

Defence

Entity Resources and Planned Performance

Section 1: Defence Overview and Resources	11
1.1 Strategic Direction Statement	11
1.2 Defence Resource Statement	17
1.3 Budget Measures	18
1.4 Key Cost Category Estimates	21
1.5 People	23
Section 2: Defence Outcomes and Planned Performance	27
2.1 Budget Expenses and Performance for Outcome 1	30
2.2 Budget Expenses and Performance for Outcome 2	40
Section 3: Defence Budgeted Financial Statements	100
3.1 Grants	100
3.2 Resource Summary	101
3.3 Budgeted Financial Statements	103

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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.

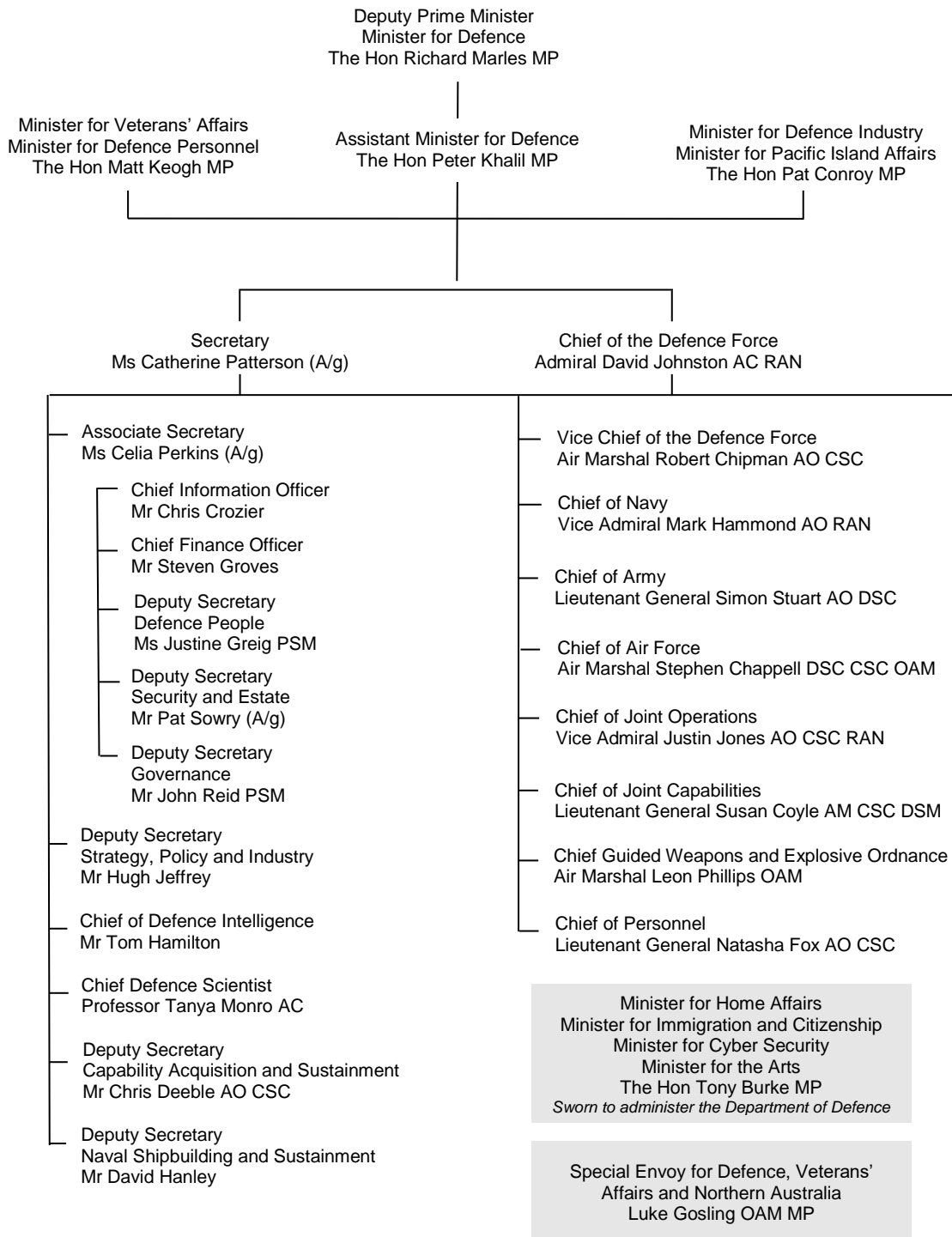
Defence will also continue to implement the recommendations of the Defence Estate Audit to ensure that the defence estate is fit for purpose.

