PORTFOLIO BUDGET STATEMENTS 2023-24
BUDGET RELATED PAPER No. 1.4A

DEFENCE PORTFOLIO

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

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THE HON RICHARD MARLES
DEPUTY PRIME MINISTER
MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit the Portfolio Budget Statements in support of the 2023-24 Budget for the Defence Portfolio.

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

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

Yours sincerely



Richard Marles

Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance Group, Department of Defence on (02) 6132 7038.

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

User Guide
To The
Portfolio Budget Statements

User Guide

The purpose of the *2023-24 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

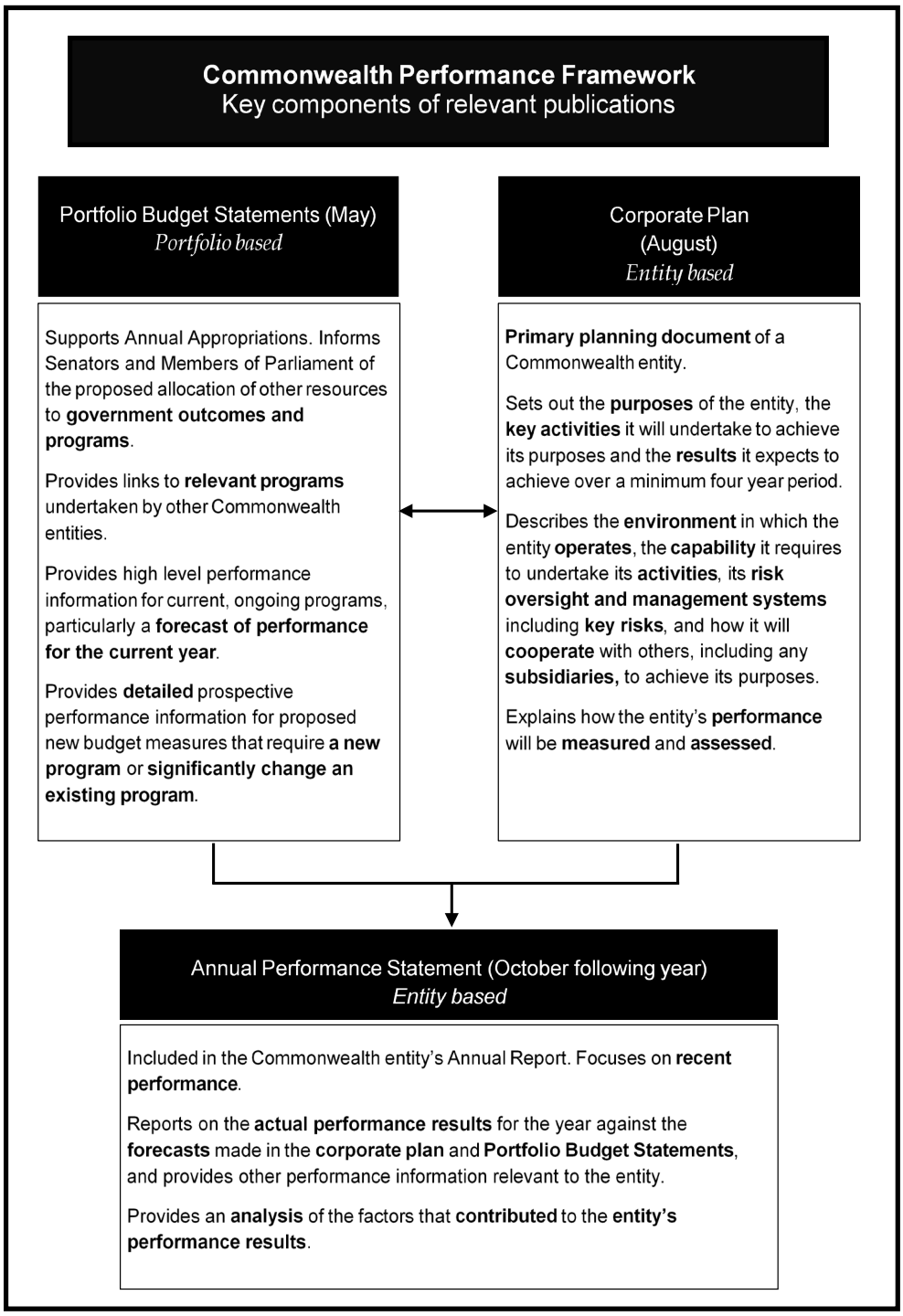
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2023-24 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2023-24 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

The Commonwealth Performance Framework

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


Commonwealth Performance Framework
Key components of relevant publications
Portfolio Budget Statements (May)
Portfolio based
Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to government outcomes and programs.
Provides links to relevant programs undertaken by other Commonwealth entities.
Provides high level performance information for current, ongoing programs, particularly a forecast of performance for the current year.
Provides detailed prospective performance information for proposed new budget measures that require a new program or significantly change an existing program.
Corporate Plan
(August)
Entity based
Primary planning document of a Commonwealth entity.
Sets out the purposes of the entity, the key activities it will undertake to achieve its purposes and the results it expects to achieve over a minimum four year period.
Describes the environment in which the entity operates, the capability it requires to undertake its activities, its risk oversight and management systems including key risks, and how it will cooperate with others, including any subsidiaries, to achieve its purposes.
Explains how the entity's performance will be measured and assessed.
Annual Performance Statement (October following year)
Entity based
Included in the Commonwealth entity's Annual Report. Focuses on recent performance.
Reports on the actual performance results for the year against the forecasts made in the corporate plan and Portfolio Budget Statements, and provides other performance information relevant to the entity.
Provides an analysis of the factors that contributed to the entity's performance results.

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Portfolio Overview

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Defence Portfolio Overview

Ministers and their Portfolio Responsibilities

The Defence Portfolio has four Ministers:

- The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence.
- The Hon Pat Conroy MP, Minister for Defence Industry.
- The Hon Matt Keogh MP, Minister for Veterans' Affairs and Minister for Defence Personnel.
- The Hon Matt Thistlethwaite MP, Assistant Minister for Defence and Assistant Minister for Veterans' Affairs.

The Defence Portfolio

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

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

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

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

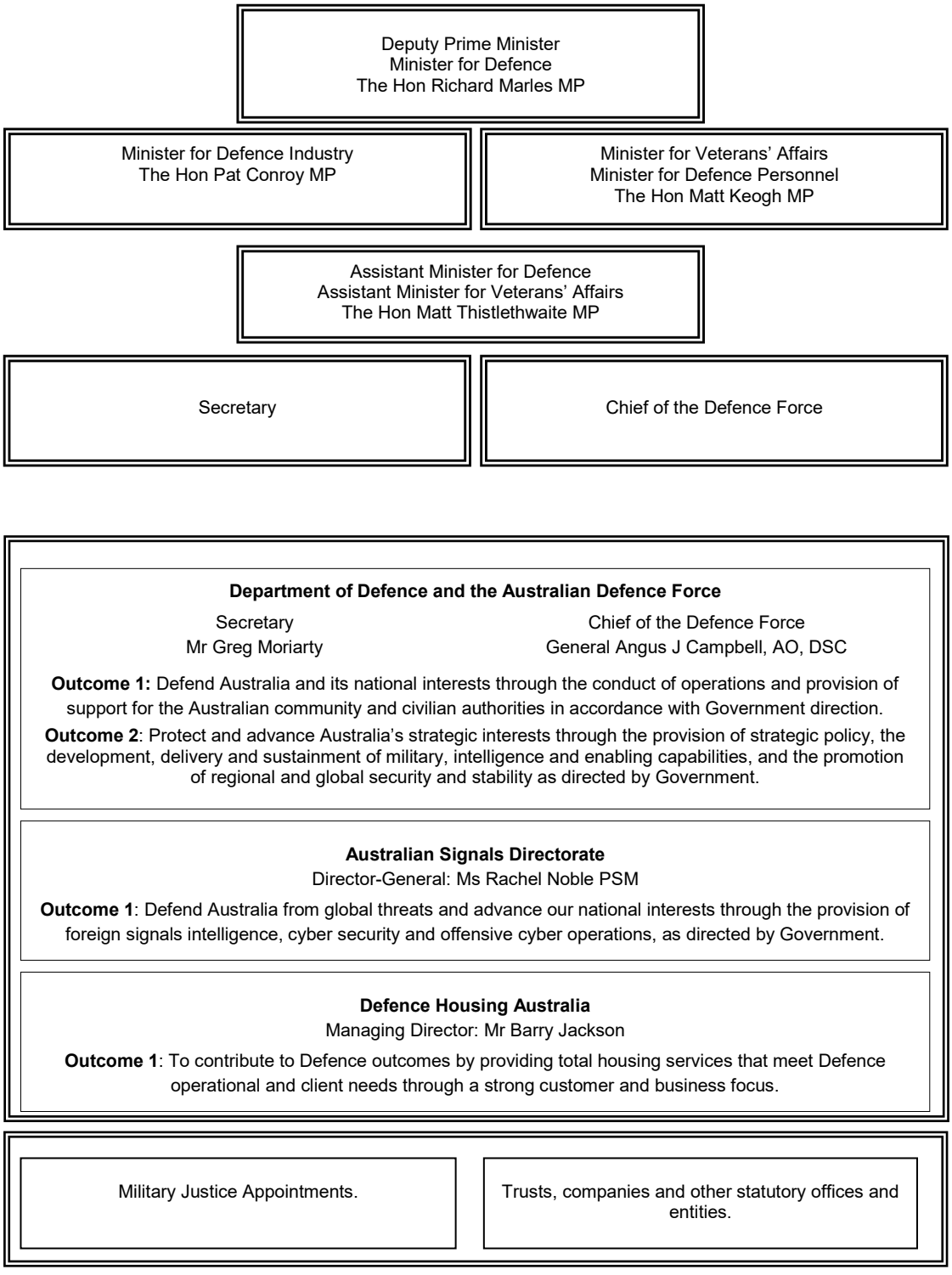
The Portfolio includes the Australian Signals Directorate (ASD) and Defence Housing Australia (DHA). The Portfolio also contains some smaller entities, including a number of statutory offices, trusts and companies created by *the Public Governance, Performance and Accountability Act 2013, Defence Force Discipline Act 1982* and *Defence Act 1903*, which are independent but reside administratively within the Portfolio. The Government has also announced that a new entity, the Australian Submarine Agency, will be established on 1 July 2023.

