actual (Workforce Achievement)	2026-27 Budget Estimate (Workforce Requirement)	2027-28 Forward Estimate (Workforce Requirement)	2028-29 Forward Estimate (Workforce Requirement)	2029-30 Forward Estimate (Workforce Requirement)
	ADF Permanent Force [c]					
	Navy	15,805	16,193	16,604	17,010	17,416
	Army	29,056	29,685	30,444	31,169	31,777
	Air Force	16,850	17,467	17,794	17,834	18,273
1	**Total Permanent Force**	**61,711**	**63,345**	**64,842**	**66,013**	**67,466**
	Civilian Employees					
	APS	19,786	20,169	20,167	20,167	20,170
2	**Total Civilian Employees**	**19,786**	**20,169**	**20,167**	**20,167**	**20,170**
	Total Workforce Strength (1 + 2)	**81,497**	**83,514**	**85,009**	**86,180**	**87,636**

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

Table 9: Planned Workforce Allocation for the 2026-27 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5) [a] [b] [c]

		2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	Service Category 3 and 5 [d]					
	Navy	119,932 (1,753)	122,853 (1,793)	125,969 (1,839)	129,048 (1,884)	132,120 (1,784)
	Army	676,210 (15,754)	700,799 (16,331)	713,708 (16,633)	725,545 (16,912)	739,429 (17,457)
	Air Force	273,052 (4,187)	283,068 (4,342)	288,325 (4,423)	293,146 (4,497)	296,075 (4,372)
1	**Sub-total Service Category 3 and 5**	**1,069,194 (21,694)**	**1,106,720 (22,466)**	**1,128,002 (22,895)**	**1,147,739 (23,293)**	**1,167,624 (23,613)**
	Service Category 4 [d] [e]					
	Navy	568 (6)	3,736 (46)	6,515 (82)	9,168 (118)	11,596 (152)
	Army	63,790 (747)	57,752 (711)	53,552 (674)	49,802 (641)	46,386 (608)
	Air Force	1,898 (28)	7,473 (92)	10,329 (130)	12,742 (164)	15,259 (200)
2	**Sub-total Service Category 4**	**66,256 (781)**	**68,961 (849)**	**70,396 (886)**	**71,712 (923)**	**73,241 (960)**
	Total Reserves (1 + 2)	**1,135,450 (22,475)**	**1,175,681 (23,315)**	**1,198,398 (23,781)**	**1,219,451 (24,216)**	**1,240,865 (24,573)**

Notes
a. This table does not include Reservists undertaking continuous full-time service (Service Option C), as these are included in Table 8. It also does not include Reservists that are not currently rendering service (including Service Category 2).
b. As the number of days or hours worked by Reserve members can vary greatly, figures in Table 9 show the total number of days of service rendered, with a headcount of members rendering service within the year in brackets.
c. Reserve Personnel can move between Service Categories at any time as part of the Total Workforce System.
d. Service Category 4 and 5 figures are subject to further change as capability development work is completed.
e. 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.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate [a]
Navy		
One Star and above [b]	74	71
Senior Officers [c]	888	910
Officers	3,732	3,825
Other Ranks	11,111	11,387
Total Navy	**15,805**	**16,193**
Army		
One Star and above [b]	89	86
Senior Officers [c]	1,162	1,186
Officers	5,650	5,773
Other Ranks	22,155	22,640
Total Army	**29,056**	**29,685**
Air Force		
One Star and above [b]	63	63
Senior Officers [c]	910	943
Officers	5,180	5,370
Other Ranks	10,697	11,091
Total Air Force	**16,850**	**17,467**
APS		
Senior Executives [d]	204	204
Senior Officers [c]	7,960	8,114
Other APS Staff	11,622	11,851
Total APS	**19,786**	**20,169**
Total Workforce	**81,497**	**83,514**

Notes

a. The forecast distribution by rank and service is based on a forecast workforce supply and the current workforce distribution. This is subject to review as the workforce is reset and grows to fill ADF requirements.
b. The figures for One Star and above include Chief of the Defence Force, Service Chiefs and Group Heads. This does not include Chaplains.
c. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
d. The figures for Senior Executives include the Secretary, SES Band 1, 2 and 3 employees, Chiefs of Divisions and Medical Officers.

Section 2: Defence Outcomes and Planned Performance

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

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

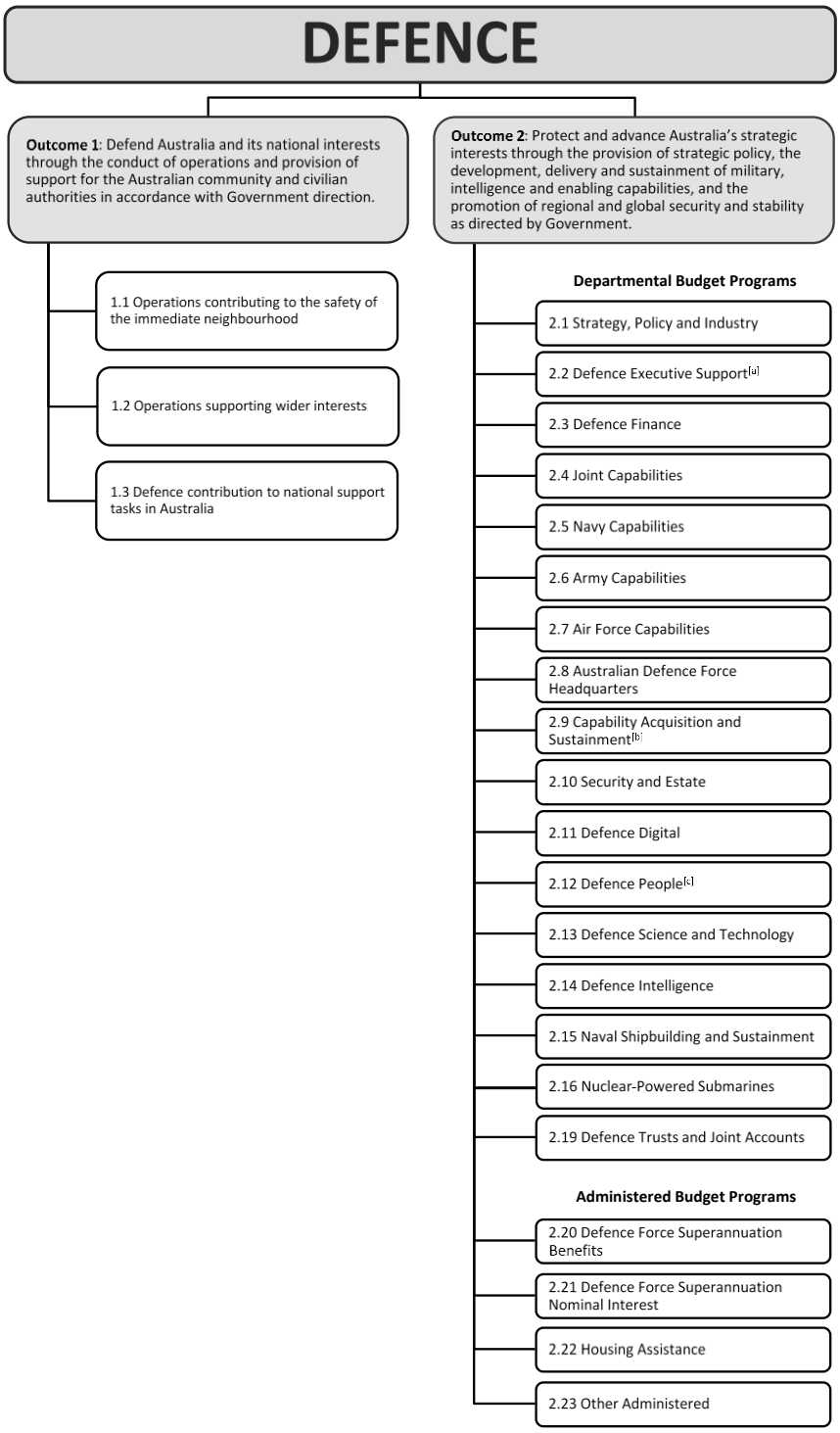
Note:

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

The most recent corporate plan for Defence can be found at: http://www.defence.gov.au/about/strategic-planning/defence-corporate-plan/.

The most recent annual performance statement can be found at: https://www.defence.gov.au/about/information-disclosures/annual-reports.

Figure 2: Structure of Defence's Outcomes



Notes
a. Includes the Governance Group.
b. Includes the Guided Weapons and Explosive Ordnance Group.
c. Includes the Chief of Personnel.

Table 11: Changes to the Program Structures Since the Last Portfolio Budget Statements

Program No.	Program title	Description of change
	Nil changes	

2.1 Budget Expenses and Performance for Outcome 1

Outcome 1: Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction.

Outcome 1 Strategy

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

Defence also supports the Commonwealth and state/territory governments with emergency and non-emergency tasks, as well as supporting regional disaster assistance and events of national significance as directed by the Government.

Current Operations and Activities

- ACCORDION - Provide support to Operations MANITOU and other ADF activities from within the Middle East region.
- ARGOS - Contribute to the international effort to enforce United Nations Security Council resolutions on North Korea.
- ASLAN - Contribute to the United Nations Mission in South Sudan.
- AUGURY - GLOBAL - ADF support to the whole-of-government Counter Terrorism objectives.
- BANNISTER - Deployment of planning teams to support Australian overseas missions or other activities as required.
- BEECH - Defence's support to the Australian Government response to the Hamas-Israel conflict.
- DYURRA - ADF space operations and their integration into wider ADF and allied space domain operations.
- FORTITUDE - Contribution to the United Nations Disengagement Observer Force (UNDOF).
- GATEWAY - Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- HYDRANTH - ADF contribution to support United States and United Kingdom (UK) defensive actions targeting the capabilities used in Houthi rebel attacks in the Red Sea.
- INDO-PACIFIC ENDEAVOUR - Strengthening Australia's engagement and partnerships with regional security forces.
- KUDU - ADF commitment to the training of Armed Forces of Ukraine recruits in the UK.
- LINESMEN - Supports the United Nations Command Military Armistice Commission (UNCMAC) in its efforts to reduce tensions on the Korean Peninsula.
- MANITOU - Contribute to maritime security in the Middle East Region including the Arabian Gulf, Gulf of Aden, the Red Sea and Indian Ocean.
- MAZURKA - Contribute to the Multinational Force and Observers in Sinai.

- PALADIN - Contribute to the United Nations Truce Supervision Organisation in the Middle East.
- RENDER SAFE - ADF-led mission to safely dispose of Second World War Explosive Remnants of War from Pacific island nations.
- RESOLUTE - Contribute to the whole-of-government maritime surveillance and response in the maritime approaches to Australia.
- SOLANIA - Contribute to maritime surveillance within the Pacific Region.
- SOUTHERN DISCOVERY - Provide ADF support to the Australian Antarctic Division.
- Defence Assistance to the Civil Community - Assist Commonwealth and state/territory governments with emergency and non-emergency tasks as required. On a case by case basis, support events of national significance as requested by relevant authorities.

Ceased Operations

- No operations have ceased since the release of the *Defence Portfolio Additional Estimates Statements 2025-26.*

Linked Programs

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.

Department of Home Affairs
Program 3.4 - Border Enforcement.
Contribution to Outcome 1 by linked program
Defence supports the Department of Home Affairs (Home Affairs) through tasks that include planning and conduct of operations to provide security of Australia's maritime borders from unauthorised maritime arrivals, illegal exploitation of natural resources, and other maritime threats to Australian sovereignty, including counter-terrorism responses. Defence contributes to Maritime Border Command tasking through Operation RESOLUTE, providing maritime surveillance and response assets that are tasked routinely in accordance with the Government's priorities. Defence is providing maintenance for some current Australian Border Force Cape Class Vessels and is also supporting the acquisition and sustainment of additional Cape Class Vessels by the Department of Home Affairs to be operated by the Australian Border Force. Defence also supports Commonwealth and state/territory governments with emergency and non-emergency tasks through the provision of capabilities and/or expertise. Defence further provides support to Home Affairs by regulating the export and supply of military and dual-use goods and technology. Home Affairs enforces regulations at the border. This includes export controls assessment of goods stopped at the border and engagement on export compliance activities.

Outcome 1 Resources

Table 12: Total Budgeted Resources Available for Outcome 1

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	69,861	130,333	41	42	43
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	-	1,763	-	-	-
Expenditure funded by appropriations	148,777	107,349	1,222	1,225	1,228
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	130,311	165,598	22	22	22
Total resourcing					
Total Departmental revenue from other sources	-	1,763	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	348,949	372,772	1,285	1,289	1,293
Total capital expenditure funded by appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	-	30,508	-	-	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	**348,949**	**405,043**	**1,285**	**1,289**	**1,293**

Contributions to Outcome 1

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

Program 1.1 Objective		
To ensure that the Government, through the Australian Defence Force, has an active and effective role in promoting stability, integrity and cohesion in our immediate neighbourhood. Australia shares the immediate neighbourhood with Indonesia, New Zealand, Papua New Guinea, Timor-Leste, Southeast Asian countries and the island countries of the Pacific.		
Key Activity [a]	This program will be achieved through the following activity: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 1.1 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measure 1.1 and 1.2 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan*.
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	69,861	130,333	41	42	43
Net foreign exchange losses	-	-	-	-	-
Other expenses	-	-	-	-	-
	69,861	**130,333**	**41**	**42**	**43**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**69,861**	**130,333**	**41**	**42**	**43**
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 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood total funded expenditure [a]	**69,861**	**130,333**	**41**	**42**	**43**

Note

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

Program 1.2: Operations Supporting Wider Interests

Program 1.2 Objective Operations supporting wider interests are designed to contribute to United Nations' and international efforts to uphold global security.		
Key Activity [a]	This program will be achieved through the following activity: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved will change year on year*.
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 1.2 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measure 1.1 and 1.2 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	797	-	-	-	-
Suppliers	147,980	109,112	1,222	1,225	1,228
Net foreign exchange losses	-	-	-	-	-
Other expenses	-	-	-	-	-
	148,777	**109,112**	**1,222**	**1,225**	**1,228**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**148,777**	**109,112**	**1,222**	**1,225**	**1,228**
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 1.2 - Operations Supporting Wider Interests total funded expenditure [a]	**148,777**	**109,112**	**1,222**	**1,225**	**1,228**

Note

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

Program 1.3 Defence Contribution to National Support Tasks in Australia

Program 1.3 Objective

To undertake tasks that include: planning and conduct of operations to provide security of the Australian coastline from unauthorised maritime arrivals, smuggling, quarantine evasion and other intrusions to Australian sovereignty; counter-terrorism responses; search and rescue; humanitarian assistance and disaster relief. Defence contributes to the Department of Home Affairs civil surveillance program and Maritime Border Command tasking, providing maritime surveillance assets that are tasked routinely in accordance with the Government's direction.

Defence, through the Defence Assistance to the Civil Community program, supports the Commonwealth and state/territory governments with emergency and non-emergency tasks, as well as supporting events of national significance as requested by relevant authorities and the general public.

Key Activity [a]	This program will be achieved through the following activity: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 1.3 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measure 1.1 and 1.2 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	11,261	-	-	-	-
Suppliers	119,050	135,090	22	22	22
Net foreign exchange losses	-	-	-	-	-
Other expenses	-	-	-	-	-
	130,311	**135,090**	**22**	**22**	**22**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**130,311**	**135,090**	**22**	**22**	**22**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	30,508	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**-**	**30,508**	**-**	**-**	**-**
Program 1.3 - Defence Contribution to National Support Tasks in Australia total funded expenditure [a]	**130,311**	**165,598**	**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.

2.2 Budget Expenses and Performance for Outcome 2

Outcome 2: Protect and advance Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security and stability as directed by Government.

Outcome 2 Strategy

The biennial National Defence Strategy cycle ensures that Defence's policy, strategy, capability and planning keeps pace with Australia's rapidly evolving strategic environment.

The *2024-26 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 approach Defence will take to implement the *2026 National Defence Strategy*.

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 Strategy of Denial is designed to deter a potential adversary from taking actions that would be inimical to Australia's interest and regional stability. It requires demonstrating the ADF's credible capability, capacity and resolve to hold potential adversary forces at risk, and to degrade their willingness and confidence to employ force or military coercion against us. It involves working with the United States and key partners to contribute to regional stability and security and strengthen deterrence against the threat of military coercion or a conflict.

The *2026 National Defence Strategy* retains the three strategic Defence objectives to: deter actions against Australia's interests, shape Australia's strategic environment and respond with credible military force, when required. Deterrence remains Defence's primary strategic objective.

The *2026 National Defence Strategy* builds on the foundations of the *2024 National Defence Strategy* by:

- increasing efforts to develop greater self-reliance over the longer term so Defence can more ably and independently deter force projection against Australia;
- prioritising capability acquisition and sustainment plans to deliver the Strategy of Denial, drawing on lessons learned from the war in Ukraine and conflict in the Middle East;
- strengthening the resilience of Australia's sovereign defence industrial base and building stronger, more diverse international industrial partnerships;
- improving national civil preparedness and national resilience as part of *National Defence* to help shield Australia from regional or global disruptions; and
- increasing coordination with regional partners to collectively deter actions inimical to our shared interests and shape a region governed by rights and rules, not fear or force.

Together, the *2026 National Defence Strategy* and the *2026 Integrated Investment Program* are designed to ensure the ADF has the capacity to:

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

The Government remains 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 2028.

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 2026 and beyond will be reviewing the ongoing implementation of the *Defence Trade Control Amendment Act 2024*, 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, and its three new offences took 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. This is achieved through participation in a series of multilateral non-proliferation and export control regimes, along with ongoing engagement with industry, academia and government.

Regulating the export of military and dual-use goods, software, technology and services is vital for maintaining the ADF's security and capability edge, preventing regional and international instability, ensuring Australia upholds international obligations, and preventing the illicit trade of conventional weapons 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.

Defence will seek to strengthen industrial engagement with priority partners, bolster collective capability and resilience, and advance collaboration including through the Partnership for Indo-Pacific Industrial Resilience (a multilateral forum bringing together Indo-Pacific and Euro-Atlantic partners).

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.

Linked Programs

Australian Federal Police
Program 1.1 - Federal Policing. Program 3.1 - Specialist Protective Services. Program 3.2 - International Police Assistance and External Territories. Program 3.3 - AFP Nuclear-Powered Submarine Program.
Contribution to Outcome 2 by linked programs
The Australian Federal Police (AFP) engages with the Department of Defence under a framework for cooperation between the participants to strengthen and consolidate sharing of information in national security, international and border-related activities (directly and through the National Intelligence Community). This cooperation promotes security and stability within Australia's external and internal territories, including Christmas Island, Cocos (Keeling) Islands, Norfolk Island and the Jervis Bay Territory. The AFP delivers protective security services for Defence at Defence Sites. The AFP National Operations State Service Centre works closely with Defence for matters of crisis management and response, assisting domestic and international coordination and management to protect national interests. The placement of AFP advisors at the Australian Civil-Military Centre (ACMC) supports a high-priority Australian Government initiative to enhance the effectiveness of national and regional civil-military-police interaction in conflict and disaster management and promotes regional and global security. The AFP collaborates with Defence in building and integrating the interim AFP protective security overlay in support of the Australian Nuclear-Powered Submarine Program under the Australia, the United Kingdom and the United States (AUKUS) initiative.

Australian Maritime Safety Authority
Program 1.1 - Seafarer and ship safety, safety of navigation and environmental protection.
Contribution to Outcome 2 by linked program
Australian Maritime Safety Authority provides advice and direction on the provision of official nautical charts and publications, to best support Program 1.1.

Australian Nuclear Science and Technology Organisation
Program 2 - Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked program
The Australian Nuclear Science and Technology Organisation (ANSTO) contributes to Outcome 2 through the provision of expertise and advice in the support of the Nuclear-Powered Submarine Program, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

Australian Radiation Protection and Nuclear Safety Agency
Program 1.2 - Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked program
Support delivery of nuclear-powered submarines capabilities through radiation protection and nuclear safety research, policy, advice, codes, standards and services.

Australian Secret Intelligence Service
Program 1.1 - Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the functions for the Australian Secret Intelligence Service (ASIS) detailed in the *Intelligence Services Act 2001*, ASIS provides assistance to the Australian Defence Force (ADF) in support of military operations; cooperates with the ADF on intelligence matters; and cooperates with and assists the Australian Signals Directorate and the Australian Geospatial-Intelligence Organisation in the performance of their functions.

Australian Security Intelligence Organisation
Program 1.1 - Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the *Australian Security Intelligence Organisation Act 1979*, Australian Security Intelligence Organisation (ASIO) also provides advice to Defence on matters relevant to security. ASIO exercises its foreign intelligence collection powers under warrant at the request of the Minister for Defence or the Minister for Foreign Affairs.

Australian Signals Directorate
Program 1.1 - Foreign Signals Intelligence, Cyber Security, Offensive Cyber Operations.
Contribution to Outcome 2 by linked program
Consistent with the functions for the Australian Signals Directorate (ASD) detailed in the *Intelligence Services Act 2001,* ASD provides foreign signals intelligence, cyber security advice, and offensive cyber operations, and utilises corporate shared services, in order to meet the operational needs of the ADF and the requirements of the Department of Defence.

Commonwealth Superannuation Corporation
Program 1.1 - Superannuation Scheme Governance.
Contribution to Outcome 2 by linked programs
The Departments of Finance and Defence provide funding through third party access arrangements to Commonwealth Superannuation Corporation for the purpose of providing payments of retirement and death and invalidity benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the ADF.

Defence 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.

Defence Housing Australia
Program 1.1 - The provision of Defence housing and housing related services.
Contribution to Outcome 2 by linked programs
Under a Services Agreement and in accordance with the *Defence Housing Australia Act 1987*, Defence Housing Australia is to achieve the efficient provision of contemporary housing solutions for ADF Members and their families on behalf of Defence.

Department of Climate Change, Energy, the Environment and Water
Program 1.1 - Support reliable, secure and affordable energy. Program 2.3 - Accelerate the transition to a circular economy, while safely managing pollutants and hazardous substances. Program 3.1 - Contribute to Australia's national Antarctic interests through science, environmental management and international engagement, including delivering Australia's scientific research and operations in Antarctica and the Southern Ocean.
Contribution to Outcome 2 by linked programs
Defence actively participates in forums relating to renewable energy and energy security and applies principles consistent with Australia's Paris Agreement commitments when considering energy options. Defence actively participates in forums and initiatives led by the Department of Climate Change, Energy, the Environment and Water to ensure alignment with national approaches for the effective and efficient management of environmental factors. Defence provides a range of logistics support services and advice to the Australian Antarctic program, including air and sealift capability to supplement existing arrangements in the delivery of cargo and contributing to aeromedical emergency responses in the region.

Department of Education
Program 2.1 - Commonwealth Grant Scheme. Program 2.8 - Nuclear-Powered Submarine Program.
Contribution to Outcome 2 by linked program
The linked programs contribute to Outcome 2 and support Australia's broader sovereign capabilities through strategic engagement across government, building education pipelines and supporting the nuclear workforce.

Department of Employment and Workplace Relations
Departmental Program 2.3 - DEWR - Nuclear-Powered Submarine.
Contribution to Outcome 2 by linked program
The linked programs contribute to Outcome 2 and support Australia's broader sovereign capabilities through strategic engagement across government and supporting the nuclear workforce.

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

Department of Foreign Affairs and Trade
Program 1.1 - Foreign Affairs and Trade Operations. Program 1.8 - Nuclear-Powered Submarine Program.
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding (MOU), the placement of Department of Foreign Affairs and Trade advisors at the Australian Civil-Military Centre (ACMC) supports a high-priority Australian Government initiative to enhance the effectiveness of national and regional civil-military-police interaction in conflict and disaster management and promotes regional and global security. The Department of Foreign Affairs and Trade including the Australian Safeguards and Non-Proliferation Office provides the legal, policy and diplomatic capability necessary to support Australia's acquisition of conventionally-armed, nuclear-powered submarines.

Department of Home Affairs
Program 1.2 - National Security and Resilience.
Contribution to Outcome 2 by linked programs
The National Emergency Management Agency's close working relationship with ACMC enhances the effectiveness of national and regional civil-military-police interaction for national security and disaster management to promote regional and global security and stability. Under the Service Level Charter, Australian Government Security Vetting Agency (AGSVA) works collaboratively with government agencies to provide the delivery of security vetting functions on behalf of the Commonwealth in line with Government requirements (excluding authorised vetting agencies).

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

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Program 1.1 - The Australian Transport Safety Bureau. Program 1.1 - The Civil Aviation Safety Authority.
Contribution to Outcome 2 by linked programs
The Memorandum of Understanding (MOU) between Defence and the Australian Transport Safety Bureau (ATSB) contributes to the outcome through the sharing of expertise, training opportunities, experience and equipment in transport safety investigations and supports the adoption of a systematic approach to aviation safety. The ATSB support to Defence Aviation Safety investigations contributes to capability through the prevention of recurrence and the mutual adoption of a systemic approach to aviation safety enhances capability through the prevention of accidents and serious incidents.

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
Program 1.1 - The Australian Transport Safety Bureau.
Program 1.1 - The Civil Aviation Safety Authority.
Contribution to Outcome 2 by linked programs
The MOU between Defence and the Civil Aviation Safety Authority contributes to the outcome through a harmonisation of military and civil aviation regulation and management. This harmonisation reaches into areas such as shared use airfields, the provision of air traffic services through Airservices Australia to Defence and the use of civil registered aircraft and uncrewed aerial systems by Defence. Agreement between civil and military regulators leads to cooperation and reduced duplication in Air Traffic Management, aviation landing and approach procedures, aviation rescue and fire-fighting services, and airport infrastructure.

Department of the Treasury
Program 1.3 - Support for Markets and Business.
Program 1.4 - Commonwealth-State Financial Relations.
Contribution to Outcome 2 by linked programs
The Treasury, on behalf of the Government, provides financial support to the states and territories to support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. Defence participates as a consult partner in Australia's Foreign Investment Framework, undertaking risk assessments in relation to foreign investment applications, where those applications have national security implications or affect Defence interests.

Department of Veterans' Affairs
Program 1.1 - Veterans' Income Support and Allowances.
Program 1.2 - Veterans' Disability Support.
Program 1.6 - Military Rehabilitation and Compensation Acts Payment - Income Support and Compensation.
Contribution to Outcome 2 by linked programs
The Department of Veterans' Affairs (DVA) and Defence are committed to delivering the best possible outcomes to current and former members of the ADF and their eligible family members. Under a Memorandum of Understanding (MOU), Defence and DVA work cooperatively to deliver care and support to current and former members of the permanent and reserve forces and their families. Close and ongoing cooperation occurs between DVA and Defence under this MOU. Ongoing DVA engagement with members starting as early as practical in their careers and continuing through their service and during and after their transition from permanent or continuous full time service, results in better outcomes for members and their families. Such cooperation and engagement is particularly important where a member suffers a serious injury or illness or where the member is identified for medical separation from the ADF. Defence and DVA work collaboratively on areas of research, mental health, rehabilitation and medical aspects of transition. Defence is also engaged with DVA for the future contracting of health care arrangements.

Department of Veterans' Affairs (Continued)
Program 1.1 - Veterans' Income Support and Allowances.
Program 1.2 - Veterans' Disability Support.
Program 1.6 - Military Rehabilitation and Compensation Acts Payment - Income Support and Compensation.
Contribution to Outcome 2 by linked programs
This is supported through Schedule 6 of the *Agreement between Defence and Veterans' Affairs for the Provision of Mental Health Support Services by the Open Arms to ADF Personnel* (Agreement for Services). Under a MOU, and in accordance with the *Defence Home Ownership Assistance Scheme Act 2008*, DVA administer the Defence Home Ownership Assistance Scheme (DHOAS). The scheme was established to support the Government's ADF recruitment and retention initiatives by incentivising ADF members to remain in the ADF beyond critical career points. Under Schedule 20 of the MOU, Defence and DVA collaboratively utilise system to system exchanges and/or direct access, to provide access to, or enable disclosure of, certain Personal Information held digitally in specified departmental information systems. These information exchanges support the assessment and determination of claims, and the delivery of appropriate care and support to current and former members of the ADF and their families.

Geoscience Australia
Program 1.1 - Geoscientific and Spatial Information Services.
Contributing to Outcome 2 by linked program
Australian Hydrographic Office and Geoscience Australia are collaborating to deliver the AusSeabed initiative.

Office of the Commonwealth Ombudsman - Defence Force Ombudsman
Program 1.1 - Office of the Commonwealth Ombudsman.
Contribution to Outcome 2 by linked programs
The Office of the Commonwealth Ombudsman ensures administrative action by Australian Government entities is fair and accountable by handling complaints, conducting investigations, performing audits and inspections, encouraging good administration, and discharging other specialist oversight tasks. The Commonwealth Ombudsman is also the Defence Force Ombudsman, who offers an independent complaint-handling mechanism for serving and former Defence members and is able to accept complaints where it is alleged that a Defence member has perpetrated an act of sexual abuse, serious physical abuse, or serious bullying or harassment.

Office of National Intelligence
Outcome 1 - Advancement of Australia's national interests through increased Government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities.
Contribution to Outcome 2 by linked program
The Office of National Intelligence leads efforts to integrate and coordinate the activities of the national intelligence agencies to meet the operational requirements of the ADF and the Department of Defence, as well as other priorities as set by Government.

The Australian Trade and Investment Commission (Austrade)
Program 1.1 - Supporting Australian exporters to expand internationally, attracting productive international investment, and growing visitor economy.
Contribution to Outcome 2 by linked programs
Implementation of the Government's Defence Export Strategy is led by Defence. This is providing a whole-of-government coordinated approach to supporting Australian defence industry. Cooperation with Austrade is focused on growing exports to underpin sustainability and growth aligned with national security priorities. Defence Export Controls issues authorisations for the export of goods and technology subject to permit requirements.

Outcome 2 Resources

Table 16: Total Budgeted Resources Available for Outcome 2

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Program 2.1 Strategy, Policy and Industry					
Revenues from other sources	123	597	624	648	679
Expenditure funded by appropriations	808,872	756,633	925,753	1,075,403	1,181,982
Program 2.2 Defence Executive Support					
Revenues from other sources	24,121	28,022	4,011	2,346	2,381
Expenditure funded by appropriations	560,592	685,405	733,689	649,796	686,539
Program 2.3 Defence Finance [a]					
Revenues from other sources	37,325	9,782	8,953	5,995	5,995
Expenditure funded by appropriations	175,924	182,521	181,229	186,930	193,346
Program 2.4 Joint Capabilities					
Revenues from other sources	15,421	15,840	16,210	16,638	17,031
Expenditure funded by appropriations	2,446,592	2,720,361	3,082,121	4,087,245	4,362,980
Program 2.5 Navy Capabilities					
Revenues from other sources	62,971	64,570	66,211	67,893	69,621
Expenditure funded by appropriations	12,120,843	12,569,988	13,303,278	14,425,997	15,765,750
Program 2.6 Army Capabilities					
Revenues from other sources	50,186	43,993	47,674	47,449	48,645
Expenditure funded by appropriations	13,459,447	13,222,824	13,836,245	14,482,154	14,769,418
Program 2.7 Air Force Capabilities					
Revenues from other sources	45,879	45,312	46,477	47,673	48,898
Expenditure funded by appropriations	10,435,767	11,106,694	11,505,949	12,764,589	13,322,617
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	329,669	175,675	121,726	112,210	95,371
Expenditure funded by appropriations	407,118	505,218	599,114	635,009	685,315
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	582	2,430	2,441	2,441	2,441
Expenditure funded by appropriations	1,574,418	1,630,756	1,616,010	2,234,152	2,199,578
Program 2.10 Security and Estate					
Revenues from other sources	658,721	626,715	653,796	647,543	657,524
Expenditure funded by appropriations	6,614,399	6,586,456	6,485,402	6,877,210	7,795,863
Program 2.11 Defence Digital					
Revenues from other sources	70,288	79,281	79,295	58,267	58,267
Expenditure funded by appropriations	1,641,731	1,874,348	2,074,206	2,418,313	2,973,570
Program 2.12 Defence People					
Revenues from other sources	20,574	20,962	20,225	17,437	17,089
Expenditure funded by appropriations	1,968,938	2,069,414	2,179,684	2,298,670	2,393,808
Program 2.13 Defence Science and Technology					
Revenues from other sources	8,123	4,759	4,872	4,989	5,108
Expenditure funded by appropriations	545,457	554,111	601,402	731,117	822,443
Program 2.14 Defence Intelligence					
Revenues from other sources	4,592	4,707	4,825	4,945	5,069
Expenditure funded by appropriations	1,107,262	1,441,027	1,490,062	1,820,972	1,865,075
Program 2.15 Naval Shipbuilding and Sustainment					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	393,769	775,310	788,861	821,092	718,196
Program 2.16 Nuclear-Powered Submarines					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	5,030,497	2,437,723	3,359,040	3,968,686	4,289,245
Program 2.19 Defence Trusts and Joint Accounts					
Revenues from other sources	56,875	86,752	329,181	248,624	270,551
Total Expenditure	59,327	91,450	332,866	252,104	272,153

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
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)	31,000	32,066	30,710	29,535	28,524
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,892,982	1,935,754	1,947,643	1,959,372	1,966,634
Military Superannuation and Benefits Act, 1991 Part V, s.17 [b]	2,825,056	3,099,619	3,425,676	3,752,976	3,807,554
Australian Defence Force Cover Act 2015	220,000	328,352	429,986	546,667	679,272
Expenses not requiring appropriation	5,529,953	5,492,682	5,527,956	5,543,042	5,823,972
Total Administered expenses [c]	**10,498,990**	**10,888,473**	**11,361,971**	**11,831,592**	**12,305,956**
Administered revenues from other sources	-1,090,361	-1,047,488	-987,193	-930,961	-878,158
Total Program 2.20 and 2.21	**9,408,629**	**9,840,985**	**10,374,778**	**10,900,631**	**11,427,798**
Program 2.22 Housing Assistance					
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	301,886	348,236	383,515	418,546	452,280
Expenses not requiring appropriation	-	-	-	-	-
Total Administered expenses	**301,886**	**348,236**	**383,515**	**418,546**	**452,280**
Administered revenues from other sources	-28,000	-30,300	-33,430	-36,560	-39,690
Total Program 2.22	**273,886**	**317,936**	**350,085**	**381,986**	**412,590**
Program 2.23 Other Administered					
Expenses not requiring appropriation	-	-	-	-	-
Total Administered expenses	**-**	**-**	**-**	**-**	**-**
Administered revenues from other sources	-47,570	-47,583	-48,290	-51,054	-49,459
Total Program 2.23	**-47,570**	**-47,583**	**-48,290**	**-51,054**	**-49,459**
Total resourcing					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation [d]	41,568,177	40,782,293	43,117,399	46,705,692	49,020,905
Net capital surplus / (deficit) [e] [f]	-	-	-700,000	-	-
Total capital expenditure funded by appropriation / (capital surplus)	-	-	-	-	-
Capital Prepayment	-	-	-	-	-
Total Gifted assets included in budget estimates	-	-	-	-	-
Total Administered [g]	5,270,924	5,744,027	6,217,531	6,707,096	6,934,265
Total Departmental revenue from other sources	1,328,575	1,122,645	1,077,340	1,036,475	1,034,121
Total Administered revenue from other sources [h]	1,165,931	1,125,371	1,068,913	1,018,575	967,307
Administered returns to the Official Public Account [i]	-1,436,587	-1,385,138	-1,314,978	-1,252,515	-1,189,731
Prior year appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	2,787,334	3,035,445	3,307,092	3,420,238	3,555,890
- Bill 2 Equity [d] [e]	14,936,118	15,301,054	16,337,557	19,351,405	21,448,932
Total resources for Outcome 2	**65,620,472**	**65,725,698**	**69,110,854**	**76,986,966**	**81,771,688**
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts	-2,452	-4,698	-3,685	-3,480	-1,602
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	**65,618,020**	**65,721,000**	**69,107,169**	**76,983,486**	**81,770,086**

Notes

a. 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 expenditure for the 2025-26 Estimated Actual 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.
e. The funding increase in 2025-26 of $900 million is to partly address Defence's ongoing working capital requirements. The adjustment provides an increase to cash reserves to meet Defence industry commitments as and when they fall due for payments. Refer Table 1, Serial 4. The increase to working capital in 2025-26 is represented by 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, the increase of appropriation will not impact planned expenditure levels in that financial year.
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 50 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 Defence Housing Australia (DHA) and licence fees received under the Defence Home Ownership Assistance Scheme (DHOAS).
i. Administered returns to the Official Public Account (OPA) are in relation to Administered revenue from activities performed by Defence on behalf of the Australian Government including administered receipts passed through from Superannuation programs to the OPA.