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		2026-27	2026-27	Variation	Variation	2027-28	2028-29	2029-30
	Estimated Actual	Estimated	Previous Estimate	Budget Estimate			Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'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 ^[f]	-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

- This table is prepared on an accrual basis, except for serials 7 to 10, 12, 14, 21 to 24, 27 and 28.
- 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.
- 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.
- 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.
- 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.
- Represents net transfers to and from the Official Public Account (OPA).
- All figures are net of GST.
- Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
- 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	2026-27	2027-28	2028-29	2029-30	Total
		Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
		\$m	\$m	\$m	\$m	\$m	\$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

- 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).
- These amounts refer to appropriations only. Refer Table 1, Serial 6 for total appropriation.
- 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	2026-27	2027-28	2028-29	2029-30	Total
		Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
		\$m	\$m	\$m	\$m	\$m	\$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

- These categories are for Defence only and funded by appropriations, and funded from other sources.
- Does not include expenses in relation to Defence Trusts and Joint Accounts, as these expenses are incurred on behalf of such trusts and joint accounts and are offset by revenues. Refer Table 1, Serials 17-19 and Table 38.
- 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.
- 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.
- 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.
- 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	2026-27	2027-28	2028-29	2029-30	Total
		Estimated	Budget	Forward	Forward	Forward	
		Actual	Estimate	Estimate	Estimate	Estimate	
		\$m	\$m	\$m	\$m	\$m	\$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

- These categories are for Defence only and funded by appropriations, and funded from other sources.
- 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.
- 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.
- The Capability Acquisition Program includes unapproved and approved projects.

Table 6: Capability Sustainment Program ^[a]

Serial No.		2025-26	2026-27	2027-28	2028-29	2029-30	Total
		Estimated	Budget	Forward	Forward	Forward	
		Actual	Estimate	Estimate	Estimate	Estimate	
		\$m	\$m	\$m	\$m	\$m	\$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

- These categories are for Defence only and funded by appropriations, and funded from other sources.
- Defence Digital Sustainment includes all ICT sustainment for the Department.
- Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department.
- Total sustainment includes both approved sustainment and unapproved sustainment (relating to unapproved projects).
- 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	2027-28	2028-29	2029-30
		Budget	Forward	Forward	Forward
		Estimate	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$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.

