

PORTFOLIO SUPPLEMENTARY ADDITIONAL
ESTIMATES STATEMENTS 2025-26

APPROPRIATION BILL (NO. 5) 2025-2026
AND
APPROPRIATION BILL (NO. 6) 2025-2026

DEFENCE PORTFOLIO

Explanations of Supplementary Additional Estimates 2025-26

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THE HON RICHARD MARLES
DEPUTY PRIME MINISTER
MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit these *Portfolio Supplementary Additional Estimates Statements 2025-26* in support of the additional appropriations sought for the Defence Portfolio, through *Appropriation Bill (No. 5) 2025-26* and *Appropriation Bill (No. 6) 2025-26*.

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

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

Yours sincerely

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

Richard Marles

Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

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

Enquiries

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

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

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

User Guide

The purpose of the 2025-26 *Portfolio Supplementary Additional Estimates Statements* (PSAES) is to inform Senators, Members of Parliament and the public of the proposed allocation of additional resources to government outcomes by entities within the Defence portfolio.

The PSAES facilitate understanding of the proposed appropriations in Appropriation Bill (No. 5) 2025-2026 and Appropriation Bill (No. 6) 2025-2026. In this sense the PSAES is declared by the Appropriation Acts to be a ‘relevant document’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

Appropriation Bill (No. 5) 2025-2026, which follows on from *Appropriation Act (No. 1)* tabled at Budget and *Appropriation Act (No. 3)* tabled at Additional Estimates, will provide additional expenditure authority for the ordinary annual services of government in respect of the 2025-26 financial year.

Appropriation Bill (No. 6) 2025-2026, which follows on from *Appropriation Act (No. 2)* tabled at Budget and *Appropriation Act (No. 4)* tabled at Additional Estimates, will provide additional expenditure authority in respect of the 2025-26 financial year for capital works and services, payments to or for the states, territories and local government authorities, and new administered outcomes not authorised in specific legislation.

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Department of Defence

Overview of Additional Appropriations

Since the *Portfolio Additional Estimates Statements 2025-26* (PAES 2025-26), Defence funding has been updated to reflect movements in foreign exchange, other budget adjustments and an injection of Defence's working capital.

Department of Defence Measures Table

Table 1.1 summarises new Government measures and other budget adjustments since the 2025-26 Additional Estimates.

Table 1.1: Defence 2025-26 Supplementary Additional Estimates Measures

Program	2025-26	2026-27	2027-28	2028-29	Total
	Estimated Actual \$m	Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	
Other Departmental Budget Adjustments					
Other Budget Adjustments ^[a]	Various	1,841.1	-601.5	-1,239.6	-
Working Capital Injection ^[b]	Various	900.0	-	-	900.0
Foreign Exchange	Various	-387.9	-	-	-387.9
Total Defence Funding		2,353.2	-601.5	-1,239.6	-

Notes

- This adjustment predominately relates to bringing forward delivery of aspects of the Nuclear-Powered Submarine Program.
- This funding adjustment of \$900 million is to support Defence's ongoing working capital requirements.

Supplementary Additional Estimates and Variations

The following table details the changes to the resourcing for the Defence Portfolio at Supplementary Additional Estimates, by outcome. The following table details the estimates and variations resulting from new measures and any other variations (if applicable) since the 2025-26 Additional Estimates in Appropriation Bills (No. 5 and No. 6).

Table 1.2: Supplementary Additional Estimates and Variations to Outcomes from Measures and Other Variations

	Program	2025-26 Estimated Actual \$m	2026-27 Budget Estimate \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m
Outcome 2					
Departmental					
Movement of Funds					
Other Budget Adjustments	Various	1,841.1	-601.5	-1,239.6	-
Other Variations					
Working Capital Injection	Various	900.0	-	-	-
Foreign Exchange	Various	-387.9	-	-	-
Net impact on appropriations for Outcome 2 (departmental)		2,353.2	-601.5	-1,239.6	-

Breakdown of Supplementary Additional Estimates by Appropriation Bill

The following tables detail the Supplementary Additional Estimates sought for the Department of Defence through Appropriation Bills (No. 5 and No. 6).

Table 1.3: Appropriation Bill (No. 5) 2025-26

	2024-25 Actual Result	2025-26 Budget and Additional Estimate	2025-26 Revised Estimate	Supplementary Additional Estimates	Supplementary Additional Estimates Reduction
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental items					
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.	324,416	348,996	348,996	-	-
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.	41,164,626	43,633,313	45,280,403	1,841,100	-194,010
Total ^{(a) (b) (c) (d) (e)}	41,489,042	43,982,309	45,629,399	1,841,100	-194,010

Notes

- 2024-25 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- The Budget and Additional Estimate, and Revised Estimate for 2025-26 include additional appropriation for the Special Purpose Aircraft (SPA) of \$12.5 million which was received through the *Appropriation Bill (No. 1) in 2025-26*, however the expense was incurred during 2024-25, hence the appropriation revenue has been recognised in the Defence 2024-25 Financial Statements.
- The Budget and Additional Estimate, and Revised Estimate for 2025-26 include \$54.6 million of appropriations which were recognised as revenue from government (in relation to No Win/No Loss supplementation) in the Defence 2024-25 Financial Statements. Since Table 1 - Total Defence resourcing of the PB Statements 2026-27 is prepared on an accrual basis, these amounts are reflected under 2024-25 Actual Result and not reflected in the 2025-26 Estimated Actuals in Table 1 of the Department of Defence PB Statements 2026-27.
- Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3 and 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. The Supplementary Additional Estimates of \$1,841.1 million does not include a Departmental Capital Budget component, the Supplementary Additional Estimates Reduction includes a Departmental Capital Budget component of \$27.4 million. The 2025-26 Revised Estimate includes a Departmental Capital Budget of \$2,787.3 million.
- The Supplementary Additional Estimates Reduction of \$194.0 million relates to reductions in estimates for *Appropriation Act (No. 1/3) 2025-26* which will be withheld under s.51 arrangements against *Appropriation Act (No. 1/3) 2025-26*.

Table 1.4: Appropriation Bill (No. 6) 2025-26

	2024-25 Actual Result	2025-26 Budget and Additional Estimate	2025-26 Revised Estimate	Supplementary Additional Estimates	Supplementary Additional Estimates Reduction
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-operating					
Equity injections	10,952,770	14,229,960	14,936,118	900,000	-193,842
Total non-operating ^{(a) (b) (c)}	10,952,770	14,229,960	14,936,118	900,000	-193,842

Notes

- 2024-25 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- The Supplementary Additional Estimates 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.
- The Supplementary Additional Estimates Reduction of \$193.8 million relates to reductions in estimates for *Appropriation Act (No. 2/4) 2025-26* which will be withheld under s.51 arrangements against *Appropriation Act (No. 2/4) 2025-26*.

Glossary

For references to terminology please refer to the *Defence Portfolio Budget Statements 2025-26*.