

Defence

Entity Resources and Planned Performance

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Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

The *2024 National Defence Strategy* sets out the Government's strategic framework to guide the significant and urgent changes required to transform Defence's capability, force posture, force structure, acquisition, workforce and international engagement.

The *2024 National Defence Strategy* also details the concept of *National Defence* – a coordinated, whole-of-government and whole-of-nation approach that harnesses all arms of national power to defend Australia and advance our interests.

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

The *2024 Integrated Investment Program* sets out the specific capabilities the Government will invest in to give effect to the *2024 National Defence Strategy*. Together, the *2024 National Defence Strategy* and the *2024 Integrated Investment Program* are designed to ensure the Australian Defence Force (ADF) has the capacity to achieve its five tasks:

- defend Australia and our immediate region;
- deter through denial any adversary's attempt to project power 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 region; and
- contribute with our partners to the maintenance of the global rules-based order.

The *2024 National Defence Strategy* and the *2024 Integrated Investment Program* advance the implementation of the Government's six immediate priorities announced in response to the *Defence Strategic Review*:

- acquisition of conventionally armed, nuclear-powered submarines through the Australia, the United Kingdom and United States (AUKUS) partnership to improve our deterrence capabilities;
- developing the ADF's ability to precisely strike targets at longer range and manufacture munitions in Australia;
- improving the ADF's ability to operate from Australia's northern bases;
- initiatives to improve the growth and retention of a highly-skilled defence workforce;
- lifting our capacity to rapidly translate disruptive new technologies into ADF capability, in close partnership with Australian industry; and
- deepening our diplomatic and defence partnerships with key partners in the Indo-Pacific.

The 2024 *National Defence Strategy* and the 2024 *Integrated Investment Program* detail the Government's plan to transform the ADF from a balanced force capable of responding to a range of contingencies, to an integrated, focused force designed to address Australia's most significant strategic risks. The Government has reset defence capability priorities to deliver this fundamental change. This reset has involved a complete rebuild of the Integrated Investment Program to ensure it is a coherent, logical and affordable plan for defence capability.

In rebuilding the Integrated Investment Program, the Government has made decisions to prioritise and fund the acquisition of key capabilities to bolster Australia's deterrence capabilities. The Government also made tough, but necessary, decisions to cancel, divest, delay or re-scope projects or activities that are not critical to delivering the force our strategic circumstances require. This reprioritisation has enabled the Government to accelerate new, and more potent immediate and longer-term priority projects and capabilities.

The Government has committed to a biennial National Defence Strategy cycle to ensure Defence policy, strategy, capability and planning keep pace with the rapidly evolving strategic environment, respond to Australia's national security priorities and provide clarity of process and approach to defence industry. The next National Defence Strategy will be delivered in 2026 as part of the 2026-27 Commonwealth Budget process.

Defence remains committed to implementing the Government's response to the Final Report released by the Royal Commission into Defence and Veteran Suicide. Resources are being allocated and prioritised to ensure the design and implementation of initiatives meet the intent of the recommendations. Governance structures have also been established to enable Defence's senior leadership to have oversight of the broad program of activities and appropriate engagement with the Commonwealth Taskforce led out of the Department of the Prime Minister and Cabinet and the new legislated Defence and Veterans' Service Commission to be established by September 2025.

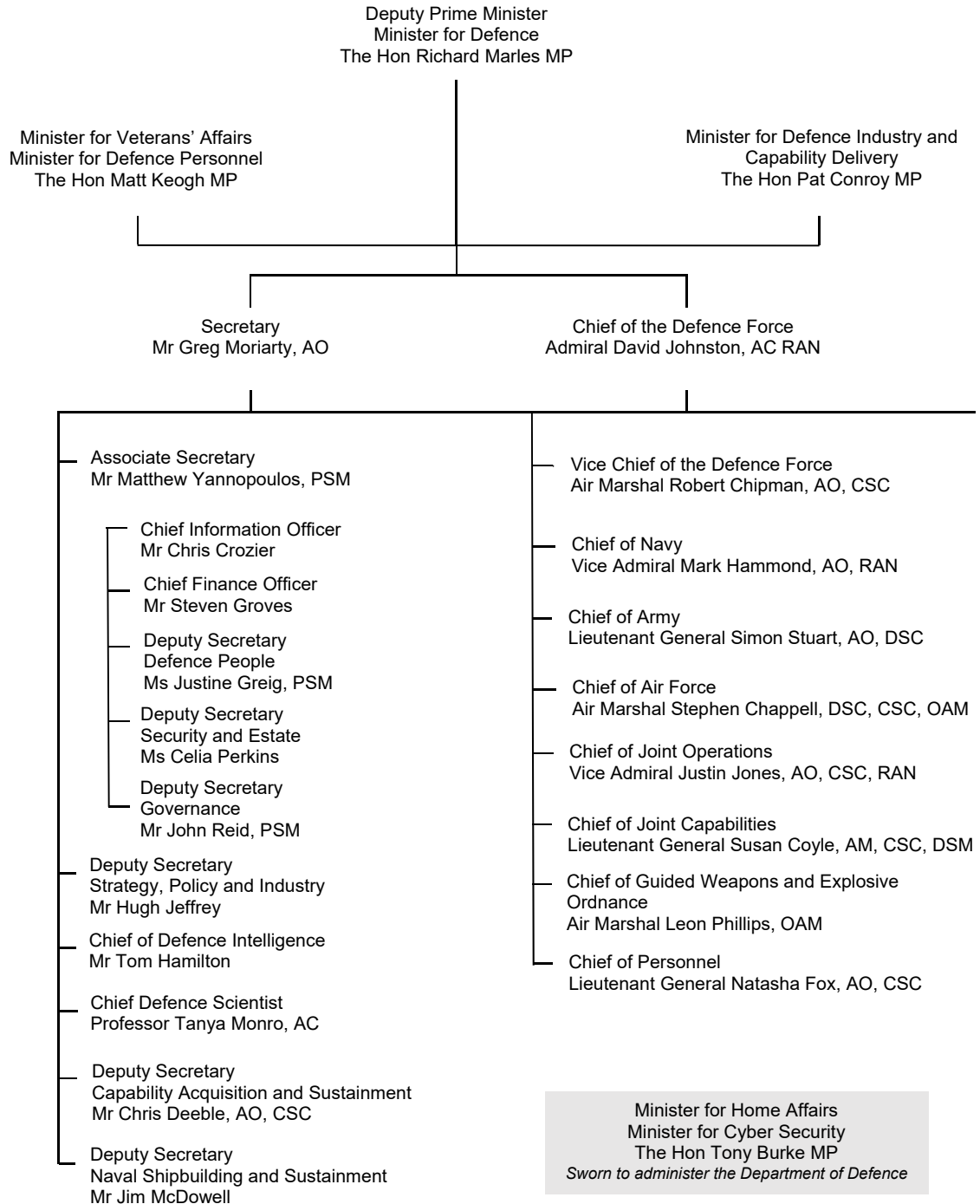
The Australian Submarine Agency (ASA) was established on 1 July 2023 to oversee and manage Australia's nuclear-powered submarine program, including acquisition, delivery, construction, technical governance, sustainment, and disposal of nuclear-powered submarines. The ASA will also enable the necessary policy, legal, non-proliferation, workforce, security and safety arrangements. The ASA is a non-corporate Commonwealth entity that operates within the Defence portfolio and has its own chapter in the *Portfolio Budget Statements 2025-26* (PBS 2025-26). The Royal Australian Navy will continue to be responsible for submarine operations.

Acquisition of a conventionally-armed, nuclear-powered submarine capability will give Australia a more capable and potent submarine force to enhance Australia's ability to deter threats to its security and contribute to the security and stability of the Indo-Pacific region. Through the AUKUS partnership, the nuclear-powered submarine pathway (Pillar I) will also bolster interoperability among AUKUS partners, build the combined capabilities of AUKUS partners and create a stronger, more resilient trilateral industrial base for submarine production and maintenance.

AUKUS partners continue to accelerate the development and delivery of a range of advanced capabilities to enhance collective security and deterrence in the Indo-Pacific and beyond. The alignment of our national defence strategies, anchored in our shared values and strategic interests as longstanding security partners, is facilitating unprecedented collaboration. In addition to working on dedicated AUKUS capabilities, AUKUS Pillar II is breaking down barriers and driving reform through the creation of a fit-for-purpose enabling environment that will help rapidly deliver advanced capabilities into the hands of the warfighter.

Defence Organisational Chart

Figure 2: Defence Organisational Chart



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

Senior Executive Changes

There have been no changes since the last Portfolio Statements.

Organisational Structure

There have been no changes since the last Portfolio Statements.

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 2025-26 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.	2024-25 Estimated Actual \$'000		2025-26 Previous Estimate \$'000	2025-26 Budget Estimate \$'000	Variation \$'000	Variation %	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Defence Resourcing									
1	38,967,010	Appropriation for departmental outcomes	40,202,425	40,709,350	506,925	1.3	41,166,155	44,770,752	48,840,860
2	2,734,831	Departmental capital budget	3,079,566	3,128,980	49,414	1.6	3,052,313	3,317,985	3,386,211
3	11,112,977	Equity injection appropriation	11,917,882	12,274,359	356,477	3.0	14,633,679	17,645,715	19,268,016
4	700,000	Funding movement for 2024-25 Working Capital [b]	-	-	-	-	-	-700,000	-
5	-	Prior year appropriation	-	-	-	-	-	-	-
6	53,514,818	Current year's appropriation (1 + 2 + 3 + 4 + 5) [c]	55,199,873	56,112,689	912,816	1.7	58,852,147	65,034,452	71,495,087
7	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
8	-	Other appropriation receivable movements	-	-	-	-	-	-	-
9	-	Return to the Official Public Account [d]	-	-	-	-	-	-	-
10	-	Funding from / to the OPA (7 + 8 + 9)	-	-	-	-	-	-	-
11	53,514,818	Funding from Government (6 + 10)	55,199,873	56,112,689	912,816	1.7	58,852,147	65,034,452	71,495,087
12	95,905	Capital receipts [e]	37,608	37,608	-	-	4,811	5,070	5,399
13	1,053,323	Own source revenue (s74 receipts) [e] [f]	950,623	1,270,948	320,325	33.7	996,710	971,390	932,270
14	-	Prior year receipts	-	-	-	-	-	-	-
15	1,149,228	Funding from other sources (12 + 13 + 14)	988,231	1,308,556	320,325	32.4	1,001,521	976,460	937,669
16	54,664,046	Total Departmental funding excl. Defence Trusts and Joint Accounts (11 + 15)	56,188,104	57,421,245	1,233,141	2.2	59,853,668	66,010,912	72,432,756
Defence Trusts and Joint Accounts									
17	103,212	Revenue [e]	109,820	114,222	4,402	4.0	199,918	389,899	263,043
18	-108,942	Expenditure (Operating and Capital)	-109,806	-114,171	-4,365	4.0	-201,139	-389,591	-263,322
19	-5,730	Total Defence Trusts and Joint Accounts (17 + 18)	14	51	37	264.3	-1,221	308	-279
20	54,658,316	Total Departmental funding (16 + 19)	56,188,118	57,421,296	1,233,178	2.2	59,852,447	66,011,220	72,432,477
Administered [g]									
21	4,544,108	Administered special appropriations	4,935,116	4,935,116	-	-	5,310,197	5,724,367	6,137,483
22	1,433,092	Own source revenue [h]	1,367,249	1,367,249	-	-	1,302,826	1,241,307	1,191,642
23	-1,433,092	Returns to the Official Public Account [h]	-1,367,249	-1,367,249	-	-	-1,302,826	-1,241,307	-1,191,642
24	4,544,108	Total Administered funding (21 + 22 + 23)	4,935,116	4,935,116	-	-	5,310,197	5,724,367	6,137,483
25	59,202,424	Total Defence resourcing (20 + 24)	61,123,234	62,356,412	1,233,178	2.0	65,162,644	71,735,587	78,569,960
Appropriation carried forward									
26	1,535,495	Appropriation receivable including previous year's outputs	932,179	1,467,283	535,104	57.4	1,565,059	1,232,918	1,366,158
27	300,157	Cash in bank - Departmental	285,327	321,680	36,353	12.7	320,458	320,766	320,488
28	-	Cash in bank - Administered	-	-	-	-	-	-	-
29	1,835,652	Total appropriation carried forward (26 + 27 + 28)	1,217,506	1,788,963	571,457	46.9	1,885,517	1,553,684	1,686,646

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 movement from 2027-28 to 2024-25 of \$700 million is to partly address Defence's ongoing working capital requirements. This adjustment provides 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 will be represented as 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. 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 for 2024-25 as disclosed in Serials 1 to 4 include amounts in 2024-25 that are yet to receive royal assent. Further, since the appropriations disclosed are reported on an accrual basis, they do not include supplementation or handback relating to prior years mainly on account of No Win/No Loss (NWNL) arrangements.
- Represents net transfers to and from the Official Public Account.
- All figures are net of GST.
- The variation in 2025-26 Own Source Revenue compared to the Previous Estimate, predominantly relates to revenue from foreign government activities.
- 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 Official Public Account.