Contributions to Outcome 2

Program 2.1: Strategy, Policy and Industry

Program 2.1 Objective To deliver high-quality policy advice to Government, the Secretary and Chief of the Defence Force, to protect and advance Australia's strategic interests.		
Key Activities [a]	This program will be achieved through the following activities: **2. As a strategy-led organisation, Defence operationalises and implements the Government-directed biennial National Defence Strategy.** **5. Defence's international engagement - operational presence; support to regional security capability; people-to-people engagement; and bilateral and multilateral diplomatic engagement - support a strategy of denial in our primary area of military interest.** **8. Defence supports improved regulatory performance, capability and culture - through regulatory stewardship in line with the Government's commitment to Australian Public Service reform.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26	2.1: The National Defence Strategy is operationalised and monitored through alignment with enterprise planning.	90 per cent or more of National Defence Strategy aligned Group and Service Business Plan activities are completed during the reporting period. *Yet to be determined.*[b]
	5.1: The ADF has a near persistent presence in Australia's immediate region.	Defence maintains its regional forward force presence through ADF operations, activities and investments. *Expected to be achieved.*
	5.2: Defence enhances Australia's relationships with the Government's priority Indo-Pacific and global partners.	Defence implements action items from annual 2+2 (Foreign Affairs and Defence) ministerial meetings (80 per cent or more action items are completed or on track). *Expected to be achieved.*
	8.1: Defence improves regulatory performance and capability through the finalisation of export permit applications within benchmark timeframes and reduction of export permits to the United States and United Kingdom facilitated via the AUKUS license-free environment.	Defence will finalise the approved export permit applications within benchmark timeframes (15 days for non-complex applications; and 35 days for complex applications), and will process fewer permits each year in total to the United States, United Kingdom and Australia since the introduction of the AUKUS licence-free environment. *Expected to be substantially achieved*.
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	2.1: The National Defence Strategy is operationalised and monitored through alignment with enterprise planning.	90 per cent or more of National Defence Strategy aligned Group and Service Business Plan activities are completed during the reporting period.
	5.1: The ADF has a near persistent presence in Australia's immediate region.	Defence maintains its regional forward force presence through ADF operations, activities and investments.
	5.2: Defence enhances Australia's relationships with the Government's priority Indo-Pacific and global partners.	Defence implements action items from annual 2+2 (Foreign Affairs and Defence) ministerial meetings (80 per cent or more action items completed or on track).

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [c]	8.1: Defence improves the regulatory performance and capability through the finalisation of export permit applications within benchmark timeframes and reduction of export permits to the United States and United Kingdom facilitated via the AUKUS license-free environment.	Defence will finalise the approved export permit applications within benchmark timeframes (15 days for non-complex applications; and 35 days for complex applications), and will process fewer permits each year in total to the United States, United Kingdom and Australia since the introduction of the AUKUS licence-free environment.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.1 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key Activity 2 and 5 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. The result is yet to be determined due to the completion of aligned activities having not yet been assessed to determine the performance result.
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	130,489	134,832	139,070	143,369	147,844
Suppliers	671,346	604,645	724,680	739,132	735,470
Net foreign exchange losses	-	-	-	-	-
Other expenses	7,009	10,110	10,112	10,113	10,115
	808,845	**749,587**	**873,862**	**892,613**	**893,428**
Expenses not requiring appropriation					
Depreciation and amortisation	13,121	14,101	15,743	17,575	19,621
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	4,203	4,444	4,699	4,969	5,253
	17,324	**18,545**	**20,442**	**22,544**	**24,874**
Total operating expenses	**826,169**	**768,132**	**894,304**	**915,157**	**918,302**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	150	7,643	52,515	183,438	289,233
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**150**	**7,643**	**52,515**	**183,438**	**289,233**
Program 2.1 Strategy, Policy and Industry total funded expenditure [a]	**808,995**	**757,230**	**926,377**	**1,076,051**	**1,182,661**

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

Program 2.2: Defence Executive Support (including Governance Group)

Program 2.2 Objective

To integrate parts of Defence to deliver more effective and efficient outcomes, particularly in the areas of service delivery. The Associate Secretary operates the One Defence business model on behalf of the Secretary and Chief of the Defence Force.

Key Activities [a]	This program will be achieved through the following activities: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.** **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [b]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [c]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.2 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 4 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 4.3 and 6.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 18: Cost Summary for Program 2.2 Defence Executive Support

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	153,631	146,514	147,997	139,395	142,930
Suppliers	308,617	416,646	378,976	326,212	342,893
Net foreign exchange losses	-	-	-	-	-
Other expenses	4,645	2,882	2,753	3,028	3,104
	466,893	**566,041**	**529,726**	**468,635**	**488,927**
Expenses not requiring appropriation					
Depreciation and amortisation	20,059	35,183	39,329	43,971	49,166
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	44	46	49	51	54
	20,103	**35,229**	**39,378**	**44,022**	**49,220**
Total operating expenses	**486,996**	**601,270**	**569,104**	**512,657**	**538,147**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	117,820	147,386	207,974	183,508	199,994
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**117,820**	**147,386**	**207,974**	**183,508**	**199,994**
Program 2.2 Defence Executive Support total funded expenditure [a] [b]	**584,713**	**713,427**	**737,700**	**652,142**	**688,920**

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

Program 2.3: Defence Finance

Program 2.3 Objective To produce quality financial products to deliver Defence and Government-directed outcomes.		
Key Activities [a]	This program will be achieved through the following activities: **6. Deliver future capability**. **7. Defence advances Australia's interests through a strengthened sovereign defence industrial base.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; commences manufacture of Guided Multiple Launch Rocket System by 31 December 2025; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program. *Expected to be partially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.3 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 7 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 19: Cost Summary for Program 2.3 Defence Finance [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees [b]	114,486	115,215	112,712	116,090	119,574
Suppliers	94,885	73,133	73,418	72,701	75,550
Net foreign exchange losses	-	-	-	-	-
Other expenses	3,878	3,956	4,052	4,134	4,217
	213,250	**192,304**	**190,182**	**192,925**	**199,341**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**213,250**	**192,304**	**190,182**	**192,925**	**199,341**
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 [c]	**213,250**	**192,304**	**190,182**	**192,925**	**199,341**

Notes

a. The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
b. Employee budget for whole of Defence Full Time Equivalent (FTE) is held in this Program from time to time for future prioritisation.
c. Total program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.4: Joint Capabilities

Program 2.4 Objective To provide space, cyber and logistics capabilities; that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests**. **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.4 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*

b. Performance Measures 1.1, 1.2 and 6.1 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*

c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 20: Cost Summary for Program 2.4 Joint Capabilities

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	203,451	212,397	218,888	224,265	231,175
Suppliers	1,501,116	1,619,593	1,885,016	2,446,471	2,738,384
Net foreign exchange losses	-	-	-	-	-
Other expenses	17	17	17	18	18
	1,704,584	**1,832,007**	**2,103,921**	**2,670,754**	**2,969,577**
Expenses not requiring appropriation					
Depreciation and amortisation	123,837	153,353	166,138	180,310	196,074
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	322,558	535,756	570,523	607,076	645,413
	446,395	**689,109**	**736,661**	**787,386**	**841,487**
Total operating expenses	**2,150,979**	**2,521,116**	**2,840,582**	**3,458,140**	**3,811,064**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	757,429	904,195	994,410	1,433,129	1,410,434
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**757,429**	**904,195**	**994,410**	**1,433,129**	**1,410,434**
Program 2.4 Joint Capabilities total funded expenditure [a] [b]	**2,462,013**	**2,736,201**	**3,098,331**	**4,103,883**	**4,380,011**

Notes

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

Program 2.5: Navy Capabilities

Program 2.5 Objective To provide maritime capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.** **6. Deliver future capability.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.5 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 1.1, 1.2 and 6.1 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 21: Cost Summary for Program 2.5 Navy Capabilities

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	3,132,178	3,275,147	3,439,472	3,607,941	3,595,329
Suppliers	4,378,341	3,818,625	3,615,444	4,341,055	4,935,912
Net foreign exchange losses	-	-	-	-	-
Other expenses	6,266	5,816	5,412	4,974	4,228
	7,516,785	**7,099,588**	**7,060,329**	**7,953,970**	**8,535,469**
Expenses not requiring appropriation					
Depreciation and amortisation	1,420,953	1,574,081	1,650,246	1,728,131	1,807,405
Inventory consumption [a]	293,489	273,592	298,965	300,114	338,232
Net write-down and net impairment of assets	154,258	164,752	176,334	189,211	203,643
	1,868,700	**2,012,425**	**2,125,545**	**2,217,456**	**2,349,280**
Total operating expenses	**9,385,485**	**9,112,014**	**9,185,874**	**10,171,426**	**10,884,749**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	4,299,426	4,991,715	5,753,772	6,002,501	6,788,907
Purchases of inventory [a]	346,322	521,426	533,062	514,583	488,497
Principal repayments of lease liabilities	21,281	21,829	22,326	22,837	22,498
Total capital expenditure	**4,667,029**	**5,534,970**	**6,309,160**	**6,539,920**	**7,299,902**
Program 2.5 Navy Capabilities total funded expenditure [b] [c]	**12,183,814**	**12,634,558**	**13,369,489**	**14,493,890**	**15,835,371**

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

Table 22: Navy Deliverables (Unit Availability Days) [a]

Deliverables		2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
16	Major Combatants [b]	2,626	2,987	2,849	3,359	3,299
14	Minor Combatants [c]	3,536	2,911	3,186	2,828	2,828
5	Amphibious and Afloat Support [d]	1,009	1,305	1,274	1,240	1,240
11	Maritime Teams [e]	3,285	3,468	3,662	3,498	3,659
2	Hydrographic Force [f]	670	657	483	365	365

Notes
a. A Unit Availability Day (UAD) is a day when a unit is materielly 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.
c. Minor Combatants comprises ten *Cape* class patrol boats, two *Huon* class coastal minehunters and two *Arafura* Offshore Patrol Vessels.
d. Amphibious and Afloat Support comprises two *Supply* class replenishment ships, two *Canberra* class amphibious ships and HMAS *Choules*.
e. Maritime Teams comprises two Clearance Diving teams, one Australian Mine Warfare Team, four Deployable Meteorological and Oceanographic Teams, one Deployable Geospatial Support Team, one Deployable Multibeam Survey Team and two Deployable Shallow Water Survey Teams.
f. Hydrographic Force comprises one *Leeuwin* class hydrographic ship and the Naval Air Station Weather and Oceanographic Centre.

Table 23: Navy Deliverables (Flying Hours)

Deliverables		2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
23	MH-60R	6,450	6,750	7,200	7,200	8,800

Program 2.6: Army Capabilities

Program 2.6 Objective To prepare land forces, including special operations forces, which contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment, and protect national interests.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.** **6. Deliver future capability.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.6 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 1.1, 1.2 and 6.1 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 24: Cost Summary for Program 2.6 Army Capabilities

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	5,211,298	5,454,539	5,657,449	5,949,804	6,207,776
Suppliers	2,808,316	3,044,777	3,068,700	3,585,623	4,161,275
Net foreign exchange losses	-	-	-	-	-
Other expenses	4,479	4,546	4,613	4,680	4,754
	8,024,093	**8,503,862**	**8,730,762**	**9,540,106**	**10,373,804**
Expenses not requiring appropriation					
Depreciation and amortisation	1,741,718	1,926,292	2,017,349	2,109,525	2,202,149
Inventory consumption [a]	517,224	553,975	555,647	570,589	547,321
Net write-down and net impairment of assets	96,960	29,993	32,562	38,510	44,336
	2,355,902	**2,510,260**	**2,605,558**	**2,718,624**	**2,793,805**
Total operating expenses	**10,379,995**	**11,014,122**	**11,336,319**	**12,258,731**	**13,167,610**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	4,601,609	3,796,513	4,226,292	4,087,474	3,514,058
Purchases of inventory [a]	883,931	966,442	926,866	902,022	930,201
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**5,485,540**	**4,762,955**	**5,153,157**	**4,989,496**	**4,444,259**
Program 2.6 Army Capabilities total funded expenditure [b] [c]	**13,509,633**	**13,266,817**	**13,883,919**	**14,529,603**	**14,818,063**

Notes

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

Table 25: Army Deliverables (Flying Hours)

Deliverables		2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
14	CH-47F Chinook	2,500	3,000	3,000	3,000	3,000
22	ARH Tiger [a]	1,236	450	-	-	-
29	AH-64E Apache [b]	540	2,200	3,700	5,800	5,800
40	UH-60M Black Hawk [c]	3,930	4,000	4,900	6,900	7,500
6	Integrator - TUAS [d]	1,250	1,750	2,000	2,000	2,000
5	H135 [e] [f]	1,900	3,000	3,000	3,000	3,000

Notes

a. Reducing ARH Tiger flying hours reflects transition of the capability to the replacement Boeing AH-64E Apache.
b. AH-64E Apache Forward Estimates reflect the fleet's planned introduction into service in accordance with the capability realisation plan, as it replaces ARH Tiger. Aircraft deliveries will progressively increase to a fleet of 29.
c. UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service in accordance with the capability realisation plan. Aircraft deliveries commenced in Quarter 2, 2023 and will progressively increase to a fleet of 40. The UH-60M has replaced the MRH90 Taipan.
d. Integrator Tactical Unmanned Aircraft System (TUAS) Forward Estimates reflect the fleet's planned introduction into service. The Budget Estimate has been revised to reflect updated milestones for introduction into service, and are in accordance with the capability realisation plan. The Integrator has replaced the Shadow 200 TUAS.
e. The H135 estimate has increased for 2025-26 due to a maturing support system, and the commencement of an Army Aviation tactical pilot training course.
f. H135 flying hours for 2028-29 and 2029-30 will be dependent on Defence requirements.

Program 2.7: Air Force Capabilities

Program 2.7 Objective To provide air power capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.** **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.7 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 1.1, 1.2 and 6.1 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 26: Cost Summary for Program 2.7 Air Force Capabilities

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	3,187,467	3,377,940	3,516,849	3,591,372	3,564,841
Suppliers	4,461,271	4,478,362	4,312,510	5,274,217	5,328,755
Net foreign exchange losses	-	-	-	-	-
Other expenses	1,766	1,792	1,818	1,844	1,873
	7,650,504	**7,858,094**	**7,831,177**	**8,867,433**	**8,895,469**
Expenses not requiring appropriation					
Depreciation and amortisation	2,032,762	2,268,263	2,380,016	2,494,230	2,610,358
Inventory consumption [a]	326,482	357,006	378,785	404,568	422,775
Net write-down and net impairment of assets	52,294	58,627	66,299	75,677	87,225
	2,411,537	**2,683,896**	**2,825,100**	**2,974,475**	**3,120,358**
Total operating expenses	**10,062,041**	**10,541,990**	**10,656,278**	**11,841,908**	**12,015,827**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,339,705	2,684,877	3,120,640	3,339,586	3,768,369
Purchases of inventory [a]	491,436	609,035	600,608	605,243	707,677
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**2,831,142**	**3,293,912**	**3,721,248**	**3,944,829**	**4,476,046**
Program 2.7 Air Force Capabilities total funded expenditure [b] [c]	**10,481,646**	**11,152,006**	**11,552,426**	**12,812,262**	**13,371,515**

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

Table 27: Air Force Deliverables (Flying Hours)

Deliverables [a]		2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
49	PC-21	24,700	24,700	24,700	24,700	24,700
11	KA350 King Air [b]	3,800	3,800	3,800	1,900	-
12	C-130J Hercules [c]	5,900	6,000	6,000	6,350	6,350
8	C-17A Globemaster III [d]	4,000	4,550	5,000	5,000	5,000
10	C-27J Spartan [e]	5,050	5,000	5,000	5,000	5,000
7	KC-30A MRTT	4,700	4,700	4,700	4,700	4,700
2	737 BBJ	1,100	1,400	1,400	1,400	1,400
3	Falcon-7X	1,500	1,800	1,800	1,800	1,800
13	P-8A Poseidon [f]	5,700	6,200	6,700	7,000	7,400
6	E-7A Wedgetail	3,350	3,200	3,200	3,400	3,400
24	F/A-18F Super Hornet	4,100	4,100	4,200	4,200	4,600
33	Hawk 127	5,550	5,000	5,000	5,000	5,000
12	EA-18G Growler	2,650	2,500	2,700	2,700	2,900
72	F-35A Lightning II	10,500	10,000	10,000	10,000	10,000
1	MC-55A Peregrine [g]	270	1,600	2,400	2,400	2,400
3	MQ-4C Triton [h]	470	2,000	2,600	3,300	4,050

Notes
a. Fleet sizes represent totals in service at 1 March 2026.
b. KA350 King Air Forward Estimates reflect a planned progressive withdrawal from service.
c. C-130J Hercules Forward Estimates reflect a planned growth following conclusion of aircraft modification program and increasing crew numbers in preparation for an expanded fleet under AIR7404.
d. C-17A Globemaster III Forward Estimates reflect planned incremental increase in fleet rate of effort.
e. C-27J Spartan Forward Estimates will be adjusted when the withdrawal from service plan is approved.
f. P-8A Poseidon Forward Estimates reflect planned growth in fleet size, workforce and operating profile. Delivery of the 14th (and final) aircraft is scheduled for May 2026.
g. MC-55A Peregrine Forward Estimates reflect planned growth in fleet size, workforce and operating profile. The first aircraft arrived in Australia during February 2026. Three further aircraft are scheduled for delivery during 2026.
h. MQ-4C Triton Forward Estimates reflect planned continuing growth in fleet size, workforce and operating profile since delivery of the first aircraft in June 2024. Delivery of the 4th (and final) aircraft is scheduled for 2028.

Program 2.8: Australian Defence Force Headquarters

Program 2.8 Objective To design, integrate and prepare military capability that meets the current and future requirements of Government, and conduct joint, combined and interagency operations as directed by Government.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.** **6. Deliver future capability.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.8 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 1.1, 1.2 and 6.1 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	64,926	68,753	70,657	72,617	74,644
Suppliers	671,845	612,123	620,174	595,380	608,948
Net foreign exchange losses	-	-	-	-	-
Other expenses	16	17	17	17	17
	736,787	**680,893**	**690,848**	**668,014**	**683,608**
Expenses not requiring appropriation					
Depreciation and amortisation	23,939	25,582	27,576	29,756	32,139
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	7	7	8	8	9
	23,946	**25,589**	**27,584**	**29,764**	**32,148**
Total operating expenses	**760,733**	**706,482**	**718,432**	**697,778**	**715,756**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	29,992	79,205	97,077
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**-**	**-**	**29,992**	**79,205**	**97,077**
Program 2.8 Australian Defence Force Headquarters total funded expenditure [a] [b]	**736,787**	**680,893**	**720,840**	**747,219**	**780,686**

Notes

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

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

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

Program 2.9 Objective To acquire and sustain Defence equipment, including supplies and services, in the quantities and to the service levels required by Defence and approved by Government.		
Key Activities [a]	This program will be achieved through the following activities: **6. Deliver future capability**. **7. Defence advances Australia's interests through a strengthened sovereign defence industrial base.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; commences manufacture of Guided Multiple Launch Rocket System by 31 December 2025; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program. *Expected to be partially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.9 resulting from 2026-27 Budget Measures: Nil.		

Notes

a. Key activity 7 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 29: Cost Summary for Program 2.9 Capability Acquisition and Sustainment (including Guided Weapons and Explosive Ordnance Group)

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	508,163	524,621	539,791	556,336	572,296
Suppliers	645,718	606,914	613,247	932,327	1,113,514
Net foreign exchange losses	-	-	-	-	-
Other expenses	24,470	26,200	26,200	26,200	26,200
	1,178,350	**1,157,735**	**1,179,238**	**1,514,863**	**1,712,010**
Expenses not requiring appropriation					
Depreciation and amortisation	790	875	1,060	1,285	1,557
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	126	133	140	148	156
	916	**1,008**	**1,200**	**1,433**	**1,713**
Total operating expenses	**1,179,266**	**1,158,743**	**1,180,438**	**1,516,296**	**1,713,723**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	396,650	475,451	439,213	721,730	490,009
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**396,650**	**475,451**	**439,213**	**721,730**	**490,009**
Program 2.9 Capability Acquisition and Sustainment total funded expenditure [a]	**1,575,000**	**1,633,186**	**1,618,451**	**2,236,593**	**2,202,019**

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 2.10: Security and Estate

Program 2.10 Objective To deliver integrated security, estate and infrastructure services to enable Defence Force Operations and to contribute to Defence outcomes.		
Key Activity	This program will be achieved through the following activity: **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.10 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 6.1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 30: Cost Summary for Program 2.10 Security and Estate

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	1,568,568	1,650,714	1,736,305	1,833,244	1,940,054
Suppliers	3,661,968	3,644,735	3,699,172	3,681,259	3,606,513
Net foreign exchange losses	-	-	-	-	-
Other expenses	111,546	109,404	107,175	104,435	101,799
	5,342,082	**5,404,853**	**5,542,652**	**5,618,938**	**5,648,366**
Expenses not requiring appropriation					
Depreciation and amortisation	1,799,297	1,864,095	1,968,987	2,083,725	2,209,453
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	59,347	64,868	72,205	77,580	84,780
	1,858,644	**1,928,963**	**2,041,192**	**2,161,305**	**2,294,233**
Total operating expenses	**7,200,726**	**7,333,816**	**7,583,845**	**7,780,243**	**7,942,599**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,527,275	1,399,281	1,182,102	1,485,898	2,378,700
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	403,762	409,037	414,444	419,916	426,321
Total capital expenditure	**1,931,037**	**1,808,318**	**1,596,546**	**1,905,814**	**2,805,021**
Program 2.10 Security and Estate total funded expenditure [a] [b]	**7,273,120**	**7,213,171**	**7,139,198**	**7,524,753**	**8,453,387**

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

Program 2.11: Defence Digital

Program 2.11 Objective A modern, secure, sustainable and scalable information environment to enable Australian Defence Force Operations and support Defence business.		
Key Activity	This program will be achieved through the following activity: **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.11 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 6.1 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 31: Cost Summary for Program 2.11 Defence Digital

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	101,378	104,681	107,858	111,133	114,551
Suppliers	1,539,459	1,623,570	1,673,189	1,983,422	2,495,706
Net foreign exchange losses	-	-	-	-	-
Other expenses	27	27	27	28	28
	1,640,863	**1,728,278**	**1,781,074**	**2,094,583**	**2,610,285**
Expenses not requiring appropriation					
Depreciation and amortisation	134,784	190,396	221,898	259,077	303,025
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets [a]	92,207	-3,480	-3,670	-3,872	-4,084
	226,991	**186,916**	**218,228**	**255,205**	**298,941**
Total operating expenses	**1,867,855**	**1,915,194**	**1,999,302**	**2,349,788**	**2,909,226**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	71,156	225,352	372,428	381,997	421,553
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**71,156**	**225,352**	**372,428**	**381,997**	**421,553**
Program 2.11 Defence Digital total funded expenditure [b] [c]	**1,712,019**	**1,953,629**	**2,153,501**	**2,476,580**	**3,031,837**

Notes
a. 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 Estimated Actual, 2026-27 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in the 2026-27 Budget Estimate and the Forward Estimates.
b. Total program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
c. The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.12: Defence People (including Chief of Personnel)

Program 2.12 Objective To deliver a program that enables the required people capability to operate and support Defence equipment and systems, and to manage the business of Defence.		
Key Activities [a]	The program will be achieved through the following activities: **1. Conduct domestic and international operations and exercises to defend Australia and its national interests.** **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government. *Expected to be achieved.*
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. *Expected to be substantially achieved.*
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government. *Expected to be achieved.*
	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [b]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	1.1: Defence conducts operations as directed by Government to achieve Defence's mission.	100 per cent of operations conducted or being conducted as directed by Government.
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives.
	1.3: Defence assists with domestic crisis and emergency response as directed by Government.	Defence responds to 100 per cent of requests for assistance as directed by Government.
	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [c]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.12 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 1 and 4 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 1.1, 1.2, and 4.3 have been amended and 1.3 is new for 2025-26, as published in *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 32: Cost Summary for Program 2.12 Defence People (including Chief of Personnel) [a]

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	1,174,793	1,217,380	1,281,774	1,350,514	1,430,233
Suppliers	784,033	842,653	887,165	933,643	946,941
Net foreign exchange losses	-	-	-	-	-
Other expenses	5,118	5,140	5,163	5,186	5,210
	1,963,944	**2,065,173**	**2,174,102**	**2,289,343**	**2,382,384**
Expenses not requiring appropriation					
Depreciation and amortisation	26,414	30,022	31,452	32,970	34,578
Inventory consumption [b]	10,179	10,453	11,157	12,172	12,051
Net write-down and net impairment of assets	5	5	5	6	6
	36,598	**40,480**	**42,614**	**45,148**	**46,635**
Total operating expenses	**2,000,542**	**2,105,653**	**2,216,716**	**2,334,491**	**2,429,020**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	6,857	6,759	6,921	7,178	7,647
Purchases of inventory [b]	18,711	18,444	18,886	19,586	20,866
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**25,568**	**25,203**	**25,807**	**26,763**	**28,512**
Program 2.12 Defence People total funded expenditure [c] [d]	**1,989,512**	**2,090,376**	**2,199,909**	**2,316,107**	**2,410,897**

Notes
a. The Defence People Group includes the funded expenditure for the Military Personnel Group and the People Strategy Group.
b. 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.
c. Total program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
d. The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.13: Defence Science and Technology

Program 2.13 Objective To develop innovative technologies that can be delivered by industry and transitioned into Defence capability, and to shape innovation, science and technology within Defence and across the nation.		
Key Activities [a]	This program is achieved through the following activities: **6. Deliver future capability**. **7. Defence advances Australia's interests through a strengthened sovereign defence industrial base.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; commences manufacture of Guided Multiple Launch Rocket System by 31 December 2025; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program. *Expected to be partially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.13 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 7 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	380,764	390,887	402,791	415,062	427,725
Suppliers	171,684	166,840	184,822	217,794	263,083
Net foreign exchange losses	-	-	-	-	-
Other expenses	1,132	1,143	1,154	1,166	1,178
	553,580	**558,870**	**588,767**	**634,022**	**691,986**
Expenses not requiring appropriation					
Depreciation and amortisation	36,922	40,957	49,632	60,152	72,906
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	1,078	1,137	1,199	1,265	1,335
	38,000	**42,094**	**50,831**	**61,417**	**74,241**
Total operating expenses	**591,580**	**600,964**	**639,598**	**695,439**	**766,227**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	17,507	102,084	135,565
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**-**	**-**	**17,507**	**102,084**	**135,565**
Program 2.13 Defence Science and Technology total funded expenditure [a]	**553,580**	**558,870**	**606,274**	**736,106**	**827,551**

Note

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

Program 2.14: Defence Intelligence

Program 2.14 Objective Deliver high-quality and timely intelligence services that achieve Government intelligence priorities.		
Key Activities	This program is achieved through the following activities: **3. Enable intelligence-informed decision-making.** **6. Deliver future capability**.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	3.1: Defence key stakeholder satisfaction of the alignment and impact of Defence Intelligence Enterprise intelligence assessments and products.	Defence maintains alignment of Defence Intelligence Enterprise intelligence assessments and products against the Defence Intelligence Prioritisation Framework and key stakeholders report a positive impact of Defence Intelligence Enterprise intelligence assessments and products to their decision-making. *Expected to be achieved.*
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	3.1: Defence key stakeholder satisfaction of the alignment and impact of Defence Intelligence Enterprise intelligence assessments and products.	Defence maintains alignment of Defence Intelligence Enterprise intelligence assessments and products against the Defence Intelligence Prioritisation Framework and key stakeholders report a positive impact of Defence Intelligence Enterprise intelligence assessments and products to their decision-making.
	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.14 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measures 3.1 and 6.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 34: Cost Summary for Program 2.14 Defence Intelligence

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	167,058	171,884	177,101	182,489	188,061
Suppliers	581,120	807,854	1,007,296	1,283,287	1,285,622
Net foreign exchange losses	-	-	-	-	-
Other expenses	14,639	9	9	9	9
	762,816	**979,747**	**1,184,407**	**1,465,785**	**1,473,693**
Expenses not requiring appropriation					
Depreciation and amortisation	37,642	55,181	61,604	68,775	76,781
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	15,247	17,770	20,924	24,890	29,900
	52,889	**72,951**	**82,528**	**93,665**	**106,681**
Total operating expenses	**815,705**	**1,052,698**	**1,266,935**	**1,559,450**	**1,580,374**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	349,038	465,987	310,481	360,132	396,452
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**349,038**	**465,987**	**310,481**	**360,132**	**396,452**
Program 2.14 Defence Intelligence total funded expenditure [a]	**1,111,854**	**1,445,734**	**1,494,887**	**1,825,917**	**1,870,144**

Note

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

Table 35: Defence Intelligence Deliverables (Hydrographic Products and Services)

Deliverables	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
Maritime Safety Updates [a]	100%	100%	100%	100%	100%
Charting Projects [b]	15	15	15	15	15
Nautical Publications [c]	30	30	30	31	30
Survey Projects [d]	10	13	13	13	13

Notes

a. Maritime Safety Updates (MSU) are urgent safety-critical revisions to nautical charts and publications or other hydrographic products and services. All Priority 1 MSU will be applied to product and released within the agreed 20-day timeframe with a PB Statements target of 100 per cent achievement. The exact figure for 2025-26 was 99.57 per cent, as two MSU publications were delayed due to the publication schedule, or competing MSU priorities.

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 and four annual tidal publications. Variation to 2025-26 estimate of plus one, as a new edition of the Mariner's Handbook for Australian Waters (AHP20) will be produced. Estimate for 2026-27 includes a new edition of the Chart and Publication Maintenance Handbook (AHP24). Forward Estimates include the planned shift to annual publication for AHP20.

d. Survey Projects are major hydrographic surveys, 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. Survey Project rate of effort is aligned with the annual HIPP budget guidance and available personnel to manage the planning and oversight of scheduled surveys. HIPP Phase 2 commenced 1 July 2024 and is funded to 2033-34.

Program 2.15: Naval Shipbuilding and Sustainment

Program 2.15 Objective		
To deliver maritime capability through the acquisition and sustainment of naval vessels for Navy and Army, while supporting the development of continuous naval shipbuilding key enablers in Australia, including the development of a secure, sovereign industrial base, infrastructure, and an appropriately skilled and experienced workforce.		
Key Activities [a]	This program is achieved through the following activities: **6. Deliver future capability**. **7. Defence advances Australia's interests through a strengthened sovereign defence industrial base.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; commences manufacture of Guided Multiple Launch Rocket System by 31 December 2025; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program. *Expected to be partially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.15 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 7 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	187,839	185,896	191,495	197,262	203,221
Suppliers	113,718	122,206	86,679	84,299	92,948
Net foreign exchange losses	-	-	-	-	-
Other expenses	3	3	3	3	3
	301,559	**308,105**	**278,177**	**281,565**	**296,172**
Expenses not requiring appropriation					
Depreciation and amortisation	28	29	31	33	37
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	28	**29**	**31**	**33**	**37**
Total operating expenses	**301,587**	**308,134**	**278,208**	**281,598**	**296,209**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	92,210	467,205	510,685	539,527	422,024
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**92,210**	**467,205**	**510,685**	**539,527**	**422,024**
Program 2.15 Naval Shipbuilding and Sustainment total funded expenditure [a]	**393,769**	**775,310**	**788,861**	**821,092**	**718,196**

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

Program 2.16 Objective Protect and advance Australia's national interests through the acquisition, delivery, construction, technical governance, sustainment and disposal of Australia's nuclear-powered submarine capability, via the AUKUS partnership, as directed by Government.		
Key Activities [a]	This program is achieved through the following activities: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.** **6. Deliver future capability**. **7. Defence advances Australia's interests through a strengthened sovereign defence industrial base.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*
	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [b]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency). *Expected to be achieved.*
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; commences manufacture of Guided Multiple Launch Rocket System by 31 December 2025; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program. *Expected to be partially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [c]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.
	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [c]	6.1: Defence is delivering the right future capability at the right time within the Integrated Investment Program to ensure it is equipped to respond to future security challenges as directed by the National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver within Government approved scope, schedule, and cost (including contingency).
	7.1: Defence strengthens the sovereign defence industrial base through investment and domestic manufacture.	Defence awards 95 per cent or more of the Defence Industry Development Grant Program budgeted allocation; increases the number of companies exporting and value of exports; increases the direct economic contribution to the Australian economy; maintains investment in innovation, science and technology to deliver defence priorities; supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions; and meets industrial uplift milestones for the Continuous Naval Shipbuilding Program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.16 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Key activity 7 has been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
b. Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan.*
c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 37: Cost Summary for Program 2.16 Nuclear-Powered Submarines

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	4,506,772	1,788,934	2,318,746	2,145,862	1,751,682
Net foreign exchange losses	-	-	-	-	-
Other expenses	-	-	-	-	-
	4,506,772	**1,788,934**	**2,318,746**	**2,145,862**	**1,751,682**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**4,506,772**	**1,788,934**	**2,318,746**	**2,145,862**	**1,751,682**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	523,726	648,788	1,040,294	1,822,824	2,537,562
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**523,726**	**648,788**	**1,040,294**	**1,822,824**	**2,537,562**
Program 2.16 Nuclear-Powered Submarines total funded expenditure [a]	**5,030,497**	**2,437,723**	**3,359,040**	**3,968,686**	**4,289,245**

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

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other expenses	20,583	16,143	14,818	18,204	16,508
	20,583	**16,143**	**14,818**	**18,204**	**16,508**
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	**-**	**-**	**-**	**-**
Total operating expenses	**20,583**	**16,143**	**14,818**	**18,204**	**16,508**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	38,745	75,308	318,048	233,899	255,645
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**38,745**	**75,308**	**318,048**	**233,899**	**255,645**
Program 2.19 Defence Trusts and Joint Accounts [a]	**59,327**	**91,450**	**332,866**	**252,104**	**272,153**

Note

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

Administered Program 2.20: Defence Force Superannuation Benefits

Administered Program 2.20 Objective		
To administer and report member and employer contributions paid during the year to the Defence Force Retirement and Death Benefits (DFRDB) scheme, the Military Superannuation and Benefits Scheme (MSBS) and ADF Super. It accounts for the liability for these schemes plus the Defence Forces Retirement Benefits (DFRB) scheme and the statutory death and invalidity scheme, ADF Cover. This program includes payment of the MSBS Retention Benefit.		
Key Activity	This program will be achieved through the following activity: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [a]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.
	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.