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

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

Portfolio Structure and Outcomes

Figure 1: Defence Portfolio Structure and Outcomes



The Defence Portfolio Structure and Outcomes is effective at the time of this publication's release.

Defence Portfolio Bodies

AAF Company

President: Colonel Kirsty Skinner

The AAF Company is a Commonwealth company that undertakes the management and trusteeship of the unincorporated funds known as the 'Army Amenities Fund' and the 'Messes Trust Fund'. The AAF Company promotes and supports the objectives of the Army Amenities Fund which provides amenities for members of the Australian Army.

Army and Air Force Canteen Service

Chair: Mr Glenn Kirk, GAICD

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

Australian Military Forces Relief Trust Fund

Chair: Brigadier Craig Dobson

The Australian Military Forces Relief Trust Fund, a Commonwealth authority established under the *Services Trust Funds Act 1947*, provides benefits to members of the ADF who have served in, or in association with, the Army and to the dependants of such members.

Australian Strategic Policy Institute Limited

Chair: Lieutenant General (Ret'd) Ken Gillespie, AC, DSC, CSM

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

Royal Australian Air Force Veterans' Residences Trust

Chair: Air Commodore (Ret'd) David E. Tindal, AM

The Royal Australian Air Force Veterans' Residences Trust, a Commonwealth authority established by the *Royal Australian Air Force Veterans' Residences Act 1953*, provides residences in which eligible former members, including dependants, of the Royal Australian Air Force, Royal Australian Air Force Nursing Service and Women's Auxiliary Australian Air Force who are in necessitous circumstances and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.

Royal Australian Air Force Welfare Recreational Company

Chair: Air Commodore Martin Smith

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

Royal Australian Air Force Welfare Trust Fund

Chair: Chaplain James Cox

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

Royal Australian Navy Central Canteens Board

Acting Chair: Commodore Nathan Robb, RAN

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

Royal Australian Navy Relief Trust Fund

Chair: Commodore Shane Glassock, CSC, RAN

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

Defence

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Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

The Government has determined that Defence must have the capacity to:

- 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 *Defence Strategic Review* considered whether Australia has the necessary defence capability, posture and preparedness to defend Australia and its interests in the strategic environment we now face. In response to the *Defence Strategic Review*, the Government will initially focus on six priorities:

- investing in conventionally-armed, nuclear-powered submarines through the AUKUS partnership;
- 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;
- lifting our capacity to rapidly translate disruptive new technologies into ADF capability, in close partnership with Australian industry;
- investing in the growth and retention of a highly-skilled defence workforce; and
- deepening our diplomatic and defence partnerships with key partners in the Indo-Pacific.

Defence will bring forward the inaugural National Defence Strategy in 2024, which will encompass a comprehensive outline of Defence policy, planning, capabilities and resourcing, including reprioritisation of the Integrated Investment Program to align with the intent and recommendations of the *Defence Strategic Review*. The Government has included a spending provision in the Contingency Reserve for increased Defence funding over the medium term to implement the *Defence Strategic Review*.

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 Australia, the United Kingdom and the United States (AUKUS) partnership, the nuclear-powered submarine pathway (Pillar I) will also bolster interoperability among the AUKUS partners, build the combined capabilities of the AUKUS partners and create a stronger, more resilient trilateral industrial base for submarine production and maintenance.

Acquiring conventionally-armed, nuclear-powered submarines will require a whole-of-nation effort across multiple decades. The nuclear-powered submarine program will require ongoing collaboration and partnerships with local, state and federal governments, departments and agencies, as well as international governments, industry partners, community-based groups, First Nation communities and education providers. In delivering this program, AUKUS partners have signaled their commitment to strengthening the global nuclear non-proliferation regime and to maintaining the highest standards of nuclear safety and security.

The Australian Submarine Agency (ASA) will be established 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 Royal Australian Navy will continue to be responsible for submarine operations.

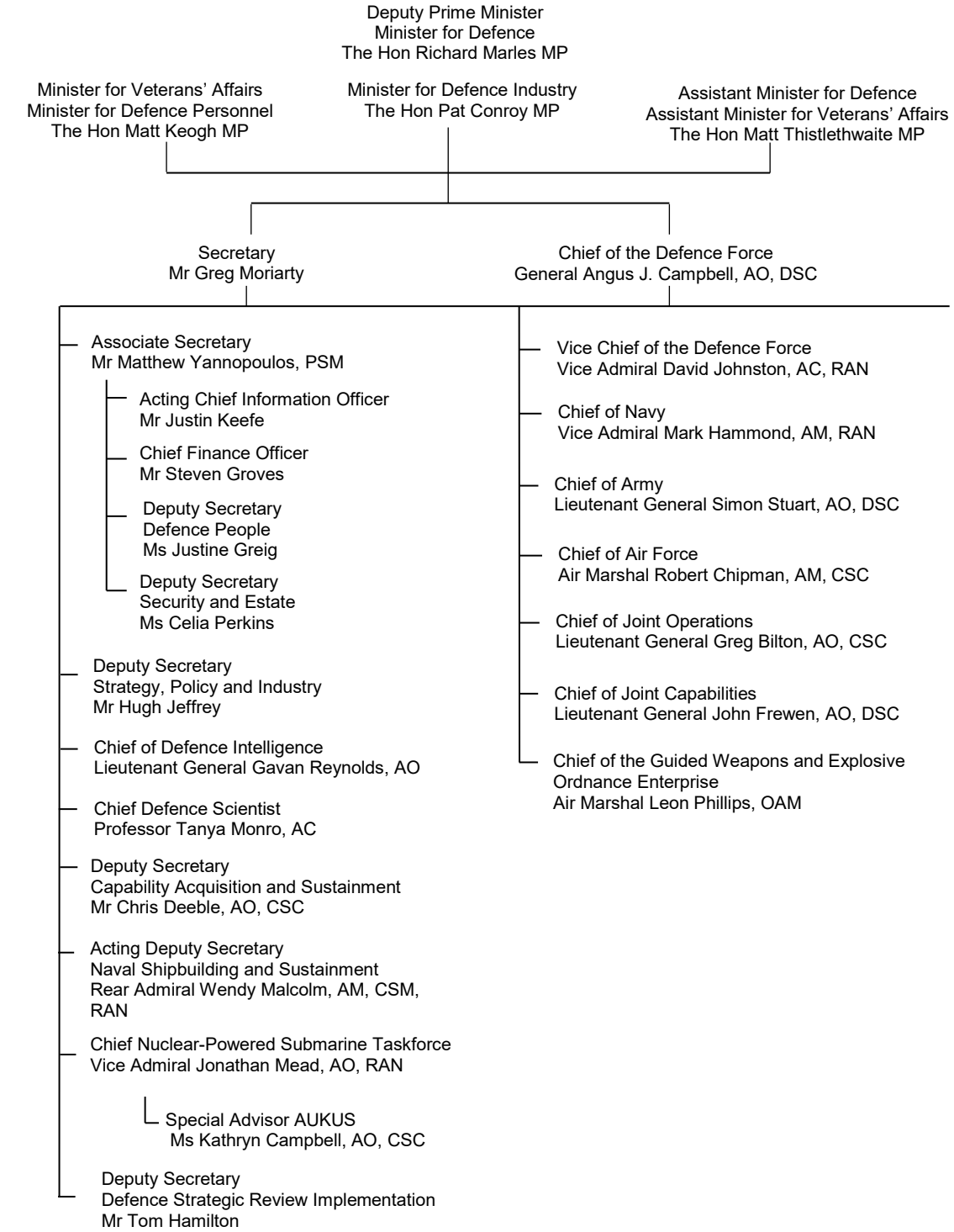
AUKUS Pillar II comprises collaboration across six advanced capabilities including advanced cyber, artificial intelligence and autonomy, quantum technologies, undersea warfare, electronic warfare, and hypersonic and counter-hypersonic. AUKUS partners will also continue to leverage our respective innovation and information sharing ecosystems to ensure the success of the AUKUS partnership.