1.3 Budget Measures

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

2025-26 Budget Measures and Other Budget Adjustments

Table 2: Defence 2025-26 Budget Measures and Other Budget Adjustments

	2024-25 Estimated Actual \$m	2025-26 Budget Estimate \$m	2026-27 Forward Estimate \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	Total \$m	
Budget Measures							
Payment Measures							
Continued Defence Support to Ukraine ^[a]	2.1	-	-	-	-	-	
Investing in Naval Shipbuilding and Sustainment in Australia - further investment ^[b]	2.15	-	-	-	-	-	
Attorney-General's Portfolio - Additional resourcing	2.3	-	-41.9	-	-	-41.9	
Nuclear-Powered Submarine Program - continuation of whole-of-government support	2.16	-	-49.3	-	-	-49.3	
Savings from External Labour - Extension	Various	-	-	-	-196.8	-196.8	
Total Departmental Budget Measures		-91.2	-	-	-196.8	-288.1	
Other Departmental Budget Adjustments							
Operation KUDU	1.2	-	44.9	-	-	44.9	
Operation RESOLUTE	1.3	-	130.1	-	-	130.1	
Operation ACCORDION	1.2	-	91.8	-	-	91.8	
Foreign Exchange ^[c]	Various	332.1	701.1	677.1	734.0	876.6	3,320.9
Other Budget Adjustments ^[d]	Various	700.0	48.6	500.0	-200.0	-1,000.0	48.6
Total Other Departmental Budget Adjustments		1,032.1	1,016.5	1,177.1	534.0	-123.4	3,636.4
Total Defence Funding		1,032.1	925.3	1,177.1	534.0	-320.3	3,348.3

Notes

- a. This measure provides \$17.0 million over the period 2024-25 to 2025-26, which is being met from within the existing resourcing of the Department of Defence.
- b. This measure provides \$24.2 million over the period 2024-25 to 2025-26, which is being met from within the existing resourcing of the Department of Defence.
- c. This adjustment includes funding made available from prior year appropriations.
- d. This adjustment includes funding made available from prior year appropriations for working capital (refer Table 1 Serial 4), and a re-profiling of Departmental funding to continue accelerating capability acquisition in line with the Integrated Investment Program.

Operations Summary

Table 3: Net Additional Cost of Current Major Operations to 2028-29 [a] [b] [c]

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Operation ACCORDION	98.9	91.8	-	-	-	190.7
Operation RESOLUTE	126.3	130.1	-	-	-	256.4
Operation KUDU	38.3	44.9	-	-	-	83.2
Operation BEECH	18.3	-	-	-	-	18.3
Total Net Additional Costs	281.8	266.8	-	-	-	548.6
Sources of Funding for Major Operations						
Government Supplementation	281.8	266.8	-	-	-	548.6
Total Cost	281.8	266.8	-	-	-	548.6

Notes

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

1.4 Key Cost Category Estimates

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

Serial No.		2024-25	2025-26	2026-27	2027-28	2028-29	Total
		Estimated	Budget	Forward	Forward	Forward	
		Actual	Estimate	Estimate	Estimate	Estimate	
		\$m	\$m	\$m	\$m	\$m	\$m
1	Defence ^[b]	53,514.8	56,112.7	58,852.1	65,034.5	71,495.1	305,009.2
2	Australian Signals Directorate	2,740.4	2,478.4	2,466.5	2,217.0	2,253.6	12,155.9
3	Australian Submarine Agency	353.0	397.6	529.0	379.5	394.4	2,053.5
4	Consolidated Defence, ASD and ASA Funding	56,608.2	58,988.7	61,847.6	67,631.0	74,143.1	319,218.6

Notes

- a. Provides a consolidated summary of Defence Portfolio funding, excluding Defence Housing Australia and Department of Veterans' Affairs.
- b. These amounts refer to appropriations only. Refer Table 1 Serial 6 for total appropriation.

Table 4b: Defence Planned Expenditure by Key Cost Category ^{[a] [b] [c]}

Serial No.		2024-25	2025-26	2026-27	2027-28	2028-29	Total
		Estimated	Budget	Forward	Forward	Forward	
		Actual	Estimate	Estimate	Estimate	Estimate	
		\$m	\$m	\$m	\$m	\$m	\$m
1	Workforce	16,205.6	17,170.9	17,931.5	18,841.4	19,589.1	89,738.5
2	Operations	332.6	317.9	1.3	1.3	1.3	654.4
3	Capability Acquisition Program	17,702.7	18,800.5	19,927.7	24,248.2	27,775.1	108,454.1
4	Capability Sustainment Program	17,230.5	18,758.8	19,525.1	21,058.0	22,449.5	99,021.9
5	Operating	2,492.6	2,373.1	2,468.1	2,562.1	2,617.7	12,513.6
6	Total Defence Planned Expenditure	53,964.0	57,421.2	59,853.7	66,710.9	72,432.8	310,382.6

Notes

- a. These categories are funded by appropriations and own source revenue.
- b. Does not include expenses in relation to Defence Trusts and Joint Accounts, as these expenses are incurred on behalf of such trusts and joint accounts and are offset by revenues. Refer Table 1 Serials 17-19 and Table 38.
- c. Does not include the impact of changes to Defence Working Capital on account of movement of funds as shown under Table 1 Serial 4. While the increase in working capital in 2024-25 is by way of the movement of appropriation from 2027-28, the movement will be represented as 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, such as pre-payments. 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.

Table 5: Capability Acquisition Program ^[a]

Serial No.		2024-25	2025-26	2026-27	2027-28	2028-29	Total
		Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
		\$m	\$m	\$m	\$m	\$m	
1	Military Equipment Acquisition Program	13,911.0	14,320.1	15,670.0	19,157.5	23,511.8	86,570.3
2	Enterprise Estate and Infrastructure Program	2,922.7	3,531.8	3,286.1	4,037.3	3,271.2	17,049.2
3	ICT Acquisition Program	414.5	407.2	567.1	685.1	619.0	2,692.9
4	Minors Program	454.5	541.4	404.5	368.3	373.1	2,141.8
5	Total Capability Acquisition Program ^[b]	17,702.7	18,800.5	19,927.7	24,248.2	27,775.1	108,454.1

Notes

- a. These categories are funded by appropriations and own source revenue.
b. The Capability Acquisition Program includes unapproved and approved projects.

Table 6: Capability Sustainment Program ^[a]

Serial No.		2024-25	2025-26	2026-27	2027-28	2028-29	Total
		Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate	
		\$m	\$m	\$m	\$m	\$m	
1	Navy Sustainment	3,689.4	4,041.1	3,861.2	3,970.4	3,984.3	19,546.4
2	Army Sustainment	2,681.8	2,947.5	3,178.5	3,411.7	3,702.9	15,922.5
3	Air Force Sustainment	3,844.7	4,182.3	4,504.0	4,866.7	5,150.0	22,547.8
4	Defence Digital Sustainment ^[b]	1,978.2	2,053.5	2,112.2	2,223.1	2,510.0	10,877.0
5	Joint Capabilities Sustainment	804.0	1,017.7	1,251.4	1,494.8	1,583.3	6,151.2
6	Strategy, Policy and Industry Sustainment	93.2	148.7	113.8	160.4	225.8	741.9
7	Defence Intelligence Sustainment	183.4	280.7	320.2	553.4	558.4	1,896.1
8	Security and Estate Sustainment ^[c]	3,650.5	3,751.5	3,825.3	3,915.2	3,855.2	18,997.8
9	Nuclear-Powered Submarines Sustainment	6.2	6.2	6.4	164.8	261.8	445.4
10	Guided Weapons & Explosive Ordnance Sustainment	147.8	164.8	199.9	144.3	475.2	1,132.1
11	Other Minor Sustainment	151.1	164.7	152.2	153.2	142.5	763.7
12	Total Capability Sustainment Program ^[d]	17,230.5	18,758.8	19,525.1	21,058.0	22,449.5	99,021.9

Notes

- a. These categories are funded by appropriations and own source revenue.
b. Defence Digital Sustainment includes all ICT sustainment for the Department.
c. Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department.
d. Total sustainment includes both approved (current) sustainment and unapproved sustainment (relating to unapproved projects).

Table 7: Retained Capital Receipts

Serial No.		2025-26	2026-27	2027-28	2028-29
		Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
		\$m	\$m	\$m	\$m
1	Proceeds from sale of property	37.6	4.8	5.1	5.4
2	Proceeds from sale of specialist military equipment	-	-	-	-
3	Proceeds from sale of infrastructure, plant and equipment	-	-	-	-
4	Retained Capital Receipts (1 + 2 + 3)	37.6	4.8	5.1	5.4

1.5 People

Workforce Overview

The *2024 Defence Workforce Plan* (the Workforce Plan), released in November 2024, outlined how Defence will achieve the Australian Defence Force (ADF), Australian Public Service (APS) and external workforce required to deliver Australia's National Defence Strategy.

Through the initiatives included in the Workforce Plan, the permanent ADF will grow to around 69,000 by the early 2030s, with a focus on strengthening the junior and middle ranks. Defence will continue to invest in the skilling and development of the Defence APS while reducing reliance on the contracted workforce. Defence recognises there will continue to be a need for contracted support in specialist areas.

The Workforce Plan includes eight strategic tasks with clearly defined actions and outcomes to address the requirements of the total Defence workforce. These eight strategic tasks address ADF recruitment and retention, APS skilling and development, as well as actions that will improve Defence's organisational culture, the wellbeing of our people and the support to ADF members and their families.

The Workforce Plan will work hand-in-hand with other broader efforts to improve the lifetime wellbeing of Defence members, veterans and their families, which includes the Government Response to the Final Report of the Royal Commission into Defence and Veteran Suicide. Defence will implement the agreed recommendations from the Government Response it has responsibility to lead, as guided by the new Commonwealth Taskforce led out of the Department of the Prime Minister and Cabinet. Defence will also engage, as required, with the Interim Head of the new Defence and Veterans' Service Commission, as they work across government towards the commencement of the legislated oversight body on 30 September 2025.

Workforce Summary

The planned growth path for the full-time equivalent (FTE) Defence workforce will be 79,236 in 2025-26, comprising 59,373 permanent ADF (75 per cent) and 19,863 APS employees (25 per cent). The service breakdown of the permanent ADF is:

- 15,392 Navy personnel;
- 27,773 Army personnel; and
- 16,208 Air Force personnel.

The workforce growth path across the forward estimates (Table 8) reflects the budgeted workforce requirement outlined in the *2024 Defence Workforce Plan*.

Modest growth is expected in the permanent ADF in 2025-26, with inflows exceeding outflows at the whole of ADF level. At the service level, Navy and Air Force are expected to continue to grow. Army's inflow must increase further in 2025-26 to enable net growth.

Achieving net growth across all Services is a priority. Defence will continue to transform ADF recruitment and retention by:

- widening eligibility criteria to enable more people to join the ADF, including expanding the recruitment of eligible permanent residents living in Australia;
- expanding the recruiting system to translate this wider pool of eligible applicants into an increase in the number of ADF recruits;

- improving processes to enable faster recruiting so that skills gaps can be identified and addressed more quickly; and
- encouraging current personnel, who have built the skills and expertise the ADF needs, to stay and serve longer through retention initiatives, including through expansion of the ADF Continuation Bonus.

The ADF Reserves are an important part of the total ADF workforce. The forecast contribution from Service Categories (SERCAT) 3, 4 and 5 in 2025-26 is 1,135,450 days of service performed by an estimated 21,690 members of the Reserve Forces. In 2025-26, Defence will implement the *Strategic Review of the ADF Reserves*, which includes increasing the Operational Reserve force (SERCAT 4) by an additional 1,000 personnel by 2030. Information about the ADF Total Workforce System and the structure of service categories is available on the department's website here: <https://www.defence.gov.au/PayandConditions/ADF/ADF-TWS.asp>.

The APS workforce growth is expected to moderate during 2025-26 following a period of growth. Defence will continue to focus on skilling, developing and professionalising the APS workforce to deliver the priorities outlined in the 2024 *National Defence Strategy* and Integrated Investment Program. Delivering a skilled workforce in support of National Naval Shipbuilding, Defence Guided Weapons and Explosive Ordnance, and AUKUS Pillars One and Two remains a priority.

Defence People

Achieving the Defence mission requires an integrated workforce. To enable this, Defence will focus on the recruitment, retention, culture and wellbeing of its people and support to ADF families as outlined in the Defence Workforce Plan. Defence will continue to develop, implement and finalise initiatives that improve organisational culture and strengthen the wellbeing of the workforce. This includes progressing work under the *Defence Culture Blueprint Program*, improving and communicating the Employee Value Proposition to the Defence workforce.

Ongoing efforts under the *Defence Work Health and Safety Strategy 2023-2028* will enable a positive work, health and safety culture across the organisation. Defence's investment in a life-span approach and support for mental health, wellbeing and suicide prevention will be underpinned by the *Defence and Veteran Mental Health and Wellbeing Strategy 2024-2029*.

To further support Defence personnel and their families, Defence will deliver the *Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023-2028* including a mandatory family and domestic violence awareness program. Defence will continue to support transitioning members through the implementation of the 2023 *Veteran Transition Strategy*.

The APS workforce will continue to be strengthened through an APS skills uplift, training and professionalisation. This will enable ongoing re-balancing of the APS workforce to address critical areas such as engineering, intelligence, cyber, ICT, project and program management and contract management. This skilling and re-balance will be achieved through the implementation of a Defence APS Academy, organisational capability reviews, job family reform and ongoing implementation of the Strategic Commissioning Framework.

The Defence Workforce Plan will be reviewed biennially, through the National Defence Strategy review cycle. This will ensure Defence's strategic workforce planning aligns with the integrated workforce requirements needed to deliver the Defence mission.

Table 8: Planned Workforce Forecast for the 2025-26 Budget and Forward Estimates - Average Full-time equivalent^{[a] [b]}

	2024-25 Estimated Actual (Workforce Achievement)	2025-26 Budget Estimate (Workforce Requirement)	2026-27 Forward Estimate (Workforce Requirement)	2027-28 Forward Estimate (Workforce Requirement)	2028-29 Forward Estimate (Workforce Requirement)
ADF Permanent Force					
Navy	15,282	15,392	16,053	16,709	17,092
Army	27,736	27,773	28,588	29,905	30,704
Air Force	15,832	16,208	16,408	16,658	16,908
1 Total Permanent Force	58,850	59,373	61,049	63,272	64,704
Civilian Employees					
APS	19,237	19,863	20,261	20,274	20,275
2 Total Civilian Employees	19,237	19,863	20,261	20,274	20,275
Total Workforce Strength (1 + 2)	78,087	79,236	81,310	83,546	84,979

Notes

- a. All numbers for the full-time workforce elements represent average full-time equivalents.
- b. Forward Estimates reflect the budgeted workforce requirements for ADF and approved Government budgeted allocations for APS.