Year	Performance Measures	Planned Performance Results
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.20 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 4.3 has been amended for 2025-26, as published in *2025-29 Defence Corporate Plan*.
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Administered Program 2.21: Defence Force Superannuation Nominal Interest

Administered Program 2.21 Objective

To administer nominal interest for the three defined benefit military superannuation schemes: the Defence Forces Retirement Benefits (DFRB) scheme, the Defence Force Retirement and Death Benefits (DFRDB) scheme and the Military Superannuation and Benefits Scheme (MSBS), as well as the statutory death and invalidity scheme, ADF Cover.

Key Activity	This program will be achieved through the following activity: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [a]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [b]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete or on-track.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.21 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 4.3 has been amended for 2025-26, as published in *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses					
Military retention benefits	1,117	1,821	1,473	364	116
Military superannuation benefits [a]					
- benefits	3,665,207	3,696,757	3,889,335	4,078,143	4,264,233
- interest	6,832,666	7,189,895	7,471,162	7,753,085	8,041,606
Total expenses	**10,498,990**	**10,888,473**	**11,361,971**	**11,831,592**	**12,305,956**
Income					
Revenues [b]					
Military superannuation contributions	-1,090,361	-1,047,488	-987,193	-930,961	-878,158
Total income	**-1,090,361**	**-1,047,488**	**-987,193**	**-930,961**	**-878,158**
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	**9,408,629**	**9,840,985**	**10,374,778**	**10,900,631**	**11,427,798**

Notes
a. Figures for 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

Administered Program 2.22 Objective		
The Defence Home Ownership Assistance Scheme (DHOAS) was established in order to support the Government's retention and recruitment initiatives and influence ADF members' decision to stay beyond critical career points. The scheme came into effect on 1 July 2008.		
Key Activity	This program will be achieved through the following activity: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [a]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [b]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.
Year	**Performance Measures**	**Expected Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.22 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 4.3 has been amended for 2025-26, as published in *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 40: Cost Summary for Administered Program 2.22 Housing Assistance

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Expenses					
Housing subsidies	301,886	348,236	383,515	418,546	452,280
Total expenses	**301,886**	**348,236**	**383,515**	**418,546**	**452,280**
Income					
Revenues [a]					
Dividends	-	-	-	-	-
License fees [b]	-28,000	-30,300	-33,430	-36,560	-39,690
Other	-	-	-	-	-
Total income	**-28,000**	**-30,300**	**-33,430**	**-36,560**	**-39,690**
Program 2.22 Housing Assistance	**273,886**	**317,936**	**350,085**	**381,986**	**412,590**

Notes
a. Negative amounts denote revenue.
b. Licence fees are charged to home loan providers under the DHOAS. The home loan providers are required to remit a portion of home loan revenue to the Australian Government.

Administered Program 2.23: Other Administered

Administered Program 2.23 Objective

This program comprises three elements:

1. Interest earned on overdue accounts and on official bank accounts held to facilitate operational requirements.
2. Interest on Government loans to fund the building of new accommodation, dividends and tax equivalent payments received from the DHA.
3. Revenue received from science and technology royalties where the royalties offset Departmental cost of an activity, to the extent there was no appropriation for the activity.

Key Activity	This program will be achieved through the following activity: **4. Defence invests in its people through recruitment and retention, growth in skills and capabilities, improved culture, mental health and wellbeing support, and support to ADF families.**	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26 [a]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the *Portfolio Budget Statements 2025-26* and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates. *Expected to be partially achieved.*
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program. *Expected to be partially achieved.*
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area. *Expected to be not achieved.*

Year	Performance Measures	Expected Performance Results
Current Year 2025-26 [a]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track. *Expected to be substantially achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.	Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the Portfolio Budget Statements and the net flow of the ADF and APS workforce over a 12 month period is trending positive and is positioning Defence to achieve the Budgeted Workforce Requirement over the Forward Estimates.
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	The Defence workforce has the technical skills required to deliver the National Defence Strategy, as measured through achieving a full workforce against each of the ADF and APS Strategic Workforce Segments, the net flow of the ADF and APS Strategic Workforce Segments over the financial year, measured against the Budgeted Workforce Requirement, will enable Defence to achieve its future technical skill requirements, and the Australian Submarine Agency are staffed with the required ADF personnel to deliver the Nuclear-Powered Submarine Program.
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	All ADF and Defence APS personnel believe appropriate action will be taken if they report an incident of unacceptable behaviour in the preceding 12 months, no ADF and Defence APS personnel have experienced unacceptable behaviour in the preceding 12 months, and all ADF and Defence APS personnel view that Defence values are being used in their work area.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [b]	4.4: Defence supports ADF members and their families by providing access to support services and programs having regard to lifetime wellbeing.	At least 75 per cent of eligible full-time ADF members and their families are registered with the ADF Family Health Program, 100 per cent of the support services of the Partner Assistance Employment Program, Education Assistance Scheme, and Special Accommodation for Emergencies Scheme are provided to full-time ADF and their families in accordance with identified service delivery timeframes, there is an increase in the percentage of Defence suicide prevention training participants who assess that the training is practical, tailored and informed by lived experience, and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report are complete, or on-track.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 2.23 resulting from 2026-27 Budget Measures: Nil.		

Notes
a. Performance Measure 4.3 has been amended for 2025-26, as published in *2025-29 Defence Corporate Plan.*
b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2026-27 performance information in the 2026-30 Defence Corporate Plan, if required.

Table 41: Cost Summary for Administered Program 2.23 Other Administered

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Expenses					
Supplier expenses	-	-	-	-	-
Total expenses	**-**	**-**	**-**	**-**	**-**
Income					
Revenues [a]					
Other [b]	-47,570	-47,583	-48,290	-51,054	-49,459
Total income	**-47,570**	**-47,583**	**-48,290**	**-51,054**	**-49,459**
Program 2.23 Other Administered	**-47,570**	**-47,583**	**-48,290**	**-51,054**	**-49,459**

Notes
a. Negative amounts denote revenue.
b. Other revenue predominantly includes competitive neutrality revenue from DHA.

Section 3: Defence Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of Defence's finances for the 2026-27 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 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 is available on the Department's grants webpage (Home: Grants: Department of Defence).

3.2 Resource Summary

Table 42: Defence Resource Statement - Budget Estimates for 2026-27 [a]

	Estimated Actual Available Appropriation 2025-26	Estimate of Prior year Amounts Available in 2026-27	Proposed Budget 2026-27	Total Estimate 2026-27
	$'000	$'000	$'000	$'000
Departmental				
Annual appropriations - ordinary annual services	42,774,967	-	41,134,492	41,134,492
Prior year appropriations available	992,123	1,049,467	137,366	1,186,833
Equity injection	14,036,118	-	15,301,054	15,301,054
Departmental Capital Budget	2,787,334	-	3,065,953	3,065,953
Funding movement for Working Capital [b]	900,000	-	-	-
Total departmental annual appropriations	**61,490,542**	**1,049,467**	**59,638,865**	**60,688,332**
Total departmental resourcing [c]	**61,490,542**	**1,049,467**	**59,638,865**	**60,688,332**
Administered				
Annual appropriations - ordinary annual services	5,270,924	-	5,744,027	5,744,027
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	**5,270,924**	**-**	**5,744,027**	**5,744,027**
Total administered resourcing	**5,270,924**	**-**	**5,744,027**	**5,744,027**

Notes

a. This table is prepared on the same basis as Table 1.
b. The Funding increase in 2025-26 of $900 million is to address Defence's ongoing working capital requirements. The adjustment provides an increase to cash reserves to meet Defence industry commitments as and when they fall due for payments. The increase in working capital in 2025-26 is represented by an equity injection and not as increased Defence funding. This is because the injection will be used to address existing expenditure commitments already incurred/recognised. Refer Table 1, Serial 4.
c. 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 38.

Table 43: Third Party Payments to and from other Agencies [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Receipts from Defence Housing Australia for competitive neutrality revenue (Administered)	47,570	47,583
Payments made to Defence Housing Australia for the provision of services (Departmental)	867,270	991,274
Payments made to CEA Technologies Pty Ltd for the provision of services (Departmental)	569,405	507,777
Receipts from Australian Signals Directorate for the provision of services (Departmental)	160,776	165,683
Payments made to Australian Signals Directorate for the provision of services (Departmental)	54,392	56,038
Receipts from Australian Submarine Agency for the provision of services (Departmental)	36,725	40,564
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	24,260	24,356
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	42,607	45,083
Payments made to the Department of Finance for the provision of services (Departmental)	56,107	63,207
Payments made to Comcare for workers compensation premiums (Departmental)	21,481	20,922
Payments made to Bureau of Meteorology for the provision of services (Departmental)	19,283	20,054
Payments made to the Australian Federal Police for the provision of services (Departmental)	61,125	63,570

Note

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

3.3 Budgeted Financial Statements

3.3.1 Departmental and Administered Budgeted Financial Statements

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
EXPENSES					
Employee benefits	16,298,547	17,031,398	17,740,210	18,490,893	18,960,252
Supplier expenses	28,384,474	25,841,171	26,395,073	29,931,416	31,804,867
Grants [a]	43,528	44,999	45,108	45,205	45,302
Depreciation and amortisation	7,412,265	8,178,410	8,631,061	9,109,515	9,615,249
Finance costs	125,660	123,184	120,667	117,606	114,350
Write-down of assets and impairment of assets	1,951,325	1,901,808	2,030,042	2,167,467	2,314,931
Foreign exchange losses	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	20,583	16,143	14,818	18,204	16,508
Other	15,823	2,879	2,750	3,025	3,101
Total expenses	**54,252,205**	**53,139,992**	**54,979,729**	**59,883,331**	**62,874,560**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	885,328	737,257	699,190	695,967	686,762
Revenue in relation to Defence Trusts and Joint Accounts	56,875	86,752	329,181	248,624	270,551
Other revenue	443,247	387,151	378,150	340,508	347,358
Total own-source revenue	**1,385,450**	**1,211,160**	**1,406,521**	**1,285,100**	**1,304,672**
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	1,152,991	1,027,750	1,088,765	1,151,948	1,216,905
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	**1,152,991**	**1,027,750**	**1,088,765**	**1,151,948**	**1,216,905**
Total own-source income	**2,538,441**	**2,238,910**	**2,495,286**	**2,437,048**	**2,521,577**
Net cost of (contribution by) services	**51,713,764**	**50,901,082**	**52,484,443**	**57,446,283**	**60,352,983**
Revenue from Government	42,774,967	41,134,492	42,397,470	46,685,043	49,008,238
Surplus (Deficit) attributable to the Australian Government	**-8,938,797**	**-9,766,590**	**-10,086,974**	**-10,761,240**	**-11,344,745**
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income/(loss)	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss) attributable to the Australian Government	**-8,938,797**	**-9,766,590**	**-10,086,974**	**-10,761,240**	**-11,344,745**

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**-5,866**	**50,038**	**293,148**	**208,483**	**240,089**
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	7,412,265	8,178,410	8,631,061	9,109,515	9,615,249
Inventory consumption	1,147,375	1,195,026	1,244,554	1,287,442	1,320,379
Net write-down and net impairment of assets	798,334	874,058	941,277	1,015,519	1,098,026
Add: Repayment of lease liabilities funded through revenue appropriations	425,043	430,866	436,770	442,753	448,819
Surplus/(Deficit) attributable to the Australian Government as per above	**-8,938,797**	**-9,766,590**	**-10,086,974**	**-10,761,240**	**-11,344,745**

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

Table 45: Budgeted Departmental Balance Sheet (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	787,436	863,989	821,698	808,141	827,621
Trade and other receivables	297,101	297,099	297,097	297,095	297,093
Tax assets	382,386	382,386	382,386	382,386	382,386
Appropriation receivable	1,049,467	1,186,833	877,313	1,008,428	1,107,138
Other receivables	1,414,824	1,414,846	1,414,864	1,416,452	1,416,296
Total financial assets	**3,931,213**	**4,145,153**	**3,793,359**	**3,912,502**	**4,030,534**
Non-financial assets					
Land and buildings	29,653,439	31,290,093	32,868,591	34,740,875	36,492,620
Infrastructure, plant and equipment	12,822,071	13,414,825	14,381,705	14,921,166	15,641,829
Specialist military equipment	99,512,033	105,293,930	112,601,539	122,332,912	133,532,025
Intangibles	4,168,816	4,244,585	4,273,060	3,865,145	3,521,120
Heritage and cultural	393,530	379,859	366,725	354,106	341,982
Inventories	11,725,169	12,252,284	12,645,884	12,941,840	13,300,736
Prepayments	4,515,471	4,943,769	5,402,469	5,943,415	6,522,759
Total non-financial assets	**162,790,528**	**171,819,347**	**182,539,971**	**195,099,459**	**209,353,071**
Assets held for sale	33,612	33,612	33,612	33,612	33,612
Total assets	**166,755,353**	**175,998,111**	**186,366,942**	**199,045,573**	**213,417,217**
LIABILITIES					
Payables					
Suppliers	5,090,886	5,519,184	6,677,884	7,218,830	7,798,174
Other	1,705,300	1,701,832	1,153,995	1,084,778	1,060,953
Total payables	**6,796,187**	**7,221,017**	**7,831,879**	**8,303,608**	**8,859,127**
Interest bearing liabilities					
Leases	3,355,252	3,350,676	3,351,262	3,357,502	3,369,923
Total interest bearing liabilities	**3,355,252**	**3,350,676**	**3,351,262**	**3,357,502**	**3,369,923**
Provisions					
Employee provisions	3,862,714	4,084,799	4,284,508	4,474,764	4,618,392
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	**5,183,752**	**5,405,837**	**5,605,546**	**5,795,802**	**5,939,430**
Total liabilities	**15,335,191**	**15,977,530**	**16,788,687**	**17,456,912**	**18,168,480**
NET ASSETS	**151,420,162**	**160,020,581**	**169,578,255**	**181,588,661**	**195,248,737**
EQUITY					
Contributed equity	125,719,066	144,086,075	163,730,723	186,502,369	211,507,191
Retained surplus (accumulated deficit)	-15,912,608	-25,679,198	-35,766,172	-46,527,412	-57,872,158
Reserves	41,613,704	41,613,704	41,613,704	41,613,704	41,613,704
Total equity	**151,420,162**	**160,020,581**	**169,578,255**	**181,588,661**	**195,248,737**

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (current year)	42,354,383	40,829,367	42,592,146	46,442,070	48,814,512
Appropriations (prior year)	-	-	-	-	-
Goods and services	885,328	739,020	699,190	695,967	686,762
Net GST received	3,431,883	3,596,064	4,077,860	4,448,525	4,850,913
Interest	-	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	126,901	168,004	290,573	238,546	291,631
Other cash received	497,847	385,391	378,150	340,506	347,358
Cash transfer from the Official Public Account (receivables)	-	-	-	-	-
Total cash received	**47,296,342**	**45,717,845**	**48,037,919**	**52,165,615**	**54,991,177**
Cash used					
Employees	15,920,062	16,726,273	17,934,886	18,247,918	18,766,523
Suppliers	28,137,100	24,646,146	24,450,519	28,643,974	30,484,488
Net GST paid	3,431,883	3,596,064	4,077,860	4,448,525	4,850,913
Grants	43,528	44,999	45,108	45,205	45,302
Payments in relation to Defence Trusts and Joint Accounts	59,326	91,452	332,865	252,104	272,153
Other cash used	141,484	126,064	123,417	120,631	117,452
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Total cash used	**47,733,383**	**45,230,998**	**46,964,655**	**51,758,356**	**54,536,832**
Net cash from (used by) operating activities	**-437,041**	**486,847**	**1,073,264**	**407,259**	**454,345**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of non-financial assets	42,159	20,572	21,215	21,937	13,954
Other cash received	-	-	-	-	-
Total cash received	**42,159**	**20,572**	**21,215**	**21,937**	**13,954**
Cash used					
Purchase of non-financial assets	15,083,053	16,221,152	18,265,227	20,730,209	22,857,581
Purchase of inventory	1,740,399	2,145,855	2,079,422	2,041,434	2,147,241
Selling costs on sale of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	**16,823,452**	**18,367,007**	**20,344,649**	**22,771,643**	**25,004,822**
Net cash from (used by) investing activities	**-16,781,293**	**-18,346,435**	**-20,323,434**	**-22,749,706**	**-24,990,868**

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	14,036,118	15,301,054	17,037,557	19,351,405	21,448,932
Appropriations - departmental capital budget	2,787,334	3,065,953	3,307,092	3,420,238	3,555,890
Appropriations - Funding movement for Working Capital	900,000	-	-700,000	-	-
Prior year appropriation	-	-	-	-	-
Total cash received	**17,723,452**	**18,367,007**	**19,644,649**	**22,771,643**	**25,004,822**
Cash used					
Principal repayments of lease liabilities	425,043	430,866	436,770	442,753	448,819
Cash to the Official Public Account	-	-	-	-	-
Total cash used	**425,043**	**430,866**	**436,770**	**442,753**	**448,819**
Net cash from (used by) financing activities	**17,298,409**	**17,936,141**	**19,207,879**	**22,328,890**	**24,556,003**
Net increase (decrease) in cash and cash equivalents held	**80,075**	**76,553**	**-42,291**	**-13,557**	**19,480**
Cash and cash equivalents at the beginning of the reporting period	707,361	787,436	863,989	821,698	808,141
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	**787,436**	**863,989**	**821,698**	**808,141**	**827,621**

Table 47: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27)

	Retained Earnings	Asset Revaluation Reserve	Contributed Equity/ Capital	Total Equity
	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2026				
Balance carried forward from previous period	-15,912,608	41,613,704	125,719,066	**151,420,163**
Adjustment for changes in accounting policies	-	-	-	**-**
Adjusted opening balance	**-15,912,608**	**41,613,704**	**125,719,066**	**151,420,163**
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	**-**
Subtotal comprehensive income	**-**	**-**	**-**	**-**
Surplus/(Deficit) for the period	-9,766,590	-	-	**-9,766,590**
Total comprehensive income recognised directly in equity	**-9,766,590**	**-**	**-**	**-9,766,590**
Transactions with owners				
Distribution to owners				
Returns on capital:				
Restructuring	-	-	-	**-**
Other	-	-	-	**-**
Contributions by owners				
Appropriation (equity injection)	-	-	15,301,054	**15,301,054**
Departmental Capital Budget	-	-	3,065,953	**3,065,953**
Other	-	-	-	**-**
Sub-total transaction with owners	**-**	**-**	**18,367,007**	**18,367,007**
Transfers between equity components	-	-	-	**-**
Estimated closing balance as at 30 June 2027	**-25,679,198**	**41,613,704**	**144,086,075**	**160,020,581**

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,787,334	3,065,953	3,307,092	3,420,238	3,555,890
Bill 2 Equity	14,036,118	15,301,054	17,037,557	19,351,405	21,448,932
Funding movement for Working Capital [a] [b]	900,000	-	-700,000	-	-
Total capital appropriations	**17,723,452**	**18,367,007**	**19,644,649**	**22,771,643**	**25,004,822**
Represented by:					
Purchase of non-financial assets	15,083,053	16,221,152	18,265,227	20,730,209	22,857,581
Purchase of inventory	1,740,399	2,145,855	2,079,422	2,041,434	2,147,241
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
Total Items	**16,823,452**	**18,367,007**	**20,344,649**	**22,771,643**	**25,004,822**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	16,823,452	18,367,007	19,644,649	22,771,643	25,004,822
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Net capital (surplus)/deficit [c]	-	-	700,000	-	-
Total	**16,823,452**	**18,367,007**	**20,344,649**	**22,771,643**	**25,004,822**
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	16,862,197	18,442,315	20,662,697	23,005,542	25,260,467
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	38,745	75,308	318,048	233,899	255,645
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	**16,823,452**	**18,367,007**	**20,344,649**	**22,771,643**	**25,004,822**

Notes

a. The funding increase in 2025-26 of $900 million is to partly address Defence's ongoing working capital requirements. The adjustment provides an increase to cash reserves to meet Defence industry commitments as and when they fall due for payments. Refer Table 1, Serial 4. The increase to working capital in 2025-26 is represented by 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, the increase of appropriation will not impact planned expenditure levels in that financial year.

b. 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.

c. Includes the following sources of funding:
- annual appropriations;
- donations and contributions;
- gifts;
- internally developed assets;
- s74 relevant agency receipts; and
- proceeds from the sale of assets.

Table 49: Statement of Departmental Asset Movements (Budget Year 2026-27)

	Land	Buildings	Specialist Military Equipment	Infrastructure, Plant and Equipment	Intangibles	Heritage and Cultural Assets	Assets Held for Sale	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2026								
Gross book value	7,523,788	21,412,477	104,643,499	14,546,046	6,500,461	414,837	33,612	**155,074,719**
Gross book value - ROU	52,348	3,531,261	300,608	663,632	-	-	-	**4,547,849**
Accumulated depreciation/amortisation and impairment	-	1,377,034	5,274,403	1,999,910	2,331,645	21,307	-	**11,004,299**
Accumulated depreciation/amortisation and impairment - ROU	-	1,489,401	157,671	387,697	-	-	-	**2,034,769**
Opening net book balance	**7,576,136**	**22,077,303**	**99,512,033**	**12,822,071**	**4,168,816**	**393,530**	**33,612**	**146,583,500**
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	39,397	2,315,466	11,671,211	1,738,298	456,781	-	-	**16,221,152**
By purchase - appropriation equity - ROU	-	378,430	14,610	33,250	-	-	-	**426,290**
By purchase - donated funds	-	30,654	-	44,654	-	-	-	**75,308**
By purchase - donated funds - ROU	-	-	-	-	-	-	-	**-**
By finance lease	-	-	-	-	-	-	-	**-**
By finance lease - ROU	-	-	-	-	-	-	-	**-**
Total additions	**39,397**	**2,346,120**	**11,671,211**	**1,782,952**	**456,781**	**-**	**-**	**16,296,460**
Total additions - ROU	**-**	**378,430**	**14,610**	**33,250**	**-**	**-**	**-**	**426,290**
Other movements								
Reclassifications [a]	-	76,148	536,403	112,680	7,431	-	-	**732,662**
Reclassifications - ROU	-	-	-	-	-	-	-	**-**
Depreciation and amortisation	-	761,939	5,579,181	1,129,375	289,463	13,671	-	**7,773,629**
Depreciation and amortisation - ROU	-	294,824	39,418	70,539	-	-	-	**404,781**
Disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	**-**
Disposal of entities or operations (including restructuring) - ROU	-	-	-	-	-	-	-	**-**
Other disposals [b]	-	146,677	821,727	136,214	98,979	-	-	**1,203,597**
Other disposals - ROU	-	-	-	-	-	-	-	**-**
Total other movements	**-**	**-832,468**	**-5,864,505**	**-1,152,909**	**-381,011**	**-13,671**	**-**	**-8,244,564**
Total other movements - ROU	**-**	**-294,824**	**-39,418**	**-70,539**	**-**	**-**	**-**	**-404,781**
As at 30 June 2027								
Gross book value	7,563,184	23,688,068	116,029,385	16,305,464	6,865,693	414,837	33,612	**170,900,244**
Gross book value - ROU	52,348	3,909,691	315,218	696,882	-	-	-	**4,974,139**
Accumulated depreciation/amortisation and impairment	-	2,138,973	10,853,584	3,129,285	2,621,108	34,978	-	**18,777,928**
Accumulated depreciation/amortisation and impairment - ROU	-	1,784,225	197,089	458,236	-	-	-	**2,439,550**
Closing net book value	**7,615,532**	**23,674,561**	**105,293,930**	**13,414,825**	**4,244,585**	**379,859**	**33,612**	**154,656,905**

Notes

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

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

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Dividends	-	-	-	-	-
Military superannuation contributions	1,090,361	1,047,488	987,193	930,961	878,158
Fees	28,000	30,300	33,430	36,560	39,690
Other	47,570	47,583	48,290	51,054	49,459
Total non-taxation	**1,165,931**	**1,125,371**	**1,068,913**	**1,018,575**	**967,307**
Total revenues administered on behalf of Government	**1,165,931**	**1,125,371**	**1,068,913**	**1,018,575**	**967,307**
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	301,886	348,236	383,515	418,546	452,280
Military retention benefits	1,117	1,821	1,473	364	116
Military superannuation benefits	10,497,873	10,886,652	11,360,498	11,831,228	12,305,840
Other	-	-	-	-	-
Total expenses administered on behalf of Government	**10,800,875**	**11,236,709**	**11,745,485**	**12,250,138**	**12,758,238**

Table 51: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (for the period ended 30 June)

	2025-26 Estimated Actual	2026-27 Budget Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	50,072	52,372	55,502	58,632	61,763
Investments accounted for using the equity method	4,271,699	4,438,598	4,692,244	4,933,273	5,284,988
Total financial assets	**4,321,771**	**4,490,970**	**4,747,746**	**4,991,905**	**5,346,751**
Non-financial assets					
Prepayments	3,855	2,034	562	198	82
Total non-financial assets	**3,855**	**2,034**	**562**	**198**	**82**
Total assets administered on behalf of Government	**4,325,626**	**4,493,004**	**4,748,308**	**4,992,103**	**5,346,833**
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	264,814	245,197	225,988	207,023	188,145
Superannuation - DFRDB	28,758,440	28,227,733	27,655,225	27,039,327	26,382,759
Superannuation - MSBS	106,604,147	110,618,158	114,372,092	117,858,405	121,345,956
Superannuation - ADF Cover	8,880,110	11,169,564	13,783,023	16,711,323	19,948,628
Total provisions	**144,507,512**	**150,260,652**	**156,036,329**	**161,816,078**	**167,865,488**
Total liabilities administered on behalf of Government	**144,602,143**	**150,355,283**	**156,130,960**	**161,910,709**	**167,960,119**

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,363,743	1,309,555	1,236,388	1,168,031	1,103,712
Fees	25,274	28,000	30,300	33,430	36,560
Other	47,570	47,583	48,290	51,054	49,459
Total cash received	**1,436,587**	**1,385,138**	**1,314,978**	**1,252,515**	**1,189,731**
Cash used					
Subsidies paid	301,886	348,236	383,515	418,546	452,280
Military benefits	4,969,038	5,395,791	5,834,016	6,288,550	6,481,984
Total cash used	**5,270,924**	**5,744,027**	**6,217,531**	**6,707,096**	**6,934,265**
Net cash from (used by) operating activities	**-3,834,337**	**-4,358,889**	**-4,902,553**	**-5,454,581**	**-5,744,534**
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	**-3,834,337**	**-4,358,889**	**-4,902,553**	**-5,454,581**	**-5,744,534**
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	5,270,924	5,744,027	6,217,531	6,707,096	6,934,265
Cash to the Official Public Account	-1,436,587	-1,385,138	-1,314,978	-1,252,515	-1,189,731
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 Budgeted Financial Statements

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

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Appendix A: Defence Cooperation Program

The Defence Cooperation Program (DCP) has made a major contribution to regional stability and security and been a significant element of Australia's international defence engagement since the 1960s. The DCP was originally formed through bilateral military-to-military engagements in Singapore and Malaysia in the 1960s. It now supports engagement with military, police and security forces in over 30 countries across the Indo-Pacific.

The program:

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

The *2026 National Defence Strategy* reaffirms the DCP as the primary mechanism for Australia's practical defence engagement in the Indo-Pacific. It helps build a diverse and robust network of bilateral, regional and multilateral partnerships, essential for navigating a challenging strategic environment and supporting a favourable balance of power. Priority regions sit in our primary area of military interest, encompassing the Northeast Indian Ocean through maritime Southeast Asia into the Pacific. The program helps to maximise Australia's security by developing close and enduring links with partners that support their capacity to; protect their sovereignty, work effectively with the Australian Defence Force, and contribute to regional resilience and security.

DCP activities includes education courses, training, personnel exchanges, capacity building, military secondments, strategic dialogues, visits, infrastructure support, exercises and operations.

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

Australia maintains regular Strategic dialogues with regional countries in order to exchange views on regional security issues and to discuss defence cooperation priorities. The DCP also supports a program of visits by senior defence representatives to and from Australia. These visits provide an opportunity for Australia and regional partners to improve their mutual understanding of each other's strategic perspectives and military capabilities.

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

The Papua New Guinea (PNG) DCP, our largest with any country, supports our new ally to be a more capable, regional security partner, and helps current and future leaders to build a strong and resilient Defence Organisation. The PNG DCP will continue to facilitate the conduct of bilateral exercises, mobile training teams, logistics support, capability development, governance, training support and information sharing.

In the Pacific, the centrepiece of Australia's DCP is the Pacific Maritime Security Program (PMSP). The PMSP is the successor to the original Pacific Patrol Boat Program, and has delivered 24 Guardian-class Patrol Boats (with in-country advisory personnel, maintenance support, crew training and technical assistance) to 12 Pacific Island nations and the Republic of Maldives.

The Guardian-Class Patrol Boats were constructed by Austal Ships Pty Ltd and are larger and more capable than the Pacific Patrol Boats they replaced. The Program includes a region-wide integrated aerial surveillance capability and support for enhancing regional coordination. The PMSP works with Pacific navies and police maritime elements (and partners like the United States, New Zealand, France and Japan) to enhance their capabilities and capacity to protect their sovereign waters and contribute to regional maritime security.

In Southeast Asia, the DCP is the primary mechanism for Australia's practical defence engagement. It facilitates activities that enables the ADF to work with partner defence forces for mutually beneficial exchange and training, collaborate on shared concerns, and respond to regional priorities. We are expanding our defence cooperation in areas including maritime security, infrastructure support, peacekeeping, military medicine and English language training.

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

Table 53: Defence Cooperation Program Budget 2026-27 [a]

The DCP helps Defence respond flexibly to partners' needs. In particular, the PMSP and Indo-Pacific Infrastructure Program enable investment across domains to complement bilateral Defence programs.

Defence is committed to being responsive to the needs of our international partners, which can shift in a dynamic strategic environment - requiring the re-allocation of funds between nations or at a regional level. In our near region in particular, climate change, transnational crime and other security threats mean partner security forces increasingly focus on shared regional resilience and disaster preparedness. In order to remain flexible and responsive to emerging and long-term needs of our partners, the DCP budget allocation occurs at the regional level.