The success of AUKUS Pillar II is essential for Australia in acquiring asymmetric capability. The ambition of the AUKUS partners is to support technological transfers as well as break down barriers for intellectual property transfer, domestic manufacturing, and domestic maintenance of key weapons, technology and capabilities.

The Government is also investing $3.4 billion over the next decade in innovation through the establishment of the Advanced Strategic Capabilities Accelerator (ASCA). Through this investment Defence will continue to harness and grow the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities.

Defence Organisational Chart

Figure 2: Defence Organisational Chart



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

Senior Executive Changes

The following changes have taken place since the October Portfolio Budget Statements 2022-23:

- On 31 January 2023, Mr Stephen Pearson retired from the Australian Public Service as the Chief Information Officer.
- On 31 January 2023, Mr Justin Keefe was appointed as Acting Chief Information Officer until the position is filled permanently.
- On 27 February 2023, Mr Tom Hamilton was appointed Acting Deputy Secretary Defence Strategic Review Implementation and was permanently appointed to the position on 9 March 2023.
- On 2 March 2023, Mr Hugh Jeffrey was permanently appointed as Deputy Secretary Strategy, Policy and Industry.
- On 27 April 2023, Mr Tony Dalton retired from the Australian Public Service as the Deputy Secretary Naval Shipbuilding and Sustainment.
- On 27 April 2023, Rear Admiral Wendy Malcolm, AM, CSM, RAN, was appointed Acting Deputy Secretary Naval Shipbuilding and Sustainment.
- On 8 May 2023, Air Marshal Leon Phillips, OAM, was appointed Chief of the Guided Weapons and Explosive Ordnance Enterprise.

Organisational Structure

The following change has taken place since the last Portfolio Statement:

- On 27 February 2023, the Defence Strategic Review Implementation Taskforce was established.

1.2 Defence Resource Statement

Table 1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the Budgeted expenses by Outcome 1 and 2 tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1: Total Defence Resourcing

Serial No.	2022-23 Estimated Actual $'000		2023-24 Previous Estimate $'000	2023-24 Budget Estimate $'000	Variation $'000	Variation %	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
		Defence resourcing							
1	32,753,202	Appropriation for departmental outcomes	31,258,896	34,828,325	3,569,429	11.4	35,925,964	39,884,899	38,501,405
2	2,833,844	Departmental capital budget	3,070,065	3,294,930	224,865	7.3	3,430,448	3,154,056	3,254,579
3	11,832,391	Equity injection appropriation	15,511,582	11,963,096	-3,548,486	-22.9	12,534,356	11,466,866	15,826,350
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	**47,419,437**	**Current year's appropriation (1 + 2 + 3 + 4) [a]**	**49,840,543**	**50,086,351**	**245,808**	**0.5**	**51,890,768**	**54,505,821**	**57,582,334**
6	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account [b]	-	-	-	-	-	-	-
9	**-**	**Funding from / to the OPA (6 + 7 + 8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	**47,419,437**	**Funding from Government (5 + 9)**	**49,840,543**	**50,086,351**	**245,808**	**0.5**	**51,890,768**	**54,505,821**	**57,582,334**
11	511,701	Net Capital receipts	352,982	358,675	5,693	1.6	330,295	331,034	157,013
12	744,692	Own source revenue (s74 receipts) [c]	586,607	583,008	-3,599	-0.6	579,823	658,013	679,595
13	-	Prior year receipts	-	-	-	-	-	-	-
14	**1,256,393**	**Funding from other sources (11 + 12 + 13)**	**939,589**	**941,683**	**2,094**	**0.2**	**910,118**	**989,047**	**836,608**
15	**48,675,830**	**Total Departmental funding excl. Defence Trusts and Joint Accounts (10 + 14)**	**50,780,132**	**51,028,034**	**247,902**	**0.5**	**52,800,886**	**55,494,868**	**58,418,942**
		Defence Trusts and Joint Accounts							
16	304,822	Revenue	411,070	327,736	-83,334	-20.3	260,810	316,626	324,806
17	-304,822	Expenditure	-411,070	-327,736	83,334	-20.3	-260,810	-316,626	-324,806
18	**-**	**Total Defence Trusts and Joint Accounts (16 + 17) [d]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19	**48,675,830**	**Total Departmental funding (15 +18)**	**50,780,132**	**51,028,034**	**247,902**	**0.5**	**52,800,886**	**55,494,868**	**58,418,942**
		Administered [e]							
20	3,671,366	Administered special appropriations	3,890,346	4,001,788	111,442	2.9	4,330,990	4,603,631	4,887,576
21	1,307,584	Own source revenue [f]	1,191,380	1,185,877	-5,503	-0.5	1,139,147	1,073,839	998,770
22	-1,307,584	Returns to the Official Public Account	-1,191,380	-1,185,877	5,503	-0.5	-1,139,147	-1,073,839	-998,770
23	**3,671,366**	**Total Administered funding (20 + 21 + 22)**	**3,890,346**	**4,001,788**	**111,442**	**2.9**	**4,330,990**	**4,603,631**	**4,887,576**
24	**52,347,196**	**Total Defence resourcing (19 + 23)**	**54,670,478**	**55,029,822**	**359,344**	**0.7**	**57,131,876**	**60,098,499**	**63,306,518**
		Appropriation carried forward							
25	732,037	Appropriation receivable including previous year's outputs	1,222,249	985,976	-236,273	-19.3	1,227,227	1,449,710	1,713,365
26	666,582	Cash in bank - Departmental [d]	756,889	727,561	-29,328	-3.9	765,401	629,672	452,524
27	-	Cash in bank - Administered	-	-	-	-	-	-	-
28	**1,398,619**	**Total appropriations carried forward (25 + 26 + 27)**	**1,979,138**	**1,713,537**	**-265,601**	**-13.4**	**1,992,628**	**2,079,382**	**2,165,889**

Notes

a. The appropriations for 2022-23 as disclosed in Serial Nos. 1 to 3, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent.
b. Represents net transfers to and from the Official Public Account.
c. All figures are net of GST.
d. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.
e. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
f. 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.

2023-24 Budget Measures and Other Budget Adjustments

Table 2: Defence 2023-24 Budget Measures and Other Budget Adjustments

	Program	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
Budget Measures						
Payment Measures						
Enhancing Pacific Engagement [a]	**2.1**	–	–	–	–	**–**
Cyber Security - additional funding	**2.11**	3.9	–	–	–	**3.9**
Advanced Strategic Capabilities Accelerator [b]	**2.13**	–	–	–	–	**–**
Adequate Funding for Oversight of our Intelligence Agencies [c]	**2.14**	-0.3	-0.5	-0.6	-0.6	**-2.1**
Extension of the Defence Industry Pathways Program [d]	**2.15**	–	–	–	–	**–**
Nuclear-Powered Submarine Program - initial implementation [e]	**Various**	nfp	nfp	nfp	nfp	**nfp**
Office of the Special Investigator Operations and Downstream Impacts Funding – extension [c]	**Various**	-63.0	-66.4	–	–	**-129.4**
Securing a Unique and Critical Defence Capability [f]	**Various**	nfp	nfp	nfp	nfp	**nfp**
Recognising the Australian Defence Force's Unique Service to the Nation [g]	**Various**	–	–	–	–	**–**
Additional Assistance to Ukraine [h]	**Various**	–	–	–	–	**–**
Total Departmental Budget Measures		**-59.4**	**-66.9**	**-0.6**	**-0.6**	**-127.6**
Other Departmental Budget Adjustments						
Operation ACCORDION [i]	**1.2**	117.1	-0.0	–	–	**117.1**
Operation RESOLUTE	**1.3**	77.5	–	–	–	**77.5**
Transfer of projects to the Australian Signals Directorate	**2.9**	-158.2	-224.7	-260.2	-120.7	**-763.8**
Savings from External Labour, and savings from Advertising, Travel and Legal Expenses	**Various**	-154.3	-158.8	-163.7	-155.1	**-631.9**
Foreign Exchange	**Various**	491.3	541.4	528.9	503.7	**2,065.4**
Increased support for the Jawun Program [j]	**Various**	-0.1	-0.1	–	–	**-0.2**
Other Budget Adjustments [k]	**Various**	nfp	nfp	nfp	nfp	**nfp**
Other Administered Budget Adjustments						
Defence Home Ownership Assistance Scheme	**2.22**	17.3	26.8	39.1	53.8	**137.1**
Total Other Departmental Budget Adjustments		**373.3**	**157.7**	**105.0**	**227.9**	**863.9**
Total Other Administered Budget Adjustments		**17.3**	**26.8**	**39.1**	**53.8**	**137.1**
Total Other Budget Adjustments		**390.6**	**184.6**	**144.1**	**281.7**	**1,001.0**
Total Departmental Funding		**313.9**	**90.9**	**104.4**	**227.3**	**736.4**
Total Administered Funding		**17.3**	**26.8**	**39.1**	**53.8**	**137.1**
Total Defence Funding		**331.2**	**117.7**	**143.5**	**281.1**	**873.4**