Table 9: Planned Workforce Allocation for the 2025-26 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5)^{[a] [b]}

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
Service Category 3 and 5					
Navy	118,000 (2,000)	120,500 (2,050)	123,000 (2,100)	125,500 (2,150)	128,000 (2,200)
Army	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)
Air Force	268,000 (4,000)	274,000 (4,100)	280,000 (4,200)	286,000 (4,300)	292,000 (4,400)
1 Sub-total Service Category 3 and 5	1,126,000 (21,500)	1,134,500 (21,650)	1,143,000 (21,800)	1,151,500 (21,950)	1,160,000 (22,100)
Service Category 4^[c]					
Air Force	950 (40)	950 (40)	950 (40)	950 (40)	950 (40)
2 Sub-total Service Category 4	950 (40)	950 (40)	950 (40)	950 (40)	950 (40)
Total Reserves (1 + 2)	1,126,950 (21,540)	1,135,450 (21,690)	1,143,950 (21,840)	1,152,450 (21,990)	1,160,950 (22,140)

Notes

- a. This table does not include Reservists undertaking continuous full-time service (Service Option C), as these are captured in Table 8, nor Reservists not currently rendering service (including SERCAT 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 service rendered, with a headcount of members rendering paid service in brackets.
- c. SERCAT 4 is available to all three Services. It is currently only used by Air Force on an ongoing basis, however Navy are currently undertaking a trial of SERCAT 4. The increased use of SERCAT 4 is a key recommendation of the Strategic Review of the ADF Reserves.

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

	2024-25 Estimated Actual	2025-26 Budget Estimate^[a]
Navy		
One Star and above ^[b]	83	83
Senior Officers ^[c]	867	873
Officers	3,550	3,576
Other Ranks	10,781	10,860
Total Navy	15,282	15,392
Army		
One Star and above ^[b]	97	97
Senior Officers ^[c]	1,077	1,078
Officers	5,369	5,376
Other Ranks	21,193	21,221
Total Army	27,736	27,773
Air Force		
One Star and above ^[b]	73	73
Senior Officers ^[c]	876	897
Officers	4,831	4,946
Other Ranks	10,052	10,292
Total Air Force	15,832	16,208
APS		
Senior Executives ^[d]	206	204
Senior Officers ^[c]	7,476	7,719
Other APS Staff	11,555	11,940
Total APS	19,237	19,863
Total Workforce	78,087	79,236

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.
- c. Senior Officers are of Lieutenant Colonel or Colonel rank equivalent and APS Executive Levels 1 and 2.
- d. The figures for Senior Executives include the Secretary, SES Band Three, Two and One 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 which contribute to government outcomes over the Budget and forward years.

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

Note:

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

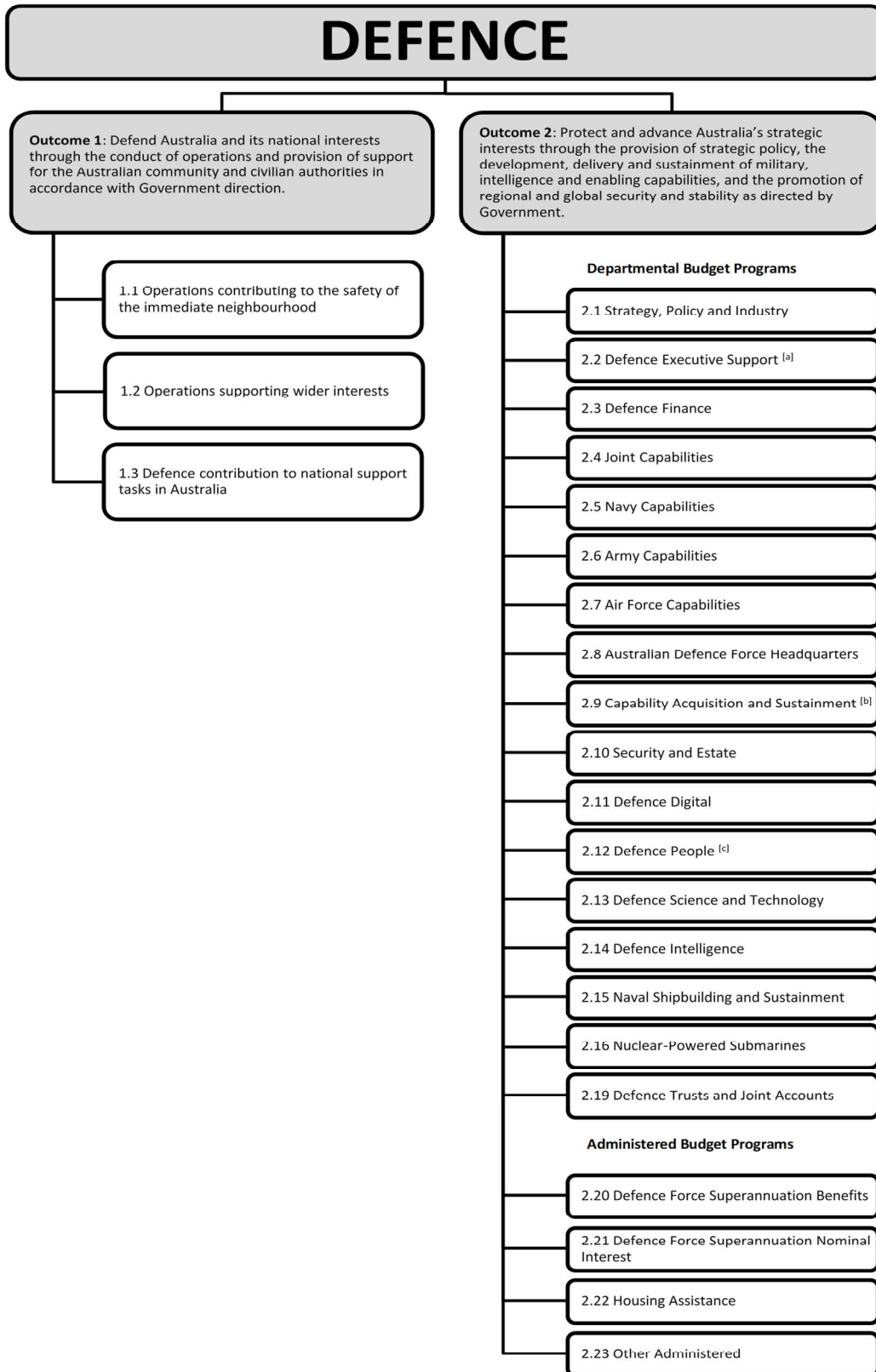
The most recent corporate plan for Defence can be found at:

<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 3: 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
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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 Support

- ACCORDION – Provide support to Operations STEADFAST, 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.
- STEADFAST – Contribute to the NATO Mission in Iraq supporting continued capacity building of the Iraqi Security Forces.
- 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 *2024-25 Defence Portfolio Additional Estimates Statements*.

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 obligations 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 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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	42,985	49,783	40	41	42
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	1,908	-	-	-	-
Expenditure funded by appropriations	161,439	137,937	1,218	1,222	1,225
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	126,265	130,162	22	22	22
Total resourcing					
Total Departmental revenue from other sources	1,908	-	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	261,749	317,882	1,280	1,285	1,289
Total capital expenditure funded by appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	68,940	-	-	-	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	332,597	317,882	1,280	1,285	1,289

Contributions to Outcome 1

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

To ensure that the Government, through the Australian Defence Force, has an active and effective role in promoting stability, integrity and cohesion in our immediate neighbourhood.

Australia shares the immediate neighbourhood with Indonesia, New Zealand, Papua New Guinea, Timor-Leste, Southeast Asian countries and the island countries of the Pacific.

Key Activity	This program will be achieved through the following activity: 1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <i>Expected to be achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 1.1 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	16,009	49,783	40	41	42
Other expenses	-	-	-	-	-
	16,009	49,783	40	41	42
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	16,009	49,783	40	41	42
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	26,976	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	26,976	-	-	-	-
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure ^[a]	42,985	49,783	40	41	42

Note

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

Program 1.2: Operations Supporting Wider Interests

Program 1.2 Objective

Operations supporting wider interests are designed to contribute to United Nations' and international efforts to uphold global security.
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Key Activity	<p>This program will be achieved through the following activity:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests.</p> <p>Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p>
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Year	Performance measures	Expected Performance Results
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Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <i>Expected to be achieved.</i>

Year	Performance measures	Planned Performance Results
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Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.

Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
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Material changes to Program 1.2 resulting from 2025-26 Budget Measures: Nil.
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Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,202	797	-	-	-
Suppliers	150,457	137,140	1,218	1,222	1,225
Other expenses	-	-	-	-	-
	152,659	137,937	1,218	1,222	1,225
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	152,659	137,937	1,218	1,222	1,225
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	10,687	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	10,687	-	-	-	-
Program 1.2 - Operations Supporting Wider Interests Total funded expenditure ^[a]	163,347	137,937	1,218	1,222	1,225

Note

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

Program 1.3 Defence Contribution to National Support Tasks in Australia

Program 1.3 Objective		
<p>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.</p> <p>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.</p>		
Key Activity	<p>This program will be achieved through the following activity:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests.</p> <p>Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <i>Expected to be achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 1.3 resulting from 2025-26 Budget Measures: Nil.		

Notes

- Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	8,037	11,261	-	-	-
Suppliers	86,952	118,901	22	22	22
Other expenses	-	-	-	-	-
	94,989	130,162	22	22	22
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	94,989	130,162	22	22	22
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	31,276	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	31,276	-	-	-	-
Program 1.3 - Defence Contribution to National Support Tasks in Australia Total funded expenditure ^[a]	126,265	130,162	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

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

The biennial National Defence Strategy is Defence's highest-level classified planning document. It informs the context, preparation and alignment of subsidiary planning documents across policy, enterprise planning, force employment, force generation and force design. The National Defence Strategy implements Cabinet decisions and updated Government direction, identifies priorities, and provides guidance on the tasks that need to be undertaken to achieve the Strategy of Denial.

The *2024 National Defence Strategy* re-weighted the three prevailing strategic defence objectives: to shape Australia's strategic environment, deter actions against Australia's interests, and respond with credible military force, when required. While these objectives had previously been weighted equally in Australia's strategic settings, deterrence is now Australia's primary Strategic Defence Objective.

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

The *2024 National Defence Strategy* and the *2024 Integrated Investment Program* are designed to ensure the ADF has the capacity to:

1. defend Australia and our immediate region;
2. deter through denial any potential adversary's attempt to project power against Australia through our northern approaches;
3. protect Australia's economic connection to our region and the world;
4. contribute with our partners to the collective security of the Indo-Pacific; and
5. contribute with our partners to the maintenance of the global rules-based order.

The Government has committed to a biennial National Defence Strategy cycle to ensure Defence policy, strategy, capability and planning keep pace with the rapidly evolving strategic environment, respond to Australia's national security priorities and provide clarity of process and approach to defence industry. The next National Defence Strategy will be delivered in 2026.

International engagement remains a critical function of Defence. Defence works with the United States and key partners to build a stable, secure and prosperous region that is free from coercion. Defence conducts operations and exercises in the region – including with the United States and key partners – to underpin the international rules-based order, maintain regional security and stability, and deter potential adversaries. 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 meet regional security priorities, and investing to play our part in keeping and building peace in our region.

Australia's support for the principles of sovereignty, territorial integrity and international law is not constrained by geography. Australia has committed over \$1.3 billion in military assistance to support Ukraine's self-defence. In addition to materiel and financial support, the Australian Defence Force continues to make an important contribution to multinational efforts in support of Ukraine under Operation Kudu. The Australian Defence Force is also providing personnel to support maritime security in the Middle East, including by supporting coalition efforts to protect international shipping transiting the Red Sea.

A continued focus in 2025 includes the ongoing implementation of the *Defence Trade Control Amendment Act 2014* which established a trilateral export control licence-free environment with the United States and the United Kingdom. This legislation came into effect on 1 September 2024, with the commencement of its three new offences coming into effect on 1 March 2025. Defence will also seek to strengthen industrial engagement with other priority partners in the region to bolster collective capability and resilience. Regulating the export of military and dual-use goods and technologies (consistent with Australia's national interest) is vital for maintaining the ADF's security and capability edge, preventing regional and international instability, ensuring Australia upholds international obligations, through participation in a series of multilateral non-proliferation and export control regimes, and preventing the illicit trade of conventional weapons or proliferation of weapons of mass destruction.

Defence is strengthening our cooperation with key partners in the Indo-Pacific, including Japan, India, the Republic of Korea, and France. Defence is enhancing operational cooperation with Japan through the 2022 Joint Declaration on Security Cooperation and the Australia-Japan Reciprocal Access Agreement, both reflections of our strategic alignment. Defence is developing an enduring and reciprocal framework to support increasingly sophisticated defence activities with the Republic of Korea. With India, Defence is enhancing maritime domain awareness cooperation and exercising with increased complexity and regularity. Defence is also deepening operational cooperation with France in the Indo-Pacific.

A strong partnership with defence industry is critical to delivering defence capabilities. A capable, resilient, competitive and innovative sovereign defence industrial base enables Defence's mission and Australia's national security outcomes. The Government's 2024 *Defence Industry Development Strategy* establishes the framework and principles for the direction of defence industry policy. The Strategy includes initiatives to develop the sovereign defence industrial base required to meet our national security needs. The next Defence Industry Development Strategy will be delivered in 2026 to align with the biennial National Defence Strategy cycle.

Intelligence delivers decision advantage to the Government, Defence leaders and operational commanders. It is a critical enabler for the integration and interoperability of our next-generation platforms, ensuring a capability edge through superior battlespace awareness. Defence Intelligence agencies continue to work closely with, and as, members of the National Intelligence Community so that current and future national security challenges are met and Australia's interests are maintained and protected.