	2025-26 Revised Estimate $'000	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Pacific Region	335,699	285,433	312,283
Southeast Asia	36,887	28,868	31,150
Other regional activities	28,668	18,965	22,993
Defence International Training Centre	662	685	550
Total	**401,916**	**333,951**	**366,976**

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

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects

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

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

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) [a] [b] [c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain						
Medium Air Mobility Aircraft	**AIR 7404**	Military Equipment Acquisition	8,659	525	795	This project is approved to acquire 20 C-130J-30 Hercules aircraft, aircraft sub-systems, training devices, supplies and support services. The project will deliver these products through a combination of Foreign Military Sales and Direct Commercial Sales. Lockheed Martin Corporation is contracted by the United States Government to develop and manufacture the C-130J-30 aircraft. During 2026-27, the United States Government will implement Foreign Military Sales contracts in order to commence the production of the aircrew training devices. The project will commence establishment of contracts for aircraft and training systems sustainment and training delivery.
		Other Project Inputs to Capability	60	34	15	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
F-35A Lightning II	**AIR 6000**	Military Equipment Acquisition	18,631	13,192	445	This project will deliver upgrades to the F-35A Lightning II fleet throughout its service life, including the modernisation of communications, navigation and identification systems, integration of advanced weapons, upgrade of simulators and trainers and supporting fundamental inputs to capability elements. The prime contractor, Lockheed Martin, is contracted to the United States Government to develop and produce F-35A Lightning II aircraft. The equipment is being procured through a cooperative program with the United States Government. During 2026-27, the project will deliver the first aircraft upgraded to a technical refresh three and initial electronic warfare baseline, as well as commence the procurement and delivery of modernised electronic warfare upgrade kits. The project will also finalise the procurement of spares and support equipment, commence integration and construction of the final United States-based software reprogramming laboratory, deliver enhanced survivability countermeasures, and establish the final propulsion Maintenance Repair Overhaul and Upgrade capability.
		Other Project Inputs to Capability	37	37	-	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Air Domain Guided Weapons and Munitions	**AIR 1300**	Military Equipment Acquisition	4,219	598	438	This project is acquiring air-launched weapons, air countermeasures, and associated GWEO ancillaries to enable multi domain strike, interdiction, air combat, and electronic attack missions. These capabilities will be used by Air Force platforms including the F/A-18F Super Hornet, E/A-18G Growler, P-8A Poseidon and the F-35A Lightning II. Equipment will be acquired through the United States Government Foreign Military Sales program, and via direct commercial sales including supply of general-purpose bombs through Australian Munitions and the Joint Strike Missile through Kongsberg. Deliveries of the Long Range Anti-Ship Missile and the Joint Air to Surface Standoff Missile - Extended Range were completed in early 2025-26. During 2026-27, the project will continue procurement, delivery and integration of air intercept missiles, air-launched strike weapons and associated ancillaries.
		Other Project Inputs to Capability	0	0	-	
P-8A Poseidon	**AIR 7000**	Military Equipment Acquisition	7,409	5,580	335	This project will acquire 14 P-8A Poseidon aircraft, associated support systems as well as undertake capability upgrades for the fleet. The equipment is being procured through a cooperative program with the United States Navy. During 2026-27, the project will deliver two Upgraded Increment three P-8A Poseidon aircraft and commence introduction of mission support systems. The project will also commence testing and operational integration of the upgraded P-8A Poseidon system.
		Other Project Inputs to Capability	986	889	36	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
EA-18G - Growler	**AIR 5349**	Military Equipment Acquisition	5,977	4,254	303	This project will acquire an airborne electronic attack capability centred on the EA-18G Growler aircraft and to deliver ongoing capability upgrades. The project has delivered 12 EA-18G Growler aircraft and established necessary support systems, including electronic warfare range infrastructure. Ongoing upgrades include the Next Generation Jammer, being developed and procured through a cooperative program with the United States Navy. Other upgrades include anti-radiation missiles, aircraft system upgrades, additional maintenance capability, and enhancements to electronic warfare ranges. During 2026-27, the project will continue the introduction into service of the ALQ-249 Next Generation Jammer - Mid Band. The project will also deliver improved communications capability to electronic warfare ranges and commence operation of enhanced sovereign maintenance capability for the ALQ-99 Tactical Jammer System. In addition, the project will contribute to the development of future Growler capability upgrades under a cooperative arrangement with the United States Navy.
		Other Project Inputs to Capability	800	639	30	
Air Autonomous Collaborative Platforms	**AIR 6015**	Military Equipment Acquisition	1,320	71	287	This project will develop the MQ-28A Ghost Bat capability and modular systems, including delivery of additional MQ-28A Block 2 air vehicles and development and delivery of a Block 3 prototype, with associated ground stations, payloads and support arrangements. The project will transition the capability into operational service and lay the foundation for an Autonomous Collaborative Platform capability for the Australian Defence Force. Boeing Defence Australia are contracted for the development and production of the MQ-28A Ghost Bat aircraft, with third party integration being pursued for payloads and mission autonomy. In 2026-27, the project will focus on transitioning aircraft from Project DEF 6014 MQ-28A Ghost Bat to Air Force, and exploring the market for integration of third party mission autonomy and payloads.
		Other Project Inputs to Capability	29	-	7	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
MQ-4C Triton	**AIR 7001**	Military Equipment Acquisition	2,374	1,662	189	This project will acquire four MQ-4C Triton aircraft and support systems through a cooperative program with the United States Navy. The MQ-4C Triton is a high altitude, long endurance, maritime Intelligence, Surveillance, anti-submarine warfare and electronic warfare capability that enables the persistent patrol of Australia's strategic area of interest and maritime approaches. In 2026-27, the project will continue to progress towards Initial Operational Capability, inclusive of integration to Australian networks and associated test and evaluation activities. Further activities are focussed on expanding the capability realisation of the MQ-4C Triton system.
		Other Project Inputs to Capability	680	505	14	
JORN Radar and Amplifier Enhancement	**AIR 2025**	Military Equipment Acquisition	1,243	653	122	This project is modernising the Jindalee Operational Radar Network, including the command and control system operated from the Battlespace Surveillance Centre at RAAF Base Edinburgh, SA and the three radar sites located at Longreach, QLD, Laverton, WA and Alice Springs, NT. Other vital supporting infrastructure including the extensive Ionospheric sounder network will also be upgraded. During 2026-27, the project will deliver capability building blocks that address obsolescence, provide a more contemporary system architecture and upgrade key infrastructure elements.
		Other Project Inputs to Capability	130	90	28	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Enterprise and Enabling						
Sovereign Weapons Manufacturing	**GWEO 2087** [d]	Military Equipment Acquisition	2,405	333	507	This project uses a programmatic approach to strengthen Australia's industrial base of Guided Weapons and Explosive Ordnance to improve supply chain resilience and uplift Australia's industrial capabilities. The project scope balances a mix of weapons and ordnance, including domestic production and maintenance of Naval Strike Missile and Joint Strike Missiles, Guided Multiple Launch Rocket System missiles, and forging of large calibre munitions. During 2026-27, the project is continuing its programmatic approach to the manufacture of select guided weapons, commencing with assembly of imported sections and components; manufacture of expanded types and quantities of non-guided munitions; uplift of Australian industry for the development of technologies through research and development; and co-production activities with trusted partners.
		Other Project Inputs to Capability	141	63	21	
Guided Weapons and Explosive Ordnance Enterprise	**GWEO 2092** [d]	Military Equipment Acquisition	597	455	16	This Project uses a programmatic approach to increase inventory of priority weapons and critical investments in Guided Weapons and Explosive Ordnance enabling capability elements in order to improve Australian Defence Force preparedness. Key activities include storage and distribution, test and evaluation, disposal and demilitarisation, research and development, and education and training. During 2026-27, the Project is continuing its programmatic approach to progress the delivery of Guided Weapons and Explosive Ordnance enabling capability elements, with storage infrastructure construction and security upgrades progressing at several sites. The project supports Test and Evaluation activities for current and future weapons as well as developing improved environmentally sustainable methods to increase disposal rates to free space for increased war stock.
		Other Project Inputs to Capability	801	248	176	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Information and Cyber						
Communications Security Modernisation	**JP 9141**	Military Equipment Acquisition	1,288	923	137	This project will remediate and modernise selected Australian Defence Force radios. This will ensure ongoing availability of secure communications in support of Defence operations, and interoperability with key partner communications and intelligence networks. During 2026-27, the project will commence the secure communications upgrade to the satellite communication systems, continue to upgrade secure communications on Australian Defence Force platforms and continue to deliver modernised radios.
		Other Project Inputs to Capability	119	50	22	
Land Domain						
Redback Infantry Fighting Vehicle	**LAND 400 Phase 3**	Military Equipment Acquisition	6,711	1,667	1,005	This project will deliver 129 Redback Infantry Fighting Vehicles to replace the M113 Armoured Personnel Carrier fleet. The vehicles will be delivered across two variants in the Infantry Fighting Role and the Command and Control/Joint Fires Role. The Infantry Fighting Vehicle will provide high levels of protection, mobility and lethality and is capable of carrying six dismounted soldiers in addition to a crew of three. During 2026-27, the project will commence production of Redback Infantry Fighting Vehicles, including both the Infantry Fighting Role and the Command and Control/Joint Fires Role. It will also continue verification and validation activities, and commence initial training courses.
		Other Project Inputs to Capability	392	52	69	
AH-64E Apache Attack Helicopter	**LAND 4503**	Military Equipment Acquisition	4,419	1,507	784	This project will acquire 29 AH-64E Apache Attack Helicopters with associated training devices, spares and support through the United States Government Foreign Military Sales (FMS) program. The AH-64E Apache is a proven and mature helicopter fleet and will replace the Tiger Armed Reconnaissance Helicopter capability. During 2026-27, the project will deliver additional AH-64E Apache aircraft, additional training systems and an expanded support system.
		Other Project Inputs to Capability	584	154	157	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Boxer Combat Reconnaissance Vehicles	**LAND 400 Phase 2**	Military Equipment Acquisition	5,814	3,559	645	This project will deliver 211 Boxer 8x8 Combat Reconnaissance Vehicles for Reconnaissance, Joint Fires and Surveillance, Multi-Purpose, Command, Repair and Recovery roles. It will also acquire 12 additional Mission Modules. The vehicles will replace the Australian Defence Force's current combat reconnaissance vehicle capability, the Australian Light Armoured Vehicle. The primary role of the vehicles will be to perform ground-based reconnaissance and counter-reconnaissance activities. The additional Mission Modules will enable the rapid re-role from one variant to another. During 2026-27, the project will continue to deliver the Block II Reconnaissance turreted variant, including delivery of the series of Australian-built vehicles. Prototype production and acceptance testing for the non-turreted Joint Fires and Surveillance, Command and Recovery variants will occur. Delivery of Simulation and Training Equipment will also commence.
		Other Project Inputs to Capability	124	86	0	
First Long Range Fires Regiment	**LAND 8113 Phase 1**	Military Equipment Acquisition	2,136	510	285	This project will deliver Army's first long range fires regiment, providing High Mobility Artillery Rocket Systems (HIMARS) armed with Precision Strike Missile and Guided Multiple Launch Rocket System munitions, Resupply Vehicles and Resupply Trailers. The capability will enhance land and maritime strike and strengthen Army's ability to prevent an adversary's forces from entering an operational area. During 2026-27, the project will continue to deliver the next tranche of HIMARS, Resupply Vehicles and Resupply Trailers, as well as Precision Strike Missiles, Guided Multiple Launch Rocket System munitions, and progressing introduction into service activities.
		Other Project Inputs to Capability	538	143	146	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
UH-60M Black Hawk Utility Helicopter	**LAND 4507**	Military Equipment Acquisition	3,368	1,635	275	This project will acquire 40 UH-60M Black Hawks with associated role and mission equipment, training devices, spares and support through the United States Government Foreign Military Sales program. The UH-60M Black Hawk is a proven and mature combat capability able to rapidly deploy in a wide variety of air mobility and battlefield support roles. During 2026-27, the project will acquire additional spares, tooling, deployment kits and other support system requirements to enable operations across two nodes, Holsworthy and Oakey. The final Black Hawk Aircrew Trainer will be delivered to the Aviation Training Centre, Oakey.
		Other Project Inputs to Capability	377	53	24	
Army Littoral Manoeuvre - Light	**LAND 8710 Phase 1**	Military Equipment Acquisition	2,302	305	221	This project will acquire 18 Landing Craft Medium (LCM) and 15 Amphibious Vehicle Logistics (AVL), allowing Army to replace the legacy landing craft (Landing Craft Mechanized, Mark 8) and the legacy over-the-shore capability (Lighter Amphibious Re-supply Cargo 5(V) ton). The LCM provides enhanced transport and deployment capability to a wider range of landing sites. It will be lightly armed for self-protection and capable of projecting loads up to 80 tonnes (including tanks, long-range fires, infantry fighting vehicles, other combat units and supplies). The AVL will provide over-the-shore mobility and sustainment of the Integrated Force in littoral environments inaccessible to landing craft or vehicles. It will be able to transport cargo loads of around five tonnes, playing an essential role in providing access over beaches and through waterways that may be obstructed by obstacles or debris. In 2026-27, the project will commence production for LCM 1 and the AV-L project prototype.
		Other Project Inputs to Capability	288	52	38	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Landing Craft - Heavy	**LAND 8710 Phase 2**	Military Equipment Acquisition	7,261	105	241	This project will acquire eight Landing Craft Heavy (LCH) to provide the reach and lift to manoeuvre Army's modernised combined-arms land system in littoral environments. The LCH, designed by Damen Naval, will be capable of transporting more than 500 tonnes of long range precision strike weapons and other units by sea, greatly enhancing the Australian Defence Force's amphibious capability and humanitarian and disaster relief. During 2026-27, the project will commence production for LCH 1.
		Other Project Inputs to Capability	1,517	2	3	
Long Range Fires - Upgrade 2	**LAND 8113 Phase 2**	Military Equipment Acquisition	3,115	154	192	This project comprises two sub-projects at different stages of approval. Multi Mission Phased Array Radar will deliver 14 land-based radar sensors capable of supporting long-range precision fires, counter-battery missions, and the integrated force. The Second Long Range Fires Regiment will expand Army's long-range fires capability through the delivery of a second regiment, capable of land-based maritime strike. During 2026-27, the Multi Mission Phased Array Radar sub-project will continue key capability development activities, including Command and Control Vehicle design, facilities, training and progressing the support contract. The Second Long Range Fires Regiment sub-project will commence acquisition of the second regiment capabilities.
		Other Project Inputs to Capability	227	8	49	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Special Operations Capability Enhancements	**LAND 1508**	Military Equipment Acquisition	397	263	47	This project will continue to rapidly evolve leading edge capability in response to the changing operational environment, emerging threats and advancing technology. During 2026-27, the project will complete Final Materiel Releases under Tranche 1, and continue to deliver Tranche 2 capabilities.
		Other Project Inputs to Capability	503	226	102	
Maritime Domain						
Nuclear-Powered Submarines	**DEF 1**	Military Equipment Acquisition	20,771	7,357	2,127	Through the AUKUS partnership, this project will acquire, operate and sustain a sovereign, conventionally-armed fleet of nuclear-powered submarines. This will deliver Australia a more capable and potent submarine force to enhance Australia's ability to deter threats to its security and stability of the Indo-Pacific. This project includes delivery of the associated infrastructure and support systems necessary to safely and securely sustain, operate, build and dispose of nuclear-powered submarines. During 2026-27, the project continues to: • Invest in our Royal Australian Navy personnel, Australia's sovereign submarine partners for Submarine Rotational Force (SRF) West, and industrial base and workforce to maximise Australian opportunities for the program; • Work towards the acquisition of Virginia class submarines and equipment; • Implement mobilisation activities and acquire equipment in respect of the construction of SSN-AUKUS Submarines; and • Deliver infrastructure works at HMAS Stirling, and provision of initial SRF-West housing requirements.
		Other Project Inputs to Capability	2,455	805	708	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Hunter Class Frigate	**SEA 5000**	Military Equipment Acquisition	26,570	6,923	2,465	The project will deliver six Hunter Class anti-submarine warfare frigates, and an associated support system that includes training, spares, tools and test equipment. The Hunter Class frigates will be optimised for anti-submarine warfare to maintain the Royal Australian Navy's Tier 1 Surface Combatant capability. The project transitioned to the construction phase on 1 July 2024 with the commencement of construction of the first three ships. Over half of the first ship is under construction and the second ship will commence in 2026-27. The design and production phase, which commenced in 2019 and included shipyard set to work and prototyping, is ramping down, but residual scope will continue until 2027-28.
		Other Project Inputs to Capability	1,200	725	18	
Maritime Guided Weapons and Munitions	**SEA 1300**	Military Equipment Acquisition	16,902	3,265	845	This Project uses a programmatic approach to deliver Navy guided weapons and munitions capabilities. The project executes through three teams: air and missile defence, maritime strike, and underwater warfare weapons. Procurement is through mechanisms including the United States Government Foreign Military Sales program, direct commercial sales and various bi-lateral and multi-lateral cooperative arrangements. In 2026-27, the project will continue to progress development and acquisition activities related to long-range anti-ship and land strike missiles, extended range surface-to-air missiles, air and missile defence weapons, advanced lightweight torpedoes, heavyweight torpedoes, smart sea mines, munitions and countermeasures.
		Other Project Inputs to Capability	101	40	12	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
General Purpose Frigates	**SEA 3000**	Military Equipment Acquisition	7,532	96	649	The SEA3000 General Purpose Frigate program is an accelerated capability program designed to deliver a fleet of new general purpose frigates to the Royal Australian Navy as fast as possible. During 2026-27, the project will commence the construction of the first General Purpose Frigate to be delivered to the Royal Australian Navy in 2029. The first three frigates will be built offshore in Japan.
		Other Project Inputs to Capability	422	23	52	
Aegis Baseline	**SEA 4000 Phase 6**	Military Equipment Acquisition	4,311	1,637	642	This project will deliver the upgrade of the Aegis Combat System from Baseline 8 to Baseline 9, as well as the insertion of a new Australian Combat Management System - replacing the Australian Tactical Interface with a Saab developed Australian Interface. In 2026-27, the project will continue to advance the Australian Defence Force's Integrated Air and Missile Defence capability through the introduction of Aegis Baseline 9. The project remains on schedule, with Ship 1 production continuing following its commencement in 2025.
		Other Project Inputs to Capability	145	25	13	
Uncrewed Maritime Warfare	**SEA 1200**	Military Equipment Acquisition	2,053	175	368	This project will deliver multiple maritime uncrewed platforms as part of an integrated uncrewed maritime mission capability providing persistent intelligence, surveillance and reconnaissance (ISR) and contributing to strike effects. During 2026-27, the project will deliver the initial variants of the Ghost Shark and Bluebottle platforms and continue the continuous capability development and delivery of the subsequent capability variants.
		Other Project Inputs to Capability	152	68	22	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
MH 60R Seahawk Helicopter	**SEA 9100**	Military Equipment Acquisition	4,707	3,576	293	This project will acquire MH-60R Seahawk multi-mission helicopters and associated mission and support systems, through the United States Government Foreign Military Sales (FMS) program. This will increase Navy's MH-60R Seahawk fleet to 36 aircraft. In 2026-27, the project will accept the first additional MH-60R Seahawk helicopters into service and declare Initial Operating Capability. The project will continue progressing the acquisition of the remaining MH-60R helicopters, procurement of additional spares and increase the support arrangements for Navy's expanded MH-60R fleet.
		Other Project Inputs to Capability	378	257	83	
Arafura Class	**SEA 1180**	Military Equipment Acquisition	3,739	2,257	256	This project will acquire six Arafura class Offshore Patrol Vessel (OPV) to support maritime border patrol and response. The project achieved Contract Acceptance in January 2025 and September 2025 respectively for the first and second OPV following construction in Adelaide, South Australia. OPV 1 was commissioned in June 2025. The next four OPVs are under construction at Henderson, Western Australia. The third OPV was launched in October 2025.
		Other Project Inputs to Capability	984	742	71	
Collins Life Of Type Extension	**SEA 1450**	Military Equipment Acquisition	1,429	519	262	This project is one of the three elements of the Collins Class Submarine (CCSM) Life of Type Extension (LOTE) Program. In 2026-27, the project will continue to optimise availability and reliability of CCSM out to the Amended Planned Withdrawal Date.
		Other Project Inputs to Capability	15	3	6	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Maritime Electromagnetic Manoeuvre	**SEA 5011**	Military Equipment Acquisition	764	421	161	This project will deliver the next generation of Maritime Electronic Warfare Systems to Navy. This includes the acquisition, integration and sustainment of a suite of new and extant electronic warfare capabilities. During 2026-27, the program will deliver and install a suite of new passive decoys on surface combatant platforms. Additionally, the program will continue to mature a number of emergent technologies and capabilities in the Electronic Warfare Domain.
		Other Project Inputs to Capability	63	33	18	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) (Continued) [a][b][c]

	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m
Total Top 30 Projects (Gross Plan) - Total	**192,670**	**70,231**	**17,276**
Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability	**14,246**	**6,056**	**1,939**
Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition	**178,423**	**64,176**	**15,337**
Other Approved Project Gross Plans - Military Equipment Acquisition	60,269	40,993	3,259
Total Approved Projects (Gross Plan) - Military Equipment Acquisition	**238,692**	**105,168**	**18,596**
Over-programming - Military Equipment Acquisition			-4,016
Net Approved Program - Military Equipment Acquisition			**14,580**

Notes

a. Approved Project Expenditure, Cumulative Expenditure to 30 June 2026 and Budget Estimate 2026-27 are on an accrual basis, and funded by appropriation.
b. Budget estimates shown as 0 are amounts greater than $0 but less than $500,000.
c. Figures may not add due to rounding.
d. Project Number/Phase has changed from the *Defence Portfolio Budget Statements 2025-26*, from JP 2087 and JP 2092.

Appendix C: Top 30 Capability Sustainment Products

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

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Air Domain			
F-35 Joint Strike Fighter	**CAF30**	688	The F-35A Lightning II capability comprises 72 aircraft (and associated support elements) operating from RAAF Base Williamtown, NSW and RAAF Base Tindal, NT. The F-35A Lightning II capability provides Australia with a fifth-generation Air Combat capability. Sustainment is primarily delivered through the F-35 Global Support Solution facilitated by the United States based F-35 Joint Program Office and supplemented through sovereign direct commercial arrangements. During 2026-27, Defence will continue to mature the F-35A Lightning II sustainment support system to meet the directed level of operational capability and Air Force pilot training throughput requirements.
F/A-18F Super Hornet & Growler Weapon System	**CAF21**	541	The Air Combat and Airborne Electronic Attack capability comprises a fleet of 24 F/A-18F Super Hornet and 12 EA-18G Growler aircraft, with associated support elements operating from RAAF Base Amberley, QLD. During 2026-27, the F/A-18F Super Hornet and EA-18G Growler fleets continue to deliver the force generation outcomes. The Spiral Upgrade Program delivers hardware, software and training system upgrades to the F/A-18F Super Hornet and EA-18G Growler fleets and the integration of a range of new weapons and stores. This integration work will enhance the lethality and survivability of the platforms and maintain interoperability with the United States Navy.
Airborne Early Warning and Control System	**CAF20**	358	The Airborne Early Warning and Control capability comprises six E-7A Wedgetail aircraft and associated support elements operated from RAAF Base Williamtown, NSW. Sustainment is conducted under a performance-based arrangement for maintenance, logistics, engineering, training and program management to support the capability. During 2026-27, E-7A Wedgetail capability will continue to support military operations and force-generation requirements, with sustainment efforts prioritising the management of mission and support system obsolescence. Focussed improvements to sustainment performance through deeper maintenance improvement initiatives will aim to optimise aircraft availability.
P-8A Poseidon Maritime Patrol and Response	**CAF35**	255	The P-8A Poseidon capability currently comprises 13 aircraft and support elements operated from RAAF Base Edinburgh, SA. Support elements include three Mobile Tactical Operation Centres including deployable flyaway kits, and various training support systems including two operational flight trainers and weapons tactics trainers. The capability is supported via a cooperative program with the United States Navy and a through life support contract for sustainment within Australia. During 2026-27, the P-8A Poseidon fleet will continue to support military operations and force generation, including transition to operate Increment 3 upgraded aircraft. Growth in aircrew numbers and annual flying hours is planned to meet National Defence Strategy requirements. Contracted aircraft maintenance will move into the new Deeper Maintenance and Modification Facility.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
KC-30A Weapon System Multi-role Tanker Transport	**CAF22**	200	The Multi-Role Tanker Transport capability comprises seven KC-30A aircraft, a flight simulator and associated support elements, operated from RAAF Base Amberley, QLD. All seven aircraft are capable of air-to-air refuelling from pod and boom systems and airlift logistics support. Support is provided through a performance-based arrangement for maintenance, logistics, engineering, training and program management. During 2026-27, Defence's operational readiness will be strengthened by ensuring robust support to military operations, optimising sustainment performance, and advancing critical mid-life upgrade and obsolescence management programs. The capability will further enhance force-level integration by expanding the portfolio of aircraft certified for air-to-air refuelling from the KC-30A Multi-Role Tanker Transport, reinforcing Australia's preparedness and sovereign operational flexibility.
C-17 Heavy Air Lift Weapons System	**CAF19**	172	The Heavy Airlift capability comprises eight C-17A Globemaster III aircraft, a flight simulator, and associated support elements operated from RAAF Base Amberley, QLD. The majority of sustainment support for aircraft and training systems is provided via United States Air Force Foreign Military Sales global support arrangements for the worldwide C-17A Globemaster fleet. These global sustainment arrangements are supplemented by a contract for support services within Australia. During 2026-27, through a structured program of fleet modifications and targeted upgrades, the fleet will continue to address emerging obsolescence while sustaining and enhancing performance, availability and readiness. The capability will maintain configuration alignment with the United States Air Force, in order to ensure an enduring level of interoperability and sustainment resilience.
Lead-In Fighter Hawk 127 Weapon System	**CAF03**	147	The Lead-In Fighter Training System comprises 33 Hawk 127 Lead-In Fighter aircraft and related support systems operated from RAAF Base Williamtown, NSW and RAAF Base Pearce, WA. During 2026-27, the focus remains on generating required rates of availability to support Air Force pilot training requirements, while delivering assurance activities to enable sustained capability output through to planned withdrawal date.
C-130J-30 Weapon System	**CAF06**	138	The Medium Airlift capability consists of 12 C-130J-30 Hercules aircraft, a flight simulator, and associated support elements operated from RAAF Base Richmond, NSW. The capability is supported by two performance-based contracts for deeper level maintenance, logistics and engineering support for the aircraft, and for support for the propulsion system. During 2026-27, the focus remains on generating required rates of availability to support Air Force requirements and executing sustainment assurance activities that deliver the directed capability output. Minor refinement of the extant commercial arrangements will be considered to ensure the C-130J remains fit for purpose through to planned withdrawal date.
Pilot Training System	**CAF37**	136	This capability provides an integrated fixed-wing pilot training system, consisting of 49 PC-21 aircraft, a variety of training devices and associated courseware, for ab-initio pilots and qualified flying instructors for Navy, Army and Air Force. Aircraft currently operate from RAAF Base East Sale (VIC), RAAF Base Pearce (WA), RAAF Base Edinburgh (SA) and RAAF Base Williamtown (NSW). During 2026-27, the focus is on ensuring the sustainable delivery of the Pilot Training System.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
MC-55A Long Range ISREW Aircraft	**CAF40**	136	The MC-55A Peregrine Airborne Intelligence Surveillance, Reconnaissance and Electronic Warfare Capability will sustain a fleet of MC-55A Peregrine aircraft and related support systems. During 2026-27, the focus is on supporting the newly delivered capability, continuing to mature the initial sustainment arrangements, and establishing the spiral development and deeper maintenance program.
Advanced Testing & Training Environment	**CAF23**	129	The Advanced Test and Training Environment (ATTE) comprises a number of live and synthetic test and training areas, that combine with crucial supporting capabilities to provide the war fighter with a realistic and threat representative ecosystem. This ecosystem delivers force generation outcomes across the Air Domain, supporting training, mission assurance, operational planning, and risk reduction activities. During 2026-27, the ATTE will continue to support Air Domain training outcomes and high priority test activities such as MQ-28A Ghost Bat.
Defence Enterprise Programs			
Explosive Ordnance Manufacturing Facilities	**GWEO01**	169	Explosive Ordnance Manufacturing Facilities provides for the safe, compliant, and sustainable operation of the Government Owned, Contractor Operated munitions and explosives factories at Benalla (VIC) and Mulwala (NSW). These facilities provide the Australian Defence Force with a supply of specified domestically manufactured munitions and a surge capability to be able to generate and maintain munitions stock surety. During 2026-27, critical sustainment outcomes will continue to be achieved with a strong and enduring commitment to safety, security and capability realisation. The facilities will preserve their existing explosives and munitions manufacturing capabilities, strengthening resilient supply chains for Australia and our strategic partners.
Defence Logistics	**CJC034**	135	The Defence Logistics product operates warehouses across the Logistic network to support the national support base, including the provision of freight services (domestically and international), along with the provision of clothing and retail stores services. During 2026-27, the focus will be on maturing the transition into service and the amalgamation of existing warehousing and distribution contract and the provision of retail stores into one encompassing contract whilst continuing to support the Australian Defence Force and partners.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Land Domain			
Explosive Ordnance - Army Munitions Branch	**CA59**	348	This product supports the sustainment of Army munitions and guided weapons inventory, which consists of small arms ammunition, pyrotechnics, mortar and artillery ammunition, special purpose ammunition, demolitions stores, vehicle, aviation and direct fire ammunition, and guided weapons. This also includes sustainment of inventory used by Navy and Air Force where Army is the lead service. During 2026-27, key sustainment activities include ongoing optimisation of land explosive ordnance inventory with Army, maturing through life management plans, and transitioning new capabilities procured by major projects to in-service sustainment. The product continues to refine the long-term forecast with Army to mitigate supply chain uncertainty and consider opportunities, which include considerations around potential domestic manufacturing options.
Battlespace Communication Systems	**CA31**	239	This product supports the sustainment of a range of deployable voice and data communications systems for battlespace command and control. During 2026-27, Defence will continue with further capability enhancements to the Integrated Battlespace Telecommunications Network, the ongoing management of Tactical Communication Network equipment, the reduction and disposal of obsolete radio systems, the continued rationalisation and improvement of Land Force headset fleets, and provide support for the design, acquisition and sustainment of related systems.
Protected Mobility Fleet - Bushranger	**CA04**	147	This product provides in-service support for the Bushmaster Medium Protected Mobility Vehicles and Hawkei Light Protected Mobility Vehicles. Support is provided by Regional Joint Logistics Units and the vehicle manufacturer, Thales Australia. Contract deliverables include engineering support, spare parts and vehicle heavy grade repair. During 2026-27, Defence continues to sustain the Bushmaster and Hawkei fleets, ensuring the support systems for both fleets are optimised to meet Army's requirements.
Black Hawk Weapons System	**CA11**	142	This product sustains the UH-60M Black Hawk helicopter capability and associated training devices. In-service support is led by the Commonwealth and complemented by support contracts with Australian industry and the United States Government Foreign Military Sales program. During 2026-27, the capability will consolidate and expand the Air Assault capability, supported by continued maturation of operating and support systems through the build-up of spares, tooling, deployment kits and maintenance capabilities. Pilot and maintainer training will continue to mature with all major training devices delivered to the Army Aviation Training Centre in 2026.
Apache	**CA67**	111	This product sustains the AH-64E Apache Attack Helicopter capability and associated training devices. In-service support is led by the Commonwealth and complemented by support contracts with Australian industry and the United States Government Foreign Military Sales program. During 2026-27, the sustainment focus is supporting the acceptance of additional helicopters, key mission equipment (including the mast-mounted Fire Control Radar), continued in-lay of spares and maturation of the Apache support system.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Land Domain (Continued)			
Commercial Vehicles Fleet	**CA19**	111	This product consists of, and provides in-service support to, approximately 7,000 commercial off-the-shelf vehicles, including passenger vehicles through to heavy rigid trucks, aviation-refuelling vehicles, and touring coaches. During 2026-27, Defence will continue to acquire and sustain the commercial off-the-shelf vehicles fleet, including specialist-built capabilities, such as Medical Evacuation Vehicles and Multi-Purpose Tow Vehicles.
Maritime Domain			
Collins Class Submarine	**CN10**	921	This product comprises support arrangements to safely maintain the materiel capability of six Collins class submarines and the present submarine escape and rescue capability. This work is conducted under enterprise arrangements with industry and through key contracts with ASC Pty Ltd, Raytheon Australia, Thales Australia, BAE Systems, PMB Defence, JFD Australia, and other providers. Collins class sustainment was declared a Product of Concern in December 2024. During 2026-27, the program will continue to progress activities to remediate performance towards meeting Navy's agreed Collins Class submarine performance targets, as continual improvement and efficiency initiatives are implemented. Ongoing Collins Class submarine life-of-type extension work (through SEA 1450) will continue to integrate with sustainment plans for the Collins Class fleet through CN10.
Anzac Class Frigate	**CN02**	419	This product supports seven Anzac Class frigates and associated support systems through the provision of materiel support, maintenance and engineering services. In 2026-27, the focus will be on completing the scheduled and corrective maintenance activities across the remaining Anzac Class frigates to ensure Navy's availability and seaworthiness requirements are met; continued implementation of the class usage and upkeep cycle to align with the delivery of the General Purpose Frigates; and the ongoing installation of platform upgrades.
Hobart Class Destroyer	**CN40**	294	This product supports the three Hobart Class destroyers through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2026-27, the focus will be on completing the scheduled and corrective maintenance activities across the Hobart Class to ensure Navy's availability and seaworthiness requirements are met; and progressing the Destroyer Capability Enhancement Program, inclusive of the Aegis Upgrade Program (SEA 4000 Phase 6), taking place at the Osborne Naval Shipyard in Adelaide.
MH-60R Seahawk Romeo Helicopter	**CN35**	241	This product sustains the MH-60R Seahawk helicopters and associated training devices. The MH-60R capability is operated from HMAS Albatross in Nowra NSW and currently supports up to eight embarked flights on Royal Australian Navy ships. In-service support is led by the Commonwealth and provided through the United States Government Foreign Military Sales program. During 2026-27, the product will increase sustainment support as additional MH-60R aircraft and associated spares are delivered through the SEA 9100 project. This will expand embarked maritime aviation capability to nine flights.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Maritime Domain (Continued)			
Large Hull Vessels	**CN58**	176	This product supports offshore auxiliary vessels including ADV Ocean Protector, ADV Besant, ADV Stoker, ADV Sycamore, ADV Reliant, ADV Guidance and MV Mercator through the provision of contractor vessel operation, materiel support, maintenance and engineering and other sustainment requirements. During 2026-27, the focus will be on completing the scheduled and corrective maintenance activities across the commercial auxiliary fleet to ensure Navy's availability and seaworthiness requirements are met.
Canberra Class Amphibious Ship	**CN34**	167	This product supports the two Canberra Class Landing Helicopter Docks (LHDs) and 12 LHD landing craft, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2026-27, the focus will be on completing the scheduled and corrective maintenance activities across the Canberra Class to ensure Navy's availability and seaworthiness requirements are met; and continuing installation activities for the Canberra Class capability assurance program (SEA 2048 Phase 6).
Navy Explosive Ordnance	**CN54**	150	Navy Explosive Ordnance supports Navy's guided weapons and munitions capabilities including countermeasures, navigational outfits and Naval gunnery. Asset management is executed through three teams: air and missile defence, maritime strike and munitions, and, underwater warfare weapons. The asset management objective is to maximise weapon availability. During 2026-27, the focus is on increasing and maintaining availability of in-service inventories, incorporating new products into existing support systems, and preparing support systems to meet future inventory demand forecasts. This will also include consideration of domestic manufacturing opportunities and in-country maintenance, repair, overhaul and upgrades where it increases weapon availability.
Armidale Class Patrol Boat	**CN09**	129	This product supports the Armidale Class Patrol Boats, Cape Class Patrol Boats and Evolved Cape Class Patrol Boats through the provision of materiel support of the ships and associated equipment and systems. During 2026-27, the focus will be on continued materiel delivery in support of the patrol force, including asset management, engineering and logistics support and development of the enduring support system for the Evolved Cape Class Patrol Boats.
Aegis Combat System	**CN60**	125	This product covers the Aegis Combat System in the Hobart Class destroyer, as well as the related shore-based test and training infrastructure in Australia and the United States. During 2026-27, the focus is for ready, reliable and capable Hobart Class destroyers, optimised to deter and respond in the primary operating environment; and further developing Australian Industry capability and capacity to support this outcome.
Maritime Electronic Warfare And Radar Systems	**CN24**	119	The Maritime Electronic Warfare and Radar Systems Product provides sustainment services for Electronic Warfare capabilities. These capabilities include the Nulka Active Missile Decoy capability, Radar and Communication Electronic Support capabilities, the Multi-Ammunition Softkill System (MASS), and the supporting Capability Assurance Program that maintains these systems with contemporary and relevant Mission Data. During 2026-27, Defence will continue to sustain Royal Australian Navy electronic warfare capabilities. This includes the provision for the associated support infrastructure and classified facilities that assure the ongoing viability and operation of these capabilities.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2026-27 (Continued) [a] [b]

Domain/Product Name	Product Serial	Budget Estimate 2026-27 $m	Top 30 Capability Sustainment Product Descriptions
Maritime Domain (Continued)			
Maritime Aviation Support	**CN48**	114	This product provides critical enabling support for Navy's unique embarked aviation operations, delivering support equipment, technical support and other shipborne aviation and integration equipment to Navy's air capable ships. This product also provides contract management of all ADF Aviation Search and Rescue (SAR) and other specialist capability-support contracts. During 2026-27, the product will commence the transition of existing ADF SAR contract arrangements into a single Defence Search and Rescue Services contract.

	Budget Estimate 2026-27 $m
Total Top 30 Capability Sustainment Products	**7,159**
Other Sustainment Product Estimates	4,010
Total Capability Sustainment Product Funds Available	**11,169**

Notes
a. Budget Estimate 2026-27 is on an accrual basis, and funded by appropriation.
b. Figures many not add due to rounding.

Appendix D: Enterprise Estate and Infrastructure

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

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

Approved Major and Medium Enterprise Estate and Infrastructure Program Projects

The table below, and the following descriptions, provide details on the progress and expenditure of approved major and medium Enterprise Estate and Infrastructure Program projects for 2026-27.