Notes
a. This measure provides $923.9 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.
b. This measure provides $748.4 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.
c. This measure is a transfer to the Attorney-General's Portfolio.
d. This measure provides $11.4 million over the period 2023-24 to 2025-26 which is being absorbed by Defence.
e. This measure is a transfer to various agencies and is not for publication (nfp) due to commercial sensitivities.
f. This measure is a transfer to the Department of Finance and is not for publication (nfp) due to commercial sensitivities.
g. This measure provides $397.4 million over the period 2023-24 to 2024-25 which is being absorbed by Defence.
h. This measure provides $189.6 million over the period 2022-23 to 2023-24 which is being absorbed by Defence.
i. Budget estimates shown as 0.0 are amounts greater than $0 but less than $50,000.
j. This is a transfer to the National Indigenous Australians Agency and the Australian Public Service Commission.
k. This budget adjustment is not for publication (nfp) due to national security.

Operations Summary

Table 3: Net Additional Cost of Current Major Operations to 2026-27 [a] [b]

	2022-23 Estimated Actual $m	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
Operation ACCORDION	109.4	118.0	-	-	-	**227.4**
Operation HIGHROAD	0.5	0.4	-	-	-	**0.9**
Operation RESOLUTE	84.7	77.5	-	-	-	**162.2**
Operation OKRA	11.5	0.7	-	-	-	**12.2**
Operation VANUATU ASSIST	11.4	-	-	-	-	**11.4**
Operation LILIA	13.8	-	-	-	-	**13.8**
Operation KUDU	12.2	-	-	-	-	**12.2**
Total Net Additional Costs	**243.5**	**196.6**	**-**	**-**	**-**	**440.1**
Sources of Funding for Major Operations						
Government Supplementation	243.5	196.6	-	-	-	**440.1**
Department of Defence (Absorbed)	-	-	-	-	-	**-**
Total Cost	**243.5**	**196.6**	**-**	**-**	**-**	**440.1**

Notes
a. This table reflects ongoing and new Major Operations funded under no-win/no-loss arrangements for 2022-23 and 2023-24.
b. The Net Additional Cost of Major Operations include the budget adjustments shown in Table 2 on page 14 and Table 1.1 in the Portfolio Additional Estimates Statements 2022-23.

1.4 Key Cost Category Estimates

Table 4a: Defence and ASD Funding from Government [a] [b]

Serial No.		2022-23 Estimated Actual $m	2023-24 Previous Estimate $m	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
1	Defence	47,419.4	49,840.5	50,086.4	51,890.8	54,505.8	57,582.3	261,484.7
2	Australian Signals Directorate	1,711.8	2,321.5	2,472.4	2,523.3	2,304.4	2,233.7	11,245.6
3	**Consolidated Defence and ASD Funding**	**49,131.2**	**52,162.0**	**52,558.8**	**54,414.1**	**56,810.2**	**59,816.0**	**272,730.3**

Notes
a. Provides a consolidated summary of Defence Portfolio funding.
b. These amounts refer to appropriations only.

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

Serial No.		2022-23 Estimated Actual $m	2023-24 Previous Estimate $m	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
1	Workforce	14,158.1	14,535.3	14,851.2	15,508.8	16,086.4	16,658.6	77,263.1
2	Operations	280.9	3.3	228.9	1.3	1.3	1.3	513.7
3	Capability Acquisition Program	16,530.4	18,438.8	17,661.0	18,157.2	18,978.4	19,568.9	90,895.9
4	Capability Sustainment Program	15,127.4	15,353.7	15,360.4	16,478.0	17,591.5	19,191.6	83,748.9
5	Operating	2,579.0	2,449.0	2,926.5	2,655.6	2,837.3	2,998.5	13,996.9
6	**Total Defence Planned Expenditure**	**48,675.8**	**50,780.1**	**51,028.0**	**52,800.9**	**55,494.9**	**58,418.9**	**266,418.5**

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 Serial Nos. 16-18 and Table 38.

Table 5: Capability Acquisition Program [a]

Serial No.		2022-23 Estimated Actual $m	2023-24 Previous Estimate $m	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
1	Military Equipment Acquisition Program	12,006.0	13,460.5	12,355.8	13,197.9	14,352.7	15,467.1	67,379.5
2	Enterprise Estate and Infrastructure Program	3,424.9	3,737.0	4,166.2	4,068.2	3,752.4	3,098.7	18,510.4
3	ICT Acquisition Program	938.8	1,038.3	927.5	693.6	656.1	771.6	3,987.6
4	Minors Program	160.7	203.0	211.5	197.5	217.2	231.5	1,018.4
5	**Total Capability Acquisition Program [b]**	**16,530.4**	**18,438.8**	**17,661.0**	**18,157.2**	**18,978.4**	**19,568.9**	**90,895.9**

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.		2022-23 Estimated Actual $m	2023-24 Previous Estimate $m	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	Total $m
1	Navy Sustainment	3,331.2	3,442.3	3,535.5	3,551.7	3,932.2	4,432.9	18,783.5
2	Army Sustainment	2,154.9	2,719.0	2,586.6	3,037.1	3,125.2	3,510.6	14,414.4
3	Air Force Sustainment	3,563.2	3,849.7	3,864.1	4,201.8	4,558.6	4,952.8	21,140.5
4	Chief Information Officer Sustainment [b]	1,723.4	1,614.9	1,628.5	1,782.6	1,762.7	2,026.8	8,924.0
5	Joint Capabilities Sustainment	421.6	469.6	425.9	464.9	778.1	607.1	2,697.6
6	Strategy, Policy and Industry Sustainment	36.5	98.2	133.4	169.1	198.9	178.8	716.7
7	Defence Intelligence Sustainment	126.5	149.3	154.7	153.7	193.8	197.7	826.4
8	Security and Estate Sustainment [c]	3,766.3	3,006.9	2,956.1	2,982.4	2,884.9	3,117.0	15,706.7
9	Other Minor Sustainment	3.8	3.8	75.6	134.7	157.1	167.9	539.1
10	**Total Capability Sustainment Program [d]**	**15,127.4**	**15,353.7**	**15,360.4**	**16,478.0**	**17,591.5**	**19,191.6**	**83,748.9**

Notes
a. These categories are funded by appropriations and own source revenue.
b. Chief Information Officer Sustainment includes all ICT approved and unapproved sustainment for the Department.
c. Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department.
d. The Capability Sustainment Program includes both approved and unapproved sustainment.

Table 7: Retained Capital Receipts

Serial No.		2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m
	Property Sales				
	Proceeds from the sale of land and buildings	18.1	18.8	-	-
	Proceeds from the sale of housing	101.1	110.8	157.6	0.2
	Total proceeds from the sale of property	**119.2**	**129.6**	**157.6**	**0.2**
	Costs from the sale of property [a]	-	-	-	-
1	**Net property proceeds retained by Defence**	**119.2**	**129.6**	**157.6**	**0.2**
2	**Proceeds from sale of specialist military equipment**	**-**	**-**	**-**	**-**
3	**Proceeds from sale of infrastructure, plant and equipment**	**33.5**	**34.4**	**28.7**	**21.9**
4	**Retained Capital Receipts (1 + 2 + 3)**	**152.8**	**164.0**	**186.2**	**22.1**

Note
a. Costs from the sale of property include remediation works.

1.5 People

Workforce Overview

Defence plans to grow its workforce to over 101,000, an increase of 18,500, by 2040. Defence continues to shape its workforce to be more capable, agile and resilient to align with the *Defence Strategic Review* outcomes. Implementation of the *Defence Strategic Review* will drive the priority of investment in Defence capabilities and assess the ADF structure, posture and preparedness to meet the nation's security challenges over the decade and beyond. To meet these requirements, there is a focus on growing and skilling the technical, intelligence, space and cyber security workforce segments to support significant transformation of Defence's capabilities, including through the AUKUS partnership.

The ability for Defence to recruit and retain its workforce is a critical element of managing workforce risk and ensuring achievement of required workforce growth. With historically low national unemployment, a competitive labour market, and the demands on the workforce for concurrent domestic and overseas commitments, Defence must create a compelling employee value proposition to attract new personnel and retain existing personnel.