Linked Programs

Attorney-General’s Department
Program 1.8 – Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked programs
The Attorney-General’s Department provides policy and legal advice to the government on the legal risks of the Nuclear-Powered Submarine Program, and international and domestic regulatory frameworks.

Australian Federal Police
Program 1.1 – Federal Policing.
Program 3.1 – Specialist Protective Services.
Program 3.2 – International Police Assistance and External Territories.
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.

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, services and regulation.
Australian Secret Intelligence Service
Program 1.1 – Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the functions for the Australian Secret Intelligence Service (ASIS) detailed in the Intelligence Services Act 2001, ASIS provides assistance to the Australian Defence Force (ADF) in support of military operations; cooperates with the ADF on intelligence matters; and cooperates with and assists the Australian Signals Directorate and the Australian Geospatial-Intelligence Organisation in the performance of their functions.
Australian Security Intelligence Organisation
Program 1.1 – Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the <i>Australian Security Intelligence Organisation Act 1979</i> , Australian Security Intelligence Organisation (ASIO) provides advice to Defence on matters relevant to security. ASIO exercises its foreign 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 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 1.2 – Support reliable, secure and affordable energy.
Program 2.3 – Accelerate the transition to a circular economy, while safely managing pollutants and hazardous substances.
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 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.
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.

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, the placement of Department of Foreign Affairs and Trade advisors at the 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
Under a Memorandum of Understanding, the placement of National Emergency Management Australia secondees at the ACMC supports a high-priority Australian Government initiative to enhance 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. Program 1.2 – Investing in science and technology. 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 Defence 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 support 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 the Office of Defence Industry Support to identify and support Australian businesses seeking to increase their capability and capacity to participate in supply chains for defence projects.</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, is supporting Defence’s acquisition of conventionally-armed, nuclear-powered submarines.</p> <p>DISR engages with the department regarding Defence Export Controls align regulatory activity associated with 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 aimed to address critical workforce shortages in STEM by attracting and retaining Australians from diverse backgrounds in STEM education and careers.</p>

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
<p>Program 1.1 – The Australian Transport Safety Bureau. 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 and the Arts, continued
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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 unmanned aerial systems by the military. 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 Social Services

Program 2.1 – Families and Communities.

Contribution to Outcome 2 by linked programs

Defence works with the Department of Social Services on the implementation and management of the National Redress Scheme processes that will be required to ensure that all claims are processed as efficiently as possible.
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Department of the Treasury

Program 1.1 – Department of the Treasury.

Program 1.4 – Commonwealth-State Financial Relations.

Contribution to Outcome 2 by linked program
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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.
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Department of Veterans' Affairs
<p>Program 1.1 – Veterans' Income Support and Allowances.</p> <p>Program 1.2 – Veterans' Disability Support.</p> <p>Program 1.6 – Military Rehabilitation and Compensation Acts Payment – Income Support and Compensation.</p> <p>Administered Program 2.22 – Housing Assistance.</p>
Contribution to Outcome 2 by linked programs
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>This is supported through Schedule 6 of the <i>Agreement between Defence and Veterans' Affairs for the Provision of Mental Health Support Services by the Open Arms to ADF Personnel</i> (Agreement for Services).</p> <p>Under a MOU, and in accordance with the <i>Defence Home Ownership Assistance Scheme Act 2008</i>, 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.</p> <p>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.</p>
Geoscience Australia
<p>Program 1.1 – Geoscientific and Spatial Information Services.</p>
Contributing to Outcome 2 by linked program
<p>Australian Hydrographic Office and Geoscience Australia are collaborating to deliver the AusSeabed initiative.</p>

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 – Support Australian exporters to expand internationally, attract productive international investment, and grow the 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 goods and technology subject to permit requirements.

Outcome 2 Resources

Table 16: Total Budgeted Resources Available for Outcome 2

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 2.1 Strategy, Policy and Industry					
Revenues from other sources	567	579	602	629	653
Expenditure funded by appropriations	752,966	781,311	679,890	781,612	1,073,187
Program 2.2 Defence Executive Support					
Revenues from other sources	3,017	3,403	3,524	3,068	1,403
Expenditure funded by appropriations	680,855	649,470	698,647	774,351	686,809
Program 2.3 Defence Finance					
Revenues from other sources	32,586	7,833	8,047	7,175	4,215
Expenditure funded by appropriations	166,186	177,397	182,523	181,230	186,931
Program 2.4 Joint Capabilities					
Revenues from other sources	15,081	15,429	15,840	16,210	16,638
Expenditure funded by appropriations	2,563,218	2,507,508	3,120,546	4,249,926	3,870,123
Program 2.5 Navy Capabilities					
Revenues from other sources	59,015	22,844	23,440	24,053	24,681
Expenditure funded by appropriations	11,250,694	11,862,635	12,951,672	12,958,657	14,326,250
Program 2.6 Army Capabilities					
Revenues from other sources	48,942	47,486	41,293	44,974	44,649
Expenditure funded by appropriations	11,832,802	13,034,364	13,868,590	14,534,244	14,730,387
Program 2.7 Air Force Capabilities					
Revenues from other sources	41,900	42,978	44,082	45,216	46,381
Expenditure funded by appropriations	9,668,878	9,958,345	10,951,252	11,188,779	12,577,111
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	191,955	329,746	175,777	121,831	112,318
Expenditure funded by appropriations	228,537	213,977	200,094	210,422	281,777
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	2,397	2,000	2,000	2,000	2,000
Expenditure funded by appropriations	1,228,362	1,539,643	1,720,270	1,797,281	2,838,123
Program 2.10 Security and Estate					
Revenues from other sources	569,147	708,444	585,025	615,208	610,755
Expenditure funded by appropriations	6,364,471	6,128,523	6,672,014	6,896,548	6,966,928
Program 2.11 Defence Digital					
Revenues from other sources	57,189	65,791	72,240	66,712	46,826
Expenditure funded by appropriations	1,583,338	1,664,235	1,933,256	2,164,077	2,355,709
Program 2.12 Defence People					
Revenues from other sources	13,973	15,181	15,373	14,618	11,817
Expenditure funded by appropriations	1,911,837	2,058,635	2,163,260	2,280,834	2,411,325
Program 2.13 Defence Science and Technology					
Revenues from other sources	14,675	4,643	4,759	4,872	4,989
Expenditure funded by appropriations	670,516	736,851	790,349	954,960	1,116,126
Program 2.14 Defence Intelligence					
Revenues from other sources	972	4,592	4,707	4,825	4,945
Expenditure funded by appropriations	907,124	1,066,964	1,338,855	1,565,993	1,562,510
Program 2.15 Naval Shipbuilding and Sustainment					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	317,414	341,250	266,703	247,090	249,127
Program 2.16 Nuclear-Powered Submarines					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	2,452,830	3,111,304	1,317,758	4,952,230	6,266,775

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Program 2.19 Defence Trusts and Joint Accounts					
Revenues from other sources	103,212	114,222	199,918	389,899	263,043
Total Expenditure	108,942	114,171	201,139	389,591	263,322
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)	27,800	25,568	23,707	22,017	20,466
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,859,273	1,847,396	1,883,901	1,923,075	1,934,267
Military Superannuation and Benefits Act, 1991 Part V, s.17 ^[a]	2,230,760	2,551,277	2,807,438	3,070,905	3,338,278
Australian Defence Force Cover Act 2015	190,000	255,776	319,356	409,775	520,878
Expenses not requiring appropriation	5,365,607	5,386,429	5,616,401	5,875,013	6,185,814
Total Administered expenses ^[b]	9,673,440	10,066,445	10,650,803	11,300,785	11,999,703
Administered revenues from other sources ^[c]	-1,100,849	-1,043,042	-986,327	-931,434	-878,919
Total Program 2.20 and 2.21	8,572,591	9,023,403	9,664,477	10,369,351	11,120,784
Program 2.22 Housing Assistance					
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	236,275	255,100	275,795	298,595	323,594
Expenses not requiring appropriation	-	-	-	-	-
Total Administered expenses	236,275	255,100	275,795	298,595	323,594
Administered revenues from other sources	-23,978	-26,573	-29,426	-32,570	-36,019
Total Program 2.22	212,297	228,527	246,369	266,025	287,575
Program 2.23 Other Administered					
Expenses not requiring appropriation	-	-	-	-	-
Total Administered expenses	-	-	-	-	-
Administered revenues from other sources	-41,908	-43,047	-44,232	-46,973	-58,869
Total Program 2.23	-41,908	-43,047	-44,232	-46,973	-58,869
Total resourcing					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	38,801,162	40,429,075	41,169,691	44,774,537	48,844,974
Net capital surplus / (deficit) ^[d]	-	-	-	-700,000	-
Capital Prepayment	-	-	-	-	-
Total Gifted assets included in budget estimates	-	-	-	-	-
Total Administered ^[e]	4,544,108	4,935,116	5,310,197	5,724,367	6,137,483
Total Departmental revenue from other sources	1,051,416	1,270,948	996,710	971,390	932,270
Total Administered revenue from other sources ^[f]	1,166,735	1,112,662	1,059,985	1,010,977	973,807
Administered returns to the Official Public Account ^[g]	-1,433,092	-1,367,249	-1,302,826	-1,241,307	-1,191,642
Prior year appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	2,665,892	3,128,980	3,052,313	3,317,985	3,386,211
- Bill 2 Equity	11,112,977	12,274,359	14,633,679	17,645,715	19,268,016
Total resources for Outcome 2	57,909,197	61,783,893	64,919,747	71,503,665	78,351,118
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts	-5,730	51	-1,221	308	-279
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	57,903,467	61,783,944	64,918,526	71,503,973	78,350,840

Notes

- Includes estimated resourcing used to meet payments for Defence Force Superannuation Nominal Interest under *Military Superannuation and Benefits Act, 1991 Part V, s.17*.
- Figures for 2024-25 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 Consumer Price Index (CPI) plus 2.5 per cent.
- The decrease in Military superannuation contributions from 2024-25 is attributable to the closure of Military Superannuation and Benefits Scheme (MSBS) to new ADF personnel, resulting in a gradual decline in the number of contributing members in MSBS.
- The funding movement from 2027-28 to 2024-25 of \$700 million is to partly address Defence's ongoing working capital requirements. This adjustment provides short term relief to increase cash reserves to meet Defence industry commitments as and when they fall due for payment. Refer Table 1 Serial 4. While the increase in working capital in 2024-25 is by way of the movement of appropriation from 2027-28, the movement will be represented as 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. 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 estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
- Total Administered revenue from other sources comprises of Military superannuation contributions, competitive neutrality revenue received from Defence Housing Australia and licence fees received under the Defence Home Ownership Assistance Scheme.
- Administered returns to the Official Public Account (OPA) are in relation to Administered revenue from activities performed by Defence on behalf of the Australian Government including administered receipts passed through from Superannuation programs to the OPA.

Contributions to Outcome 2

Program 2.1: Strategy, Policy and Industry		
Program 2.1 Objective		
To deliver high-quality policy advice to Government, the Secretary and Chief of the Defence Force, to protect and advance Australia's strategic interests.		
Key Activities ^[a]	<p>This program will be achieved through the following activities:</p> <p>2. Defence is a strategy-led organisation. It supports operationalising and implementing 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 2024-25 ^[b]	2.1: The National Defence Strategy is operationalised and monitored through alignment with enterprise planning.	Proportion of enterprise planning activities that are aligned to the <i>2024 National Defence Strategy</i> . <i>Expected to be substantially achieved.</i>
	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 effectively implements action items from annual 2+2 (Foreign Affairs and Defence) ministerial meetings. <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 Licence-Free environment.	Defence will finalise the approved export permit applications within benchmark timeframes, and will process fewer permits each year in total to the United States and United Kingdom since the introduction of the AUKUS Licence-Free Environment (from 1 September 2024). <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[c]	2.1: The National Defence Strategy is operationalised and monitored through alignment with enterprise planning.	Proportion of enterprise planning activities that are aligned to the <i>2024 National Defence Strategy</i> .
	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 effectively implements action items from annual 2+2 (Foreign Affairs and Defence) ministerial meetings.

Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^(a)	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 Licence-Free environment.	Defence will finalise the approved export permit applications within benchmark timeframes, and will process fewer permits each year in total to the United States and United Kingdom since the introduction of the AUKUS Licence-Free Environment (from 1 September 2024).
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.1 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Key Activity 2 and 5 have been amended and Key Activity 8 is new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. Performance Measures 2.1, 5.1 and 5.2 have been amended, and Performance Measures 2.2, 5.3, 5.4, 8.1 and 8.2 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- c. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	120,158	124,933	129,206	133,329	137,509
Suppliers	593,880	615,237	523,417	578,849	719,178
Other expenses	20,520	8,287	8,143	7,984	7,820
	734,558	748,457	660,766	720,162	864,508
Expenses not requiring appropriation					
Depreciation and amortisation	7,823	8,401	8,617	9,116	9,640
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^(a)	-373	-394	-416	-438	-462
	7,450	8,007	8,202	8,678	9,178
Total operating expenses	742,007	756,464	668,968	728,839	873,685
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	11,561	25,906	12,105	54,501	201,620
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	7,414	7,526	7,620	7,579	7,712
Total capital expenditure	18,975	33,432	19,726	62,079	209,332
Program 2.1 Strategy, Policy and Industry Total funded expenditure ^(b)	753,533	781,890	680,492	782,241	1,073,840

Notes

- a. Negative amounts denote a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates.
- b. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

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	<p>This program will be achieved through the following activities:</p> <p>4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia’s defence and national security requirements.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.</p> <p><i>Expected to be partially achieved.</i></p>
	4.3: The Defence Values and Behaviours enable our people to deliver Australia’s National Defence.	<p>The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.</p> <p><i>Expected to be substantially achieved.</i></p>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; Defence's suicide prevention training is practical, tailored, informed by lived experience and delivered in person; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025. <i>Expected to be partially 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 2024 National Defence Strategy.	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.