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
DEF 01 Submarine Rotational Force - West Infrastructure Project Priority Works				
HMAS Stirling	WA - Brand	**2,256.7**	**667.4**	**659.3**
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative (USFPI) Airfield Works and Associated Infrastructure				
RAAF Base Tindal	NT - Lingiari	**1,582.0**	**1,277.5**	**214.8**
Enhanced Land Force (ELF) Stage 2				
Lone Pine Barracks	NSW - Hunter		115.8	-
Puckapunyal Training Area	VIC - Nicholls		11.7	-
Simpson Barracks	VIC - Jagajaga		20.2	-
RAAF Base Amberley	QLD - Blair		9.6	-
Lavarack Barracks	QLD - Herbert		62.0	-
Townsville Training Area	QLD - Kennedy		3.9	-
Greenbank Training Area	QLD - Wright		120.7	-
Gallipoli Barracks	QLD - Ryan		828.9	-
Wide Bay Training Area	QLD - Wide Bay		78.3	-
Kokoda Barracks	QLD - Wright		71.8	-
Cultana Training Area	SA - Grey		77.6	8.1
RAAF Base Edinburgh	SA - Spence		34.7	-
Majura Field Training Area	ACT - Canberra		13.4	-
Royal Military College Canberra	ACT - Canberra		9.0	-
Mount Stuart	QLD - Kennedy		4.1	-
Total		**1,476.0**	**1,461.7**	**8.1**

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Navy Capability Infrastructure Sub-program: Offshore Patrol Vessel (OPV) Facilities (SEA 1180 Phase 1)				
HMAS Coonawarra	NT - Solomon		207.5	47.0
RAAF Base Darwin	NT - Solomon		12.9	-
HMAS Cairns	QLD - Leichhardt		206.2	23.1
HMAS Stirling	WA - Brand		214.4	-
Henderson Maritime Precinct	WA - Fremantle		54.7	-
Total		**918.5**	**695.7**	**70.1**
Navy Capability Infrastructure Sub-program: Hunter Class Frigate Program Facilities (SEA 5000 Phase 1)				
HMAS Watson	NSW - Wentworth		0.0	-
Garden Island Defence Precinct	NSW - Wentworth		0.0	-
St Kilda	SA - Spence		101.2	-
Osborne Naval Shipyard	SA - Hindmarsh		146.7	3.2
HMAS Stirling	WA - Brand		268.7	0.6
Henderson Maritime Precinct	WA - Fremantle		104.9	-
Total		**915.5**	**621.5**	**3.8**
Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)				
RAAF Base Edinburgh	SA - Spence		539.0	25.2
RAAF Base Darwin	NT - Solomon		159.5	-
RAAF Base Townsville	QLD - Herbert		25.8	-
RAAF Base Pearce	WA - Durack		110.9	-
HMAS Stirling	WA - Brand		4.6	-
Total		**896.9**	**839.8**	**25.2**
Cocos (Keeling) Islands Airfield Upgrade				
Cocos (Keeling) Islands	NT - Lingiari	**749.9**	**159.8**	**170.7**
USFPI Northern Territory Training Areas and Ranges Upgrades				
Bradshaw Field Training Area	NT - Lingiari		368.5	10.8
Kangaroo Flats Training Area	NT - Lingiari		117.1	1.6
Mount Bundey Training Area	NT - Lingiari		89.6	5.5
Robertson Barracks Close Training Area	NT - Lingiari		116.4	1.8
Total		**747.0**	**691.6**	**19.6**
Facilities to Support Highly Available ICT Project				
South Australia	SA	**674.7**	**248.6**	**306.9**
RAAF Base Learmonth Redevelopment Enabling KC-30 Operations				
RAAF Base Learmonth	WA - Durack	**662.2**	**178.2**	**208.0**
Larrakeyah Defence Precinct Redevelopment Program				
Larrakeyah Defence Precinct	NT - Solomon	**601.7**	**577.4**	**15.4**
RAAF Base Wagga Redevelopment				
RAAF Base Wagga	NSW - Riverina	**590.0**	**67.2**	**119.4**
Army Aviation Program of Works				
RAAF Base Townsville	QLD - Herbert		120.5	130.5
Townsville Field Training Area	QLD - Kennedy		-	21.2
Total		**518.3**	**120.5**	**151.7**
HMAS Watson Redevelopment				
HMAS Watson	NSW - Wentworth	**484.0**	**377.4**	**76.9**

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Facilities to Support Joint Intelligence and Targeting Training Facility				
Canberra	ACT		83.3	32.3
South Australia	SA		52.5	95.8
Total		**433.6**	**135.8**	**128.1**
Airfield Capital Works P0010 (Amberley, Pearce, Richmond and Albatross)				
HMAS Albatross	NSW - Gilmore		109.7	8.0
RAAF Base Richmond	NSW - Macquarie		82.2	7.9
RAAF Base Amberley	QLD - Blair		73.5	8.0
RAAF Base Pearce	WA - Durack		110.8	7.9
Total		**427.9**	**376.0**	**31.8**
Facilities to Support AIR 7000 Phase 1B Remotely Piloted Aircraft System				
RAAF Base Tindal	NT - Lingiari		282.7	1.8
Edinburgh Defence Precinct	SA - Spence		108.5	2.7
Total		**427.1**	**391.2**	**4.5**
Albury Wodonga Military Area Redevelopment				
Albury Wodonga Military Area	VIC - Indi	**395.7**	**59.1**	**87.8**
Robertson Barracks Base Improvements Project				
Robertson Barracks	NT - Lingiari	**389.1**	**254.7**	**67.6**
Facilities to Support LAND 8113PH1 Long Range Fires First Regiment				
Edinburgh Defence Precinct	SA - Spence		20.0	126.3
Puckapunyal Military Area	VIC - Nicholls		1.7	1.3
Total		**376.7**	**21.7**	**127.6**
Explosive Ordnance Facilities Northern NSW Redevelopment				
Defence Establishment Orchard Hills	NSW - Lindsay	**359.3**	**24.2**	**106.9**
Airfield Capital Works P0009 (RAAF Base Darwin and Mount Bundey)				
Mount Bundey	NT - Lingiari		5.0	1.1
RAAF Base Darwin	NT - Solomon		210.2	8.9
Total		**351.7**	**215.3**	**10.0**
Defence Fuel Transformation Program - Tranche 2 Facilities Program				
HMAS Creswell	ACT - Fenner		0.1	1.5
Garden Island Defence Precinct	NSW - Wentworth		0.7	15.1
HMAS Albatross	NSW - Gilmore		0.8	3.0
HMAS Waterhen	NSW - Warringah		0.7	3.0
Holsworthy Barracks	NSW - Hughes		0.7	1.5
RAAF Base Williamtown	NSW - Paterson		0.6	3.0
RAAF Base Darwin	NT - Solomon		0.6	3.0
RAAF Base Tindal	NT - Lingiari		1.3	3.0
Borneo Barracks	QLD - Groom		0.4	3.0
Longreach	QLD - Maranoa		0.6	3.0
Lavarack Barracks	QLD - Herbert		0.5	3.0
RAAF Base Amberley	QLD - Blair		1.7	4.5
RAAF Base Townsville	QLD - Herbert		1.6	3.0
Port Wakefield	SA - Grey		0.7	3.0
RAAF Base Edinburgh	SA - Spence		0.3	3.0
Puckapunyal Military Area	VIC - Nicholls		0.8	10.5
Army Testing Ground Monegeetta	VIC - McEwen		0.5	3.0
RAAF Base Learmonth	WA - Durack		14.0	69.3

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Geraldton	WA - Durack		0.5	3.0
Laverton	WA - O'Connor		0.6	3.0
HMAS Stirling	WA - Brand		0.7	3.0
Bindoon Training Area	WA - Bullwinkel		0.7	3.0
Total		**351.7**	**28.9**	**150.7**
Edinburgh Defence Precinct Mid-Term Refresh				
RAAF Base Edinburgh	SA - Spence	**311.9**	**86.9**	**92.8**
Guided Weapons Explosive Ordnance Storage				
Defence Establishment Orchard Hills	NSW - Lindsay		76.6	110.6
RAAF Base Amberley	QLD - Blair		14.6	1.1
HMAS Stirling	WA - Brand		30.8	2.3
Total		**302.0**	**122.0**	**114.0**
Garden Island (East) Critical Infrastructure Recovery Program (CIRP) Stage 2				
Garden Island Defence Precinct	NSW - Wentworth	**286.5**	**284.9**	**0.0**
Facilities to Support Enhanced Defence Communications				
HMAS Harman	ACT - Bean		0.0	-
Russell Offices	ACT - Canberra		0.0	-
Riverina Region	NSW - Riverina		17.9	-
Darwin Region	NT - Solomon		41.4	21.8
Townsville Region	QLD - Herbert		27.4	-
North West Cape Region	WA - Durack		7.1	30.1
Total		**280.3**	**93.8**	**51.9**
Facilities to Support LAND 19 Phase 7B Short Range Ground Based Air Defence				
RAAF Base Edinburgh	SA - Spence	**266.1**	**255.3**	**0.0**
Airfield Capital Works P0013 (Curtin and Learmonth)				
RAAF Base Curtin	WA - Durack		0.0	-
RAAF Base Learmonth	WA - Durack		25.9	110.8
Total		**237.2**	**26.0**	**110.8**
Facilities to Support AIR 5349 Advanced Growler Phase 6				
Delamere Air Weapons Range	NT - Lingiari		87.6	8.9
RAAF Base Amberley	QLD - Blair		19.7	15.2
Total		**228.2**	**107.3**	**24.1**
Facilities to Support Special Operations Capability Enhancements				
Holsworthy Barracks	NSW - Hughes		39.7	33.6
Campbell Barracks	WA - Curtin		48.5	23.4
Total		**225.6**	**88.2**	**57.0**
Land 121 Phase 5B Facilities Project				
Lavarack Barracks	QLD - Herbert		7.0	-
Robertson Barracks	NT - Lingiari		0.0	-
Gallipoli Barracks	QLD - Ryan		107.8	2.9
Derwent Barracks	TAS - Clark		17.3	-
Puckapunyal Military Area	VIC - Nicholls		9.0	-
Campbell Barracks	WA - Curtin		35.7	-
Porton Barracks	QLD - Kennedy		0.1	-
Total		**183.3**	**176.8**	**2.9**
Airfield Capital Works P0008 (RAAF Base Williamtown)				
RAAF Base Williamtown	NSW - Paterson	**181.3**	**179.3**	**0.0**

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Fishermans Bend Redevelopment				
Fishermans Bend	VIC - Macnamara	**160.9**	**86.7**	**39.2**
RAAF Base Darwin Mid-Term Refresh				
RAAF Base Darwin	NT - Solomon	**159.9**	**101.3**	**46.2**
Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter				
HMAS Albatross	NSW - Gilmore		32.2	75.6
HMAS Stirling	WA - Brand		0.0	4.8
Total		**146.0**	**32.2**	**80.4**
Airfield Capital Works P0012 (RAAF Base Townsville)				
RAAF Base Townsville	QLD - Herbert	**127.6**	**49.1**	**40.6**
HMAS Harman Redevelopment				
HMAS Harman	ACT - Bean	**116.4**	**73.6**	**30.2**
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project				
Alice Springs	NT - Lingiari		71.2	28.4
Murray Bridge Training Area	SA - Barker		1.4	-
RAAF Base Learmonth	WA - Durack		-	-
Geraldton	WA - Durack		3.2	-
Total		**112.1**	**75.8**	**28.4**
Armoured Fighting Vehicles Facilities Program Stage 2				
Gallipoli Barracks	QLD - Ryan		12.4	-
Lavarack Barracks	QLD - Herbert		26.6	55.6
Albury Wodonga Military Area	VIC - Indi		9.3	-
Puckapunyal Military Area	VIC - Nicholls		0.0	-
Total		**104.4**	**48.2**	**55.6**
Airfield Capital Works P0006 (Curtin, Tindal and Townsville)				
RAAF Base Tindal	NT - Lingiari		47.5	-
RAAF Base Townsville	QLD - Herbert		9.9	15.0
RAAF Base Curtin	WA - Durack		15.2	-
Total		**95.3**	**72.6**	**15.0**
Cultana Training Area Redevelopment Phase 2				
Cultana Training Area	SA - Grey	**79.8**	**22.1**	**48.8**
Facilities to Support Information and Communication Technology Early Works				
New South Wales	NSW		0.0	14.0
Queensland	QLD		12.6	39.1
South Australia	SA		0.0	2.8
Total		**73.8**	**12.6**	**55.8**
North Queensland Mid-Term Refresh Program: RAAF Base Townsville Mid-Term Refresh Project				
RAAF Base Townsville	QLD - Herbert	**72.8**	**61.9**	**1.9**
Facilities to Support JP 8218 Theatre Logistics				
North Bandiana	VIC - Indi	**67.3**	**28.6**	**38.7**
RAAF Base Amberley Sewage Treatment Plant				
RAAF Base Amberley	QLD - Blair	**60.7**	**29.3**	**18.2**

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Anglesea Paterson Project				
Anglesea Barracks	TAS - Clark		22.1	-
North Launceston	TAS - Bass		6.5	21.5
Youngtown Depot	TAS - Bass		2.4	-
Total		**57.4**	**31.0**	**21.5**
Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project				
HMAS Kuttabul	NSW - Wentworth		5.6	-
HMAS Cerberus	VIC - Flinders		0.5	-
HMAS Stirling	WA - Brand		28.4	0.1
HMAS Coonawarra	NT - Solomon		2.8	0.2
HMAS Cairns	QLD - Leichhardt		0.9	0.2
Total		**56.2**	**38.2**	**0.5**
Guided Weapons Explosive Ordnance Program Accelerated Storage				
Defence Establishment Myambat	NSW - New England	**52.2**	**45.6**	**4.2**
Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles				
Gallipoli Barracks	QLD - Ryan	**51.7**	**48.2**	**1.0**
Guided Weapons Explosive Ordnance Program Accelerated Storage				
Defence Establishment Jennings	NSW - New England	**44.1**	**36.6**	**0.3**
Guided Weapons Production Capability Assembly Facility				
Port Wakefield	SA - Grey	**40.2**	**23.4**	**0.1**
Puckapunyal Health and Wellbeing Centre				
Puckapunyal Military Area	VIC - Nicholls	**39.8**	**39.7**	**0.0**
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence Facilities				
HMAS Stirling	WA - Brand		0.8	-
Bindoon Training Area	WA - Bullwinkel		0.5	-
Robertson Barracks	NT - Lingiari		2.4	4.2
RAAF Base Edinburgh	SA - Spence		1.9	3.5
Lavarack Barracks	QLD - Herbert		1.7	4.4
Gallipoli Barracks	QLD - Ryan		1.5	0.4
RAAF Base Amberley	QLD - Blair		3.1	0.5
Holsworthy Barracks	NSW - Hughes		1.1	-
Kapooka Military Area	NSW - Riverina		5.4	-
RAAF Base Wagga	NSW - Riverina		0.9	-
HMAS Creswell	ACT - Fenner		1.7	-
Majura Range	ACT - Canberra		1.4	-
HMAS Cerberus	VIC - Flinders		0.8	-
Dutson Air Weapons Range	VIC - Gippsland		1.1	-
Total		**38.3**	**24.2**	**13.0**
General John Baker Complex Capability Assurance Project Tranche 1				
General John Baker Complex	NSW - Eden Monaro	**37.3**	**33.0**	**0.0**
Facilities to Support LAND 8116 Phase 1 Protected Mobile Fires				
Lavarack Barracks	QLD - Herbert		29.1	2.7
Puckapunyal Military Area	VIC - Nicholls		0.7	0.0
Total		**36.5**	**29.8**	**2.7**
Relocation of Units from Elizabeth North Training Depot				
Edinburgh Defence Precinct	SA - Spence	**35.4**	**31.8**	**0.3**

Project	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	2026-27 Budget Estimate $m
Facilities to Support LAND 3025 Phase 2 Deployable Special Operations Engineer Regiment				
Holsworthy Barracks	NSW - Hughes	**35.3**	**31.8**	**0.0**
Facilities to Support LAND 8180 Phase 1 Aviation and Field Fire Truck				
RAAF Base Richmond	NSW - Macquarie		0.2	0.3
RAAF Base Williamtown	NSW - Paterson		0.2	0.3
RAAF Base Tindal	NT - Lingiari		0.4	0.3
RAAF Base Amberley	QLD - Blair		3.7	25.5
Total		**32.4**	**4.6**	**26.3**
HMAS Creswell Mid-Term Refresh Project				
HMAS Creswell	ACT - Fenner	**30.7**	**26.6**	**0.5**
North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project				
Townsville Field Training Area	QLD - Kennedy	**22.8**	**18.1**	**0.0**
Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region				
Tweed Heads	NSW - Richmond	**17.4**	**16.2**	**1.0**
North Queensland Mid-Term Refresh Program: HMAS Cairns Mid-Term Refresh Project				
HMAS Cairns	QLD - Leichhardt	**15.6**	**14.4**	**0.4**
RAAF Base Pearce Additional Flight Training Device				
RAAF Base Pearce	WA - Durack	**11.5**	**11.3**	**0.0**
Facilities to Support LAND 159 Phase 1 Lethality Systems				
Greenbank Training Area	QLD - Wright	**8.2**	**5.3**	**0.0**
Facilities to Support P-8A Poseidon Capability Assurance Program				
RAAF Base Edinburgh	SA - Spence	**4.9**	**2.2**	**2.1**
Total		**21,133.5**	**12,117.7**	**3,791.3**

Note

a. The sum of the individual project totals, where a project has multiple sites within the table, and the table's total figures may differ due to rounding. Budget estimates shown as 0.0 are amounts greater than $0 but less than $50,000.

Explanation of Projects

Australian Capital Territory

HMAS Harman Redevelopment

This project is delivering facilities and infrastructure at HMAS Harman, ACT, including upgrading, replacing and providing new engineering services, command facility, entry precinct, office accommodation, and living-in accommodation. This project is scheduled for completion in late 2026.

HMAS Creswell Mid-Term Refresh

This project is refurbishing existing facilities and infrastructure at HMAS Creswell, Jervis Bay, ACT, including engineering services, car parking, and entry precinct. This project is scheduled for completion in mid-2026.

New South Wales

RAAF Base Wagga Redevelopment

This project is addressing condition, capacity and compliance issues at RAAF Base Wagga, NSW, including upgrading engineering services, constructing new infrastructure, and demolishing aged facilities. This project is scheduled for completion in mid-2031.

HMAS Watson Redevelopment

This project is addressing condition, capacity and compliance issues with facilities and infrastructure at HMAS Watson, Sydney, NSW. This includes engineering services and training facilities. This project is scheduled for completion in early 2028.

Explosive Ordnance Facilities Northern New South Wales Redevelopment

This project is providing new, and remediating existing, facilities and infrastructure to support training, storage, maintenance and distribution activities at Defence Establishment Orchard Hills, NSW. This project is scheduled for completion in mid-2029.

Garden Island (East) Critical Infrastructure Recovery Program (CIRP) Stage 2

This project is providing upgraded wharves and engineering services to address condition, capacity and compliance issues at the Garden Island Defence Precinct, Sydney, NSW. This project is scheduled for completion in early 2027.

Airfield Capital Works P0008 (RAAF Base Williamtown)

This project is now in the Defects Liability Period.

Guided Weapons Explosive Ordnance Program Accelerated Storage Myambat

This project is providing storage at Defence Establishment, Myambat, NSW. This project is scheduled for completion in mid-2026.

Guided Weapons Explosive Ordnance Program Accelerated Storage Jennings

This project is providing storage at Defence Establishment Jennings, NSW. This project is scheduled for completion in late 2026.

General John Baker Complex Capability Assurance Project Tranche 1

This project is now in the Defects Liability Period.

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

This project is now in the Defects Liability Period.

Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region

This project is now in the Defects Liability Period.

Northern Territory

RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative (USFPI) Airfield Works and Associated Infrastructure

This program is delivering a range of new and refurbished facilities and infrastructure, including airfield improvements and engineering services upgrades, at RAAF Base Tindal, NT. This program of works is scheduled for completion in late 2026.

Cocos (Keeling) Islands Airfield Upgrade

This project is upgrading the airfield and constructing supporting infrastructure at Cocos (Keeling) Islands. This project is scheduled for completion in early 2029.

USFPI Northern Territory Training Areas and Ranges Upgrades

This project is providing upgraded range facilities and associated infrastructure at the Bradshaw Field, Kangaroo Flats, Mount Bundey and Robertson Barracks Close training areas in the NT. This includes range control, training camp accommodation, small arms ranges, roads, and supporting facilities and infrastructure. This project is scheduled for completion in mid-2026.

Larrakeyah Defence Precinct Redevelopment Program

This program is upgrading critical base infrastructure at the Larrakeyah Defence Precinct, NT. This includes upgrading engineering services and providing a new wharf. This program is scheduled for completion in mid-2026.

Robertson Barracks Base Improvements Project

This project is upgrading engineering services such as potable water and power, providing additional living-in accommodation, and upgrading engineering services at Robertson Barracks, NT. This project is scheduled for completion in early 2027.

Airfield Capital Works P0009 (RAAF Darwin and Mount Bundey)

This project is maintaining aircraft pavements and aeronautical ground lighting at RAAF Base Darwin, NT and Mount Bundey, NT. This project is scheduled for completion in mid-2026.

RAAF Base Darwin Mid-Term Refresh

This project is upgrading the entry and engineering services, such as water and sewer networks, at RAAF Base Darwin, NT. This project is scheduled for completion in mid-2027.

Queensland

Army Aviation Program of Works

This program of works is providing facilities and infrastructure to support new helicopter capability at RAAF Base Townsville and Townsville Field Training Area, QLD. This program is scheduled for completion in late 2028.

Airfield Capital Works P0012 (RAAF Base Townsville)

This project is maintaining aircraft pavements and aeronautical ground lighting at RAAF Base Townsville, QLD. This project is scheduled for completion in mid-2027.

RAAF Base Townsville Mid-Term Refresh Project

This project is now in the Defects Liability Period.

RAAF Base Amberley Sewage Treatment Plant

This project is providing a new sewage treatment plant and associated infrastructure and facilities, including administration and storage at RAAF Base Amberley, QLD. This project is scheduled for completion in mid-2027.

Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles

This project is providing facilities and infrastructure to support Tactical Unmanned Aerial Vehicle capability at Gallipoli Barracks, QLD. It includes working accommodation, training, storage, and hardstand facilities. This project is scheduled for completion in late 2026.

Townsville Field Training Area Mid-Term Refresh Project

This project is now in the Defects Liability Period.

HMAS Cairns Mid-Term Refresh Project

This project is now in the Defects Liability Period.

Facilities to Support LAND 159 Phase 1 Lethality Systems

This project is providing upgraded training facilities and associated infrastructure at the Greenbank Training Area, QLD. This project is scheduled for completion in mid-2026.

South Australia

Facilities to Support Highly Available ICT Project

This project is providing a new facility. This project is scheduled for completion in late 2027.

Edinburgh Defence Precinct Mid-Term Refresh

This project is upgrading base infrastructure at the Edinburgh Defence Precinct, SA including engineering services such as power and water. This project is scheduled for completion in mid-2028.

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

This project is now in the Defects Liability Period.

Cultana Training Area Redevelopment Phase 2

This project is providing new facilities and infrastructure to expand the training area into a training range at the Cultana Training Area, SA. This project is scheduled for completion in late 2026.

Guided Weapons Production Capability Assembly Facility

This project is now in the Defects Liability Period.

Relocation of Units from Elizabeth North Training Depot

This project is now in the Defects Liability Period.

Facilities to Support P-8A Poseidon Capability Assurance Program

This project is providing minor fit-out works to support the installation of equipment. This project is scheduled for completion in late 2027.

Tasmania

Anglesea Paterson Project

This project is upgrading engineering services and refurbishing buildings at Anglesea Barracks, and constructing new facilities in North Launceston, TAS. This project is scheduled for completion in mid-2027.

Victoria

Albury Wodonga Military Area Redevelopment

This project is addressing condition, capacity and compliance issues at the Albury Wodonga Military Area, VIC, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. This project is scheduled for completion in late 2029.

Fishermans Bend Redevelopment

This project is addressing condition, capacity and compliance issues at Fishermans Bend, VIC, including upgrading engineering services, refurbishing existing facilities and providing new working accommodation. This project is scheduled for completion in early 2027.

Facilities to Support JP 8218 Theatre Logistics

This project is providing infrastructure at North Bandiana, VIC, including vehicle shelters, civil works and engineering services. This project is scheduled for completion in 2026.

Puckapunyal Health and Wellbeing Centre

This project is now in the Defects Liability Period.

Western Australia

DEF 01 Submarine Rotational Force - West Infrastructure Project Priority Works

This project is delivering infrastructure enhancements and upgrades at HMAS Stirling, WA to support the safe and secure operation of conventionally-armed, nuclear-powered submarines, and the establishment of the Submarine Rotational Force-West. This project is scheduled for completion in late 2028.

RAAF Base Learmonth Redevelopment Enabling KC-30 Operations

This project is upgrading the airfield including the runway, taxiway and parking aprons at RAAF Base Learmonth, WA. This project is scheduled for completion in mid-2028.

Airfield Capital Works P0013 (Curtin and Learmonth)

This project is maintaining aircraft pavements and aeronautical ground lighting at RAAF Base Curtin, WA and RAAF Base Learmonth, WA. This project is scheduled for completion in mid-2028.

RAAF Base Pearce Additional Flight Training Device

This project is now in the Defects Liability Period.

Various Locations

Enhanced Land Force (ELF) Stage 2

This project provided purpose-built facilities and supporting infrastructure to support ELF capabilities across various bases. This included the construction of new and refurbished accommodation, common use, and training facilities, and upgraded site infrastructure. The works are complete with the exception of access-related scope at the Cultana Training Area, SA, which is scheduled for completion in early 2027.

Navy Capability Infrastructure Sub-program

This program of works is providing new and upgraded facilities and infrastructure across various bases to support new frigate and offshore patrol vessels including:

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

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

Hunter Class Frigate Program Facilities (SEA 5000 Phase 1)

This project is providing upgraded facilities and infrastructure to support the introduction of the new Hunter Class frigates at HMAS Watson and the Garden Island Defence Precinct in NSW, St Kilda and Osborne Naval Shipyards in SA, and HMAS Stirling and Henderson Maritime Precinct in WA. This project is scheduled for completion in late 2027.

Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)

This project is providing new and upgraded facilities and infrastructure to support the introduction of P-8A aircraft at RAAF Base Edinburgh, SA, RAAF Base Darwin, NT, RAAF Base Townsville, QLD, RAAF Base Pearce, WA, and HMAS Stirling, WA. The works are progressively scheduled for completion at each base up to mid-2027.

Facilities to Support Joint Intelligence and Targeting Training Facility

This project is providing a training and permanent facility in the ACT and SA. This project is scheduled for completion in late 2028.

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

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

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

This project is now in the Defects Liability Period.

Facilities to Support LAND 8113 PH1 Long Range Fires First Regiment

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

Defence Fuel Transformation Program - Tranche 2 Facilities Program

This program will remediate, replace, upgrade and dispose existing fuel installations across various bases. The works are scheduled to commence in mid-2026 for completion in mid-2028.

Guided Weapons Explosive Ordnance Storage

This project is providing storage facilities and infrastructure at RAAF Base Amberley, QLD, HMAS Stirling, WA, and Defence Establishment Orchard Hills, NSW. This project is scheduled for completion in late 2027.

Facilities to Support Enhanced Defence Communications

This project is providing facilities and infrastructure to support the implementation of enhanced communications systems across various bases. This project is scheduled for completion in late 2030.

Facilities to Support AIR 5349 Advanced Growler Phase 6

This project is providing storage, maintenance and working accommodation at RAAF Base Amberley, QLD and Delamere Air Weapons Range, NT. This project is scheduled for completion in mid-2026.

Facilities to Support Special Operations Capability Enhancements

This project will deliver facilities and infrastructure to support workforce growth at Holsworthy Barracks, NSW and Campbell Barracks, WA. This project is scheduled for completion in early 2027.

LAND 121 Phase 5B Facilities Project

This project is now in the Defects Liability Period.

Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter

This project is providing new and refurbished facilities to support new helicopter capability at HMAS Albatross, NSW and HMAS Stirling, WA. This project is scheduled for completion in mid-2027.

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

This project is providing new facilities and infrastructure to support the mid-life upgrade of JORN capability at sites near Alice Springs, NT, Murray Bridge Training Area, SA, RAAF Base Learmonth, WA and Geraldton, WA. This project is scheduled for completion in mid-2027.

Armoured Fighting Vehicle Facilities Program Stage 2

This project is providing facilities and infrastructure at Gallipoli Barracks, QLD, Lavarack Barracks, QLD, Albury Wodonga Military Area, VIC and Puckapunyal Military Area, VIC to support vehicles. This project is scheduled for completion in early 2027.

Airfield Capital Works P0006 (Curtin, Tindal and Townsville)

This project is maintaining aircraft pavements and airfield lighting at RAAF Base Curtin, WA, RAAF Base Tindal, NT, and RAAF Base Townsville, QLD. The works at Curtin and Tindal are complete while the works at Townsville have been reprogrammed to align with similar works being delivered under a related project to minimise disruptions to airfield operations. These works are scheduled for completion in mid-2027.

Facilities to Support Information and Communication Technology Early Works

This project is delivering facilities to support networks and applications in NSW, QLD and SA. This project is scheduled for completion in late 2027.

Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project

This project is providing an upgraded information system to support naval operations at HMAS Kuttabul, NSW, HMAS Cerberus, VIC, HMAS Stirling, WA, HMAS Coonawarra, NT and HMAS Cairns, QLD. This project is scheduled for completion in mid-2026.

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

This project is providing new and refurbished facilities, including training and storage facilities, at various bases around Australia. This project is scheduled for completion in late 2026.

Facilities to Support LAND 8116 Phase 1 Protected Mobile Fires

This project is providing new storage, workshop, and shelter facilities, and upgrading road and infrastructure services at Lavarack Barracks, QLD and the Puckapunyal Military Area, VIC. This project is scheduled for completion in mid-2026.

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

This project will deliver training, testing, maintenance, and storage facilities to support the aviation and field fire truck capability at RAAF Base Amberley, QLD, RAAF Base Tindal, NT, RAAF Base Richmond, NSW and RAAF Base Williamtown, NSW. This project is scheduled to commence construction in mid-2026 for completion in early 2028.

Appendix E: Status of Projects Foreshadowed for Parliamentary Standing Committee on Public Works Consideration in 2026-27

Projects Foreshadowed for Consideration and Approval

During 2026-27, Defence expects to present a number of Enterprise Estate and Infrastructure Program (EEIP) capital facilities and infrastructure project proposals to the Parliamentary Standing Committee on Public Works (PWC). The following tables detail the proposed major capital facilities and infrastructure projects expected to be referred to the PWC, and medium capital facilities and infrastructure projects expected to be notified to the PWC.

Table 57: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2026-27

Project Description	State/Electorate	Actual/Indicative PWC Referral Date [a]	Actual/Indicative PWC Hearing Date [a] [b]	Indicative Parliamentary Approval Date [a]
Facilities to Support Air Mission Training System	VIC - Gippsland	Mid-2026	Mid-2026	Late 2026
Armoured Fighting Vehicle Facilities Program Stage 3	QLD - Various	Mid-2026	Mid-2026	Late 2026
Facilities to Support Theatre Logistics (Work Package 2.4)	WA - Perth	Mid-2026	Late 2026	Early 2027
Facilities to Support Hobart Class Destroyer Aegis System Upgrade	Various	Mid-2026	Late 2026	Early 2027

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

Table 58: Medium Capital Facilities Projects Foreshadowed for PWC Notification in 2026-27

Project Description	State/Electorate	Actual/Indicative PWC Notification Date [a]	Indicative PWC Approval Date
Facilities to Support Joint Counter Improvised Explosive Device (Tranche 2)	Various	Mid-2026	Mid-2026

Note
a. Actual dates are shown in full. Forecast dates are shown as “Early”, “Mid”, “Late”.

Explanation of Projects

Australian Capital Territory

Not applicable.

New South Wales

Not applicable.

Northern Territory

Not applicable.

Queensland

Armoured Fighting Vehicle Facilities Program Stage 3

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

South Australia

Not applicable.

Victoria

Facilities to Support Air Mission Training System

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

Western Australia

Facilities to Support Theatre Logistics (Work Package 2.4)

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

Various Locations

Facilities to Support Hobart Class Destroyer Aegis System Upgrade

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

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

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

Appendix F: Top 5 Information and Communication Technology Approved Projects

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

Table 59: Top 5 ICT Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) [a] [b]

Project Name	Project Number/ Phase	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 5 ICT Project Descriptions
Defence Secret Network (DSN)	**DEF 2222**	2,081	467	297	The project will deliver a scalable, resilient, secure, interoperable and supportable enterprise scale DSN. It will replace the existing DSN with a secure-by-design operating platform built on cloud technology, end user compute and storage, and the required connectivity to support a resilient and survivable capability. DEF 2222 is a critical enabler of many projects within the Integrated Investment Program (IIP) and will be delivered programmatically with JP 9111. During 2026-27, the project will finalise design and commence delivery of secure air gapped cloud solutions alongside associated enabling services and business transformation activities.
Joint Command & Control	**ICT 9111 Phase 1**	1,490	154	252	The project will deliver a warfighting network, called the Joint Command and Control Network (JC2Net), associated software applications, and support system. This network will be used by all Services, in all warfighting domains for SECRET and below information sharing within Defence, and with other government agencies and partner forces. This capability will be a critical enabler for the Integrated Force described in the Defence Strategic Review, enabling resilient Command and Control, and collaboration with partner forces. During 2026-27, the project will design, test, verify, and accredit the Warfighting Networks and Applications Support System in preparation for release, alongside establishing the foundational design of the Mission System.
Enterprise Resource Planning (ERP)	**ICT 2283**	1,536	1,087	202	The ERP Program will deliver a risk prioritised, phased modernisation and integration of Defence's enterprise systems, stabilising and modernising mission critical HR, payroll, logistics, engineering, maintenance, finance, procurement and estate capabilities. Delivery will progress through tightly scoped waves, emphasising system integration, obsolescence remediation, sustainment affordability and operational continuity, supported by incremental Government reporting. During 2026-27, the project will progress the Human Resources transformation and enable the establishment of the Defence Delivery Agency as a separate agency within the ERP solution.

Table 59: Top 5 ICT Approved Projects by 2026-27 Forecast Expenditure (Gross Plan) [a] [b]

Project Name	Project Number/ Phase	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2026 $m	Budget Estimate 2026-27 $m	Top 5 ICT Project Descriptions
Fleet Information Environment Modernisation	**SEA 2273**	580	461	29	The project will deliver a suite of integrated ICT systems, applications and infrastructure that supports both deployed operations and day-to-day administrative activities, where ships and submarine crews are located. The systems, collectively, will provide Command and Control between headquarters and other Navy platforms, Communication and information sharing with other Navy platforms, ADF deployed forces, Coalition partners, and Other Government Organisation assets. Situational awareness, intelligence and surveillance information to enable timely decision-making. During 2026-27, the Project will deliver systems to five Naval platforms including two platform First of Class installs. Work will also continue with ICT 9111 to develop the convergence plan for the integration of SEA 2273 systems into JC2Net.
Integrated Intelligence Surveillance Reconnaissance and Processing Exploitation Dissemination Enterprise	**DEF 2150**	202	131	16	This project will deliver the baseline Distributed Ground Station - Australia (DGS-AUS) Capability for the Processing, Exploitation and Dissemination (PED) of data and information collected by a range of airborne Intelligence, Surveillance and Reconnaissance (ISR) platforms. During 2026-27, the project will complete delivery of the foundation components of the DGS-AUS Capability.
Total Top 5 ICT Projects (Gross Plan)		**5,888**	**2,300**	**797**	

Notes
a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2026 and Budget Estimate 2026-27 are on an accrual basis and funded by appropriation.
b. Figures may not add due to rounding.