To support these efforts, Defence established a Recruiting and Retention Tiger Team to examine the nature of the recruiting and retention challenge and identify ways to recruit, retain, grow and sustain the additional 18,500 APS and ADF workforce out to 2040. The new Recruiting Services Contract (RSC) and the ADF Employment Offer Modernisation Program, have, and will, bolster recruiting and retention efforts.

Defence is also working with the Department of Veterans' Affairs to develop the *Veteran Family Strategy 2023-2027,* the *Defence Mental Health and Wellbeing Strategy,* and the *Joint Transition Strategy* to meet the needs of specific Defence workforce segments.

Defence will re-balance the workforce, to grow the capacity and capability of the ADF and APS, while reducing the reliance on the external workforce. The *Defence Contractor Strategy* will support this work and ensure that strong controls are in place to govern and manage the contractor workforce. Through this work Defence will ensure that it has the appropriate workforce mix to support the achievement of the Defence mission.

Workforce Summary

The average full-time workforce is forecast to be 77,386 in 2023-24, comprising 59,673 permanent ADF (77 per cent) and 17,713 APS employees (23 per cent). The service breakdown of the permanent ADF is:

- 15,956 Navy personnel.
- 28,536 Army personnel.
- 15,181 Air Force personnel.

For 2023-24, the increase in separation rates and lower than expected achievement of recruitment targets has the ADF workforce forecasting to be below current guidance. The Government's ongoing investment will contribute significantly to stabilising, building and sustaining the ADF workforce over the medium term to 2040.

The forecast of contribution from Service Categories (SERCAT) 3, 4 and 5 in 2023-24 is 1,118,450 days of service performed by an estimated 21,390 members of the Reserve Forces. Information about the ADF Total Workforce System and structure of service categories is available on the department's website here: https://www.defence.gov.au/PayandConditions/ADF/ADF-TWS.asp

Over the Forward Estimates, the ADF and APS workforce (excluding service categories 3, 4 and 5) is planned to increase by 7,519 from the forecast of 77,386 in 2023-24 to 84,905 in 2026-27.

The planned strength of the Defence workforce is shown in Tables 8 and 9, while a breakdown by Service and rank/level is at Table 10.

Defence People

Defence personnel are the most important element of capability for the defence of Australia and its national interests. Defence will continue to deliver the required workforce and support to Defence personnel, veterans and families, while growing the workforce.

Defence is developing a more diverse and inclusive workforce, drawing from across all spectrums of the Australian community, to ensure we can attract and retain the critical skills needed to achieve our mission now and into the future.

Defence recognises that a positive, inclusive and productive culture will drive the organisation's workforce capabilities and achievements. Defence will launch its next enterprise culture strategy in 2023-24 with the Defence Values and Behaviours at its core. This new strategy will align with the *Defence Strategic Review*, building resilience and accelerating change to deliver capability through people. This strategy will build on the foundations laid by 10 years of Pathway to Change, driving and reinforcing Defence's cultural intent and priorities.

A Recruiting and Retention Tiger Team was established to determine how Defence should respond to challenges to recruit, retain and grow its workforce. The Tiger Team identified a number of initiatives for consideration, including changes to pay and conditions, housing, health and education assistance, as well as broader leadership programs and systemic change. Six immediate actions are being implemented over the 2023-24 period. Streamlining the process for official travel, increasing the allocation of Remote Locality Leave Travel and revising Higher Duties Allowance policy have been implemented. The remaining initiatives of improving and expanding access to the Defence Assisted Study Scheme and Study Bank programs, doubling the payment for the ADF Family Health Benefit and developing a clear Defence Employee Value Proposition framework will be finalised by the end of June 2023. As part of the 2023-24 Budget, the Government has agreed to support an ADF continuation bonus. To be introduced as a two-year pilot, the $50,000 continuation bonus will address hollow structures within ADF middle ranks, where the workforce is now at greatest risk. The continuation bonus targets junior non-commissioned ranks (4-6 years of service) and junior officers (7-9 years of service) by encouraging them to stay and progress through to supervisor and manager levels.

The ADF Employment Offer Modernisation Program, which commenced in 2019, will ensure a contemporary and competitive offer to attract and retain the ADF workforce. The program sought feedback from ADF members on how ADF pay and conditions could better support them and their families throughout their careers and in their future transition to civilian life. Based on the key themes highlighted in the members' feedback, and in collaboration with internal and external stakeholders, the program has delivered a number of initiatives to contemporise ADF remuneration and conditions of service benefits. Further improvements to the ADF employment offer will be implemented over 2023-24, including housing flexibility, improving the categorisation system used to determine ADF benefits and allowances and updating salary and allowances to make it easier for ADF members to understand what they are getting paid. This continuous improvement approach will ensure ADF pay and conditions are clear, relevant and recognise the unique nature of military service.

Following its pre-election commitment, the Government reformed the Defence Home Ownership Assistance Scheme (DHOAS). On 24 November 2022, the *Defence Home Ownership Assistance Scheme Amendment Bill 2022* passed both Houses of Parliament and came into force on 1 January 2023. This reform changed DHOAS by reducing the minimum service periods to access the three subsidy tiers and to allow veterans and their families to access DHOAS any time after they have completed their service. Additional amendments were also made to include the ability to reinstate the DHOAS subsidy if genuine error or mistake occurs and to include a recoverable payments mechanism in the *Defence Home Ownership Assistance Scheme Act 2008*.

The recruitment of the ADF workforce is facilitated by the RSC. Defence's new capability partner, Adecco Australia, became responsible for the delivery of recruiting services from 1 July 2023. The new RSC includes scalability to deliver the velocity and volume of recruiting outcomes required to meet the ADF's recruiting targets. The new RSC will also meet the evolving capability needs to support diversity, inclusion, science, technology, engineering and mathematics (STEM) and culturally and linguistically diverse initiatives.

Defence has worked closely with the Department of Veterans' Affairs (DVA) to implement the agreed recommendations of the Royal Commission into Defence and Veteran Suicide (Royal Commission) interim report, including simpler ways for Defence members and their families to access their records. Defence remains focused on responding to requests for information from the Royal Commission and coordinating support for Defence personnel and families who interact with the Royal Commission, with the final report due by 17 June 2024.

Defence continues to drive a positive work health and safety culture through the prioritisation of actions from the *Defence Work Health and Safety Strategy* and the *Defence Mental Health and Wellbeing Strategy*. Defence invests in the mental and physical health and wellbeing of all our people, to help them through their personal and professional lives, ensuring our ADF members are 'Fit to Fight, Fit for Work, Fit for Life'. Defence is also focused on enhancing its approach to psychosocial risk, providing Defence personnel with guidance, tools and support to prioritise psychosocial risk and promote a safety culture to keep our people safe and maximise our capability. To support a life-span approach, Defence and DVA are co-designing the next *Defence and Veteran Mental Health and Wellbeing Strategy.* Defence continues to broaden its approach to mental health, wellbeing and suicide prevention, including through the creation of the Mental Health and Wellbeing Branch.

Defence and DVA continue to develop the Defence/DVA Data Sharing and Analytical Solution (DSAS), which is underpinned by a complementary Wellbeing Framework aimed at reducing lifetime compensation and support costs. The DSAS will combine Defence and DVA health, safety and workforce data for serving and ex-serving ADF members to support ADF injury prevention and management, and provide insights into current and future veteran support systems. This will ensure Defence leadership receives consistent and timely information with regard to health, wellbeing and safety outcomes.

Defence's Strategic Workforce Planning includes building the capability and capacity of the STEM workforce. Work in this area is guided by the *More Together: Defence Science and Technology Strategy 2030*. These strategies outline actions to be undertaken to develop a culture that supports STEM personnel, align workforce planning with STEM capability requirements, and build collaboration with stakeholders to produce mutually beneficial STEM workforce outcomes. For example, the NAVIGATE Program bolsters female representation and increases diversity to enable greater innovation to solve future challenges for Defence. The NAVIGATE Program provides tailored learning, mentoring and rotations aimed at deepening participant knowledge of working within the Defence context. NAVIGATE 2.0, the next iteration of this program will launch later in 2023.

Since its establishment in October 2020, the Joint Transition Authority (JTA) has been partnering with DVA and the Commonwealth Superannuation Corporation (CSC) to deliver a more connected transition journey for ADF members and their families. Defence, DVA and CSC continue to build on already embedded process, improve information sharing, clarify and strengthen handover points, and close identified gaps in the transition process.

Transition support to members is delivered through an extensive suite of job-readiness, meaningful engagement, cultural reintegration and social connectivity programs from which a bespoke curriculum is designed according to each member's individual circumstances and goals. In 2023, Defence is augmenting the Civilian Recognition Program, delivered by the Australian Defence College, to include micro-credentialing for ADF members. This assists ADF members to identify a broader set of skills and attributes, making them more competitive in the national civilian job-market.