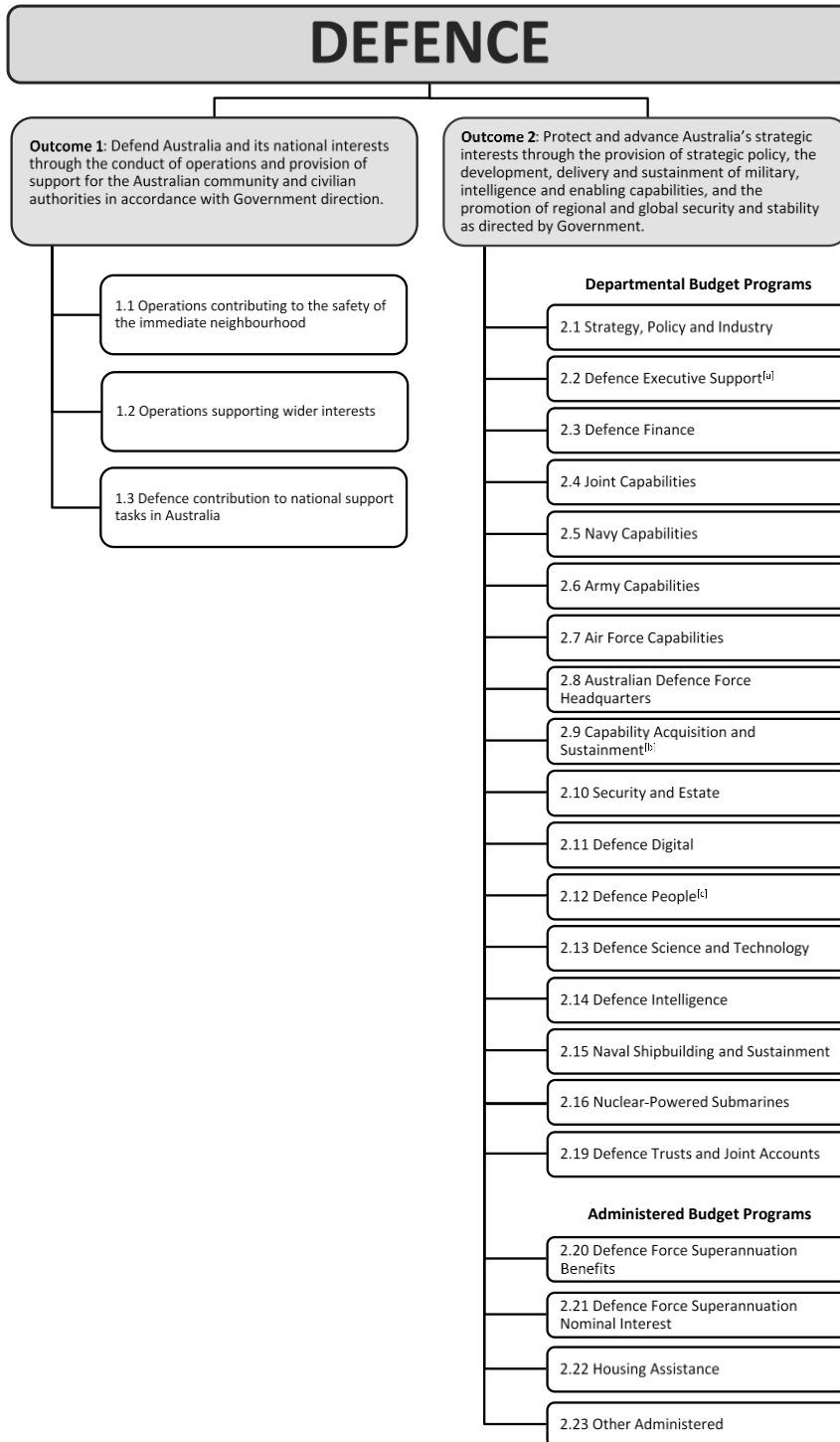
The most recent corporate plan for Defence can be found at:

<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 \$'000	2026-27 Budget Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'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		
<p>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.</p> <p>Australia shares the immediate neighbourhood with Indonesia, New Zealand, Papua New Guinea, Timor-Leste, Southeast Asian countries and the island countries of the Pacific.</p>		
Key Activity ^[a]	<p>This program will be achieved through the following activity:</p> <p>1. Conduct domestic and international operations and exercises to defend Australia and its national interests.</p>	
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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
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	2026-27	2027-28	2028-29	2029-30
	Estimated	Budget	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved will change year on year.</i>
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 \$'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	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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
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	2026-27	2027-28	2028-29	2029-30
	Estimated	Budget	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	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 <i>Intelligence Services Act 2001</i> , 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 <i>Australian Security Intelligence Organisation Act 1979</i> , Australian Security Intelligence Organisation (ASIO) also provides advice to Defence on matters relevant to security. ASIO exercises its foreign intelligence collection powers under warrant at the request of the Minister for Defence or the Minister for Foreign Affairs.