Appendix G: Australian Government Indigenous Expenditure

Table 60: Australian Government Indigenous Expenditure

	Program	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Defence Indigenous Strategy	2.12	5,757	6,294
Army Aboriginal Community Assistance Program	2.6	7,010	5,540
Total Australian Government Indigenous Expenditure*		**12,767**	**11,834**

* Note the above funding is reallocated funding within Defence.

In 2026-27, Defence will continue to support improved social and economic outcomes for First Nations peoples through workforce participation, procurement, engagement and capability activities aligned with the Australian Government's priorities under the National Agreement on Closing the Gap.

Defence will contribute to these outcomes through initiatives that support employment pathways, strengthen economic participation through Indigenous procurement and enhance cultural capability across the Defence organisation. These activities support Defence's mission and purpose to defend Australia and its national interests in order to advance Australia's security and prosperity, while fostering an inclusive and capable workforce.

Defence Workforce Indigenous Participation

Defence has set First Nations representation targets of 5 per cent for both the Australian Defence Force (ADF) and the Defence Australian Public Service (APS) workforces by 2030. As at 1 January 2026, the ADF participation rate was 3.8 per cent and the Defence APS participation rate was 1.8 per cent.

During 2026-27, Defence will continue to implement targeted recruitment, retention and career development initiatives to increase First Nations participation across the ADF and APS workforces. Workforce initiatives will focus on attraction, early career pathways and strengthening cultural capability to support retention and career progression, contributing to a workforce that reflects the diversity of the Australian community we serve.

Defence Indigenous Procurement Policy (IPP)

Defence continues to exceed Government targets under the Indigenous Procurement Policy (IPP) and is the Commonwealth's largest procurer of First Nations goods and services. As at March 2026, over $13.5 billion of Commonwealth Government contracts have been awarded to First Nations businesses since the introduction of the IPP in 2015. Of this, Defence has awarded over $6.7 billion in contract value to First Nations businesses.

In 2026-27, Defence will continue to place strong emphasis on engagement with the First Nations business sector, creating opportunities and promoting greater inclusion of First Nations businesses within Defence's procurement practices.

Defence Indigenous Programs

The ADF operates a number of First Nations employment pathway programs, including specialist ADF First Nations Recruitment Teams, the Navy and Army Indigenous Development Programs and Air Force Indigenous Recruitment Pathways Programs. The ADF also implements the Indigenous Pre-Recruit Program, a Tri-Service program, delivered across Australia. Defence will continue to partner with the National Indigenous Australians Agency (NIAA) to support programs identified in the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020-24. The Indigenous Graduate Pathway Program (managed by Defence since 2021) and the Indigenous Apprenticeship Program (IAP) aim to increase First Nations graduates and apprentices across Government agencies. Defence will also implement the Indigenous Development Employment Program (IDEP), to provide First Nations personnel with development opportunities in areas of communication, leadership, teamwork, personal development and critical thinking.

Defence Indigenous Community Assistance Programs

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

AACAP projects leverage the ability of Army to deliver a range of services in remote areas, providing infrastructure works, employability skills training, health promotion and community support in a holistic and highly effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP projects to exercise various operational capabilities in a unique cultural and physical environment. AACAP projects have recently occurred in Amata, SA (2024) and the Torres Strait, QLD (2025); AACAP 2026 will occur in Yungngora, WA. Army forward looking plans for the AACAP project include deployments to north-western WA, specifically the community of Yungngora.

Exercise Kummundoo is an initiative facilitated by the strategic partnership between the Royal Australian Air Force and the National Aboriginal Community Controlled Health Organisation (NACCHO) - the national peak body that represents Aboriginal Community Controlled Health Organisations across Australia. It sees Air Force, through partnership with NACCHO, deploy small teams of personnel to remote Aboriginal and Torres Strait Islander communities across Australia, to work on health and wellbeing projects alongside the local community, to achieve outcomes that the community drive. This longstanding initiative demonstrates Air Force's strong commitment to supporting and enhancing primary healthcare outcomes in Aboriginal and Torres Strait Islander communities - actively contributing to Closing the Gap.

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Australian Signals Directorate

Entity Resources and Planned Performance

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Australian Signals Directorate

Section 1: ASD Overview and Resources

1.1 Strategic Direction Statement

The Australian Signals Directorate (ASD) defends Australia from global threats and advances the national interest by providing foreign signals intelligence, cyber security, and offensive cyber operations, as directed by Government.

ASD is a statutory agency within the Defence portfolio, reporting directly to the Minister for Defence. It operates under the *Public Governance, Performance and Accountability Act 2013* and the *Intelligence Services Act 2001*. All of ASD's activities are subject to oversight from the Inspector-General of Intelligence and Security. The Parliamentary Joint Committee on Intelligence and Security provides further oversight of ASD's administration, expenditure and enabling legislation. It also considers other matters within its scope that are referred by the Australian Senate, House of Representatives, or a Minister of the Australian Government.

The *Intelligence Services Act 2001* specifies that the organisation's functions are to:

- Collect foreign signals intelligence;
- Communicate foreign signals intelligence;
- Prevent and disrupt offshore cyber-enabled crime;
- Provide cyber security advice and assistance to Australian governments, businesses and individuals;
- Support military operations;
- Protect the specialised tools ASD uses to fulfil its functions; and
- Cooperate with, and assist, the national security community's performance of its functions.

The organisation's strategic objectives include:

- ASD **delivers strategic advantage** for Australia by providing foreign signals intelligence that protects and advances Australia's national interest. Foreign intelligence collection activities are guided by strategic priorities set by the Government.
- ASD is the Australian Government's **leading cyber security agency**, and aims to make Australia the most secure place to connect online and foster national cyber security resilience. ASD's Australian Cyber Security Centre monitors cyber threats targeting Australian interests and provides advice and information, including through an international network of Computer Emergency Response Teams (CERTs), to help protect Australians. When serious cyber incidents occur, ASD leads the Australian Government response to help mitigate the threat and strengthen defences.
- ASD has a long history **of supporting Australian military operations**, with the organisation's heritage dating back to the Second World War. Today, ASD supports Australian Defence Force (ADF) operations around the globe, including by providing intelligence and offensive cyber capabilities to enable the warfighter and protect ADF personnel and assets. ASD also draws on its deep technical expertise to help the ADF stay ahead of technology advancements in the region, including the introduction of 5th generation weapons and cyber-warfare capabilities.

- ASD capabilities play an important role **in countering cyber-enabled threats**. The organisation protects Australia and Australians by preventing and disrupting offshore cyber-enabled crime, including the activities of organised criminal groups using malware to target Australians, and terrorists who use the internet to plan and incite attacks against Australian interests.
- Finally, ASD **provides trusted advice and expertise** to Government, business and the community. ASD draws on its deep technical understanding of communications technology to help the Australian Government, and the public understand the nature of the cyber threat environment, how they might be vulnerable and what they can do to protect themselves.

To achieve its purpose, ASD needs to keep pace with the latest technology trends and invest in cutting-edge capabilities to gain asymmetric advantage. ASD's activities are enabled by innovative techniques, including specialist tools to probe large volumes of data to detect threats. ASD's mastery of technology also underpins the formulation of sound advice to protect Australia from sophisticated threats.

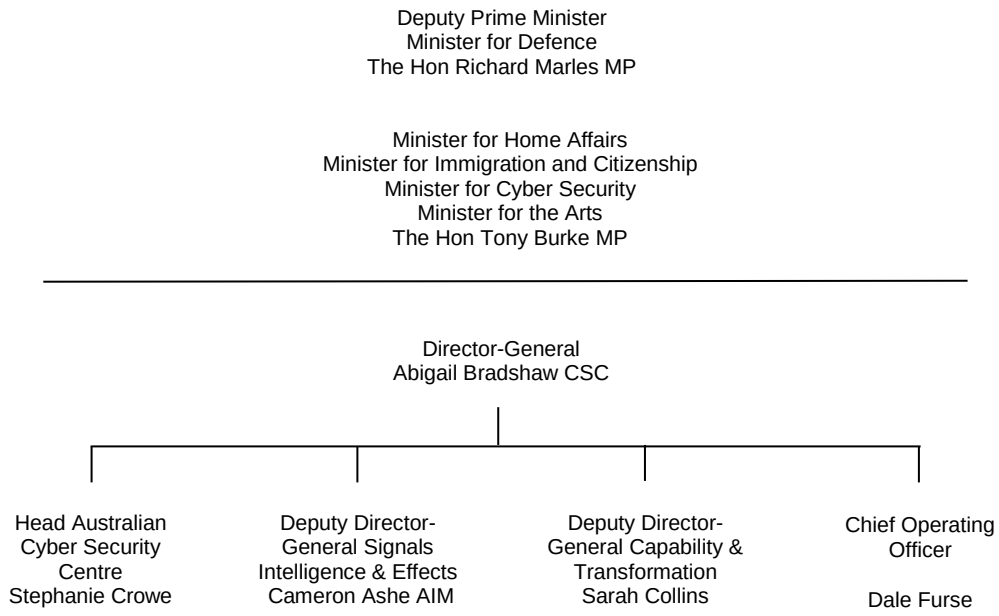
Partnerships are critical to the organisation's success. ASD works closely with the Australian national security community, overseas intelligence and cyber security partners, academia and industry. This level of collaboration is essential to comprehensively understand the threat environment and to stay at the leading edge of technology.

ASD's success is founded in the ingenuity of its workforce. The organisation seeks to recruit and develop a curious and imaginative workforce which is not deterred by difficult challenges. Recruiting the requisite specialist technological expertise has become increasingly challenging, given the high demand for staff with these skillsets.

The combination of a uniquely skilled workforce, empowered by innovative technology, enabled by responsible financial management, and leveraging partner capabilities, positions the organisation to deliver trusted intelligence, cyber security expertise and offensive cyber operations for Australia's national interest.

The Government has prioritised REDSPICE funding in the Integrated Investment Program to enhance Australia's cyber capabilities, intelligence, surveillance and reconnaissance and deliver resilient communications and computer network defence and disrupt operations.

Figure 1: ASD Organisational Structure



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

Organisational Structure

No changes have taken place since the last Portfolio Statements.

1.2 ASD Resource Statement

Table 1: ASD Resource Statement - Budget Estimates for 2026-27 as at May Budget 2026

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Departmental					
Annual appropriations - ordinary annual services					
Departmental appropriation	1,748,497	1,932,689	1,954,449	1,998,696	2,131,410
s74 External Revenue	57,456	59,179	61,556	61,636	61,721
Departmental Capital Budget	22,000	38,000	30,000	30,000	30,000
Annual appropriations - other services - non-operating					
Equity injection	560,359	560,792	397,822	237,229	242,574
Total departmental resourcing	**2,388,312**	**2,590,660**	**2,443,827**	**2,327,561**	**2,465,705**
Total resourcing for ASD	**2,388,312**	**2,590,660**	**2,443,827**	**2,327,561**	**2,465,705**

1.3 Budget Measures

2026-27 Budget Measures and Other Budget Adjustments

Table 2: ASD 2026-27 Budget Measures

	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000	Total $'000
Other Budget Adjustments					
Foreign Exchange	-8,452	-5,561	-5,308	-5,041	-24,362
Other Budget Adjustments	1,220	1,170	-	-	2,390
Total Other Departmental Budget Adjustments	**-7,232**	**-4,391**	**-5,308**	**-5,041**	**-21,972**
Variation to ASD Departmental Funding	**-7,232**	**-4,391**	**-5,308**	**-5,041**	**-21,972**

Section 2: ASD Outcomes and Planned Performance

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

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

Note:

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

The most recent corporate plan and annual performance statement for ASD can be found at: https://www.asd.gov.au/publications.

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome 1 Strategy

Linked Programs

Australian Federal Police
Program 1.1 - Federal Policing.
Contribution to Outcome 1 by linked program
Consistent with the functions detailed in the *Intelligence Services Act 2001*, the Australian Signals Directorate relies on cooperation with the Australian Federal Police.

Department of Defence
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood. Program 1.2 - Operations Supporting Wider Interests.
Contribution to Outcome 1 by linked programs
Consistent with the functions detailed in the *Intelligence Services Act 2001*, the Australian Signals Directorate provides foreign signals intelligence, cyber security advice, and offensive cyber operations to meet the operational needs of the Australian Defence Force and the requirements of the Department of Defence.

Office of National Intelligence
Outcome 1 - Advancement of Australia's national interests through increased government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities.
Contribution to Outcome 1 by linked program
The Office of National Intelligence leads efforts to integrate and coordinate the activities of the national intelligence agencies to meet the operational requirements of the Australian Defence Force and the Department of Defence, as well as other priorities as set by Government.

Budgeted Expenses for Outcome 1

Table 3: Budgeted Expenses for Outcome 1

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations					
Expenses funded by appropriation and own source revenue [a]					
Employees	725,294	781,069	824,584	817,804	838,698
Suppliers	1,009,933	1,150,522	1,129,838	1,179,913	1,292,426
Other expenses	13,860	13,188	12,499	11,962	11,560
	1,749,087	**1,944,779**	**1,966,921**	**2,009,679**	**2,142,684**
Expenses not requiring appropriation [b]					
Resources received free of charge	159	160	162	161	163
Depreciation and amortisation	603,311	662,886	653,010	773,539	845,528
Net write-down and net impairment of assets	-	-	-	-	-
Other Gains	-	-	-	-	-
	603,470	**663,046**	**653,172**	**773,700**	**845,691**
Total Operating Expenses	**2,352,557**	**2,607,825**	**2,620,093**	**2,783,379**	**2,988,375**
Capital expenditure funded by appropriation					
Purchases of non-financial assets	579,110	598,792	427,822	267,229	272,574
Principal repayments of lease liabilities	49,848	47,089	49,084	50,653	50,447
	628,958	**645,881**	**476,906**	**317,882**	**323,021**
Total funded expenditure for Program 1.1 [c]	**2,378,045**	**2,590,660**	**2,443,827**	**2,327,561**	**2,465,705**

	2025-26	2026-27
Average Staffing Level (number)	nfp	nfp

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

Table 4: Performance Measures for Outcome 1

Table 4 details the performance objectives and measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2026-27 Budget Measures that have created new programs or materially changed existing programs are provided.

Outcome 1 - Defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.		
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations To defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.		
Key Activities	• Provide foreign signals intelligence. • Provide cyber security services. • Conduct offensive cyber operations.	
Year	**Performance Objectives**	**Expected Performance Results**
Current Year 2025-26	ASD's foreign signals intelligence products and enabling capabilities meet Government's expectations to deliver strategic advantage and support National Intelligence Community operations.	Government expectations to deliver strategic advantage are met. *Expected to be met.*
		National Intelligence Community operational requirements are met. *Expected to be met.*
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	ASD's foreign signals intelligence and enabling capabilities support the ADF's military operations and activities, technological advantage and capabilities. *Expected to be met.*
	ASD provides high-quality, impactful cyber security services to Government, critical infrastructure and services, business, families and individuals.	ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture. *Expected to be met.*
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders. *Expected to be met.*
		ASD's Top Secret network assessment and authorisation activities and key management services support stakeholders' requirements. *Expected to be met.*
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security or resilience.	Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia. *Expected to be met.*
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia. *Expected to be met.*

Year	Performance Objectives	Expected Performance Results
Current Year 2025-26	ASD's offensive cyber operations provide effective and timely support for military operations and activities, and meet whole-of-government requirements for countering offshore cyber threats.	Offensive cyber capabilities provide effective and timely support for ADF military operations and activities. *Expected to be met.*
		Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements. *Expected to be met.*
Year	**Performance Objectives**	**Planned Performance Results**
Budget Year 2026-27	ASD's foreign signals intelligence products and enabling capabilities meets Government's expectations to deliver strategic advantage and support National Intelligence Community operations.	Government expectations to deliver strategic advantage are met.
		National Intelligence Community operational requirements are met.
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	ASD's foreign signals intelligence and enabling capabilities support the ADF's military operations and activities, technological advantage and capabilities.
	ASD provides high-quality, impactful cyber security services to Government, critical infrastructure and services, business, families and individuals.	ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture.
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders.
		ASD's Top Secret network assessment and authorisation activities and key management services support stakeholders' requirements.
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security or resilience.	Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia.
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia.
	ASD's offensive cyber operations provide effective and timely support for military operations and activities, and meet whole-of-government requirements for countering offshore cyber threats.	Offensive cyber capabilities provide effective and timely support for ADF military operations and activities.
		Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements.
Year	**Performance Objectives**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 1.1 resulting from 2026-27 Budget Measures: Nil.		

Section 3: ASD Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 Budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

Table 5: Third Party Payments to and from Other Agencies [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Receipts from Department of Defence for the provision of services (Departmental)	54,392	56,038
Payments made to Department of Defence for the provision of services (Departmental)	160,776	165,683

Note

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 6: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
EXPENSES					
Employee benefits	725,294	781,069	824,584	817,804	838,698
Supplier expenses	1,010,092	1,150,682	1,130,000	1,180,074	1,292,589
Depreciation and amortisation	603,311	662,886	653,010	773,539	845,528
Write-down of assets and impairment of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	13,860	13,188	12,499	11,962	11,560
Total expenses	**2,352,557**	**2,607,825**	**2,620,093**	**2,783,379**	**2,988,375**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	57,456	59,179	61,556	61,636	61,721
Resources received free of charge	159	160	162	161	163
Total own-source revenue	**57,615**	**59,339**	**61,718**	**61,797**	**61,884**
Total own-source income	**57,615**	**59,339**	**61,718**	**61,797**	**61,884**
Net cost of (contribution by) services	**-2,294,942**	**-2,548,486**	**-2,558,375**	**-2,721,582**	**-2,926,491**
Revenue from Government	1,748,497	1,932,689	1,954,449	1,998,696	2,131,410
Surplus/(Deficit) attributable to the Australian Government	**-546,445**	**-615,797**	**-603,926**	**-722,886**	**-795,081**
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 attributable to the Australian Government	**-546,445**	**-615,797**	**-603,926**	**-722,886**	**-795,081**

Note: Impact of net cash appropriation arrangements

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**7,018**	**-**	**-**	**-**	**-**
less: Depreciation/amortisation expenses previously funded through revenue appropriations	603,311	662,886	653,010	773,539	845,528
add: Principal repayments on leased assets	49,848	47,089	49,084	50,653	50,447
Total comprehensive income/(loss) - as per the statement of comprehensive income	**-546,445**	**-615,797**	**-603,926**	**-722,886**	**-795,081**

Table 7: Budgeted Departmental Balance Sheet (as at 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	23,008	23,008	23,008	23,008	23,008
Trade and other receivables	315,717	315,717	315,717	315,717	315,717
Total financial assets	**338,725**	**338,725**	**338,725**	**338,725**	**338,725**
Non-financial assets					
Lands and buildings	1,080,236	1,031,024	917,382	667,575	384,132
Property, plant and equipment	994,331	949,032	844,427	614,487	353,585
Intangibles	351,989	382,406	375,465	348,899	320,290
Other non-financial assets	167,935	167,935	167,935	167,935	167,935
Heritage assets	338	338	338	338	338
Total non-financial assets	**2,594,829**	**2,530,735**	**2,305,547**	**1,799,234**	**1,226,280**
Total assets	**2,933,554**	**2,869,460**	**2,644,272**	**2,137,959**	**1,565,005**
LIABILITIES					
Payables					
Suppliers	433,170	433,170	433,170	433,170	433,170
Other	33,491	33,491	33,491	33,491	33,491
Total payables	**466,661**	**466,661**	**466,661**	**466,661**	**466,661**
Interest bearing liabilities					
Leases	554,525	507,436	458,352	407,699	357,252
Total interest bearing liabilities	**554,525**	**507,436**	**458,352**	**407,699**	**357,252**
Provisions					
Employee provisions	175,433	175,433	175,433	175,433	175,433
Total provisions	**175,433**	**175,433**	**175,433**	**175,433**	**175,433**
Total liabilities	**1,196,619**	**1,149,530**	**1,100,446**	**1,049,793**	**999,346**
NET ASSETS	**1,736,935**	**1,719,930**	**1,543,826**	**1,088,166**	**565,659**
EQUITY					
Contributed equity	4,008,009	4,606,801	5,034,623	5,301,849	5,574,423
Reserves	47,592	47,592	47,592	47,592	47,592
Retained surplus (accumulated deficit)	-2,318,666	-2,934,463	-3,538,389	-4,261,275	-5,056,356
Total equity	**1,736,935**	**1,719,930**	**1,543,826**	**1,088,166**	**565,659**

Table 8: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,741,479	1,932,689	1,954,449	1,998,696	2,131,410
Goods and services	57,456	59,179	61,556	61,636	61,721
Net GST received	114,325	119,361	125,323	110,992	121,278
Other	-	-	-	-	-
Total cash received	**1,913,260**	**2,111,229**	**2,141,328**	**2,171,324**	**2,314,409**
Cash used					
Employees	725,294	781,069	824,584	817,804	838,698
Suppliers	1,009,933	1,150,522	1,129,838	1,179,913	1,292,426
Net GST paid	114,325	119,361	125,323	110,992	121,278
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Interest payments on lease liabilities	13,860	13,188	12,499	11,962	11,560
Other	-	-	-	-	-
Total cash used	**1,863,412**	**2,064,140**	**2,092,244**	**2,120,671**	**2,263,962**
Net cash from (used by) operating activities	**49,848**	**47,089**	**49,084**	**50,653**	**50,447**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of intangibles	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	**-**	**-**	**-**	**-**	**-**
Cash used					
Purchase of assets	579,110	598,792	427,822	267,229	272,574
Total cash used	**579,110**	**598,792**	**427,822**	**267,229**	**272,574**
Net cash from (used by) investing activities	**-579,110**	**-598,792**	**-427,822**	**-267,229**	**-272,574**
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	579,110	598,792	427,822	267,229	272,574
Receipts from other entities on account of restructure	-	-	-	-	-
Total cash received	**579,110**	**598,792**	**427,822**	**267,229**	**272,574**
Cash used					
Principal repayments of lease liabilities	49,848	47,089	49,084	50,653	50,447
Cash to the Official Public Account	-	-	-	-	-
Total cash used	**49,848**	**47,089**	**49,084**	**50,653**	**50,447**
Net cash from (used by) financing activities	**529,262**	**551,703**	**378,738**	**216,576**	**222,127**
Net increase (decrease) in cash and cash equivalents held	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the reporting period	23,008	23,008	23,008	23,008	23,008
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	**23,008**	**23,008**	**23,008**	**23,008**	**23,008**

Table 9: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27)

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2026					
Balance carried forward from previous period	-2,318,666	47,592	-	4,008,009	**1,736,935**
Adjustment for changes in accounting policies	-	-	-	-	**-**
Adjusted opening balance	**-2,318,666**	**47,592**	**-**	**4,008,009**	**1,736,935**
Comprehensive income					
Comprehensive income recognised directly in equity:	-	-	-	-	**-**
Gain/loss on revaluation of property	-	-	-	-	**-**
Subtotal comprehensive income	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) for the period	-615,797	-	-	-	**-615,797**
Total comprehensive income recognised directly in equity	**-615,797**	**-**	**-**	**-**	**-615,797**
Transactions with owners					
Distribution to owners					
Returns on capital:					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contributions by owners					
Appropriation (equity injection)	-	-	-	560,792	**560,792**
Departmental Capital Budget (DCB)	-	-	-	38,000	**38,000**
Other	-	-	-	-	-
Sub-total transaction with owners	**-**	**-**	**-**	**598,792**	**598,792**
Transfers between equity components	-	-	-	**-**	**-**
Estimated closing balance as at 30 June 2027	**-2,934,463**	**47,592**	**-**	**4,606,801**	**1,719,930**
Closing balance attributable to the Australian Government	**-2,934,463**	**47,592**	**-**	**4,606,801**	**1,719,930**

Table 10: Statement of Departmental Asset Movements (Budget Year 2026-27)

	Buildings $'000	Other Property, Plant and Equipment $'000	Intangibles $'000	Heritage Assets $'000	Total $'000
As at 1 July 2026					
Gross book value	600,965	1,718,296	513,804	338	2,833,403
Gross book value - ROU assets	873,993	-	-	-	873,993
Accumulated depreciation/amortisation and impairment	-18,297	-723,965	-161,815	-	-904,077
Accumulated depreciation/amortisation and impairment - ROU assets	-376,425	-	-	-	-376,425
Opening net book balance	**1,080,236**	**994,331**	**351,989**	**338**	**2,426,894**
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity [a]	76,600	401,894	82,298	-	560,792
By purchase - appropriation equity - ROU assets	-	-	-	-	-
By purchase - appropriation ordinary annual services [b]	-	38,000	-	-	38,000
By purchase - appropriation ordinary annual services - ROU assets	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By purchase - other - ROU assets	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Total additions	**76,600**	**439,894**	**82,298**	**-**	**598,792**
Other movements					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
ROU assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-77,133	-485,193	-51,881	-	-614,207
Depreciation/amortisation on ROU assets	-48,679	-	-	-	-48,679
Disposals	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	-	-	-	-
assets	-	-	-	-	-
Other	-	-	-	-	-
Other - ROU assets	-	-	-	-	-
Total other movements	**-125,812**	**-485,193**	**-51,881**	**-**	**-662,886**
As at 30 June 2027					
Gross book value	677,565	2,158,190	596,102	338	3,432,195
Gross book value - ROU assets	873,993	-	-	-	873,993
Accumulated depreciation/amortisation and impairment	-95,430	-1,209,158	-213,696	-	-1,518,284
Accumulated depreciation/amortisation and impairment - ROU assets	-425,104	-	-	-	-425,104
Closing net book balance	**1,031,024**	**949,032**	**382,406**	**338**	**2,362,800**

Notes

a. "Appropriation equity" refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2025-26*, including Collection Development Acquisition Budget.

b. "Appropriation ordinary annual services" refers to funding provided through Appropriation Act (No. 1) 2026-2027 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

Table 11: Departmental Capital Budget Statement (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	22,000	38,000	30,000	30,000	30,000
Equity injections - Bill 2	560,359	560,792	397,822	237,229	242,574
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	**582,359**	**598,792**	**427,822**	**267,229**	**272,574**
Provided for:					
Purchase of non-financial assets	579,110	598,792	427,822	267,229	272,574
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
Total items	**579,110**	**598,792**	**427,822**	**267,229**	**272,574**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	557,110	560,792	397,822	237,229	242,574
Funded by capital appropriation - DCB	22,000	38,000	30,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	**579,110**	**598,792**	**427,822**	**267,229**	**272,574**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	579,110	598,792	427,822	267,229	272,574
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	**579,110**	**598,792**	**427,822**	**267,229**	**272,574**

3.2.2 Notes to the Budgeted Financial Statements

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

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Australian Submarine Agency

Entity Resources and Planned Performance

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Australian Submarine Agency

Section 1: ASA Overview and Resources

1.1 Strategic Direction Statement

The *2026 National Defence Strategy* reaffirms the acquisition of conventionally-armed, nuclear-powered submarines through Australia, the United Kingdom and the United States (AUKUS), to enhance our ability to deter aggression and contribute to stability in the Indo-Pacific.

AUKUS is a prudent response to deteriorating strategic circumstances. AUKUS partners have a shared commitment to the partnership and its importance in promoting a free and open Indo-Pacific through an enhanced collective capacity to deter aggression and contribute to stability, peace, and prosperity in the region.

For a maritime nation like Australia, maintaining a submarine capability advantage is critical for defending ourselves and working with our partners. That is why, through AUKUS, Australia is acquiring a sovereign nuclear-powered submarine capability, to meet our needs in the coming decades.

The stealth, range, speed and endurance of these submarines is unmatched, and will ensure we have a potent submarine capability for decades to come.

The ASA coordinates work across Defence, industry, and international partners - particularly the United States and the United Kingdom - to manage the complex technology, workforce development, training, safety, and regulatory requirements involved in operating advanced submarines. Its mission is to ensure Australia maintains a safe, sovereign, and sustainable submarine capability for the long term.

Significant milestones achieved recently include the completion of Submarine Maintenance Periods in November 2025 with the United States Navy, and in February-March 2026 with the Royal Navy; and the entry into force of the Australia United Kingdom Nuclear-Powered Submarine partnership and Collaboration Treaty (The Geelong Treaty) to facilitate cooperation between Australia and the United Kingdom on the design, build, operation, sustainment, and disposal of SSN-AUKUS submarines.

These milestones build on the recent achievements, including the acquisition of long-lead items from the United Kingdom to support Australia's future submarine capability; the selection of the inaugural cohort for the *Propel: Australian Submarine Scholarship Program*; the continuation of infrastructure works, acquisition of logistical equipment, and port vessels at HMAS Stirling; and major infrastructure activities under way in Osborne, South Australia to establish a state of the art naval nuclear shipyard.

Key priorities for the ASA in 2026-27 include increasing opportunities for Australian businesses to supply their products and services into the AUKUS trilateral submarine industrial base, overseeing the delivery of the Nuclear-Powered Submarine Construction Yard in Osborne, South Australia by Australian Naval Infrastructure, and supporting infrastructure upgrades at HMAS Stirling by Defence Security and Estate Group.

Enterprise workforce development continues to be a priority for the ASA. The ASA is working closely with sovereign submarine build and sustainment partners Australian Submarine

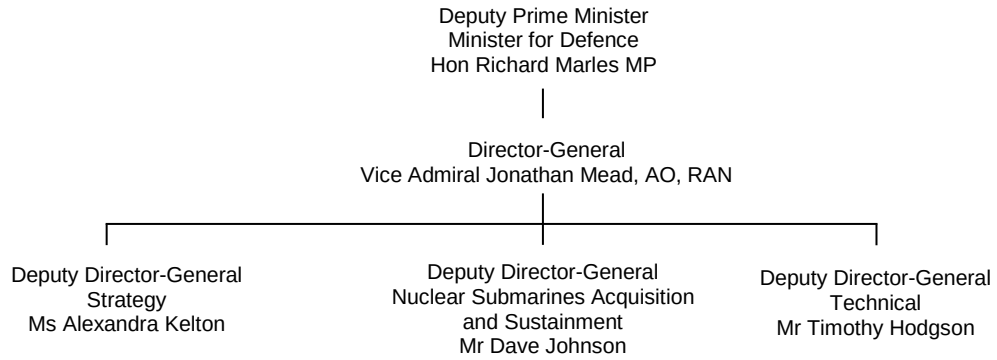
Corporation (ASC) and BAE Systems, the education sector, and other key stakeholders to take a whole-of-nation approach to education and workforce development. Significant training opportunities are also being provided to Royal Australian Navy personnel at United Kingdom and United States naval nuclear schools. South Australia's Skills and Training Academy continues to be developed.

In 2026-27, a priority for the ASA is to continue building social licence for the Nuclear-Powered Submarine Program by strengthening public understanding of how the program contributes to Australia's security, workforce and Australian industry opportunities and long-term national interests, and the program's adoption of, implementation of and commitment to the highest standards of safety and security.

Through 2026-27, the ASA will continue to build Australian capability in the lead up to Submarine Rotational Force-West, which will further accelerate efforts to develop Australia's capability to safely operate and sustain conventionally-armed, nuclear-powered submarines, while also contributing to security and stability in the region.

ASA Organisational Structure

Figure 1: ASA Organisational Chart



This Organisational Chart is effective at the time of this publication release. No changes have taken place since the *Portfolio Additional Estimates Statements 2025-26.*

Senior Executive Changes

No changes have taken place since the *Portfolio Additional Estimates Statements 2025-26.*

Organisational Structure

The following organisational structure changes have taken place since the *Portfolio Additional Estimates Statements 2025-26.*

- The Chief Operating Officer (COO), will report to DDG Strategy, transitioning the COO Division (previously named Government and Executive Division) into the Strategy Group.
- Head Virginia and Head SSN AUKUS will report to the DDG Nuclear Submarines Acquisition and Sustainment.

1.2 ASA Resource Statement

Table 1: ASA Resource Statement - Budget Estimates for 2026-27 as at May Budget 2026

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Departmental					
Annual appropriations - ordinary annual services					
Departmental appropriation	376,595	500,938	582,763	628,892	596,765
Annual appropriations - other services - non-operating					
Equity injection	8,805	11,563	10,737	12,209	4,841
Total departmental resourcing	**385,400**	**512,501**	**593,500**	**641,101**	**601,606**
Total resourcing for ASA	**385,400**	**512,501**	**593,500**	**641,101**	**601,606**

1.3 Budget Measures

2026-27 Budget Measures and Other Budget Adjustments

Table 2: ASA 2026-27 Budget Measures

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000	Total $'000
Departmental Budget Measures						
Savings from External Labour and non-wage expenses - one year extension	-	-	-	-	-33,307	-33,307
Australian Submarine Agency - Additional resourcing	-	16,436	235,824	267,889	191,777	711,926
Total Departmental Budget Measures	**-**	**16,436**	**235,824**	**267,889**	**158,470**	**678,619**
Other Budget Adjustments						
Further Savings from External Labour and non-wage expenses	-	-1,952	-1,345	-1,453	-	-4,750
Other Adjustments [a]	-	1,885	2,089	2,180	2,149	8,304
Total Other Departmental Budget Adjustments	**-**	**-67**	**744**	**727**	**2,149**	**3,554**
Variation to ASA Departmental Funding	**-**	**16,369**	**236,568**	**268,616**	**160,619**	**682,173**

Note
a. Relates to indexation adjustments based on economic parameters provided by Treasury.

Section 2: ASA Outcomes and Planned Performance

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

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

Note:

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

The most recent corporate plan and annual performance statement for ASA can be found at: https://www.asa.gov.au/about/planning-reporting.

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome 1 Strategy

Linked Programs

Australian Federal Police
Program 3.3 - Nuclear-Powered Submarine Program.
Contribution to Outcome 1 by linked program
The Australian Federal Police works with the Australian Submarine Agency to build and integrate the interim protective security overlay for Submarine Rotational Force-West at HMAS Stirling under the AUKUS initiative.

Australian Nuclear Science and Technology Organisation
Program 2 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked program
The Australian Nuclear Science and Technology Organisation (ANSTO) contributes to Outcome 1 through the provision of expertise and advice in the support of the Nuclear-Powered Submarine Program, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

Australian Radiation Protection and Nuclear Safety Agency
Program 1.2 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked program
Support delivery of nuclear-powered submarines capabilities through radiation protection and nuclear safety research, policy, advice, codes, standards, and services.

Attorney-General's Department
Program 1.2 - Nuclear-Powered Submarine Program.
Contribution to Outcome 1 by linked programs
The Attorney-General's Department (AGD) supports the Australian Submarine Agency in the delivery of the Nuclear-Powered Submarine Program. AGD provides tied international legal services to ensure the Optimal Pathway is delivered in a manner consistent with Australia's international obligations, including in relation to nuclear non-proliferation and nuclear safety.

National Environmental Protection Agency
Program 1.1 - National Environmental Protection Agency.
Contribution to Outcome 1 by linked programs
Conduct the environmental regulation and assessments required under relevant environmental legislation.