Year	Performance measures	Planned Performance Results
Budget 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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; Defence's suicide prevention training is practical, tailored, informed by lived experience and delivered in person; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans in place by 30 June 2025.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.2 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 18: Cost Summary for Program 2.2 Defence Executive Support ^[a]

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	156,250	157,957	160,883	165,711	170,685
Suppliers	346,645	393,686	354,587	379,175	347,016
Other expenses	1,993	2,811	2,881	2,752	3,027
	504,888	554,454	518,352	547,639	520,728
Expenses not requiring appropriation					
Depreciation and amortisation	46,734	35,311	57,535	59,747	62,044
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	14,611	17,632	21,278	25,678	30,989
	61,345	52,943	78,813	85,426	93,033
Total operating expenses	566,233	607,397	597,164	633,064	613,762
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	178,967	98,401	183,802	229,763	167,465
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	17	18	18	17	18
Total capital expenditure	178,984	98,419	183,820	229,781	167,483
Program 2.2 Defence Executive Support Total funded expenditure ^{[b] [c]}	683,872	652,873	702,171	777,419	688,212

Notes

- a. The Defence Executive Support Program includes amounts that will be transferred to the Australian Naval Nuclear Powered Submarine Regulator (ANNPSR) when the agency is created in 2025-26. The final allocation of funding for the ANNPSR will be finalised ahead of its establishment.
- b. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- c. The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.3: Defence Finance		
Program 2.3 Objective		
To produce quality financial products to deliver Defence and Government-directed outcomes.		
Key Activities	<p>This program will be achieved through the following activities:</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p> <p>7. Develop the sovereign defence industrial base required for our national security. The Government's significant investment in Defence over the coming decade will advance Australia's prosperity through expenditure on defence capabilities, support to new and existing defence industries and the creation of jobs.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions. <i>Expected to be achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.3 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees ^[b]	107,738	111,395	115,215	112,712	116,090
Suppliers	87,233	69,957	71,399	71,641	70,922
Other expenses	3,801	3,878	3,956	4,052	4,134
	198,772	185,230	190,570	188,405	191,146
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	198,772	185,230	190,570	188,405	191,146
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]	198,772	185,230	190,570	188,405	191,146

Notes

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

Program 2.4: Joint Capabilities		
<p>Program 2.4 Objective</p> <p>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.</p>		
<p>Key Activities</p>	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year ^[b] 2025-26	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

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Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.4 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence’s Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 20: Cost Summary for Program 2.4 Joint Capabilities

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	190,246	199,532	206,151	212,520	219,089
Suppliers	1,613,981	1,470,321	1,874,589	2,213,484	2,539,749
Other expenses	21	21	21	21	22
	1,804,248	1,669,874	2,080,761	2,426,026	2,758,859
Expenses not requiring appropriation					
Depreciation and amortisation	126,322	123,127	134,664	139,842	145,216
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	446,068	475,227	506,317	539,469	574,823
	572,390	598,354	640,981	679,311	720,039
Total operating expenses	2,376,637	2,268,227	2,721,742	3,105,336	3,478,898
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	773,994	853,006	1,055,567	1,840,053	1,127,842
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	57	58	57	57	60
Total capital expenditure	774,051	853,064	1,055,625	1,840,110	1,127,901
Program 2.4 Joint Capabilities Total funded expenditure ^{[a] [b]}	2,578,299	2,522,937	3,136,386	4,266,136	3,886,761

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		
<p>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.</p>		
<p>Key Activities</p>	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence’s strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence’s strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.5 resulting from 2025-26 Budget Measures: Nil.		

Notes

- Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 21: Cost Summary for Program 2.5 Navy Capabilities

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,822,380	2,963,404	3,095,378	3,221,838	3,333,654
Suppliers	4,271,207	4,428,681	4,571,127	4,467,422	4,854,720
Other expenses	6,614	6,276	5,841	5,448	5,024
	7,100,201	7,398,360	7,672,346	7,694,708	8,193,398
Expenses not requiring appropriation					
Depreciation and amortisation	1,877,199	1,849,348	1,962,529	2,031,973	2,104,126
Inventory consumption	366,693	367,939	345,363	386,796	405,652
Net write-down and net impairment of assets	26,171	27,776	29,480	31,289	33,209
	2,270,063	2,245,063	2,337,372	2,450,057	2,542,986
Total operating expenses	9,370,263	9,643,424	10,009,719	10,144,766	10,736,384
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,588,044	3,887,549	4,781,599	4,668,477	5,661,332
Purchases of inventory	593,457	571,399	492,830	587,325	465,131
Principal repayments of lease liabilities	28,007	28,170	28,337	32,199	31,069
Total capital expenditure	4,209,508	4,487,118	5,302,766	5,288,002	6,157,533
Program 2.5 Navy Capabilities Total funded expenditure ^(a) _(b)	11,309,709	11,885,479	12,975,112	12,982,710	14,350,931

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.

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

Deliverables		2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
16	Major Combatants ^[b]	2,420	3,126	2,875	3,258	3,366
13	Minor Combatants ^[c]	3,434	3,892	3,470	3,212	2,820
5	Amphibious and Afloat Support ^[d]	709	1,113	1,039	1,089	1,168
11	Maritime Teams ^[e]	3,941	3,267	3,213	3,292	3,285
2	Hydrographic Force ^[f]	591	664	628	496	365

Notes

- a. A Unit Availability Day (UAD) is a day when a unit is materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit’s normal operating environment, immediately.
- b. Major Combatants comprises seven *Anzac* class frigates, three *Hobart* class destroyers and six *Collins* class submarines. Reduction in UAD’s is due to variation of maintenance activities across *Anzac* class frigates and planned maintenance periods across *Collins* class submarines.
- c. Minor Combatants comprises three *Armidale* class patrol boats, eight *Cape* class patrol boats, two *Huon* class coastal minehunters and when commissioned into service the *Arafura* Offshore Patrol Vessels. Decreased UAD’s due to the HMA Ships’ *Broome* and *Gascoyne* decommissioning and the forecast decommissioning of HMA Ships *Bathurst* and *Albany* in December 2025. UAD data for OPV’s cannot be forecast into forward estimates until commissioned, however, there is an increase in UAD’s in 2025-26 due to the first vessel being accepted by Navy.
- d. Amphibious and Afloat Support comprises two *Supply* class replenishment ships, two *Canberra* class amphibious ships and HMAS *Choules*. There is nil significant change forecasted.
- e. Maritime Teams comprises two Clearance Diving teams, four Deployable Geospatial Support, two Deployable Meteorological teams and one Senior Deployable Meteorologist. UAD data for Maritime Teams has increased due to the addition of both a Deployable Multibeam Team and Deployable Shallow Water Team.
- f. Hydrographic Force comprises one *Leeuwin* class hydrographic ship and the Naval Air Station Weather and Oceanographic Centre. Nil change.

Table 23: Navy Deliverables (Flying Hours) ^[a]

Deliverables		2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
23	MH-60R	6,250	6,250	6,750	7,200	7,200

Note

- a. Workforce pressures in relation to flight crews have reduced flying hours for forecast UAD, affecting capacity to generate 7,200 hours per annum. However, there is no foreseen effect to operational tasking.

Program 2.6: Army Capabilities

Program 2.6 Objective		
<p>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.</p>		
Key Activities	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.6 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 24: Cost Summary for Program 2.6 Army Capabilities

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	4,871,417	5,166,879	5,388,074	5,611,661	5,777,194
Suppliers	2,895,022	3,085,319	3,402,304	3,322,493	3,917,473
Other expenses	4,356	4,427	4,499	4,572	4,647
	7,770,795	8,256,625	8,794,877	8,938,727	9,699,315
Expenses not requiring appropriation					
Depreciation and amortisation	1,935,873	1,858,642	2,013,424	2,085,694	2,160,808
Inventory consumption	553,736	624,890	724,976	770,163	820,770
Net write-down and net impairment of assets	222,560	236,293	250,874	266,355	282,794
	2,712,170	2,719,825	2,989,274	3,122,213	3,264,372
Total operating expenses	10,482,965	10,976,450	11,784,152	12,060,939	12,963,686
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,184,919	3,847,099	4,075,939	4,535,672	4,101,222
Purchases of inventory	917,097	969,054	1,029,864	1,095,565	965,090
Principal repayments of lease liabilities	8,932	9,072	9,203	9,254	9,410
	4,110,949	4,825,225	5,115,006	5,640,491	5,075,721
Program 2.6 Army Capabilities Total funded expenditure ^{(a) (b)}	11,881,744	13,081,850	13,909,883	14,579,218	14,775,036

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.

Table 25: Army Deliverables (Rate of Effort – Flying Hours)

Deliverables		2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
14	CH-47F Chinook	2,500	3,000	3,000	3,000	3,000
22	ARH Tiger ^[a]	2,595	1,315	450	450	-
29	AH-64E Apache ^[b]	-	700	2,200	3,700	5,400
40	UH-60M Black Hawk ^[c]	2,900	3,600	4,000	4,900	6,900
2	RQ-7B Shadow 200 – Tactical Uncrewed Aerial System (TUAS) ^[d]	1,584	-	-	-	-
6	RQ-21 Integrator – TUAS ^[e]	1,250	2,750	2,000	2,000	2,000
3	AW139 ^[f]	1,500	-	-	-	-
5	H135	1,500	3,000	3,000	3,000	3,000

Notes

- a. Reducing ARH Tiger Rate of Effort (ROE) reflects transition of the capability to the replacement Boeing AH-64E Apache.
- b. AH-64E Apache Forward Estimates reflect the fleet's planned introduction into service in accordance with Plan TALON as it replaces ARH Tiger. Aircraft deliveries will progressively increase to a fleet of 29. Updated ROE figures from 2025-26 onwards reflect revised capability milestones as agreed by Government.
- c. UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service as it replaces MRH90 Taipan. Aircraft deliveries commenced in Quarter 2, 2023 and will progressively increase to a fleet of 40.
- d. Shadow 200 withdrawn from service in December 2024.
- e. RQ-21 Integrator TUAS Forward Estimates reflect the fleet's planned introduction into service as it replaces Shadow 200 TUAS. The higher ROE in 2025-26 estimate is due to anticipated support to operations. System deliveries have commenced and will progressively increase to a fleet of 6 systems.
- f. The AW139 fleet will be withdrawn from service at the end of Quarter 2, 2025.

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	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.7 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 26: Cost Summary for Program 2.7 Air Force Capabilities

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	2,796,245	2,951,848	3,079,039	3,206,267	3,309,922
Suppliers	4,444,114	4,576,287	4,711,982	4,772,355	5,553,360
Other expenses	1,998	2,006	2,053	2,085	2,102
	7,242,358	7,530,141	7,793,074	7,980,707	8,865,384
Expenses not requiring appropriation					
Depreciation and amortisation	1,897,179	1,865,906	1,987,775	2,059,145	2,133,342
Inventory consumption	345,210	384,592	428,490	473,689	546,935
Net write-down and net impairment of assets	55,047	60,286	66,084	72,510	79,645
	2,297,436	2,310,784	2,482,348	2,605,344	2,759,923
Total operating expenses	9,539,794	9,840,925	10,275,423	10,586,050	11,625,306
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,899,026	1,858,289	2,576,706	2,536,575	3,110,534
Purchases of inventory	556,384	599,698	612,243	703,759	634,376
Principal repayments of lease liabilities	13,010	13,195	13,311	12,954	13,198
Total capital expenditure	2,468,420	2,471,182	3,202,259	3,253,288	3,758,108
Program 2.7 Air Force Capabilities Total funded expenditure ^{(a) (b)}	9,710,778	10,001,323	10,995,334	11,233,995	12,623,492

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.

Table 27: Air Force Deliverables (Flying Hours)

Deliverables ^[a]		2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
49	PC-21	24,700	26,820	26,820	26,820	26,820
11	KA350 King Air	3,800	3,800	3,800	3,800	3,800
12	C-130J Hercules	5,150	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	5,000	6,200	6,200	6,200	6,200
10	C-27J Spartan	4,800	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,700	4,700	4,700	4,700	4,700
2	737 BBJ	1,600	1,600	1,600	1,600	1,600
3	Falcon-7X	1,750	2,400	2,400	2,400	2,400
12	P-8A Poseidon ^[b]	5,800	6,200	6,600	7,000	7,000
6	E-7A Wedgetail	3,200	3,600	3,600	3,600	3,600
24	F/A-18F Super Hornet	3,520	4,500	4,500	4,500	4,500
33	Hawk 127	5,350	6,500	6,500	6,500	6,500
12	E/A-18G Growler	2,400	2,800	2,800	2,800	2,800
72	F-35A Lightning II ^[c]	10,000	11,500	12,000	12,000	12,000
-	MC-55A Peregrine ^[d]	-	400	1,650	2,400	3,000
-	MQ-4C Triton ^[e]	300	1,500	2,000	2,600	2,600

Notes

- a. Fleet sizes represent totals in service at 1 January 2025.
- b. P-8A Poseidon Forward Estimates reflect projected workforce growth.
- c. F-35A Lightning II forward estimates reflects projected workforce growth.
- d. MC-55A Peregrine forward estimates variation due to maturing understanding of the platform's employment.
- e. First MQ-4C Triton arrived in Australia in June 2024.