Australian 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 <i>Intelligence Services Act 2001</i> , 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 <i>Defence Housing Australia Act 1987</i> , 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
<p>Program 1.1 - Growing innovative and competitive businesses, industries and regions.</p> <p>Program 1.2 - Investing in science and technology.</p> <p>Program 1.4 - Nuclear-Powered Submarines.</p>
Contribution to Outcome 2 by linked programs
<p>The Department of Industry, Science and Resources (DISR) works closely with the department on enterprise-level programs to ensure alignment with whole-of-government industry policy and to support the development of innovative and competitive businesses.</p> <p>This includes supporting the development of defence industry policy and related programs, and facilitating links between Defence activities and industry initiatives including the National Reconstruction Fund, Buy Australian Plan, designing and implementing grants programs, and Australian Industry Participation.</p> <p>DISR engages with Defence's Industry Engagement Division to share industry insights and identify alignment opportunities for inter-departmental policy on promoting Australian businesses seeking to increase their capability and capacity to participate in supply chains for defence projects.</p> <p>DISR engages with Defence on a cross-portfolio approach to artificial intelligence across the economy.</p> <p>DISR collaborates with Defence to ensure a complementary approach between civil space policy, industry development, regulation of space activities and Defence's space responsibilities and interests.</p> <p>DISR, through the Australian Radioactive Waste Agency and the Australian Nuclear Science and Technology Organisation, provides expert advice to support Defence's conventionally-armed 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.</p> <p>DISR works with Defence on initiatives to address critical workforce shortages in Science Technology Engineering and Mathematics (STEM) by attracting and retaining Australians from diverse backgrounds in STEM education and careers.</p>

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
<p>Program 1.1 - The Australian Transport Safety Bureau.</p> <p>Program 1.1 - The Civil Aviation Safety Authority.</p>
Contribution to Outcome 2 by linked programs
<p>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.</p>

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		
<p>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.</p>		
<p>Key Activities ^[a]</p>	<p>This program will be achieved through the following activities:</p> <p>2. As a strategy-led organisation, Defence operationalises and implements the Government-directed biennial National Defence Strategy.</p> <p>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.</p> <p>8. Defence supports improved regulatory performance, capability and culture - through regulatory stewardship in line with the Government's commitment to Australian Public Service reform.</p>	
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. <i>Yet to be determined.</i> ^[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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
	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. <i>Expected to be substantially achieved.</i>
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 ^[a]	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

- Key Activity 2 and 5 have been amended for 2025-26, as published in the *2025-29 Defence Corporate Plan*.
- The result is yet to be determined due to the completion of aligned activities having not yet been assessed to determine the performance result.
- 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

- 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 <i>Portfolio Budget Statements 2025-26</i> 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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be not achieved.</i>

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. <i>Expected to be substantially achieved.</i>
	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). <i>Expected to be achieved.</i>
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.
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Year	Performance Measures	Expected Performance Results
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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). <i>Expected to be achieved.</i>
	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. <i>Expected to be partially achieved.</i>

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
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Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
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Year	Performance Measures	Planned Performance Results
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Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
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Material changes to Program 2.3 resulting from 2026-27 Budget Measures: Nil.

Notes

- Key activity 7 has been amended for 2025-26, as published in the 2025-29 Defence Corporate Plan.
- Performance Measures 6.1 and 7.1 have been amended for 2025-26, as published in the 2025-29 Defence Corporate Plan.
- 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	2026-27	2027-28	2028-29	2029-30
	Estimated	Budget	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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

- The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
- Employee budget for whole of Defence Full Time Equivalent (FTE) is held in this Program from time to time for future prioritisation.
- 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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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

- Key activity 1 has been amended for 2025-26, as published in the 2025-29 Defence Corporate Plan.
- 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.
- 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	2026-27	2027-28	2028-29	2029-30
	Estimated	Budget	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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