Table 8: Planned Workforce Allocation for the 2023-24 Budget and Forward Estimates - Average Full-time [a]

		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Estimate [b]	2025-26 Forward Estimate [b]	2026-27 Forward Estimate [b]
	ADF Permanent Force [c]					
	Navy	15,253	15,956	16,321	16,621	16,980
	Army	28,397	28,536	31,342	31,546	31,816
	Air Force	14,823	15,181	15,934	16,365	16,799
1	**Total Permanent Force**	**58,473**	**59,673**	**63,597**	**64,532**	**65,595**
	Civilian Employees					
	APS	16,991	17,713	18,669	19,045	19,310
2	**Total Civilian Employees**	**16,991**	**17,713**	**18,669**	**19,045**	**19,310**
	Total Workforce Strength (1 + 2)	**75,464**	**77,386**	**82,266**	**83,577**	**84,905**

Notes
a. All numbers for the full-time workforce elements represent average full-time equivalents.
b. Forward Estimates for the full-time workforce elements represent the Government approved strength for each year.
c. ADF Permanent Force includes Service Categories 6 and 7, and Service Option C personnel.

Table 9: Planned Workforce Allocation for the 2023-24 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5) [a] [b]

		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
	Service Category 3 and 5					
	Navy	113,000 (1,900)	115,500 (1,950)	118,000 (2,000)	120,500 (2,050)	123,000 (2,100)
	Army	750,000 (15,600)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)
	Air Force	255,000 (3,900)	262,000 (3,900)	268,000 (4,000)	274,000 (4,100)	280,000 (4,200)
1	**Sub-total Service Category 3 and 5**	**1,118,000 (21,400)**	**1,117,500 (21,350)**	**1,126,000 (21,500)**	**1,134,500 (21,650)**	**1,143,000 (21,800)**
	Service Category 4 [c]					
	Air Force	971 (30)	950 (40)	950 (40)	950 (40)	950 (40)
2	**Sub-total Service Category 4**	**971 (30)**	**950 (40)**	**950 (40)**	**950 (40)**	**950 (40)**
	Total Reserves (1 + 2)	**1,118,971 (21,430)**	**1,118,450 (21,390)**	**1,126,950 (21,540)**	**1,135,450 (21,690)**	**1,118,450 (21,840)**

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 Service Category 2).
b. As the number of days or hours worked by Reserve members can vary greatly, figures in Table 9 show the total number of days' service rendered, with a headcount of members rendering paid service in brackets.
c. Service Category 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.

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

	2022-23 Estimated Actual	2023-24 Budget Estimate
Navy [a]		
One Star and above	72	72
Senior Officers [b]	830	834
Officers	3,501	3,501
Other Ranks	10,850	11,549
Total Navy	**15,253**	**15,956**
Army [a]		
One Star and above	96	95
Senior Officers [b]	1,026	1,025
Officers	5,579	5,620
Other Ranks	21,696	21,796
Total Army	**28,397**	**28,536**
Air Force [a]		
One Star and above	72	72
Senior Officers [b]	728	738
Officers	4,843	4,949
Other Ranks	9,180	9,422
Total Air Force	**14,823**	**15,181**
APS [a]		
Senior Executives [c]	196	206
Senior Officers [b]	6,443	6,704
Other APS Staff	10,352	10,803
Total APS	**16,991**	**17,713**
Total Workforce	**75,464**	**77,386**

Notes
a. Permanent Forces and APS numbers are forecasts of the average strength for 2022-23 and 2023-24.
b. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
c. The figures for Senior Executives and One Star and above include the Secretary, Chiefs of Divisions and Medical Officers, and Chief of the Defence Force and Service Chiefs (respectively).

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

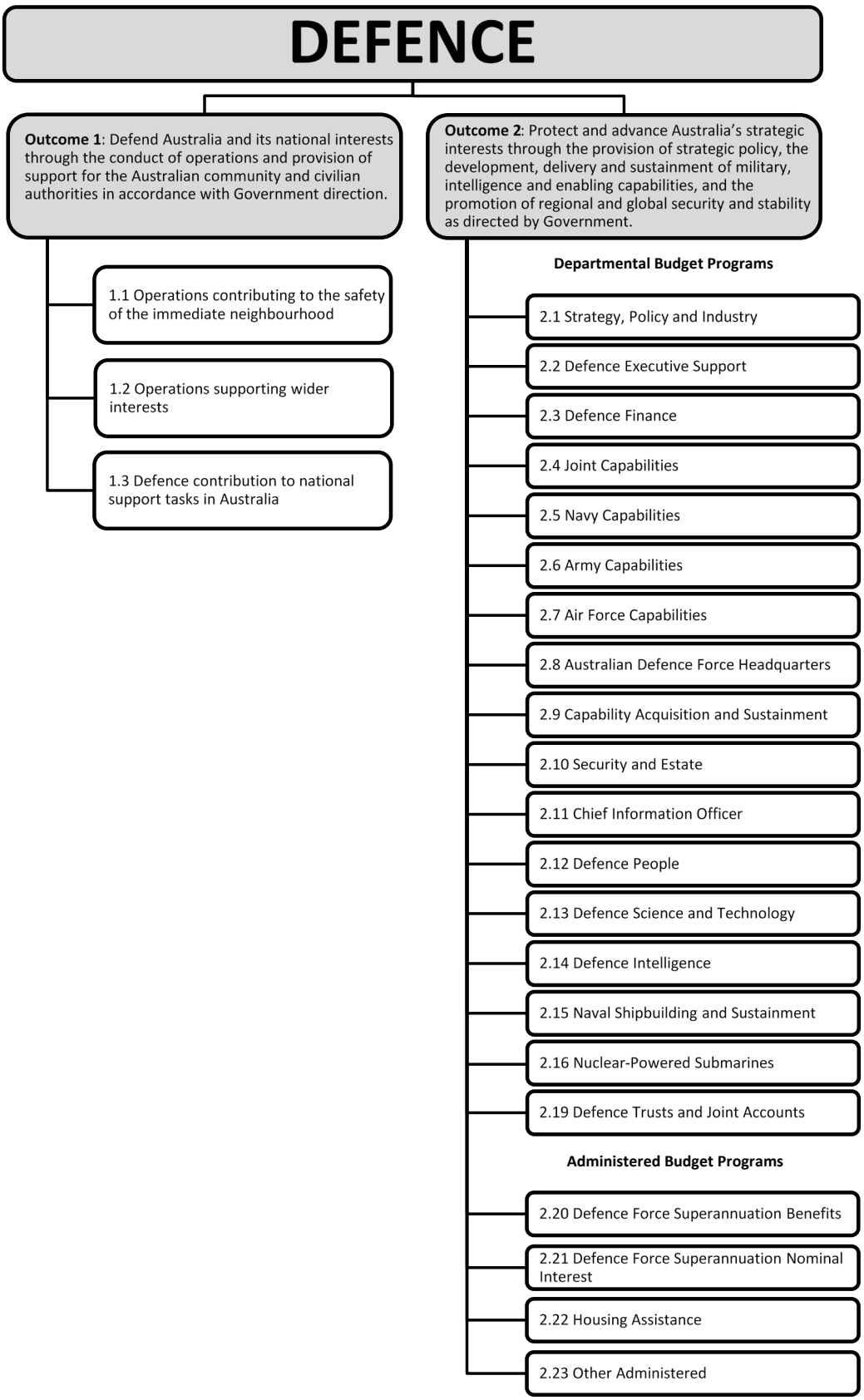


Table 11: Changes to the program structures since the last Portfolio Budget Statements [a]

Program No.	Program title	Description of change
2.15	Naval Shipbuilding and Sustainment	New Program.
2.16	Nuclear-Powered Submarines	A new program to support the acquisition of a conventionally-armed, nuclear-powered submarine capability as part of the Defence Integrated Investment Program. The Australian Submarine Agency will be established to oversee and manage Australia's nuclear-powered submarine program.

Note

a. There is a deliberate gap between the numbering of Departmental Programs to allow for any future potential expansion of Defence Departmental Programs.

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, OKRA, 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.
- DYURRA – ADF space operations and their integration into wider ADF and allied space domain operations.
- ENHANCED REGIONAL ENGAGEMENT – Pacific.
- FORTITUDE – contribution to the United Nations Disengagement Observer Force (UNDOF).
- GATEWAY – Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- INDO-PACIFIC ENDEAVOUR – Indo-Pacific Region.
- KUDU – ADF commitment to the training of Armed Forces of Ukraine recruits in the United Kingdom (UK).
- LILIA – ADF support to AFP and DFAT in the Solomon Islands.
- LINESMEN – ADF support to demilitarisation observation and reporting under the Inter-Korean Comprehensive Military Agreement.