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	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad.</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.8 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measure 1.2 has been amended for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	46,573	45,266	46,749	48,166	49,626
Suppliers	368,788	498,351	329,015	265,861	278,554
Other expenses	5,111	88	90	91	94
	420,473	543,705	375,854	314,118	328,274
Expenses not requiring appropriation					
Depreciation and amortisation	12,863	13,807	13,457	13,971	14,505
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	205	218	232	247	263
	13,068	14,025	13,689	14,217	14,768
Total operating expenses	433,541	557,729	389,543	328,336	343,041
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	18,124	65,811
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	19	18	17	10	10
Total capital expenditure	19	18	17	18,134	65,821
Program 2.8 Australian Defence Force Headquarters Total funded expenditure ^{(a),(b)}	420,492	543,723	375,871	332,253	394,095

Notes

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

Program 2.9: Capability Acquisition and Sustainment (including Guided Weapon 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	<p>This program will be achieved through the following activities:</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p> <p>7. Develop the sovereign defence industrial base required for our national security. The Government's significant investment in Defence over the coming decade will advance Australia's prosperity through expenditure on defence capabilities, support to new and existing defence industries and the creation of jobs.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions. <i>Expected to be achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.9 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence’s Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	465,546	484,272	499,996	514,379	528,795
Suppliers	515,967	491,498	559,461	526,003	1,015,099
Other expenses	24,284	24,470	26,200	26,200	26,200
	1,005,797	1,000,240	1,085,657	1,066,582	1,570,094
Expenses not requiring appropriation					
Depreciation and amortisation	777	1,049	697	723	749
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^(a)	-2,672	-2,811	-2,958	-3,111	-3,273
	-1,895	-1,762	-2,261	-2,389	-2,525
Total operating expenses	1,003,902	998,478	1,083,396	1,064,193	1,567,569
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	224,961	541,403	636,613	732,699	1,270,029
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	224,961	541,403	636,613	732,699	1,270,029
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure^(b)	1,230,759	1,541,643	1,722,270	1,799,281	2,840,123

Notes

- a. Negative amounts denote a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates.
- b. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

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. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.10 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 30: Cost Summary for Program 2.10 Security and Estate

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	1,467,795	1,555,619	1,637,496	1,722,597	1,819,010
Suppliers	3,543,225	3,533,077	3,988,610	4,414,733	4,738,745
Other expenses	111,961	110,263	108,312	106,263	103,729
	5,122,981	5,198,959	5,734,419	6,243,593	6,661,484
Expenses not requiring appropriation					
Depreciation and amortisation	1,626,823	1,688,284	1,751,593	1,809,522	1,869,605
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	6,214	6,578	6,955	7,346	7,749
	1,633,037	1,694,862	1,758,549	1,816,868	1,877,354
Total operating expenses	6,756,018	6,893,821	7,492,967	8,060,461	8,538,838
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,496,317	1,317,221	1,194,851	935,996	575,360
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	314,320	320,787	327,769	332,167	340,838
	1,810,637	1,638,008	1,522,621	1,268,162	916,198
Program 2.10 Security and Estate Total funded expenditure ^{[a] [b]}	6,933,618	6,836,967	7,257,039	7,511,756	7,577,683

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. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.11 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence’s Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 31: Cost Summary for Program 2.11 Defence Digital

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	97,031	101,378	104,681	107,858	111,133
Suppliers	1,493,425	1,598,667	1,653,433	1,876,979	2,025,638
Other expenses	26	27	27	27	28
	1,590,483	1,700,072	1,758,141	1,984,864	2,136,799
Expenses not requiring appropriation					
Depreciation and amortisation	189,422	213,336	193,695	201,259	209,129
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^(a)	-5,930	-6,255	-6,597	-6,959	-7,340
	183,492	207,081	187,097	194,300	201,789
Total operating expenses	1,773,975	1,907,153	1,945,238	2,179,165	2,338,588
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	32,000	11,871	229,242	227,825	247,591
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	18,045	18,083	18,114	18,100	18,145
Total capital expenditure	50,044	29,954	247,355	245,925	265,736
Program 2.11 Defence Digital Total funded expenditure ^{(b) (c)}	1,640,527	1,730,026	2,005,496	2,230,789	2,402,535

Notes

- Negative amounts denote a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Estimated Actual, 2025-26 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	The program will be achieved through the following activities: 1. Conduct operations and deployments to defend Australia and its national interests. Defence conducts operations and deployments both within Australia and overseas, in accordance with direction from the Government. When required, Defence responds with military force to defend Australia and its national interests. Defence also works in close collaboration with our international partners and federal, state and territory governments to support our response to crises and disasters at home and abroad. 4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia’s defence and national security requirements.
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Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^(a)	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence’s strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year. <i>Expected to be achieved.</i>
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year. <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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment. <i>Expected to be partially achieved.</i>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[a]	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months. <i>Expected to be substantially 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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025. <i>Expected to be partially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	1.1: Defence maintains ready forces, plans and conducts operations, activities and investments as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts operations as directed. This will change year on year.
	1.2: Defence commits ADF and/or APS assistance to domestic crisis and emergency response, as directed by Government.	Defence responds to Australian Government direction as required. This will change year on year.
	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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.

Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[b]	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.
	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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans place by 30 June 2025.
Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.12 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 1.2, 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	1,067,674	1,215,147	1,280,749	1,348,706	1,423,954
Suppliers	816,904	818,296	857,732	906,021	957,310
Other expenses	4,243	5,106	5,131	5,155	5,180
	1,888,821	2,038,549	2,143,612	2,259,882	2,386,444
Expenses not requiring appropriation					
Depreciation and amortisation	30,425	29,390	32,476	33,431	34,410
Inventory consumption	11,680	12,309	13,204	14,453	16,523
Net write-down and net impairment of assets [b]	-846	-898	-953	-1,011	-1,073
	41,258	40,801	44,727	46,873	49,860
Total operating expenses	1,930,080	2,079,349	2,188,339	2,306,755	2,436,304
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	7,800	6,857	6,759	6,921	7,178
Purchases of inventory	19,635	18,711	18,444	18,886	19,586
Principal repayments of lease liabilities	9,554	9,699	9,818	9,763	9,934
Total capital expenditure	36,989	35,267	35,021	35,570	36,697
Program 2.12 Defence People Total funded expenditure [c] [d]	1,925,810	2,073,816	2,178,633	2,295,452	2,423,142

Notes

- The Defence People Group includes the funded expenditure for the Military Personnel Group and the People Strategy Group.
- Negative amounts denote a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Estimated Actual, 2025-26 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 2.13: 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	<p>This program is achieved through the following activities:</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p> <p>Innovation, science and technology plans make a significant contribution to Integrated Investment Program projects by reducing risk and allowing the insertion of emerging technologies.</p> <p>7. Develop the sovereign defence industrial base required for our national security. The Government’s significant investment in Defence over the coming decade will advance Australia’s prosperity through expenditure on defence capabilities, support to new and existing defence industries and the creation of jobs.</p>
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Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
	7.1: Defence strengthens the sovereign defence industrial base across the critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions. <i>Expected to be achieved.</i>

Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government, within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[a]	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.13 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees ^[a]	369,986	383,602	396,194	408,107	420,384
Suppliers ^[a]	313,946	356,620	397,629	532,948	589,736
Other expenses	1,120	1,131	1,143	1,155	1,166
	685,052	741,353	794,965	942,210	1,011,286
Expenses not requiring appropriation					
Depreciation and amortisation	58,926	79,405	52,758	54,781	56,882
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^[b]	-4,500	-4,739	-4,990	-5,254	-5,532
	54,426	74,666	47,768	49,526	51,350
Total operating expenses	739,478	816,019	842,733	991,736	1,062,636
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	17,481	109,685
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	139	141	143	142	144
Total capital expenditure	139	141	143	17,623	109,829
Program 2.13 Defence Science and Technology Total funded expenditure ^[c]	685,191	741,494	795,108	959,832	1,121,115

Notes

- a. Contains funding relating to the Advanced Strategic Capabilities Accelerator (ASCA) which was established as a separately branded division within Defence in PBS 2023-24. All funding relating to ASCA will be transferred to Program 2.8 Australian Defence Force Headquarters in March 2025.
- b. Negative amounts denotes a Net reversal of previous asset write-downs (Net write-on position). Total Defence is in a Net write-down and impairment of assets position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates. This program is in a Net write-on position in 2024-25 Estimated Actual, 2025-26 Budget Estimate and the Forward Estimates.
- c. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.14: 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. Classified intelligence assessments and products support Defence and the Government to make informed decisions on matters that may affect Australia’s national interests, including Defence’s strategic policy and overseas operations. 6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	3.1: Defence key stakeholder satisfaction of the alignment and impact of Defence Intelligence Enterprise (DIE) intelligence assessments and products.	Percentage of DIE intelligence assessments and products aligned to the Defence Intelligence Prioritisation Framework and percentage of satisfaction key stakeholders report in the impact of intelligence assessments and products to their decision-making. <i>Baseline to be established.</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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[a]	3.1: Defence key stakeholder satisfaction of the alignment and impact of Defence Intelligence Enterprise (DIE) intelligence assessments and products.	Percentage of DIE intelligence assessments and products aligned to the Defence Intelligence Prioritisation Framework and percentage of satisfaction key stakeholders report in the impact of 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.14 resulting from 2025-26 Budget Measures: Nil.		

Note

a. In accordance with Defence’s Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 34: Cost Summary for Program 2.14 Defence Intelligence

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	154,279	160,025	165,323	170,345	175,532
Suppliers	652,145	590,933	722,321	858,579	1,020,115
Other expenses	1,835	806	9	9	9
	808,259	751,764	887,653	1,028,933	1,195,656
Expenses not requiring appropriation					
Depreciation and amortisation	46,016	63,599	43,136	44,786	46,505
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	48,860	56,500	65,584	76,402	89,306
	94,876	120,099	108,720	121,188	135,811
Total operating expenses	903,135	871,863	996,372	1,150,122	1,331,467
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	99,714	319,668	455,783	541,760	371,672
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	123	124	126	125	127
	99,837	319,792	455,909	541,885	371,798
Program 2.14 Defence Intelligence Total funded expenditure ^[a]	908,096	1,071,556	1,343,562	1,570,818	1,567,455

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	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
Maritime Safety Updates ^[a]	100%	100%	100%	100%	100%
Charting Projects ^[b]	15	15	15	15	15
Nautical Publications ^[c]	31	31	31	31	31
Survey Projects ^[d]	10	10	10	12	12
Australian Hydrographic Office Availability ^[e]	247	248	249	249	247

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 Portfolio Budget Statements Target of 100 per cent achievement.
- b. 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 six annual publications Variation to the forward estimates is plus one, as the Mariner's Handbook for Australian Waters (AHP20) will be produced annually. Survey Project is a major hydrographic survey contract executed to support the Australian Hydrographic Office (AHO) national survey function under The *Navigation Act 2012*. The HydroScheme Industry Partnership Program (HIPP) enables the AHO to undertake focused hydrographic survey data collection using commercial arrangements.
- d. The Survey Project rate of effort is aligned with the financial year HIPP budget guidance and available personnel to manage the planning and oversight of scheduled survey projects. Forward estimate survey numbers have reduced due to increasing the size of the areas surveyed. Area coverage should therefore increase year on year with reduced administrative overheads. HIPP Phase 2 commenced 01 July 2024 and is funded to financial year 2033-34.
- e. Australian Hydrographic Office (AHO) Availability is those periods the AHO, as a Defence capability, is materially ready and its personnel state and level of competence enables the AHO to provide hydrographic products and services immediately in accordance with the *Navigation Act 2012*. The AHO is open 0700-1830 Monday to Friday, closed for Public Holidays and the Christmas stand down period availability outside these hours is upon request.

Program 2.15: Naval Shipbuilding and Sustainment

<p>Program 2.15 Objective</p> <p>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.</p>		
<p>Key Activities</p>	<p>This program is achieved through the following activities:</p> <p>6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial.</p> <p>7. Develop the sovereign defence industrial base required for our national security. The Government’s significant investment in Defence over the coming decade will advance Australia’s prosperity through expenditure on defence capabilities, support to new and existing defence industries and the creation of jobs.</p>	
Year	Performance measures	Expected Performance Results
<p>Current Year 2024-25</p>	<p>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 <i>2024 National Defence Strategy</i>.</p>	<p>80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.</p> <p><i>Expected to be substantially achieved.</i></p>
	<p>7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.</p>	<p>80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.</p> <p><i>Expected to be achieved.</i></p>
Year	Performance measures	Planned Performance Results
<p>Budget Year 2025-26 ^[a]</p>	<p>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 <i>2024 National Defence Strategy</i>.</p>	<p>80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.</p>

Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[a]	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.15 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual	2025-26 Budget Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses funded by appropriation and own source revenue					
Employees	172,843	187,082	185,117	190,692	196,436
Suppliers	144,543	154,139	81,026	55,560	51,770
Other expenses	3	4	4	4	4
	317,390	341,225	266,146	246,256	248,210
Expenses not requiring appropriation					
Depreciation and amortisation	160	207	146	152	157
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	160	207	146	152	157
Total operating expenses	317,550	341,432	266,292	246,408	248,367
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	531	808	891
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	24	25	25	26	26
Total capital expenditure	24	25	557	834	917
Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure ^[a]	317,414	341,250	266,703	247,090	249,127

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	This program is achieved through the following activities: 6. Deliver future capability. Defence will accelerate the development of important capabilities over the next decade to build an integrated, focused force across the maritime, land, air, space and cyber domains. This will ensure the Australian Defence Force has the capacity to defend Australia and its national interests in our evolving strategic circumstances and deter adversaries through a strategy of denial. 7. Develop the sovereign defence industrial base required for our national security. The Government's significant investment in Defence over the coming decade will advance Australia's prosperity through expenditure on defence capabilities, support to new and existing defence industries and the creation of jobs.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25	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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule. <i>Expected to be substantially achieved.</i>
	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions. <i>Expected to be achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 <i>2024 National Defence Strategy</i> .	80 per cent or more of approved Integrated Investment Program projects across all domains are on track to deliver the scope approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Budget Year 2025-26 ^[a]	7.1: Defence strengthens the sovereign defence industrial base across critical industrial capabilities.	80 per cent or more of the Defence Industry Development Grant Program budgeted allocation is awarded; supports Australian defence industry in international markets; provides a direct economic contribution to the Australian economy; drives investment in innovation, science and technology to deliver defence priorities; meets or exceeds Indigenous procurement targets; and supports the development of the domestic manufacture of guided weapons, explosive ordnance and munitions.
Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.16 resulting from 2025-26 Budget Measures: Nil.		