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

Program 2.5: Navy Capabilities		
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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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 \$'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	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
	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 materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
- b. Major Combatants comprises seven *Anzac* class frigates, three *Hobart* class destroyers and six *Collins* class submarines.
- 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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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

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

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

Table 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

- Reducing ARH Tiger flying hours reflects transition of the capability to the replacement Boeing AH-64E Apache.
- AH-64E Apache Forward Estimates reflect the fleet's planned introduction into service in accordance with the capability realisation plan, as it replaces ARH Tiger. Aircraft deliveries will progressively increase to a fleet of 29.
- UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service 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.
- 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.
- 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.
- 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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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 \$'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	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	-	-	-	-	-
	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

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

Table 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

- Fleet sizes represent totals in service at 1 March 2026.
- KA350 King Air Forward Estimates reflect a planned progressive withdrawal from service.
- 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.
- C-17A Globemaster III Forward Estimates reflect planned incremental increase in fleet rate of effort.
- C-27J Spartan Forward Estimates will be adjusted when the withdrawal from service plan is approved.
- 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.
- 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.
- 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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	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

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

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

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). <i>Expected to be achieved.</i>
	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. <i>Expected to be partially achieved.</i>
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 \$'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	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). <i>Expected to be achieved.</i>
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 \$'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	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
	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). <i>Expected to be achieved.</i>
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

- Performance Measure 6.1 has been amended for 2025-26, as published in the 2025-29 Defence Corporate Plan.
- 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 Estimate 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	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	-	-	-	-	-
	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

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

Program 2.12: Defence People (including Chief of Personnel)**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]	<p>The program will be achieved through the following activities:</p> <p>1. Conduct domestic and international operations and exercises to defend Australia and its national interests.</p> <p>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.</p>
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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. <i>Expected to be achieved.</i>
	1.2: Defence maintains ready forces through the conduct of exercises.	100 per cent of exercises conducted achieve planned objectives. <i>Expected to be substantially achieved.</i>
	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. <i>Expected to be achieved.</i>
	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 <i>Portfolio Budget Statements 2025-26</i> 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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be partially achieved.</i>
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. <i>Expected to be not achieved.</i>	

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.	<p>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.</p> <p><i>Expected to be substantially achieved.</i></p>
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 \$'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	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). <i>Expected to be achieved.</i>
	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. <i>Expected to be partially achieved.</i>
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 \$'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	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. <i>Expected to be achieved.</i>
	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). <i>Expected to be achieved.</i>
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.
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Year	Performance Measures	Expected Performance Results
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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). <i>Expected to be achieved.</i>
	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. <i>Expected to be partially achieved.</i>

Year	Performance Measures	Planned Performance Results
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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
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Forward Estimates 2027-30	As per 2026-27.	As per 2026-27.
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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	2026-27	2027-28	2028-29	2029-30
	Estimated	Budget	Forward	Forward	Forward
	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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 <i>Portfolio Budget Statements 2025-26</i> 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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be not achieved.</i>
	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. <i>Expected to be substantially achieved.</i>

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). <i>Expected to be achieved.</i>
	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. <i>Expected to be partially achieved.</i>
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 ^(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).
	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 \$'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	-	-	-	-	-
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

<p>Administered Program 2.20 Objective</p> <p>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.</p>		
<p>Key Activity</p>	<p>This program will be achieved through the following activity:</p> <p>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.</p>	
<p>Year</p>	<p>Performance Measures</p>	<p>Expected Performance Results</p>
<p>Current Year 2025-26 ^[a]</p>	<p>4.1: Defence recruits and retains an ADF and APS workforce to support the Defence mission.</p>	<p>Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the <i>Portfolio Budget Statements 2025-26</i> 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.</p> <p><i>Expected to be partially achieved.</i></p>
	<p>4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.</p>	<p>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.</p> <p><i>Expected to be partially achieved.</i></p>
	<p>4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.</p>	<p>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.</p> <p><i>Expected to be not achieved.</i></p>