- 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.
- OKRA – Contribute to the Coalition to defeat Daesh in Iraq and Syria.
- ORENDA – Contribute to the United Nations Multidimensional Integrated Stabilization Mission in Mali.
- 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 – Contribute to 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

- FLOOD ASSIST – Defence's contribution to the whole-of-government response to flood events across the east coast of Australia.
- VANUATU ASSIST 23 – Contribute to the whole-of-government assistance to Vanuatu in the wake of tropical cyclones Judy and Kevin.

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 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. 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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	45,981	29,035	38	39	40
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	1,104	2,040	-	-	-
Expenditure funded by appropriations	135,771	120,298	1,213	1,216	1,218
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	98,043	77,553	22	22	22
Total resourcing					
Total Departmental revenue from other sources	1,104	2,040	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	223,519	172,508	1,273	1,277	1,280
Total capital expenditure funded by appropriation	-	-	-	-	-
Equity injection:					
- Bill 1 DCB	56,276	54,378	-	-	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	**280,899**	**228,926**	**1,273**	**1,277**	**1,280**

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 Activities [a]	This program will be achieved through the following activity: **1. Conduct operations and deployments to defend and advance Australia's national interests.** The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1 Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Defence's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2 Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1 Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Defence's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2 Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	3,557	-	-	-	-
Suppliers	25,881	5,885	38	39	40
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	29,438	5,885	38	39	40
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	**29,438**	**5,885**	**38**	**39**	**40**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	16,543	23,150	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**16,543**	**23,150**	**-**	**-**	**-**
Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure [a]	**45,981**	**29,035**	**38**	**39**	**40**

Note

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

Program 1.2: Operations Supporting Wider Interests

Program 1.2 Objective		
Operations supporting wider interests are designed to contribute to United Nations' and international efforts to uphold global security.		
Key Activities [a]	This program will be achieved through the following activity: **1. Conduct operations and deployments to defend and advance Australia's national interests.** The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.2 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	2,959	327	-	-	-
Suppliers	125,380	111,756	1,213	1,216	1,218
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	128,339	112,083	1,213	1,216	1,218
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	**128,339**	**112,083**	**1,213**	**1,216**	**1,218**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	8,536	10,255	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**8,536**	**10,255**	**-**	**-**	**-**
Program 1.2 Operations Supporting Wider Interests Total funded expenditure [a]	**136,875**	**122,338**	**1,213**	**1,216**	**1,218**

Note

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

Program 1.3 Defence Contribution to National Support Tasks in Australia

Program 1.3 Objective

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

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

Key Activities [a]	This program will be achieved through the following activity: **1. Conduct operations and deployments to defend and advance Australia's national interests.** The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.

Year	Performance measures	Expected Performance Results
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.3 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	11,596	6,510	-	-	-
Suppliers	55,250	50,070	22	22	22
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	66,846	56,580	22	22	22
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	**66,846**	**56,580**	**22**	**22**	**22**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	31,197	20,973	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**31,197**	**20,973**	**-**	**-**	**-**
Program 1.3 Defence Contribution to National Support Tasks in Australia Total funded expenditure [a]	**98,043**	**77,553**	**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's strategic policy and capabilities strengthen Australia's security and ability to shape the strategic environment, deter actions against our interests and to respond to current and future challenges, when required. A strong strategic centre ensures Defence is a strategy and policy-led organisation.

Defence ensures that its policy is agile and adaptive, and can respond flexibly to the identified strategic risks in a rapidly changing environment through the Department's highest-level classified planning document, the *Defence Planning Guidance.*

The *Defence Planning Guidance* informs the context, preparation and alignment of subsidiary planning documents and processes across policy, enterprise planning, force employment, force generation and force design. The *Defence Planning Guidance* implements Cabinet decisions and updated government direction, identifies priorities, and provides guidance on the Strategic Effects to be delivered to achieve Defence's Strategic Defence Objectives. The Defence Strategic Policy Committee considers regular updates to the *Defence Planning Guidance*, which is jointly authorised for release by the Secretary and the Chief of the Defence Force.

International engagement remains a core function of Defence. Defence works with allies and partners both within the Indo-Pacific and beyond to build a stable, secure and prosperous Indo-Pacific that is free from coercion. The Defence Cooperation Program builds shared understanding and capability with our partners in the Pacific and Southeast Asia. Defence conducts operations and exercises in the region, including with allies and partners, to underpin the international rules-based order and maintain regional security and stability. Australia has also committed over $500 million in military assistance to support Ukraine's self-defence; demonstrating that our support for key principles of sovereignty and territorial integrity is not constrained by geography.

The US alliance continues to grow and strengthen through enhanced force posture cooperation, announced at the Australia–US Ministerial Consultations (AUSMIN) 2022. The AUKUS trilateral partnership continues to deepen defence capability and technological cooperation between Australia, the United Kingdom and the United States. For Australia, AUKUS complements Australia's commitment to our existing network of international partnerships, including with The Association of Southeast Asian Nations (ASEAN) and ASEAN-led security architecture, and our Pacific family, as well as with Five Eyes, the Five Power Defence Arrangements, the Quad, and like-minded partners in the region.

A strong partnership with defence industry will be critical in delivering Defence capabilities. A strong, sovereign, sustainable and globally competitive Australian defence industry is critical to achieving Defence's mission and Australia's national security outcomes. Defence is optimising opportunities for Australian industry involvement in defence projects through the delivery of the Government's Defence Industry Development Strategy. The Defence Industry Development Strategy will set out the strategic rationale, framework, direction and principles underpinning the direction of defence industry policy and initiatives.

Regulating the export of military and dual-use goods and technologies (consistent with Australia's national interest) will continue to be vital for maintaining the security and capability edge of ADF personnel, preventing regional and international instability, ensuring Australia upholds international obligations, and preventing the illicit trade of conventional weapons or proliferation of weapons of mass destruction.

The Government is investing $3.4 billion over the next decade to deliver the technologies needed for Australia's security through the establishment of the Advanced Strategic Capabilities Accelerator (ASCA). ASCA will leverage technology development and the Australian innovation ecosystem to transition disruptive solutions into addressing capability priorities at pace and scale. Through this ongoing investment in innovation, Defence is continuing to harness and grow the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities.

Intelligence delivers decision-advantage to 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

Australian Radiation Protection and Nuclear Safety Agency
Outcome 1 Program – ARPANSA-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.

Attorney-General's Department
Program 1.2 – Attorney-General's Department operating expenses - National Security, Integrity and International. Program 1.8 – Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked programs
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). 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 and National Security. Program 3.2 – Program International Police Assistance and External Territories.
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding there is a framework for cooperation between the participants to strengthen and consolidate sharing of information to promote security and stability within Australia. The Australian Federal Police delivers security services for Defence, in accordance with the Memorandum of Understanding, between the Department of Defence and the Australian Federal Police for the Provision of Protective Services at Defence Sites. The placement of Australian Federal Police 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, environment protection and search and rescue.
Contribution to Outcome 2 by linked program
Australian Maritime Safety Authority provides advice and direction on the provision of nautical charts and publications to best support maritime safety.

Australian Nuclear Science and Technology Organisation
Program 1 – Science and Technology Solutions. 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 Taskforce, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

Australian Security Intelligence Organisation
Program 1.1 – Security Intelligence.
Contribution to Outcome 2 by linked program
Consistent with the *Australian Security Intelligence Organisation Act 1979*, 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 *Intelligence Services Act 2001,* ASD provides foreign signals intelligence, cyber security advice, and offensive cyber operations, and utilises corporate shared services, in order to meet the operational needs of the Australian Defence Force and the requirements of the Department of Defence.

Bureau of Meteorology
Program 1.1 – Bureau of Meteorology.
Contribution to Outcome 2 by linked program
The Bureau of Meteorology has a strategic partnering agreement for the provision of meteorological and oceanographic services to support 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 *Defence Housing Australia Act 1987*, Defence Housing Australia is to achieve the efficient provision of contemporary housing solutions for ADF Members and their families on behalf of Defence.

Department of Climate Change, Energy, the Environment and Water
Program 1.2 – 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 Finance - Comcover
Program 2.4 – Insurance and Risk Management.
Contribution to Outcome 2 by linked program
Defence continues to work collaboratively with the Department of Finance to ensure that Commonwealth assets are comprehensively and adequately insured and where necessary claims are made in accordance with Commonwealth guidelines and policy.

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.

Department of Industry, Science and Resources
Program 1.1 – Growing innovative and competitive businesses, industries and regions. Program 1.2 – Investing in science, technology and commercialisation. Program 1.4 – Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked programs
The Department of Industry, Science and Resource (DISR) works closely with the department on enterprise-level programs to ensure alignment with whole-of-government industry policy and to support the development of innovative and competitive businesses. This includes supporting the development of defence industry policy and support programs, and facilitating links between Defence activities and industry initiatives including the National Reconstruction Fund, designing and implementing grants programs, and Australian Industry Participation policy. 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. DISR collaborates with the department to ensure a complementary approach between civil space industry development and activity and Defence's space responsibilities and interests. DISR, through the Australian Radioactive Waste Agency, is supporting the department's acquisition of conventionally-armed, nuclear-powered submarines.