Department of Defence
Program 2.16 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked programs
The linked program contributes to Outcome 1 through the provision of expertise, advice and support in the delivery of nuclear-powered submarines capabilities.

Department of Education
Program 2.8 - Nuclear-Powered Submarines Program.
Contribution to Outcome 1 by linked program
The linked program contributes to Outcome 1 through the provision of expertise, advice and support in the delivery of nuclear-powered submarines capabilities.

Department of Employment and Workplace Relations
Program 2.3 - DEWR - Nuclear-Powered Submarine Program.
Contribution to Outcome 1 by linked program
The linked program contributes to Outcome 1 through the provision of strategic advice on how to leverage the vocational education and training system to support the training and workforce goals for the Nuclear-Powered Submarine Program.

Department of Finance
Program 2.10 - Nuclear-Powered Submarine Program Advice.
Contribution to Outcome 1 by linked program
Contributes to Outcome 1 through the provision of budget and commercial advice for the delivery of nuclear-powered submarine capabilities.

Department of Foreign Affairs and Trade
Program 1.8 - Nuclear-Powered Submarine Program.
Contribution to Outcome 1 by linked programs
The Department of Foreign Affairs and Trade including the Australian Safeguards and Non-Proliferation Office provides the legal, policy and diplomatic capability, and regulatory oversight for nuclear safeguards and security, necessary to support Australia's acquisition of conventionally-armed, nuclear-powered submarines, while setting the highest non-proliferation standards.

Department of Industry, Science and Resources
Program 1.4 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked program
The Department of Industry, Science and Resources, through the Australian Radioactive Waste Agency and the Australian Nuclear Science and Technology Organisation, provides expert advice to support Agency's conventionally-armed, Nuclear-Powered Submarine Program.

Budgeted Expenses for Outcome 1

Table 3: Budgeted Expenses for Outcome 1

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Program 1.1 - Nuclear-Powered Submarines					
Expenses funded by appropriation and own source revenue [a]					
Employees	160,261	243,558	296,458	321,640	321,640
Suppliers	206,136	246,822	275,373	295,934	263,407
Other expenses	4,868	4,636	4,380	4,096	3,784
	371,265	**495,016**	**576,211**	**621,670**	**588,831**
Expenses not requiring appropriation [b]					
Resources received free of charge	133	133	133	133	133
Depreciation and amortisation	10,327	10,526	10,526	10,526	10,526
Net write-down and net impairment of assets	-	-	-	-	-
	10,460	**10,659**	**10,659**	**10,659**	**10,659**
Total operating expenses	**381,725**	**505,675**	**586,870**	**632,329**	**599,490**
Capital expenditure funded by appropriation					
Purchases of non-financial assets	8,805	11,563	10,737	12,209	4,841
Principal repayments of lease liabilities	5,330	5,922	6,552	7,222	7,934
	14,135	**17,485**	**17,289**	**19,431**	**12,775**
Total capital expenditure	**14,135**	**17,485**	**17,289**	**19,431**	**12,775**
Total funded expenditure for Program 1.1 [c]	**385,400**	**512,501**	**593,500**	**641,101**	**601,606**

	2025-26	2026-27
Average Staffing Level (number)	883	1,209

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

Table 4: Performance Measures for Outcome 1

Table 4 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2026-27 Budget Measures that have created new programs or materially changed existing programs are provided.

Program 1.1: Nuclear-Powered Submarines		
Program 1.1 Objective Safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally armed nuclear-powered submarine capability, via the AUKUS partnership.		
Key Activities [a]	**This program is achieved through the following activities:** 1. Acquire, construct, sustain and dispose of nuclear-powered submarines in accordance with the Optimal Pathway and within government-approved costs in collaboration with AUKUS partners. 2. Exemplify best practice nuclear stewardship to build and maintain naval nuclear propulsion technology, in compliance with Australian and international obligations.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26	Performance Measure 1 Phase 1: Establish infrastructure and capabilities to support increased visits of US and UK SSNs to Australia and a rotational presence of US and UK SSNs in Western Australia.	Manage and oversee the commencement of construction of facilities and infrastructure to enable the US and UK to rotate through HMAS Stirling. *Expected to be achieved.*
	Performance Measure 2 Phase 2: Acquire three Virginia Class submarines.	Continue to manage and oversee the procurement of Virginia class specific training support systems. *Expected to be achieved.*
	Performance Measure 3 Phase 3: Acquire Australian-built SSN AUKUS, including infrastructure development at Osborne Submarine Construction Yard.	Manage and oversee the mobilisation of the SSN-AUKUS program. *Expected to be achieved.*
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27 [b]	Performance Measure 1 Phase 1: Support increased visits of US and UK SSN to Australia in preparation for the rotational presence of US and UK SSN in Western Australia from Q4 2027.	Continue to manage and oversee the construction of facilities and infrastructure to enable the US and UK to rotate through HMAS Stirling.
	Performance Measure 2 Phase 2: Acquire three Virginia Class submarines.	Continue to manage and oversee the procurement of Virginia class specific training support systems.
	Performance Measure 3 Phase 3: Construction of the first Australian-built SSN-AUKUS has commenced by the late 2020s.	Continue to manage and oversee the mobilisation of the SSN-AUKUS program.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.

Notes

a. Key Activity 1 has been amended to more accurately represent the ASA's role under Program 1.1 of managing and overseeing the acquisition, construction, delivery, sustainment and disposal of nuclear-powered submarines.

b. Performance Measures 1, 2 and 3 (and corresponding planned performance results) have undergone amendments to reflect the progress of the ASA in implementing the Optimal Pathway, and will be reflected in the ASA's 2026-27 Corporate Plan.

Section 3: ASA Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of ASA's finances for the 2026-27 Budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

Table 5: Third Party Payments to and from Other Agencies [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Payments made to Department of Defence for provision of services (Departmental)	36,725	40,564

Note

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 6: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
EXPENSES					
Employee benefits	160,261	243,558	296,458	321,640	321,640
Suppliers	206,269	246,955	275,506	296,067	263,540
Depreciation and amortisation	10,327	10,526	10,526	10,526	10,526
Other expenses	4,868	4,636	4,380	4,096	3,784
Total expenses	**381,725**	**505,675**	**586,870**	**632,329**	**599,490**
LESS					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	-	-	-	-	-
Total own-source revenue	**-**	**-**	**-**	**-**	**-**
Gains	-	-	-	-	-
Resources received free of charge	133	133	133	133	133
Total gains	**133**	**133**	**133**	**133**	**133**
Total own-source income	**133**	**133**	**133**	**133**	**133**
Net cost of (contribution by) services	**-381,592**	**-505,542**	**-586,737**	**-632,196**	**-599,357**
Revenue from Government	376,595	500,938	582,763	628,892	596,765
Surplus/(Deficit) attributable to the Australian Government	**-4,997**	**-4,604**	**-3,974**	**-3,304**	**-2,592**
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	**-4,997**	**-4,604**	**-3,974**	**-3,304**	**-2,592**

Note: Impact of net cash appropriation arrangements

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**-**	**-**	**-**	**-**	**-**
less: depreciation/amortisation expenses previously funded through revenue appropriations[a]	10,327	10,526	10,526	10,526	10,526
add: principal repayments on leased assets[b]	5,330	5,922	6,552	7,222	7,934
Total comprehensive income/(loss) as per the statement of comprehensive income	**-4,997**	**-4,604**	**-3,974**	**-3,304**	**-2,592**

Notes

a. From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Bill (No. 1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget or DCB) provided through Appropriation Bill (No. 1) equity appropriations. For information regarding DCBs, please refer to Table 11 Departmental Capital Budget Statement.

b. Applies leases under AASB 16 Leases.

Table 7: Budgeted Departmental Balance Sheet (as at 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,332	5,332	5,332	5,332	5,332
Trade and other receivables	219,460	253,064	213,797	216,138	225,852
Total financial assets	**224,792**	**258,396**	**219,129**	**221,470**	**231,184**
Non-financial assets					
Land and buildings	148,571	149,608	149,819	151,502	145,817
Property, plant and equipment	-	-	-	-	-
Prepayments	-	-	-	-	-
Total non-financial assets	**148,571**	**149,608**	**149,819**	**151,502**	**145,817**
Assets held for sale	-	-	-	-	-
Total assets	**373,363**	**408,004**	**368,948**	**372,972**	**377,001**
LIABILITIES					
Payables					
Suppliers	84,008	104,161	81,493	84,452	88,628
Other payables	8,304	10,185	8,733	3,792	4,392
Total payables	**92,312**	**114,346**	**90,226**	**88,244**	**93,020**
Interest bearing liabilities					
Leases	112,625	106,703	100,151	92,929	84,995
Total interest bearing liabilities	**112,625**	**106,703**	**100,151**	**92,929**	**84,995**
Provisions					
Employee provisions	43,987	55,557	40,410	44,733	49,671
Other provisions	6,622	6,622	6,622	6,622	6,622
Total provisions	**50,609**	**62,179**	**47,032**	**51,355**	**56,293**
Total liabilities	**255,546**	**283,228**	**237,409**	**232,528**	**234,308**
Net assets	**117,817**	**124,776**	**131,539**	**140,444**	**142,693**
EQUITY					
Contributed equity	96,666	108,229	118,966	131,175	136,016
Reserves	-	-	-	-	-
Retained surplus/(accumulated deficit)	21,150	16,547	12,573	9,269	6,677
Total Equity	**117,817**	**124,776**	**131,539**	**140,444**	**142,693**

Table 8: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	347,180	467,334	622,030	626,551	587,051
Sale of goods and rendering of services	-	-	-	-	-
Total cash received	**347,180**	**467,334**	**622,030**	**626,551**	**587,051**
Cash used					
Employees	144,464	230,107	313,057	322,258	316,102
Suppliers	192,518	226,669	298,041	292,975	259,231
Interest payments on lease liability	4,868	4,636	4,380	4,096	3,784
Total cash used	**341,850**	**461,412**	**615,478**	**619,329**	**579,117**
Net cash from (used by) operating activities	**5,330**	**5,922**	**6,552**	**7,222**	**7,934**
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	8,805	11,563	10,737	12,209	4,841
Total cash used	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**
Net cash from (used by) investing activities	**-8,805**	**-11,563**	**-10,737**	**-12,209**	**-4,841**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	8,805	11,563	10,737	12,209	4,841
Total cash received	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**
Cash used					
Principal repayments on leased assets	5,330	5,922	6,552	7,222	7,934
Total cash used	**5,330**	**5,922**	**6,552**	**7,222**	**7,934**
Net cash from (used by) financing activities	**3,475**	**5,641**	**4,185**	**4,987**	**-3,093**
Net increase/(decrease) in cash and cash equivalents held	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the reporting period	5,332	5,332	5,332	5,332	5,332
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	**5,332**	**5,332**	**5,332**	**5,332**	**5,332**

Table 9: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27)

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	Contributed Equity $'000	Total Equity $'000
Opening balance as at 1 July 2026	21,150	-	-	96,666	**117,817**
Comprehensive income					
Comprehensive income recognised directly in equity	-	-	-	-	-
Subtotal Comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-4,604	-	-	-	**-4,604**
Total comprehensive income recognised directly in equity	**-4,604**	**-**	**-**	**-**	**-4,604**
Transactions with owners					
Contributions by owners					
Appropriation (equity injection)	-	-	-	11,563	**11,563**
Subtotal transactions with owners	-	-	-	**11,563**	**11,563**
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2027	**16,547**	**-**	**-**	**108,229**	**124,776**
Closing balance attributable to the Australian Government	**16,547**	**-**	**-**	**108,229**	**124,776**

Table 10: Statement of Departmental Asset Movements (Budget Year 2026-27)

	Buildings $'000	Other Property, Plant and Equipment $'000	Other $'000	Total $'000
Opening balance as at 1 July 2026				
Gross book value	180,477	-	-	180,477
Accumulated depreciation/amortisation and impairment	-31,906	-	-	-31,906
Opening net book balance	**148,571**	**-**	**-**	**148,571**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	11,563	-	-	**11,563**
Total additions	**11,563**	**-**	**-**	**11,563**
Other movements				
Depreciation/amortisation expense	-10,526	-	-	**-10,526**
Total other movements	**-10,526**	**-**	**-**	**-10,526**
Closing balance as at 30 June 2027				
Gross book value	192,040	-	-	**192,040**
Accumulated depreciation/amortisation and impairment	-42,432	-	-	**-42,432**
Closing net book balance	**149,608**	**-**	**-**	**149,608**

Table 11: Departmental Capital Budget Statement (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	8,805	11,563	10,737	12,209	4,841
Total new capital appropriations	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**
Provided for:					
Purchase of non-financial assets	8,805	11,563	10,737	12,209	4,841
Other items	-	-	-	-	-
Total items	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	8,805	11,563	10,737	12,209	4,841
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funding by special appropriations	-	-	-	-	-
TOTAL	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,805	11,563	10,737	12,209	4,841
less additions by finance lease	-	-	-	-	-
less additions by creditor/borrowings	-	-	-	-	-
plus borrowing/finance cost	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	**8,805**	**11,563**	**10,737**	**12,209**	**4,841**

3.2.2 Notes to the Budgeted Financial Statements

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

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Defence Housing Australia

Entity Resources and Planned Performance

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3.1 Explanatory Tables 218

3.2 Budgeted Financial Statements 219

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Defence Housing Australia

Section 1: DHA Overview and Resources

1.1 Strategic Direction Statement

Defence Housing Australia's (DHA) purpose is the provision of adequate and suitable housing and housing-related services to members of the Australian Defence Force (ADF) and their families, officers and employees of the Department of Defence and their families, and persons assisting the ADF and the Department of Defence, in order to meet the operational needs of the ADF and the requirements of the Department. DHA is a corporate Commonwealth entity and Government Business Enterprise (GBE) operating under the provisions of the *Defence Housing Australia Act 1987* (DHA Act), *the Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). DHA's Shareholders are the Minister for Defence Personnel and the Minister for Finance acting on behalf of the Australian Government.

DHA Organisational Structure

The composition of DHA's Board of Directors is effective at the time of this publication's release:

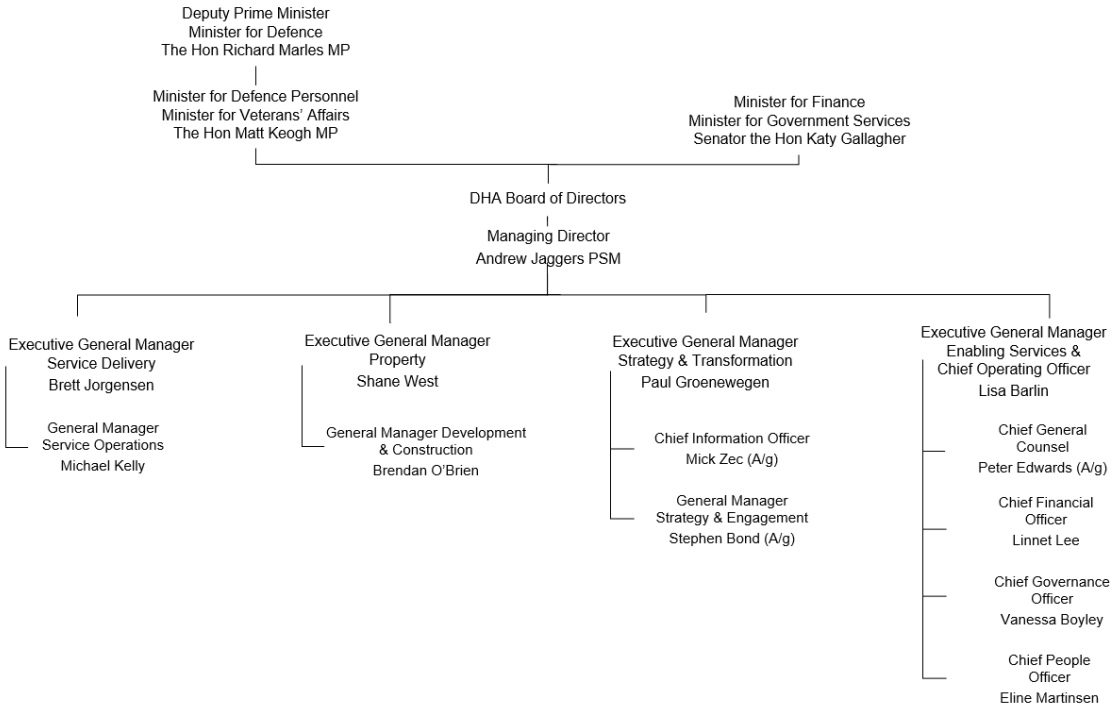
Chairperson	Dr Robert Lang
Managing Director	Mr Andrew Jaggers PSM
Commercial Director	Ms Gai Brodtmann
Commercial Director	Ms Andrea Galloway
Commercial Director	Mr Frank Marra
Commercial Director	Mr Graeme Ross
Nominee Secretary of Defence	Ms Monique Hamilton PSM
Nominee Chief of Defence Force	BRIG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

Under section 27 of the DHA Act, the DHA Advisory Committee provides advice and information to DHA about the performance of DHA's functions. The composition of DHA's Advisory Committee is effective at the time of this publication's release:

Chairperson	BRIG Leigh Wilton AM
Appointees of the Chief of the Defence Force	RADM Matthew Buckley AM CSC RAN (Deputy Chief of Navy)
	MAJGEN Chris Smith DSC AM CSC (Deputy Chief of Army)
	AVM Steve Pesce AM (Deputy Chief of Air Force)
Appointee of Defence Housing Australia	Mr Andrew Jaggers PSM (Managing Director)
National Convenor of Defence Families Australia	Ms Charlotte Webb

The chart below shows DHA's Senior Executive.

Figure 1: DHA Organisational Structure



1.2 DHA Resource Statement

Table 1: DHA Resource Statement - Budget Estimates for 2026-27 as at May Budget 2026 [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Opening balance/cash reserves at 1 July	106,819	100,226
Funds from Government	-	-
Amounts received from related entities	-	-
Amounts from portfolio department	874,646	990,108
Total amounts received from related entities	874,646	990,108
Total funds from Government	**874,646**	**990,108**
Funds from other sources		
Interest	5,233	3,513
Sale of goods and services	57,705	57,026
Total funds from other sources	**62,938**	**60,539**
Total net resourcing for Entity	**1,044,403**	**1,150,873**

Note

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

1.3 Budget Measures

There are no Budget Measures relating to DHA for the 2026-27 Budget Estimates.

Section 2: DHA Outcomes and Planned Performance

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

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

Note:

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

The most recent Statement of Corporate Intent for DHA can be found at: https://www.dha.gov.au/sci.

The most recent annual performance statement can be found at: Defence Housing Australia Annual Report 2024-25 | Transparency Portal.

2.1 Budgeted Expenses and Performance for Outcome 1

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

Budgeted Expenses for Outcome 1

Table 2: Budgeted Expenses for Outcome 1

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Program 1.1 Other Departmental - DHA					
Revenue from Government					
Payment from related entities	867,270	991,274	1,032,510	1,052,231	1,027,683
Revenues from other independent sources	63,429	60,872	185,237	139,655	144,783
Total expenses for Program 1.1	**930,699**	**1,052,146**	**1,217,747**	**1,191,886**	**1,172,466**

	2025-26	2026-27
Average staffing level (number)	631	643

Table 3: Performance Measures for Outcome 1

Table 3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2026-27 Budget Measures that have created new programs or materially changed existing programs are provided.

Outcome 1 - To contribute to Defence outcomes by providing total housing services that meet Defence Operational and client needs through a strong customer and business focus.		
Program 1.1: The provision of Defence housing and housing related services. Provide adequate and suitable housing and housing related services that meet the needs of the Defence Force and requirements of Defence.		
Key Activities	• Aligned housing solutions delivered through a modern, customer-centric operating model. • Build an agile and scalable housing capability. • Fiscal responsibility and long-term financial stability.	
Year	**Performance Measures**	**Expected Performance results**
Current Year 2025-26	Provisioning of housing solutions to the Approved Provisioning Schedule. ADF member satisfaction with housing solutions. ADF member customer service satisfaction. Return on Equity.	> 99% 80% 85% 3%
Year	**Performance Measures**	**Planned Performance Results**
Budget Year 2026-27	DHA's housing services are delivered effectively through a highly digitised environment that meets client expectations.	Percentage of tasks completed through digital channels (this is a new measure, the target will be determined after considering baseline results achieved in 2026-27). Service platforms and data are available to customers **99%** of the time, excluding scheduled outages. **85%** customer satisfaction with DHA's services.
	DHA's housing portfolio is readily available, meets agreed client requirements, and aligns with client expectations.	**99%** provisioning of housing solutions to the Approved Provisioning Schedule. **95%** of housing portfolio is occupied or available for occupation. **80%** customer satisfaction with DHA's housing solutions.
	DHA represents strong value for money for Government and is able to support the long-term portfolio objectives.	**1.5%** Return on Equity (three-year average).

Year	Performance Measures	Planned Performance Results
Forward Estimates 2027-30	DHA's housing services are delivered effectively through a highly digitised environment that meets client expectations.	Percentage of tasks completed through digital channels (this is a new measure, the target will be determined after considering baseline results achieved in 2026-27). Service platforms and data are available to customers **99%** of the time, excluding scheduled outages. **85%** customer satisfaction with DHA's services.
	DHA's housing portfolio is readily available, meets agreed client requirements, and aligns with client expectations.	**99%** provisioning of housing solutions to the Approved Provisioning Schedule. **95%** of housing portfolio is occupied or available for occupation. **80%** customer satisfaction with DHA's housing solutions.
	DHA represents strong value for money for Government and is able to support the long-term portfolio objectives.	**1.5%** Return on Equity (three-year average).

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 Budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

Not applicable to DHA.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 4: Budgeted Departmental Comprehensive Income Statement (for the period ended 30 June) [a] [b]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
INCOME					
Revenue					
Sale of goods and rendering of	924,457	1,048,633	1,214,156	1,188,325	1,165,003
Interest	5,217	3,513	3,591	3,561	7,463
Total revenue	**929,674**	**1,052,146**	**1,217,747**	**1,191,886**	**1,172,466**
Gains					
Sale of assets	1,025	**-**	-	-	-
Reversals of previous asset write-downs and impairments	-	**-**	-	-	-
Total gains	**1,025**	**-**	**-**	**-**	**-**
Total income	**930,699**	**1,052,146**	**1,217,747**	**1,191,886**	**1,172,466**
EXPENSES					
Employee benefits	114,741	117,002	117,002	117,002	117,002
Suppliers	276,086	341,121	357,829	338,717	292,150
Depreciation and amortisation [a]	427,519	458,858	483,701	504,661	511,106
Finance costs	88,733	100,608	110,702	114,214	110,691
Write-down and impairment of assets	44	-	-	-	-
Total expenses	**907,123**	**1,017,589**	**1,069,234**	**1,074,594**	**1,030,949**
Profit/(loss) before income tax	**23,576**	**34,557**	**148,513**	**117,292**	**141,517**
Income tax expense	9,674	13,077	46,886	37,682	45,332
Net profit/(loss)	**13,902**	**21,480**	**101,627**	**79,610**	**96,185**
Profit/(loss) attributable to the Australian Government	**13,902**	**21,480**	**101,627**	**79,610**	**96,185**
Total comprehensive income attributable to the Australian Government	**13,902**	**21,480**	**101,627**	**79,610**	**96,185**

Note: Impact of Net Cash Appropriation Arrangements

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	**13,902**	**21,480**	**101,627**	**79,610**	**96,185**
plus: depreciation/amortisation expenses for ROU assets	376,607	403,105	424,996	441,936	445,510
less: lease principal repayments	363,034	384,646	406,087	426,449	434,005
Net Cash Operating Surplus/(Deficit)	**27,475**	**39,939**	**120,536**	**95,097**	**107,690**

Notes

a. Prepared on Australian Accounting Standards basis and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

b. Impact of Net Cash Appropriation Arrangements - Included in accordance with RMG 125 Commonwealth Entities Financial Statements Guide. As DHA is not directly appropriated, the above information is presented for reporting purposes only and includes the depreciation and principal repayments of leases under AASB 16 Leases.

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	100,226	100,216	100,055	99,566	158,398
Trade and other receivables	4,497	5,996	7,485	8,698	8,982
Other financial assets	30,303	30,303	30,303	30,303	30,303
Total financial assets	**135,026**	**136,515**	**137,843**	**138,567**	**197,683**
Non-financial assets					
Land and buildings	5,835,980	6,165,576	6,607,113	6,877,218	6,833,456
Property, plant and equipment	12,738	11,205	9,397	7,346	5,062
Intangibles	-	-	-	-	-
Inventories	169,792	219,874	225,188	302,237	341,395
Tax assets	39,103	41,336	42,417	44,446	44,094
Other non-financial assets	11,304	11,676	12,064	12,470	12,895
Total non-financial assets	**6,068,917**	**6,449,667**	**6,896,179**	**7,243,717**	**7,236,902**
Total assets	**6,203,943**	**6,586,182**	**7,034,022**	**7,382,284**	**7,434,585**
LIABILITIES					
Payables					
Suppliers	32,469	32,469	32,469	32,469	32,469
Other payables	38,708	38,053	65,640	82,894	84,596
Total payables	**71,177**	**70,522**	**98,109**	**115,363**	**117,065**
Interest bearing liabilities					
Loans	295,000	365,600	365,600	365,600	365,600
Leases	1,574,873	1,715,962	1,877,149	1,964,006	1,755,453
Total interest bearing liabilities	**1,869,873**	**2,081,562**	**2,242,749**	**2,329,606**	**2,121,053**
Provisions					
Employee provisions	20,121	22,411	24,798	27,185	29,417
Other provisions	106,443	111,668	118,019	122,204	118,678
Total provisions	**126,564**	**134,079**	**142,817**	**149,389**	**148,095**
Total liabilities	**2,067,614**	**2,286,163**	**2,483,675**	**2,594,358**	**2,386,213**
Net assets	**4,136,329**	**4,300,019**	**4,550,347**	**4,787,926**	**5,048,372**
EQUITY [b]					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	3,611,887	3,754,097	3,902,798	4,060,767	4,225,028
Retained surplus (accumulated deficit)	128,294	149,774	251,401	331,011	427,196
Total parent entity interest	**4,136,329**	**4,300,019**	**4,550,347**	**4,787,926**	**5,048,372**
Total non-controlling interest	**-**	**-**	**-**	**-**	**-**
Total equity	**4,136,329**	**4,300,019**	**4,550,347**	**4,787,926**	**5,048,372**

Notes

a. Prepared on Australian Accounting Standards basis and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

b. Equity is the residual interest in assets after the deduction of liabilities.

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	932,351	1,047,134	1,238,824	1,198,595	1,164,719
Interest	5,233	3,513	3,591	3,561	7,463
Other	-	-	-	-	-
Total cash received	**937,584**	**1,050,647**	**1,242,415**	**1,202,156**	**1,172,182**
Cash used					
Employees	112,357	114,712	114,615	114,615	114,770
Suppliers	172,364	343,992	315,241	365,118	282,274
Borrowing costs	13,817	26,008	27,225	27,150	27,150
Interest payments on lease liability	74,916	74,600	83,477	87,064	83,541
Other	56,953	63,548	94,827	84,994	92,737
Total cash used	**430,407**	**622,860**	**635,385**	**678,941**	**600,472**
Net cash from/(used by) operating activities	**507,177**	**427,787**	**607,030**	**523,215**	**571,710**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,319	-	-	-	-
Total cash received	**1,319**	**-**	**-**	**-**	**-**
Cash used					
Purchase of property, plant and equipment and intangibles	177,055	113,751	201,104	97,255	78,873
Total cash used	**177,055**	**113,751**	**201,104**	**97,255**	**78,873**
Net cash from/(used by) investing activities	**-175,736**	**-113,751**	**-201,104**	**-97,255**	**-78,873**
FINANCING ACTIVITIES					
Cash received					
Cash received from borrowings	25,000	70,600	-	-	-
Total cash received	**25,000**	**70,600**	**-**	**-**	**-**
Cash used					
Repayments of borrowings	-	-	-	-	-
Principal payments on lease liability	363,034	384,646	406,087	426,449	434,005
Dividends paid	-	-	-	-	-
Total cash used	**363,034**	**384,646**	**406,087**	**426,449**	**434,005**
Net cash from/(used by) financing activities	**-338,034**	**-314,046**	**-406,087**	**-426,449**	**-434,005**
Net increase/(decrease) in cash held	**-6,593**	**-10**	**-161**	**-489**	**58,832**
Cash and cash equivalents at the beginning of the reporting period	106,819	100,226	100,216	100,055	99,566
Cash and cash equivalents at the end of the reporting period	**100,226**	**100,216**	**100,055**	**99,566**	**158,398**

Note

a. Prepared on Australian Accounting Standards basis and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

Table 7: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27) [a]

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2026				
Balance carried forward from previous period	128,294	3,611,887	396,148	4,136,329
Adjusted opening balance	**128,294**	**3,611,887**	**396,148**	**4,136,329**
Comprehensive income				
Surplus/(deficit) for the period	21,480	-	-	21,480
Total comprehensive income	**21,480**	**-**	**-**	**21,480**
Contributions by owners				
Other	-	142,210	-	142,210
Sub-total transactions with owners	**-**	**142,210**	**-**	**142,210**
Estimated closing balance as at 30 June 2027	**149,774**	**3,754,097**	**396,148**	**4,300,019**
Closing balance attributable to the Australian Government	**149,774**	**3,754,097**	**396,148**	**4,300,019**

Note

a. Prepared on Australian Accounting Standards basis and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

Table 8: Statement of Departmental Asset Movements (Budget Year 2026-27) [a]

	Land	Buildings	Other Property, Plant and Equipment	Computer Software and Intangibles	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2026					
Gross book value	2,206,166	2,087,955	31,456	21,163	4,346,740
Gross book value - ROU assets	-	3,582,999	2,566	-	3,585,565
Accumulated depreciation/ amortisation and impairment	-	150	-19,198	-21,163	-40,211
Accumulated depreciation/amortisation and impairment - ROU assets	-	-2,041,290	-2,086	-	-2,043,376
Opening net book balance	**2,206,166**	**3,629,814**	**12,738**	**-**	**5,848,718**
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	35,192	65,423	1,200	-	101,815
By purchase - other - ROU assets	-	542,896	-	-	542,896
Total additions	**35,192**	**608,319**	**1,200**	**-**	**644,711**
Other movements					
Depreciation/amortisation expense	-	-53,860	-1,893	-	-55,753
Depreciation/amortisation on ROU assets	-	-402,265	-840	-	-403,105
Other	45,262	96,948	-	-	142,210
Total other movements	**45,262**	**-359,177**	**-2,733**	**-**	**-316,648**
As at 30 June 2027					
Gross book value	2,286,620	2,250,326	32,656	21,163	4,590,765
Gross book value - ROU assets	-	4,125,895	2,566	-	4,128,461
Accumulated depreciation/ amortisation and impairment	-	-53,710	-21,091	-21,163	-95,964
Accumulated depreciation/amortisation and impairment - ROU assets	-	-2,443,555	-2,926	-	-2,446,481
Closing net book balance	**2,286,620**	**3,878,956**	**11,205**	**-**	**6,176,781**

Note

a. Prepared on Australian Accounting Standards basis and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR).

3.2.2 Notes to the Budgeted Financial Statements

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

Australian Naval Nuclear Power Safety Regulator

Entity Resources and Planned Performance

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Australian Naval Nuclear Power Safety Regulator

Section 1: ANNPSR Overview and Resources

1.1 Strategic Direction Statement

In alignment with the *2026 National Defence Strategy*, conventionally-armed, nuclear-powered submarines represent a central tenet of the approach to enhance Australia's capability to deter threats to its national security and contribute to regional stability. Australia is preserving its sovereignty, maintaining our economic connection to the world and investing in progress through the Australia, the United Kingdom and the United States (AUKUS) Optimal Pathway and the Nuclear-Powered Submarine Program.

The establishment of the Australian Naval Nuclear Power Safety Regulator (ANNPSR) as a statutory regulator on 1 November 2025 represents an enduring commitment to the safety of the environment and people.

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

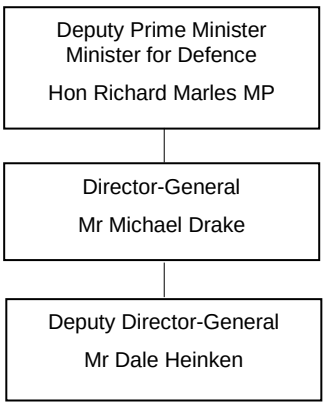
In addition to AUKUS partners, ANNPSR works in partnership with entities within the Defence portfolio, and with Australian Government, state and territory departments, regulators and agencies to assure safety across the nuclear-powered submarine lifecycle.

Key priorities for ANNPSR in 2026-27 include regulatory activities, specifically: monitoring activities occurring under licences transitioned from the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) on establishment of ANNPSR in relation to HMAS Stirling, WA, and the assessment of a siting licence for the Nuclear-Powered Submarine Construction Yard at Osborne, SA.

Throughout 2026-27, ANNPSR will continue to build Australian naval nuclear regulatory capability, working closely with ARPANSA, as well as other key stakeholders, such as AUKUS partners and the Defence Seaworthiness Program, on building the regulatory workforce capability ahead of Submarine Rotational Force-West.

ANNPSR Organisational Structure

Figure 1: ANNPSR Organisational Chart



Organisational Structure

No changes have taken place since the last Portfolio Statements.

Senior Executive Changes

On 10 April 2026, Mr Dale Heinken commenced as Deputy Director-General.

1.2 ANNPSR Resource Statement

This table shows the total resourcing available to the ANNPSR to deliver programs and services on behalf of the Government.

Table 1: ANNPSR Resource Statement - Budget Estimates for 2026-27 as at May Budget 2026 [a] [b]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Departmental					
Annual appropriations - ordinary annual services					
Departmental appropriation [c]	29,250	50,011	62,922	75,855	61,399
Total departmental resourcing	**29,250**	**50,011**	**62,922**	**75,855**	**61,399**
Total resourcing for ANNPSR	**29,250**	**50,011**	**62,922**	**75,855**	**61,399**

Notes
a. Prepared on a resourcing (i.e. appropriations available) basis.
b. Annual appropriation amounts reported for 2025-26 are inclusive of Supply Bill arrangements.
c. Appropriation Bill (No. 1) 2026-2027.

1.3 Budget Measures

2026-27 Budget Measures and Other Budget Adjustments

Table 2: ANNPSR 2026-27 Budget Measures [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000	Total $'000
Departmental Budget Measures						
Savings from External Labour and Non-Wage Expenses - one year extension	-	-	-	-	-6,666	-6,666
Total Departmental Budget Measures	**-**	**-**	**-**	**-**	**-6,666**	**-6,666**
Other Budget Adjustments						
Further Savings from External Labour and Non-Wage Expenses	-	-243	-313	-433	-	-989
Other Budget Adjustments	-	-97	-430	-667	-662	-1,856
Total Other Departmental Budget Adjustments	**-**	**-340**	**-743**	**-1,100**	**-662**	**-2,845**
Variation to ANNPSR Departmental Funding	**-**	**-340**	**-743**	**-1,100**	**-7,328**	**-9,511**

Notes

a. Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: ANNPSR Outcomes and Planned Performance

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

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

Note:

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

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

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome 1 Strategy

Linked Programs

Australian Nuclear Science and Technology Organisation
Program 2 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked program
Australian Nuclear Science and Technology Organisation (ANSTO) contributes to Outcome 1 through the provision of expertise and advice in the support of the Nuclear-Powered Submarine Program, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

Australian Radiation Protection and Nuclear Safety Agency
Program 1.2 - Nuclear-Powered Submarines.
Contribution to Outcome 1 by linked program
Australian Radiation Protection and Nuclear Safety Agency contributes to Outcome 1 through the provision of radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.