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.	<p>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.</p> <p><i>Expected to be substantially achieved.</i></p>
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		
<p>Administered Program 2.21 Objective</p> <p>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.</p>		
Key Activity	<p>This program will be achieved through the following activity:</p> <p>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.</p>	
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.	<p>Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the <i>Portfolio Budget Statements 2025-26</i> 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.</p> <p><i>Expected to be partially achieved.</i></p>
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	<p>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.</p> <p><i>Expected to be partially achieved.</i></p>
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	<p>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.</p> <p><i>Expected to be not achieved.</i></p>

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.	<p>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.</p> <p><i>Expected to be substantially achieved.</i></p>
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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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.
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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 <i>Portfolio Budget Statements 2025-26</i> 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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be partially achieved.</i>
	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. <i>Expected to be not achieved.</i>

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. <i>Expected to be substantially achieved.</i>
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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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		
<p>Administered Program 2.23 Objective</p> <p>This program comprises three elements:</p> <ol style="list-style-type: none"> Interest earned on overdue accounts and on official bank accounts held to facilitate operational requirements. Interest on Government loans to fund the building of new accommodation, dividends and tax equivalent payments received from the DHA. 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	<p>This program will be achieved through the following activity:</p> <p>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.</p>	
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.	<p>Defence achieves the ADF and APS Budgeted Workforce Requirement as set out in the <i>Portfolio Budget Statements 2025-26</i> 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.</p> <p style="text-align: right;"><i>Expected to be partially achieved.</i></p>
	4.2: Defence grows the necessary skills and capabilities to enable the Defence mission.	<p>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.</p> <p style="text-align: right;"><i>Expected to be partially achieved.</i></p>
	4.3: The Defence values and behaviours enable our people to deliver against the Defence mission.	<p>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.</p> <p style="text-align: right;"><i>Expected to be not achieved.</i></p>

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.	<p>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.</p> <p><i>Expected to be substantially achieved.</i></p>
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 \$'000	2026-27 Budget Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'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 \$'000	Estimate of Prior year Amounts Available in 2026-27 \$'000	Proposed Budget 2026-27 \$'000	Total Estimate 2026-27 \$'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

- This table is prepared on the same basis as Table 1.
- 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.
- 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	2026-27
	Estimated	Budget
	Actual	Estimate
	\$'000	\$'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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Note: Impact of Net Cash Appropriation Arrangements Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	-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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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 \$'000	2026-27 Budget Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'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 \$'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	-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				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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

- 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.
- The funding movement from 2027-28 to 2024-25 of \$700 million was to partly address Defence's ongoing working capital requirements. This adjustment provided short term relief to increase cash reserves to meet Defence industry commitments as and when they fell due for payment. Refer Table 1, Serial 4. While the increase in working capital in 2024-25 was by way of the movement of appropriation from 2027-28, the movement was represented as an equity injection and not as increased Defence funding. This is because the injection was used to address existing expenditure commitments already incurred/recognised. In 2027-28, the reduction of appropriation will not impact planned capital expenditure levels as Government has agreed Defence will operate with a Net Capital Deficit in that financial year.
- Includes the following sources of funding:
 - annual appropriations;
 - donations and contributions;
 - gifts;
 - internally developed assets;
 - s74 relevant agency receipts; and
 - proceeds from the sale of assets.

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

	Land \$'000	Buildings \$'000	Specialist Military Equipment \$'000	Infrastructure, Plant and Equipment \$'000	Intangibles \$'000	Heritage and Cultural Assets \$'000	Assets Held for Sale \$'000	Total \$'000
As at 1 July 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 \$'000	2026-27 Budget Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'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 \$'000	2026-27 Budget Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000	2029-30 Forward Estimate \$'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	2026-27	2027-28	2028-29	2029-30
	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'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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