Note

- a. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	2,257,842	2,634,098	994,645	2,740,723	2,714,962
Other expenses	-	-	-	-	-
	2,257,842	2,634,098	994,645	2,740,723	2,714,962
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	2,257,842	2,634,098	994,645	2,740,723	2,714,962
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	194,988	477,206	323,114	2,211,507	3,551,813
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	194,988	477,206	323,114	2,211,507	3,551,813
Program 2.16 Nuclear-Powered Submarines Total funded expenditure ^[a]	2,452,830	3,111,304	1,317,758	4,952,230	6,266,775

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Other expenses	70,563	54,061	55,233	7,219	7,641
	70,563	54,061	55,233	7,219	7,641
Expenses not requiring appropriation					
Depreciation and amortisation ^(a)	34,013	34,013	34,013	34,013	34,013
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	34,013	34,013	34,013	34,013	34,013
Total operating expenses	104,576	88,074	89,246	41,232	41,654
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets ^(b)	38,379	60,110	145,907	382,372	255,680
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	38,379	60,110	145,907	382,372	255,680
Program 2.19 Defence Trusts and Joint Accounts ^(c)	108,942	114,171	201,139	389,591	263,322

Notes

- a. Relates to assets forming part of the Australian-Singapore Military Training Initiative (ASMTI).
- b. The increase from 2025-26 Budget Estimate to the Forward Estimates reflects changes to the timing of the construction activity relating to ASMTI.
- c. Total Program funded expenditure includes operating expenses and capital expenditure funded by own source revenue. This excludes expenses not requiring appropriation.

Administered Program 2.20: Defence Force Superannuation Benefits		
Administered Program 2.20 Objective		
To administer and report member and employer contributions paid during the year to the Defence Force Retirement and Death Benefits (DFRDB) scheme, the Military Superannuation and Benefits Scheme (MSBS) and ADF Super. It accounts for the liability for these schemes plus the Defence Forces Retirement Benefits (DFRB) scheme and the statutory death and invalidity scheme, ADF Cover. This program includes payment of the MSBS Retention Benefit.		
Key Activity	This program will be achieved through the following activity: 4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia's defence and national security requirements.	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment. <i>Expected to be partially achieved.</i>
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months. <i>Expected to be substantially achieved.</i>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; Defence's suicide prevention training is practical, tailored, informed by lived experience and delivered in person; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.</p> <p><i>Expected to be partially achieved.</i></p>
Year	Performance measures	Planned Performance Results
Budget 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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.

Year	Performance measures	Planned Performance Results
Budget 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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans place by 30 June 2025.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.20 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 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>		
<p>Key Activity</p>	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia’s defence and national security requirements.</p>	
<p>Year</p>	<p>Performance measures</p>	<p>Expected Performance Results</p>
<p>Current Year 2024-25 ^[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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.</p> <p><i>Expected to be partially achieved.</i></p>
	<p>4.3: The Defence Values and Behaviours enable our people to deliver Australia’s National Defence.</p>	<p>The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.</p> <p><i>Expected to be substantially achieved.</i></p>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; Defence's suicide prevention training is practical, tailored, informed by lived experience and delivered in person; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.</p> <p><i>Expected to be partially achieved.</i></p>
Year	Performance measures	Planned Performance Results
Budget 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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.

Year	Performance measures	Planned Performance Results
Budget 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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.21 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses					
Military retention benefits	8,742	8,727	1,668	912	519
Military superannuation benefits ^(a)					
- benefits	3,145,662	3,243,167	3,554,185	3,913,002	4,307,086
- interest	6,519,036	6,814,551	7,094,951	7,386,872	7,692,098
Total expenses	9,673,440	10,066,445	10,650,803	11,300,785	11,999,703
Income					
Revenues ^(b)					
Military superannuation contributions ^(c)	-1,100,849	-1,043,043	-986,327	-931,434	-878,919
Total income	-1,100,849	-1,043,043	-986,327	-931,434	-878,919
Program 2.20 Defence Force Superannuation Benefits and					
Program 2.21 Defence Force Superannuation Nominal Interest	8,572,591	9,023,402	9,664,477	10,369,351	11,120,784

Notes

- a. Figures for 2024-25 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.
- c. The decrease in Military superannuation contributions from 2024-25 is attributable to the closure of Military Superannuation and Benefits Scheme (MSBS) to new ADF personnel, resulting in a gradual decline in the number of contributing members in MSBS.

Administered Program 2.22: Housing Assistance		
Administered Program 2.22 Objective		
<p>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.</p>		
Key Activity	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia’s defence and national security requirements.</p>	
Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.</p> <p><i>Expected to be partially achieved.</i></p>
	4.3: The Defence Values and Behaviours enable our people to deliver Australia’s National Defence.	<p>The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.</p> <p><i>Expected to be substantially achieved.</i></p>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025. <i>Expected to be partially achieved.</i>
Year	Performance measures	Planned Performance Results
Budget 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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.
	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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.

Year	Performance measures	Expected Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.22 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence's Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 40: Cost Summary for Administered Program 2.22 Housing Assistance

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses					
Housing subsidies	236,275	255,100	275,795	298,595	323,594
Total expenses	236,275	255,100	275,795	298,595	323,594
Income					
Revenues ^(a)					
Dividends	-	-	-	-	-
License fees ^(b)	-23,978	-26,573	-29,426	-32,570	-36,019
Other	-	-	-	-	-
Total income	-23,978	-26,573	-29,426	-32,570	-36,019
Program 2.22 Housing Assistance	212,297	228,527	246,369	266,025	287,575

Notes

- a. Negative amounts denote revenue.
- b. Licence fees are charged to home loan providers under the Defence Home Ownership Assistance Scheme. 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"> 1. Interest earned on overdue accounts and on official bank accounts held to facilitate operational requirements. 2. Interest on Government loans to fund the building of new accommodation, dividends and tax equivalent payments received from the DHA. 3. Revenue received from science and technology royalties where the royalties offset Departmental cost of an activity, to the extent there was no appropriation for the activity. 		
<p>Key Activity</p>	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence has an integrated workforce comprised of Australian Defence Force members, Australian Public Service employees and contractors. We are committed to investing in the growth and retention of a highly skilled workforce to meet Australia’s defence and national security requirements.</p>	
<p>Year</p>	<p>Performance measures</p>	<p>Expected Performance Results</p>
<p>Current Year 2024-25 ^[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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.</p> <p><i>Expected to be partially achieved.</i></p>
	<p>4.3: The Defence Values and Behaviours enable our people to deliver Australia’s National Defence.</p>	<p>The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.</p> <p><i>Expected to be substantially achieved.</i></p>

Year	Performance measures	Expected Performance Results
Current Year 2024-25 ^[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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.</p> <p style="text-align: right;"><i>Expected to be partially achieved.</i></p>
Year	Performance measures	Planned Performance Results
Budget 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 2024 Defence Workforce Plan, 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 the Defence Strategic Workforce Segments, and the net flow of the ADF and APS workforce over a 12 month period against the Budgeted Workforce Requirement by Strategic Workforce Segment.
	4.3: The Defence Values and Behaviours enable our people to deliver Australia's National Defence.	The proportion of ADF and Defence APS personnel that believe appropriate action will be taken if they report an incident of unacceptable behaviour has increased in the last 12 months, the proportion of ADF and Defence APS personnel who have experienced any unacceptable behaviour in the workplace has decreased in the last 12 months, and proportion of ADF and Defence APS personnel who are of the view that Defence Values are being used in their work area has increased in the last 12 months.
	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 permanent ADF members and their families are registered with the ADF Family Health Program; 100 per cent of support services and programs are provided to permanent ADF and their families in accordance with identified service delivery timeframes; and 100 per cent of Defence-led, Government-agreed recommendations from the Royal Commission into Defence and Veteran Suicide Final Report which are on the Forward Work Plan for the Program Board in 2024-25, have approved Reform Management Plans by 30 June 2025.

Year	Performance measures	Planned Performance Results
Forward Estimates 2026-29	As per 2025-26.	As per 2025-26.
Material changes to Program 2.23 resulting from 2025-26 Budget Measures: Nil.		

Notes

- a. Performance Measures 4.1 and 4.2 have been amended, and Performance Measures 4.3 and 4.4 are new for 2024-25, as published in the updated 2024-28 Defence Corporate Plan in March 2025.
- b. In accordance with Defence’s Enterprise Performance Framework, Defence is undertaking materiality assessments that may result in updates to the 2025-26 performance information in the 2025-29 Defence Corporate Plan, if required.

Table 41: Cost Summary for Administered Program 2.23 Other Administered

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Expenses					
Supplier expenses	-	-	-	-	-
Total expenses	-	-	-	-	-
Income					
Revenues ^(a)					
Other ^(b)	-41,908	-43,047	-44,232	-46,973	-58,869
Total income	-41,908	-43,047	-44,232	-46,973	-58,869
Program 2.23 Other Administered	-41,908	-43,047	-44,232	-46,973	-58,869

Notes

- a. Negative amounts denote revenue.
- b. Other revenue predominantly includes competitive neutrality revenue from Defence Housing Australia.

Section 3: Defence Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025-26 Budget year, including the impact of Budget Measures and resourcing on financial statements.

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 2025-26 as at March Budget 2025 ^[a]

	Estimated Actual available appropriation 2024-25 \$'000	Estimate of prior year amounts available in 2025-26 \$'000	Proposed Budget 2025-26 \$'000	Total Estimate 2025-26 \$'000
Departmental				
Annual appropriations - ordinary annual services	38,967,010	-	40,709,350	40,709,350
Prior year appropriations available	425,972	1,535,495	-68,212	1,467,283
Equity injection	11,112,977	-	12,274,359	12,274,359
Departmental Capital Budget	2,734,831	-	3,128,980	3,128,980
Funding movement for 2024-25 Working Capital ^[b]	700,000	-	-	-
Total departmental annual appropriations ^[c]	53,940,790	1,535,495	56,044,477	57,579,972
Total departmental resourcing ^[d]	53,940,790	1,535,495	56,044,477	57,579,972
Administered				
Annual appropriations - ordinary annual services	4,544,108	-	4,935,116	4,935,116
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	4,544,108	-	4,935,116	4,935,116
Total administered resourcing	4,544,108	-	4,935,116	4,935,116

Notes

- This table is prepared on the same basis as Table 1.
- The funding movement from 2027-28 to 2024-25 of \$700 million is to partly address Defence's ongoing working capital requirements. This adjustment provides short term relief to increase cash reserves to meet Defence industry commitments as and when they fall due for payment. Refer Table 1 Serial 4. While the increase in working capital in 2024-25 is by way of the movement of appropriation from 2027-28, the movement will be represented as 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. 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 for 2024-25 include amounts which are yet to receive royal assent.
- 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]

	2024-25	2025-26
	Estimated	Budget
	Actual	Estimate
	\$'000	\$'000
Receipts from Defence Housing Australia for competitive neutrality revenue (Administered)	41,908	43,047
Payments made to Defence Housing Australia for the provision of services (Departmental)	806,270	910,352
Payments made to CEA Technologies Pty Ltd for the provision of services (Departmental)	306,630	715,685
Receipts from Australian Signals Directorate for the provision of services (Departmental)	102,840	105,439
Receipts from Australian Submarine Agency for the provision of services (Departmental)	33,910	36,725
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	24,165	24,260
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	39,743	44,533
Payments made to the Department of Finance for the provision of services (Departmental)	49,652	56,107
Payments made to Comcare for workers compensation premiums (Departmental)	22,928	24,452
Payments made to Bureau of Meteorology for the provision of services (Departmental)	24,339	24,469
Payments made to the Australian Federal Police for the provision of services (Departmental)	69,296	72,038

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)

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
EXPENSES					
Employee benefits	14,916,402	15,820,396	16,490,250	17,174,887	17,789,015
Supplier expenses	25,889,606	27,010,722	26,606,592	29,629,214	33,185,516
Grants ^(a)	49,842	44,907	44,999	45,108	45,205
Depreciation and amortisation	7,890,554	7,863,825	8,286,515	8,578,153	8,881,130
Finance costs	126,072	124,156	121,894	119,578	116,747
Write-down of assets and impairment of assets	1,730,682	1,852,543	1,984,224	2,126,732	2,281,215
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	70,563	54,061	55,233	7,219	7,641
Other	11,972	538	1,417	1,134	1,235
Total expenses	50,685,693	52,771,148	53,591,123	57,682,025	62,307,704
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	593,054	731,912	578,219	534,716	531,661
Revenue in relation to Defence Trusts and Joint Accounts	103,212	114,222	199,918	389,899	263,043
Other revenue	460,269	539,036	418,491	436,674	400,609
Total own-source revenue	1,156,534	1,385,170	1,196,628	1,361,289	1,195,313
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	925,267	987,130	1,053,334	1,124,210	1,200,119
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	925,267	987,130	1,053,334	1,124,210	1,200,119
Total own-source income	2,081,801	2,372,300	2,249,962	2,485,498	2,395,432
Net cost of (contribution by) services	48,603,892	50,398,847	51,341,161	55,196,527	59,912,272
Revenue from Government	38,967,010	40,709,350	41,166,155	44,770,752	48,840,860
Surplus (Deficit) attributable to the Australian Government	-9,636,883	-9,689,497	-10,175,006	-10,425,774	-11,071,412
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-9,636,883	-9,689,497	-10,175,006	-10,425,774	-11,071,412

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	-63,256	22,554	139,874	377,610	250,003
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	7,890,554	7,863,825	8,286,515	8,578,153	8,881,130
Inventory consumption	1,277,319	1,389,731	1,512,034	1,645,101	1,789,879
Net write-down and net impairment of assets	805,415	865,413	930,890	1,002,522	1,081,096
Add: Repayment of lease liabilities funded through revenue appropriations	399,661	406,918	414,558	422,393	430,690
Surplus (Deficit) attributable to the Australian Government as per above	-9,636,883	-9,689,497	-10,175,006	-10,425,774	-11,071,412

Note

a. Grants does not include the gifting of assets to foreign governments.