Budgeted Expenses for Outcome 1

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

Table 3: Budgeted Expenses for Outcome 1

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Program 1.1: Regulation of Naval Nuclear Power Activities					
Expenses funded by appropriation and own source revenue [a]					
Employees	10,516	16,592	17,345	17,968	18,540
Suppliers	18,281	32,717	44,853	57,140	42,088
Other expenses	59	73	53	33	10
Expenses not requiring appropriation [b]	**28,856**	**49,382**	**62,251**	**75,141**	**60,638**
Resources received free of charge	-	-	-	-	-
Depreciation and amortisation	453	679	679	679	679
Net w rite-dow n and net impairment of assets	-	-	-	-	-
	453	**679**	**679**	**679**	**679**
Total operating expenses	**29,309**	**50,061**	**62,930**	**75,820**	**61,317**
Capital expenditure funded by appropriation					
Purchases of non-financial assets	-	-	-	-	-
Principal repayments of lease liabilities	394	629	671	714	761
	394	**629**	**671**	**714**	**761**
Total capital expenditure	**394**	**629**	**671**	**714**	**761**
Total funded expenditure for Program 1.1	**29,250**	**50,011**	**62,922**	**75,855**	**61,399**

	2025-26	2026-27
Average staffing level (number)	77	92

Notes

a. Annual appropriation amounts reported are inclusive of Supply Bill arrangements.
b. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, write-down and impairment of assets, other resources received free of charge, auditor fees, and interest on Right-of-Use assets.

Table 4: Performance Measures for Outcome 1

Table 4 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2026-27 Budget Measures that have created new programs or materially changed existing programs are provided.

Program 1.1: Regulation of Naval Nuclear Power Activities		
Program 1.1 Objective ANNPSR's objectives are to protect the environment and people by providing assurance for nuclear safety of Australia's Nuclear-Powered Submarine Program, as well as promote, monitor and enforce compliance with the *Australian Naval Nuclear Power Safety Act 2024*.		
Key Activities	Key activities reported in the Corporate Plan that relate to this program: • Develop and maintain a healthy nuclear safety culture within the Regulator. • Develop, support and maintain a regulatory framework, and provide operational guidance. • Conduct effective regulatory action. • Promote public confidence and trust in the Regulator. • Support the AUKUS partnership. • Increase and sustain the capability, capacity and expertise of the agency.	
Year	**Performance Measures**	**Expected Performance Results**
Current Year 2025-26	Conduct effective regulatory action.	Percentage of licence applications processed in accordance with established timeframes. *Target: 90%.* Percentage of planned inspections and audits completed in accordance with relevant Regulatory Oversight Plans and Annual Inspection Plans. *Target: 90%.*
	Promote public confidence and trust in the Regulator through public consultation and engagement.	Public enquiries received and responded within 20 working days. *Target: 90%.* Conduct engagement activities with relevant stakeholders. *Target: at least 20 per annum.*
	Support the AUKUS partnership by assuring nuclear safety aligned with the Optimal Pathway.	AUKUS peer regulators are regularly engaged. ANNPSR regulatory capability is aligned with nuclear-powered submarine activities. Observing US and UK nuclear-powered submarine visits.

Table continued on the next page.

Program 1.1: Regulation of Naval Nuclear Power Activities

Program 1.1 Objective

ANNPSR's objectives are to protect the environment and people by providing assurance for nuclear safety of Australia's Nuclear-Powered Submarine Program, as well as promote, monitor and enforce compliance with the *Australian Naval Nuclear Power Safety Act 2024*.

Year	Performance Measures	Planned Performance Results
Budget Year 2026-27 [a]	Conduct effective regulatory action.	Percentage of licence applications processed in accordance with established timeframes. *Target: 90%.* Percentage of planned inspections and audits completed in accordance with relevant Regulatory Oversight Plans and Annual Inspection Plans. *Target: 90%.*
	Promote public confidence and trust in the Regulator through public consultation and engagement.	Public enquiries received and responded within 20 working days. *Target: 90%.* Conduct engagement activities with relevant stakeholders. *Target: at least 20 per annum.*
	Support the AUKUS partnership by assuring nuclear safety aligned with the Optimal Pathway.	AUKUS peer regulators are regularly engaged. ANNPSR regulatory capability is aligned with nuclear-powered submarine activities. Observing US and UK nuclear-powered submarine visits.
Year	**Performance Measures**	**Planned Performance Results**
Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
Material changes to Program 1.1 resulting from 2026-27 Budget Measures: Nil.		

Note

a. ANNPSR is reviewing its performance measures for 2026-27. ANNPSR's performance measures and targets will be published in the ANNPSR Corporate Plan 2026-27.

Section 3: ANNPSR Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of ANNPSR's finances for the 2026-27 Budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

Budgeted Departmental Income Statements

ANNPSR is budgeting for a break-even result in 2026-27 and across the Forward Estimates, after excluding unfunded depreciation and amortisation expenses.

Budgeted Departmental Balance Sheet

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

Budgeted Departmental Statement of Cash Flows

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

Table 5: Third Party Payments to and from Other Agencies [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000
Payments made to Department of Defence for provision of services (Departmental)	3,907	5,821

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

3.2 Budgeted Financial Statements

Table 6: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
EXPENSES					
Employee benefits	10,516	16,592	17,345	17,968	18,540
Suppliers	18,281	32,717	44,853	57,140	42,088
Depreciation and amortisation	453	679	679	679	679
Finance costs	59	73	53	33	10
Total expenses	**29,309**	**50,061**	**62,930**	**75,820**	**61,317**
Net (cost of)/contribution by services	**-29,309**	**-50,061**	**-62,930**	**-75,820**	**-61,317**
Revenue from Government	29,250	50,011	62,922	75,855	61,399
Surplus/(deficit) attributable to the Australian Government	**-59**	**-50**	**-8**	**35**	**82**

Impact of net cash appropriation arrangements

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	**-59**	**-50**	**-8**	**35**	**82**
plus: depreciation/amortisation expenses for ROU assets [a]	453	679	679	679	679
less: lease principal repayments [a]	394	629	671	714	761
Net Cash Operating Surplus/(Deficit)	**-**	**-**	**-**	**-**	**-**

Note
a. Applies to leases under AASB 16 Leases.

Table 7: Budgeted Departmental Balance Sheet (as at 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	500	500	500	500	500
Trade and other receivables	4,103	4,366	4,007	4,112	4,284
Total financial assets	**4,603**	**4,866**	**4,507**	**4,612**	**4,784**
Non-financial assets					
Land and buildings	2,716	2,037	1,358	679	-
Total non-financial assets	**2,716**	**2,037**	**1,358**	**679**	**-**
Total assets	**7,319**	**6,903**	**5,865**	**5,291**	**4,784**
LIABILITIES					
Payables					
Suppliers	1,440	1,440	1,440	1,440	1,440
Other payables	454	609	143	149	230
Total payables	**1,894**	**2,049**	**1,583**	**1,589**	**1,670**
Interest bearing liabilities					
Leases	2,775	2,146	1,475	761	-
Total interest bearing liabilities	**2,775**	**2,146**	**1,475**	**761**	**-**
Provisions					
Employee provisions	2,709	2,817	2,924	3,023	3,114
Total provisions	**2,709**	**2,817**	**2,924**	**3,023**	**3,114**
Total liabilities	**7,378**	**7,012**	**5,982**	**5,373**	**4,784**
Net assets	**-59**	**-109**	**-117**	**-82**	**-**
EQUITY [a]					
Retained surplus/(accumulated deficit)	-59	-109	-117	-82	-
Total non-controlling interest	**-59**	**-109**	**-117**	**-82**	**-**
Total equity	**-59**	**-109**	**-117**	**-82**	**-**

Note
a. Equity is the residual interest in assets after the deduction of liabilities.

Table 8: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27)

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2026					
Balance carried forward from previous period	-59	-	-	-	-59
Comprehensive income					
Surplus/(deficit) for the period	-50	-	-	-	-50
Total comprehensive income	**-50**	**-**	**-**	**-**	**-50**
Estimated closing balance as at 30 June 2027	**-109**	**-**	**-**	**-**	**-109**
Closing balance attributable to the Australian Government	**-109**	**-**	**-**	**-**	**-109**

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

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	25,147	49,748	63,281	75,750	61,227
Total cash received	**25,147**	**49,748**	**63,281**	**75,750**	**61,227**
Cash used					
Employees	7,353	16,329	17,704	17,863	18,368
Suppliers	16,841	32,717	44,853	57,140	42,088
Interest payments on lease liability	59	73	53	33	10
Total cash used	**24,253**	**49,119**	**62,610**	**75,036**	**60,466**
Net cash from/(used by) operating activities	**894**	**629**	**671**	**714**	**761**
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	394	629	671	714	761
Total cash used	**394**	**629**	**671**	**714**	**761**
Net cash from/(used by) financing activities	**-394**	**-629**	**-671**	**-714**	**-761**
Net increase/(decrease) in cash held	**500**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the beginning of the reporting period	-	500	500	500	500
Cash and cash equivalents at the end of the reporting period	**500**	**500**	**500**	**500**	**500**

Table 10: Statement of Departmental Asset Movements (Budget Year 2026-27)

	Buildings	Other Property, Plant and Equipment	Computer Software and Intangibles	Other	Total
	$'000	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2026					
Gross book value - ROU assets	3,169	-	-	-	3,169
Accumulated depreciation/amortisation and impairment - ROU assets	-453	-	-	-	-453
Opening net book balance	**2,716**	**-**	**-**	**-**	**2,716**
Other movements					
Depreciation/amortisation on ROU assets	-679	-	-	-	-679
Total other movements	**-679**	**-**	**-**	**-**	**-679**
Closing balance as at 30 June 2027					
Gross book value - ROU assets	3,169	-	-	-	3,169
Accumulated depreciation/amortisation and impairment - ROU assets	-1,132	-	-	-	-1,132
Closing net book balance	**2,037**	**-**	**-**	**-**	**2,037**

3.2.2 Notes to the Budgeted Financial Statements

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

Defence and Veterans' Service Commission

Entity Resources and Planned Performance

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Defence and Veterans' Service Commission

Section 1: DVSC Overview and Resources

1.1 Strategic Direction Statement

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

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

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

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

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

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

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

The Commissioner will also:

- Improve support for serving and ex-serving ADF members;
- Conduct inquiries, research and advise on matters requested by the Minister; and
- Collaborate with coroners to understand issues contributing to Defence and veteran deaths by suicide.

The DVSC will not inquire into or intervene in individual matters, including claims for entitlements, complaints or appeals against another entity. The DVSC is focused on oversight and influencing system-level reforms as envisaged by the RCDVS.

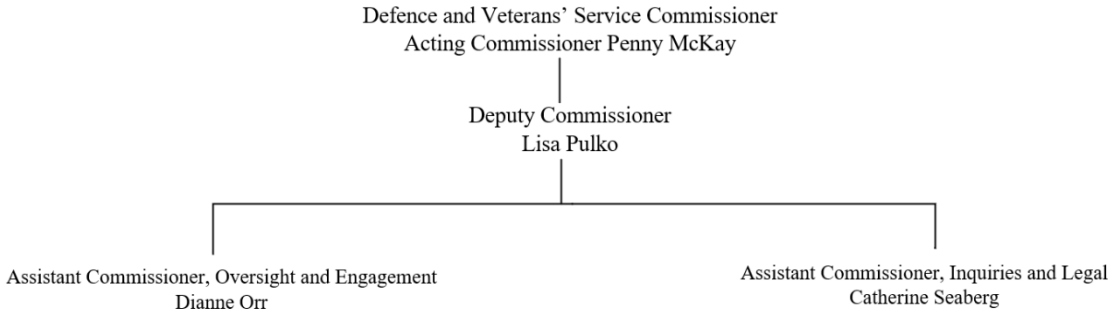
In 2026-27 the DVSC will particularly focus on:

- Implementing an oversight framework including processes and procedures for monitoring, inquiring into and reporting on the implementation of the recommendations made by the RCDVS;
- Commencing inquiries into the implementation, impact and outcomes of RCDVS recommendations. This work commenced in early 2026 with an inquiry into the implementation of RCDVS interim recommendations 9-13 about access to information;
- Undertaking an inquiry into military sexual violence in response to a request from the Minister for Veterans' Affairs and Defence Personnel made under section 110ZFB of the *Defence Act 1903*. This inquiry will implement RCDVS recommendation 25; and
- Engaging with people who have an interest in, and who can provide insights to inform the work of the DVSC including ex-service organisations, government entities, people with lived experience and researchers. The establishment of the Commissioner's Advisory Group will provide a direct line of engagement with people with lived experience and those with relevant research, health, data and policy expertise.

DVSC Organisational Structure

Figure 1: DVSC Organisational Chart

The chart below shows positions occupied by DVSC's Senior Executive Service.



This Organisational Chart is effective as at the time of this publication release.

Organisational Structure

The DVSC is an independent oversight agency. The DVSC is led by the Defence and Veterans' Service Commissioner. The Commissioner is supported by the Deputy Commissioner and Assistant Commissioners.

Senior Executive Changes

- Ms Catherine Seaberg commenced as Assistant Commissioner Inquiries and Legal on 27 January 2026.
- Ms Dianne Orr commenced as Assistant Commissioner, Oversight and Engagement on 20 April 2026.

1.2 DVSC Resource Statement

Table 1: DVSC Resource Statement - Budget Estimates for 2026-27 as at May 2026 [a] [b] [c]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Departmental					
Annual appropriations - ordinary annual services [d]					
Prior year appropriations available	-	-	-	-	-
Departmental appropriation [e]	7,453	16,631	21,732	11,867	11,291
s74 External Revenue	-	-	-	-	-
Departmental capital budget [f]	300	1,531	504	504	504
Total departmental annual appropriations	7,753	18,162	22,236	12,371	11,795
Total departmental resourcing	**7,753**	**18,162**	**22,236**	**12,371**	**11,795**
Total resourcing for DVSC	**7,753**	**18,162**	**22,236**	**12,371**	**11,795**

Notes
a. Prepared on a resourcing (i.e. appropriations available) basis.
b. All figures shown above are GST exclusive - these may not match figures in the cash flow statement.
c. Annual appropriation amounts reported are inclusive of Supply Bill arrangements.
d. Appropriation Bill (No. 1) 2026-2027.
e. Excludes Departmental Capital Budget (DCB).
f. DCB is not separately identified in Appropriation Bill (No.1) and forms part of ordinary annual services items. Please refer to Table 10 for further details. For accounting purposes, capital budget appropriations have been designated as a 'contribution by owner'.

1.3 Budget Measures

2026-27 Budget Measures and Other Budget Adjustments

Table 2: DVSC 2026-27 Budget Measures

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000	Total $'000
Departmental Budget Measures						
Inquiry into Military Sexual Violence in the Australian Defence Force	-	6,626	9,999	-	-	16,625
Savings from External Labour and Non-Wage Expenses - one year extension	-	-	-	-	-610	-610
Total Departmental Budget Measures	**-**	**6,626**	**9,999**	**-**	**-610**	**16,015**
Other Budget Adjustments						
Further Savings from External Labour and Non-Wage Expenses	-	-29	-31	-34	-	-94
Other budget adjustments	-1,691	1,172	244	233	233	191
Total Other Departmental Budget Adjustments	**-1,691**	**1,143**	**213**	**199**	**233**	**97**
Total	**-1,691**	**7,769**	**10,212**	**199**	**-377**	**16,112**

Section 2: DVSC Outcomes and Planned Performance

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

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

Note:

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

The most recent corporate plan and annual performance statement for DVSC can be found at: https://www.dvsc.gov.au/about-us/accountability-and-reporting/corporate-plan

2.1 Budgeted Expenses and Performance for Outcome 1

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

Outcome 1 Strategy

The Commission commenced operation on 29 September 2025. The corporate plan for the 2025-26 year is under development.

Linked Programs

The Commission is an independent oversight agency and does not have programs linked to other entities.

Budgeted Expenses for Outcome 1

Table 3: Budgeted Expenses for Outcome 1

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Program 1.1: Defence and Veterans' Service Commission					
Expenses funded by appropriation and own source revenue [a]					
Employees	4,398	5,921	7,312	7,398	7,398
Suppliers	3,055	10,710	14,420	4,469	3,893
Other expenses	-	-	-	-	-
	7,453	**16,631**	**21,732**	**11,867**	**11,291**
Expenses not requiring appropriation [b]					
Resources received free of charge	40	10	10	10	10
Depreciation and amortisation	17	241	508	625	733
Net w rite-dow n and net impairment of assets	-	-	-	-	-
	57	**251**	**518**	**635**	**743**
Total operating expenses	**7,510**	**16,882**	**22,250**	**12,502**	**12,034**
Capital expenditure funded by appropriation					
Purchases of non-financial assets	300	1,531	504	504	504
Principal repayments of lease liabilities	-	-	-	-	-
	300	**1,531**	**504**	**504**	**504**
Total capital expenditure	**300**	**1,531**	**504**	**504**	**504**
Total funded expenditure for Program 1.1	**7,753**	**18,162**	**22,236**	**12,371**	**11,795**

	2025-26	2026-27
Average staffing level (number)	22	48

Notes
a. Annual appropriation amounts reported are inclusive of Supply Bill arrangements.
b. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, write-down and impairment of assets, other resources received free of charge, auditor fees, and interest on Right-of-Use assets.

Table 4: Performance Measures for Outcome 1

The Commission commenced operation on 29 September 2025. The corporate plan for the 2025-26 year is being developed. Performance reporting will begin in the 2026-27 Financial Year.

Section 3: DVSC Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of DVSC's finances for the 2026-27 Budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 5: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
EXPENSES					
Employee benefits	4,398	5,921	7,312	7,398	7,398
Suppliers	3,055	10,710	14,420	4,469	3,893
Grants	-	-	-	-	-
Depreciation and amortisation [b]	17	241	508	625	733
Total expenses	**7,470**	**16,872**	**22,240**	**12,492**	**12,024**
LESS:					
OWN-SOURCE INCOME					
Total own-source income	**-**	**-**	**-**	**-**	**-**
Net (cost of)/contribution by services	**-7,470**	**-16,872**	**-22,240**	**-12,492**	**-12,024**
Revenue from Government	7,453	16,631	21,732	11,867	11,291
Surplus/(deficit) attributable to the Australian Government	**-17**	**-241**	**-508**	**-625**	**-733**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss)	**-17**	**-241**	**-508**	**-625**	**-733**
Total comprehensive income/(loss) attributable to the Australian Government	**-17**	**-241**	**-508**	**-625**	**-733**

Note: Impact of net cash appropriation arrangements

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	**-17**	**-241**	**-508**	**-625**	**-733**
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) [a]	17	241	508	625	733
plus: depreciation/amortisation expenses for ROU assets	-	-	-	-	-
less: lease principal repayments	-	-	-	-	-
Net Cash Operating Surplus/(Deficit)	**-**	**-**	**-**	**-**	**-**

Notes

a. Prepared on Australian Accounting Standards basis.

b. From 2010-11, the Government introduced net cash appropriation arrangements that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Bill (No. 1). This replaced revenue appropriations provided under Appropriation Bill (No. 1) used for the depreciation/amortisation expenses. For information regarding DCBs, please refer to Table 10 Departmental Capital Budget Statement.

Table 6: Budgeted Departmental Balance Sheet (as at 30 June) [a]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
ASSETS					
Non-financial assets					
Land and buildings					
Property, plant and equipment	283	623	819	898	869
Investment property					
Intangibles	-	950	750	550	350
Total non-financial assets	**283**	**1,573**	**1,569**	**1,448**	**1,219**
Total assets	**283**	**1,573**	**1,569**	**1,448**	**1,219**
LIABILITIES					
Payables					
Total payables	-	-	-	-	-
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	**283**	**1,573**	**1,569**	**1,448**	**1,219**
EQUITY [b]					
Contributed equity	300	1,831	2,335	2,839	3,343
Reserves					
Retained surplus (accumulated deficit)	-17	-258	-766	-1,391	-2,124
Total parent entity interest	**283**	**1,573**	**1,569**	**1,448**	**1,219**
Attributed to non-controlling interest	-	-	-	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	**283**	**1,573**	**1,569**	**1,448**	**1,219**

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

Table 7: Budgeted Departmental Statement of Cash Flows - Summary of Movement (for the period ended 30 June)

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	7,453	16,631	21,732	11,867	11,291
Total cash received	**7,453**	**16,631**	**21,732**	**11,867**	**11,291**
Cash used					
Employees	4,398	5,921	7,312	7,398	7,398
Suppliers	3,055	10,710	14,420	4,469	3,893
Total cash used	**7,453**	**16,631**	**21,732**	**11,867**	**11,291**
Net cash from/(used by) operating activities	**-**	**-**	**-**	**-**	**-**
INVESTING ACTIVITIES					
Cash received					
Total cash received	**-**	**-**	**-**	**-**	**-**
Cash used					
Purchase of property, plant and equipment and intangibles	300	1,531	504	504	504
Total cash used	**300**	**1,531**	**504**	**504**	**504**
Net cash from/(used by) investing activities	**-300**	**-1,531**	**-504**	**-504**	**-504**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	300	1,531	504	504	504
Total cash received	**300**	**1,531**	**504**	**504**	**504**
Cash used					
Total cash used	**-**	**-**	**-**	**-**	**-**
Net cash from/(used by) financing activities	**300**	**1,531**	**504**	**504**	**504**
Net increase/(decrease) in cash held	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at the end of the reporting period	**-**	**-**	**-**	**-**	**-**

Table 8: Departmental Statement of Changes in Equity - Summary of Movement (Budget Year 2026-27)

	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Contributed Equity/ Capital	Total Equity
	$'000	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2026					
of which:					
Balance carried forward from previous period	-17	-	-	300	283
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	**-17**	**-**	**-**	**300**	**283**
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-241	-	-	-	-241
Total comprehensive income	**-241**	**-**	**-**	**-**	**-241**
Attributable to the Australian Government	-	-	-	-	-
Attributable to non-controlling interest	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity injection	-	-	-	-	-
Equity injection - Appropriation	-	-	-	1,172	1,172
Departmental Capital Budget (DCB)	-	-	-	359	359
Sub-total transactions with owners	**-**	**-**	**-**	**1,531**	**1,531**
Transfers between equity					
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2027	**-258**	**-**	**-**	**1,831**	**1,573**
Closing balance attributable to the Australian Government	**-258**	**-**	**-**	**1,831**	**1,573**

Table 9: Statement of Departmental Asset Movements (Budget Year 2026-27) [a] [b]

	Other Property, Plant and Equipment $'000	Computer Software and Intangibles $'000	Total $'000
As at 1 July 2026			
Gross book value	300	-	300
Gross book value - ROU assets	-	-	-
Accumulated depreciation/ amortisation and impairment	-17	-	-17
Accumulated depreciation/amortisation and impairment - ROU assets	-	-	-
Opening net book balance	**283**	**-**	**283**
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity [c]	531	1,000	1,531
By purchase - appropriation equity - ROU assets	-	-	-
By purchase - appropriation ordinary annual services	-	-	-
By purchase - appropriation ordinary annual services - ROU assets	-	-	-
By purchase - donated funds	-	-	-
By purchase - other	-	-	-
By purchase - other - ROU assets	-	-	-
Assets received as gifts/donations	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-
Total additions	**531**	**1,000**	**1,531**
Other movements			
Depreciation/amortisation expense	-191	-50	-241
Total other movements	**-191**	**-50**	**-241**
As at 30 June 2027			
Gross book value	831	1,000	1,831
Gross book value - ROU assets	-	-	-
Accumulated depreciation/ amortisation and impairment	-208	-50	-258
Accumulated depreciation/amortisation and impairment - ROU assets	-	-	-
Closing net book balance	**623**	**950**	**1,573**

Notes
a. Prepared on Australian Accounting Standards basis.
b. Annual appropriation amounts reported are inclusive of Supply Bill arrangements.
c. 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Bill (No. 2) 2026-2027 and includes Collection Development Acquisition Budgets (CDABs).

Table 10: Departmental Capital Budget Statement (for the period ended 30 June) [a] [b]

	2025-26 Estimated Actual $'000	2026-27 Budget Estimate $'000	2027-28 Forward Estimate $'000	2028-29 Forward Estimate $'000	2029-30 Forward Estimate $'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	300	1,531	504	504	504
Total new capital appropriations	**300**	**1,531**	**504**	**504**	**504**
Provided for:					
Purchase of non-financial assets	300	1,531	504	504	504
Total items	**300**	**1,531**	**504**	**504**	**504**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB [c]	300	1,531	504	504	504
TOTAL	**300**	**1,531**	**504**	**504**	**504**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	300	1,531	504	504	504
less: additions by creditors/borrowings	-	-	-	-	-
plus: borrowing/finance costs	-	-	-	-	-
less: ROU Additions	-	-	-	-	-
less: gifted assets	-	-	-	-	-
less: s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	**300**	**1,531**	**504**	**504**	**504**

Notes
a. Prepared on Australian Accounting Standards basis.
b. Annual appropriation amounts reported are inclusive of Supply Bill arrangements.
c. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

3.2.2 Notes to the Budgeted Financial Statements

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

Glossary

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are required to change, Parliament may make adjustments to portfolios through the Additional Estimates Acts.
Administered appropriation	Revenue, expenses, assets and liabilities administered by an agency for the Commonwealth (such as taxes, benefits payments and public debt) that are not concerned with running the agency or its commercial activities.
Administered items	Expenses, revenues, assets or liabilities managed by an agency on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Agency	Assets, liabilities, revenues and expenses that are controlled by Defence or a subsidiary. Includes officials allocated to the organisation.
Amortisation	A term used interchangeably with depreciation, except that it applies to a non-current physical asset under finance lease, or a non-current intangible asset, over its limited useful life.
Annual appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates.
Appropriation	An authorisation by Parliament to spend money from the Consolidated Revenue Fund (the principal working fund of the Commonwealth) for a particular purpose.
Asset	An asset is a resource: • controlled by an entity as a result of a past event. • from which future economic benefits are expected to flow to the entity.
Assets under construction	Assets under construction by Defence for Defence, or for the use of another entity, according to a construction contract where Defence controls the asset until completion, or assets under construction or otherwise being made ready by another entity for use by Defence.
Australian Accounting Standards	Specify techniques of accounting practice and the method of presenting financial information about a reporting entity.
Average funded strength	A budgetary measure used to count the average number of Australian Defence Force members paid on a full-time equivalent basis during a financial year.
Capability	The combination of military equipment, personnel, logistics support, training, resources, etc. that provides Defence with the ability to achieve its operational aims.
Capability Manager	A Capability Manager is responsible for raising, training and sustaining capabilities as directed by the Secretary and the Chief of the Defence Force. Capability Managers include the Vice Chief of the Defence Force, Associate Secretary, Director-General Australian Signals Directorate, Director-General Australian Submarine Agency, Chief of Joint Capabilities, Chief of Defence Intelligence, the Service Chiefs, Chief Information Officer, Deputy Secretary Security and Estate, and Chief Defence Scientist.

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

Term	Meaning
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Force element	A component of a unit, a unit or an association of units having common prime objectives and activities.
Force element group	A grouping of force elements with an appropriate command and control structure for a specified role or roles (e.g. the Navy Submarine Group).
Forward Estimates	The level of proposed expenditure for future years, based on relevant demographic, economic and other future forecasting assumptions. The Government requires Forward Estimates for the following three financial years to be published in each annual Federal Budget paper.
Garrison Support Services	Includes a range of base support services such as ground maintenance, hospitality, training area management, base security, transport, air support and firefighting and rescue services.
Grant	• an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: • under which Commonwealth funds are to be paid to a grantee other than the Commonwealth. • which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.
Group	A high-level organisational grouping of functions and activities used by the Defence Executive as its primary management grouping (e.g. the Strategy, Policy & Industry Group).
Infrastructure	Items owned, leased or otherwise under the control of Defence in support of activities on land and within buildings. Infrastructure includes items such as runways, roads, car parks, parade grounds, ovals, lighting, water, sewerage and other general service related items. It does not include land upon which, or within which, it is constructed or those fixed items integral to, and under, buildings.
Integrated Investment Program	The Integrated Investment Program is a costed, detailed development plan for the Australian Defence capabilities to be delivered through implementation of the *Defence White Paper*. The program is reviewed regularly to take account of changing strategic circumstances, new technologies and changed priorities, in the context of the overall Defence budget.
Interoperability	The ability of systems, units or forces to provide the services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.
Inventory	Inventory is comprised of consumable stores and supplies, fuel and explosive ordnance used in the delivery of Defence services. These are items which are consumed in normal use, lose their identity during periods of use by incorporation into, or attachment upon, another assembly, as a result of wear and tear, cannot be reconditioned because their design does not make it possible, or their specific values do not justify it.

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

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

Term	Meaning
Service Options	Group members who provide capabilities where differentiated service arrangements or conditions of service are required. For example, a Reservist undertaking continuous full time service under the Total Workforce Model now has their service in Service Category 3, 4 or 5 'modified' by Service Option C (rendering continuous full time service) and personnel undertaking the ADF Gap Year program would have their service classified by Service Option G.
Special Account	Special Accounts are an appropriation mechanism to draw money from the Consolidated Revenue Fund for particular purposes. They are not bank accounts.
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations - the amount appropriated will depend on circumstances specified in the legislation.
Specialist military equipment	Assets of a military nature used for a specific military purpose. This includes military equipment and commercial items that have had major modifications to convert/fit them for a military purpose.
SSN	SSN is the US Navy hull classification symbol for nuclear-powered general-purpose attack submarines.
System Program Office	The office of the Program Manager. It serves as the single point of contact with industry, government agencies, and other activities participating in the acquisition process of a given system.
Theatre	The area in which military operations and activities take place.
Two-pass approval process	The process by which major capital investment proposals are developed for consideration and approval by the Government.
Unit Availability Days	A Unit Availability Day is a day when a unit is materielly ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
Weighted average cost	An inventory valuation method which considers the fluctuating prices and quantities of acquired goods in computing of the cost of inventory. The weighted average method takes the prices of units at the beginning inventory and the varying prices of purchases made and are weighted by the number of units to determine the weighted average cost per unit. It may be computed as the weighted average cost of all available goods present in a given period, or as a weighted moving average cost adjusted when new goods are delivered.
Write-downs	The reduction in the value of assets.

Acronyms

A

AACAP	Army Aboriginal Community Assistance Program
AAF	Army Amenities Fund
AAFCANS	Army and Air Force Canteen Service
AASB	Australian Accounting Standards Board
AC	Companion of the Order of Australia
ACC	Air Combat Capability
ACMA	Australia Communications and Media Authority
ACMC	Australian Civil-Military Centre
ACPB	Armidale Class Patrol Boats
ACS	Aegis Combat System
ADF	Australian Defence Force
AEWC	Airborne Early Warning and Control
ADGE	Air Defence Ground Environment
AFP	Australian Federal Police
AFV	Armoured Fighting Vehicle
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AI	Artificial Intelligence
AM	Member of the Order of Australia
AMFRTF	Australian Military Forces Relief Trust Fund
AMSA	Australian Maritime Safety Authority
ANNPSR	Australian Naval Nuclear Power Safety Regulator
ANSTO	Australian Nuclear Science and Technology Organisation
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
AO	Officer of the Order of Australia
AOR	Auxiliary Oiler Replenishment
APS	Australian Public Service
ARH	Armed Reconnaissance Helicopter
ASA	Australian Submarine Agency
ASC	Australian Submarine Corporation
ASCA	Advanced Strategic Capabilities Accelerator
ASD	Australian Signals Directorate

A

ASEAN	Association of Southeast Asian Nations
ASIS	Australian Secret Intelligence Service
ASIO	Australian Security Intelligence Organisation
ASPI	Australian Strategic Policy Institute
ATSB	Australian Transport Safety Bureau
ATTE	Advanced Test and Training Environment
AUKUS	Australia, the United Kingdom and the United States
AUSMIN	Australia-US Ministerial Consultations
AVM	Air Vice-Marshal
AWD	Air Warfare Destroyer

B

BRIG	Brigadier

C

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

D

DACC	Defence Assistance to the Civil Community
DCB	Defence Capital Budget
DCP	Defence Cooperation Program
DDA	Defence Delivery Agency
DDG	Hobart Class Air Warfare Destroyers / Deputy-Director General
DEWR	Department of Employment and Workplace Relations

D

DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DGS	Distributed Ground Station
DGST	Deployable Geospatial Support
DHA	Defence Housing Australia
DHOAS	Defence Home Ownership Assistance Scheme
DISR	Department of Industry, Science and Resources
DITC	Defence International Training Centre
DMFS	Defence Member and Family Support Branch
DSC	Distinguished Service Cross
DSM	Distinguished Service Medal
DSN	Defence Secret Network
DSR	Defence Strategic Review
DVA	Department of Veterans' Affairs
DVSC	Defence and Veterans' Service Commission

E

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

F

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

G

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

H

HIPP	HydroScheme Industry Partnership Program
HIMARS	High Mobility Artillery Rocket Systems
HKM	Health Knowledge Management
HS	Hydrographic ship
HMAS	His Majesty's Australian Ship

I

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

J

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

L

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

M

MAJGEN	Major General
MASS	Multi-Ammunition Softkill System
METOC	Mobile Meteorological and Oceanographic
MHC	Mine Hunter Coastal - Coastal Mine Hunter / Medium Heavy Capability
MMT	Mobile Meteorological Team
MOU	Memorandum of Understanding
MP	Member of Parliament
MRH	Multi-Role Helicopter
MRTT	Multi-Role Tanker Transport
MSBS	Military Superannuation and Benefits Scheme

M

MSU	Maritime Safety Updates
MWD	Members with Dependents
MWOD	Members without Dependents
MWD(U)	Members with Dependents (Unaccompanied)
MYEFO	Mid-Year Economic and Fiscal Outlook

N

NACC	New Air Combat Capability
NACCHO	National Aboriginal Community Controlled Health Organisation
NATO	North Atlantic Treaty Organization
NFP	Not For Publication
NSW	New South Wales

O

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

P

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

Q

QLD	Queensland

R

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

S

SA	South Australia
SAR	Search and Rescue
SERCAT	Service Category
SES	Senior Executive Service
SME	Specialist Military Equipment / School of Military Engineering / Small Medium Enterprise
SML	Survey Motor Launch
SPM	Special Public Monies
SRF	Submarine Rotational Force
STEM	Science, Technology, Engineering and Mathematics

T

TAS	Trusted Autonomous Systems / Tasmania

U

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

V

VIC	Victoria

W

WA	Western Australia

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