Table 45: Budgeted Departmental Balance Sheet (as at 30 June)

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	300,157	321,680	320,458	320,766	320,488
Trade and other receivables	271,222	271,222	271,222	271,222	271,222
Tax assets	396,818	396,818	396,818	396,818	396,818
Appropriation receivable	1,535,495	1,467,283	1,565,059	1,232,918	1,366,158
Other receivables	840,505	840,358	840,196	840,044	841,452
Total financial assets	3,344,196	3,297,361	3,393,753	3,061,768	3,196,137
Non-financial assets					
Land and buildings	26,776,360	27,148,892	27,740,846	28,647,834	29,111,776
Infrastructure, plant and equipment	11,376,819	12,125,821	12,719,019	13,442,016	13,577,836
Specialist military equipment	91,674,291	95,184,253	100,512,074	108,160,634	118,206,497
Intangibles	3,841,133	4,149,610	4,342,711	4,656,445	4,611,842
Heritage and cultural	385,993	369,519	351,536	332,861	313,469
Inventories	10,326,239	11,225,024	12,158,105	13,231,794	14,342,075
Prepayments	3,814,375	4,112,381	4,331,094	5,200,085	6,112,224
Total non-financial assets	148,195,209	154,315,500	162,155,384	173,671,671	186,275,720
Assets held for sale	68,417	68,417	68,417	68,417	68,417
Total assets	151,607,821	157,681,278	165,617,554	176,801,855	189,540,274
LIABILITIES					
Payables					
Suppliers	4,886,749	5,184,755	5,403,467	6,972,459	7,884,598
Other	1,618,969	1,381,735	1,287,659	782,334	720,906
Total payables	6,505,718	6,566,490	6,691,126	7,754,794	8,605,504
Interest bearing liabilities					
Leases	3,268,483	3,376,832	3,485,633	3,595,158	3,705,372
Total interest bearing liabilities	3,268,483	3,376,832	3,485,633	3,595,158	3,705,372
Provisions					
Employee provisions	3,552,559	3,743,051	3,934,902	4,108,086	4,302,763
Restoration, decontamination and decommissioning	1,056,201	1,056,201	1,056,201	1,056,201	1,056,201
Other	266,891	266,892	266,892	266,892	266,892
Total provisions	4,875,651	5,066,143	5,257,995	5,431,180	5,625,856
Total liabilities	14,649,852	15,009,465	15,434,754	16,781,132	17,936,732
NET ASSETS	136,957,970	142,671,813	150,182,800	160,020,724	171,603,542
EQUITY					
Contributed equity	107,987,851	123,391,191	141,077,185	161,340,883	183,995,113
Retained surplus (accumulated deficit)	-8,435,459	-18,124,955	-28,299,961	-38,725,735	-49,797,148
Reserves	37,405,577	37,405,577	37,405,577	37,405,577	37,405,577
Total equity	136,957,970	142,671,813	150,182,800	160,020,724	171,603,542

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (current year)	38,633,764	40,457,316	40,900,620	44,988,049	48,595,762
Appropriations (prior year)	-	-	-	-	-
Goods and services	1,690,378	737,733	750,978	793,041	806,276
Net GST received	3,072,597	3,125,378	3,239,995	3,695,396	4,173,407
Interest	-	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	89,251	123,192	199,919	389,898	263,043
Other cash received	232,918	533,213	245,735	178,348	125,994
Cash transfer from the Official Public Account (receivables)	-	-	-	-	-
Total cash received	43,718,907	44,976,832	45,337,247	50,044,732	53,964,482
Cash used					
Employees	14,610,282	15,555,862	16,224,715	17,392,184	17,543,908
Suppliers	25,312,287	25,620,991	25,094,559	27,284,112	31,395,637
Net GST paid	3,072,597	3,125,378	3,239,995	3,695,396	4,173,407
Grants	49,842	44,907	44,999	45,108	45,205
Payments in relation to Defence Trusts and Joint Accounts	108,942	114,171	201,139	389,591	263,322
Other cash used	993,392	124,691	123,314	120,710	117,991
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Total cash used	44,147,343	44,585,999	44,928,722	48,927,101	53,539,469
Net cash from (used by) operating activities	-428,436	390,833	408,525	1,117,631	425,013
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of non-financial assets	95,905	37,608	4,811	5,070	5,399
Other cash received	-	-	-	-	-
Total cash received	95,905	37,608	4,811	5,070	5,399
Cash used					
Purchase of non-financial assets	11,692,295	13,244,477	15,532,612	18,558,165	20,570,044
Purchase of inventory	2,155,513	2,158,862	2,153,380	2,405,535	2,084,183
Selling costs on sale of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	13,847,808	15,403,339	17,685,992	20,963,700	22,654,227
Net cash from (used by) investing activities	-13,751,903	-15,365,731	-17,681,181	-20,958,630	-22,648,828

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,112,977	12,274,359	14,633,679	17,645,715	19,268,016
Appropriations - departmental capital budget	2,734,831	3,128,980	3,052,313	3,317,985	3,386,211
Appropriations - Funding movement for 2024-25 Working Capital	700,000	-	-	-700,000	-
Prior year appropriation	-	-	-	-	-
Total cash received	14,547,808	15,403,339	17,685,992	20,263,700	22,654,227
Cash used					
Principal repayments of lease liabilities	399,661	406,918	414,558	422,393	430,690
Cash to the Official Public Account	-	-	-	-	-
Total cash used	399,661	406,918	414,558	422,393	430,690
Net cash from (used by) financing activities	14,148,147	14,996,421	17,271,434	19,841,307	22,223,537
Net increase (decrease) in cash and cash equivalents held					
	-32,192	21,523	-1,222	308	-278
Cash and cash equivalents at the beginning of the reporting period	332,349	300,157	321,680	320,458	320,766
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	300,157	321,680	320,458	320,766	320,488

Table 47: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2025-26)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2025				
Balance carried forward from previous period	-8,435,459	37,405,577	107,987,851	136,957,970
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	-8,435,459	37,405,577	107,987,851	136,957,970
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-9,689,497	-	-	-9,689,497
Total comprehensive income recognised directly in equity	-9,689,497	-	-	-9,689,497
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	12,274,359	12,274,359
Departmental Capital Budget	-	-	3,128,980	3,128,980
Other	-	-	-	-
Sub-total transaction with owners	-	-	15,403,339	15,403,339
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2026	-18,124,956	37,405,577	123,391,191	142,671,812

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,734,831	3,128,980	3,052,313	3,317,985	3,386,211
Bill 2 Equity	11,112,977	12,274,359	14,633,679	17,645,715	19,268,016
Funding movement for 2024-25 Working Capital ^[a]	700,000	-	-	-700,000	-
Total capital appropriations	14,547,808	15,403,339	17,685,992	20,263,700	22,654,227
Represented by:					
Purchase of non-financial assets	11,692,295	13,244,477	15,532,612	18,558,165	20,570,044
Purchase of inventory	2,155,513	2,158,862	2,153,380	2,405,535	2,084,183
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
Total Items	13,847,808	15,403,339	17,685,992	20,963,700	22,654,227
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	13,847,808	15,403,339	17,685,992	20,963,700	22,654,227
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Net capital surplus / (deficit) ^{[a] [b]}	-	-	-	-700,000	-
Total	13,847,808	15,403,339	17,685,992	20,263,700	22,654,227
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	13,886,187	15,463,449	17,831,899	21,346,072	22,909,907
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	38,379	60,110	145,907	382,372	255,680
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	13,847,808	15,403,339	17,685,992	20,963,700	22,654,227

Notes

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

Table 49: Statement of Departmental Asset Movements (Budget year 2025-26)

	Land \$'000	Buildings \$'000	Specialist Military Equipment \$'000	Infrastructure, Plant and Equipment \$'000	Intangibles \$'000	Heritage and Cultural Assets \$'000	Assets Held for Sale \$'000	Total \$'000
As at 1 July 2025								
Gross book value	7,020,440	18,923,880	97,834,330	12,554,500	5,927,646	416,580	68,417	142,745,793
Gross book value - ROU	53,923	3,511,151	304,500	738,067	-	-	-	4,607,642
Accumulated depreciation/amortisation and impairment	-	1,359,130	6,346,286	1,534,187	2,086,514	30,587	-	11,366,704
Accumulated depreciation/amortisation and impairment - ROU	-	1,373,903	118,254	381,562	-	-	-	1,873,719
Opening net book balance	7,074,363	19,701,997	91,674,291	11,376,819	3,841,133	385,993	68,417	134,123,012
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	57,410	1,298,965	9,923,449	1,445,027	519,626	-	-	13,244,477
By purchase - appropriation equity - ROU	-	456,066	18,378	40,820	-	-	-	515,265
By purchase - donated funds	-	29,517	-	30,593	-	-	-	60,110
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
Total additions	57,410	1,328,482	9,923,449	1,475,620	519,626	-	-	13,304,587
Total additions - ROU	-	456,066	18,378	40,820	-	-	-	515,265
Other movements								
Reclassifications ^(a)	-	-269,034	-43,522	407,709	4,980	-	-	100,134
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	726,855	5,555,364	1,001,317	149,194	16,474	-	7,449,204
Depreciation and amortisation - ROU	-	305,755	39,418	69,447	-	-	-	414,621
Disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Disposal of entities or operations (including restructuring) - ROU	-	-	-	-	-	-	-	-
Other disposals ^(b)	-	167,782	793,561	104,384	66,936	-	-	1,132,663
Other disposals - ROU	-	-	-	-	-	-	-	-
Total other movements	-	-1,163,671	-6,392,447	-697,992	-211,149	-16,474	-	-8,481,733
Total other movements - ROU	-	-305,755	-39,418	-69,447	-	-	-	-414,621
As at 30 June 2026								
Gross book value	7,077,850	19,815,545	106,920,696	14,333,446	6,385,317	416,580	68,417	155,017,850
Gross book value - ROU	53,923	3,967,217	322,879	778,888	-	-	-	5,122,907
Accumulated depreciation/amortisation and impairment	-	2,085,985	11,901,650	2,535,504	2,235,707	47,061	-	18,805,907
Accumulated depreciation/amortisation and impairment - ROU	-	1,679,659	157,672	451,009	-	-	-	2,288,340
Closing net book value	7,131,773	20,017,119	95,184,253	12,125,821	4,149,610	389,519	68,417	139,046,512

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)

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Dividends	-	-	-	-	-
Military superannuation contributions	1,100,849	1,043,042	986,327	931,434	878,919
Fees	23,978	26,573	29,426	32,570	36,019
Other	41,908	43,047	44,232	46,973	58,869
Total non-taxation	1,166,735	1,112,662	1,059,985	1,010,977	973,807
Total revenues administered on behalf of Government	1,166,735	1,112,662	1,059,985	1,010,977	973,807
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	236,275	255,100	275,795	298,595	323,594
Military retention benefits	8,743	8,727	1,668	912	519
Military superannuation benefits	9,664,698	10,057,719	10,649,135	11,299,874	11,999,184
Other	-	-	-	-	-
Total expenses administered on behalf of Government	9,909,716	10,321,546	10,926,598	11,599,380	12,323,297

Table 51: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	46,050	48,645	51,498	54,642	58,091
Investments accounted for using the equity method	3,942,774	4,152,780	4,364,563	4,591,374	4,765,421
Total financial assets	3,988,824	4,201,425	4,416,061	4,646,016	4,823,512
Non-financial assets					
Prepayments	12,086	3,359	1,691	779	260
Total non-financial assets	12,086	3,359	1,691	779	260
Total assets administered on behalf of Government	4,000,910	4,204,784	4,417,752	4,646,795	4,823,772
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	106,541	106,541	106,541	106,541	106,541
Total payables	106,541	106,541	106,541	106,541	106,541
Provisions					
Superannuation - DFRB	200,166	183,977	168,884	154,768	141,532
Superannuation - DFRDB	29,210,769	28,798,420	28,323,938	27,782,145	27,198,854
Superannuation - MSBS	101,265,584	105,569,173	109,695,750	113,638,320	117,384,941
Superannuation - ADF Cover	6,197,036	7,957,080	10,180,717	12,901,629	16,158,112
Total provisions	136,873,555	142,508,650	148,369,289	154,476,862	160,883,439
Total liabilities administered on behalf of Government	136,980,096	142,615,191	148,475,830	154,583,403	160,989,980

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

	2024-25 Estimated Actual \$'000	2025-26 Budget Estimate \$'000	2026-27 Forward Estimate \$'000	2027-28 Forward Estimate \$'000	2028-29 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,370,220	1,300,224	1,232,021	1,164,908	1,096,754
Fees	20,964	23,978	26,573	29,426	36,019
Other	41,908	43,047	44,232	46,973	58,869
Total cash received	1,433,092	1,367,249	1,302,826	1,241,307	1,191,642
Cash used					
Subsidies paid	236,275	255,100	275,795	298,595	323,594
Military benefits	4,307,833	4,680,016	5,034,402	5,425,772	5,813,889
Total cash used	4,544,108	4,935,116	5,310,197	5,724,367	6,137,483
Net cash from or (used by) operating activities	-3,111,016	-3,567,867	-4,007,371	-4,483,060	-4,945,841
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	-3,111,016	-3,567,867	-4,007,371	-4,483,060	-4,945,841
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	4,544,108	4,935,116	5,310,197	5,724,367	6,137,483
Cash to the Official Public Account	-1,433,092	-1,367,249	-1,302,826	-1,241,307	-1,191,642
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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