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

Department of the Treasury
Program 1.9 – National Partnership Payments to the States.
Contribution to Outcome 2 by linked program
The Treasury, on behalf of the Government, provides financial support to the states and territories to be spent on improving outcomes in the areas specified in each of the National Partnership Agreements. These payments 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 Review Board applications, where those applications have national security implications or affect Defence interests.

Department of Veterans' Affairs
Program 1.1 – Veterans' Income Support and Allowances. Program 1.2 – Veterans' Disability Support. Program 1.6 – Military Rehabilitation and Compensation Acts Payment – Income Support and Compensation. Administered Program 2.22 – Housing Assistance.
Contribution to Outcome 2 by linked programs
The Department of Veterans' Affairs (DVA) and Defence are committed to delivering the best possible outcomes to current and former members of the Australian Defence Force (ADF) and their eligible family members. Under a Memorandum of Understanding, Defence and DVA work cooperatively to deliver care and support to current and former members of the permanent and reserve forces and their families. Close and ongoing cooperation occurs between DVA and Defence under this Memorandum of Understanding. Ongoing DVA engagement with members starting as early as practical in their careers and continuing through their service and during and after their transition from permanent or continuous full time service, results in better outcomes for members and their families. Such cooperation and engagement is particularly important where a member suffers a serious injury or illness or where the member is identified for medical separation from the ADF. Defence and DVA work collaboratively on areas of research, mental health, rehabilitation and medical aspects of transition. Defence is also engaged with DVA for the future contracting of health care arrangements. This is supported through Schedule 6 of the *Agreement between Defence and Veterans' Affairs for the Provision of Mental Health Support Services by the Open Arms to ADF Personnel* (Agreement for Services).

Department of Veterans' Affairs, continued
Under a MOU, and in accordance with the *Defence Home Ownership Assistance Scheme Act 2008*, DVA administer the Defence Home Ownership Assistance Scheme (DHOAS). The scheme was established to support the Government's ADF recruitment and retention initiatives by incentivising ADF members to remain in the ADF beyond critical career points. Under Schedule 20 of the Memorandum of Understanding, Defence and DVA collaboratively utilise system to system exchanges and/or direct access, to provide access to, or enable disclosure of, certain Personal Information held digitally in specified departmental information systems. These information exchanges support the assessment and determination of claims, and the delivery of appropriate care and support to current and former members of the ADF and their families.

Geoscience Australia
Program 1.1 – Geoscience Australia.
Contributing to Outcome 2 by linked program
Defence and Geoscience Australia are collaborating to develop the AusSeabed online platform.

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 offer an independent complaint-handling mechanism for service 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 or serious physical abuse, 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 1 by linked programs
Implementation of the Government's Defence Export Strategy is led by Defence, through the Australian Defence Export Office. 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 priorities.

Outcome 2 Resources

Table 16: Total Budgeted Resources Available for Outcome 2

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Program 2.1 Strategy, Policy and Industry					
Revenues from other sources	501	537	566	577	600
Expenditure funded by appropriations	764,159	996,175	954,763	757,229	942,348
Program 2.2 Defence Executive Support					
Revenues from other sources	734	1,002	1,271	1,302	1,336
Expenditure funded by appropriations	569,897	902,369	980,339	1,267,247	1,331,536
Program 2.3 Defence Finance [a]					
Revenues from other sources	170,185	24,464	24,760	6,373	6,372
Expenditure funded by appropriations	-28,001	157,235	161,152	163,875	167,168
Program 2.4 Joint Capabilities					
Revenues from other sources	10,236	10,423	10,685	10,951	11,225
Expenditure funded by appropriations	2,625,331	2,871,613	3,041,213	2,783,638	3,037,365
Program 2.5 Navy Capabilities					
Revenues from other sources	20,020	20,603	21,244	21,794	22,363
Expenditure funded by appropriations	10,099,003	9,899,724	10,330,030	10,868,252	11,862,934
Program 2.6 Army Capabilities					
Revenues from other sources	16,990	16,723	17,222	18,606	19,167
Expenditure funded by appropriations	11,048,826	11,958,756	12,647,488	12,308,192	13,488,613
Program 2.7 Air Force Capabilities					
Revenues from other sources	39,385	40,851	41,900	42,978	44,082
Expenditure funded by appropriations	10,356,053	11,059,835	11,359,563	10,474,837	13,189,881
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	212	325	330	337	343
Expenditure funded by appropriations	327,404	373,042	378,077	380,563	326,900
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	35,104	1,095	1,111	1,139	1,167
Expenditure funded by appropriations	624,425	656,634	686,827	717,446	755,836
Program 2.10 Security and Estate					
Revenues from other sources	799,996	626,320	641,527	657,802	652,414
Expenditure funded by appropriations	6,556,122	6,313,394	6,489,524	6,674,185	6,655,831
Program 2.11 Chief Information Officer					
Revenues from other sources	40,645	41,604	42,586	43,593	44,626
Expenditure funded by appropriations	1,890,127	1,751,486	1,742,447	1,654,471	2,148,012
Program 2.12 Defence People					
Revenues from other sources	1,507	1,321	1,357	1,391	1,426
Expenditure funded by appropriations	681,932	733,597	905,732	933,045	894,030
Program 2.13 Defence Science and Technology					
Revenues from other sources	4,311	4,451	4,497	4,643	4,759
Expenditure funded by appropriations	661,689	628,695	657,849	746,894	775,351
Program 2.14 Defence Intelligence					
Revenues from other sources	4,264	4,371	4,480	4,592	4,707
Expenditure funded by appropriations	773,702	763,603	1,009,080	1,008,305	836,640
Program 2.15 Naval Shipbuilding and Sustainment					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	300,014	424,024	251,151	216,840	213,026
Program 2.16 Nuclear-Powered Submarines					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	-	515,030	389,216	3,722,728	977,587

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Program 2.19 Defence Trusts and Joint Accounts					
Revenues from other sources	304,822	327,736	260,810	316,626	324,806
Total Expenditure	304,822	327,736	260,810	316,626	324,806
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest					
Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)	30,612	28,636	27,253	25,919	24,633
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,740,000	1,832,577	1,871,668	1,888,012	1,904,604
Military Superannuation and Benefits Act, 1991 Part V, s.17 [b]	1,660,000	1,837,732	2,059,294	2,233,270	2,404,848
Australian Defence Force Cover Act 2015	80,000	128,641	182,312	247,142	323,507
Expenses not requiring appropriation	5,920,330	5,362,127	5,408,816	5,570,697	5,768,253
Total Administered expenses [c]	**9,430,942**	**9,189,713**	**9,549,343**	**9,965,040**	**10,425,845**
Administered revenues from other sources	-1,123,864	-1,057,464	-995,434	-936,466	-881,867
Total Program 2.20 and 2.21	**8,307,078**	**8,132,249**	**8,553,909**	**9,028,574**	**9,543,978**
Program 2.22 Housing Assistance					
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	160,753	174,203	190,462	209,287	229,982
Expenses not requiring appropriation	-	-	-	-	-
Total Administered expenses	**160,753**	**174,203**	**190,462**	**209,287**	**229,982**
Administered revenues from other sources	-19,235	-21,375	-23,739	-26,334	-29,187
Total Program 2.22	**141,518**	**152,828**	**166,723**	**182,953**	**200,795**
Program 2.23 Other Administered					
Other expenses	-	-	-	-	-
Total Administered expenses	**-**	-	-	-	-
Administered revenues from other sources	-103,759	-119,989	-109,931	-92,489	-95,461
Total Program 2.23	**-103,759**	**-119,989**	**-109,931**	**-92,489**	**-95,461**
Total resourcing					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	32,287,424	34,595,663	35,853,346	39,912,026	38,387,232
Total capital expenditure funded by appropriation/ (capital surplus)	-	-	-	-	-
Capital Prepayment	-	-	-	-	-
Total gifted assets included in budget estimates	353,300	205,900	166,300	144,800	134,900
Total Administered [d]	3,671,366	4,001,788	4,330,990	4,603,631	4,887,576
Total Departmental revenue from other sources	1,144,090	794,090	813,536	816,078	814,587
Total Administered revenue from other sources	1,246,858	1,198,828	1,129,104	1,055,289	1,006,515
Administered returns to the Official Public Account	-1,307,584	-1,185,877	-1,139,147	-1,073,839	-998,770
Prior year appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	2,777,568	3,240,552	3,430,448	3,154,056	3,254,579
- Bill 2 Equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
Total resources for Outcome 2	**52,005,413**	**54,814,041**	**57,118,934**	**60,078,906**	**63,312,966**
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts [e]	**-**	**-**	**-**	**-**	**-**
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	**52,005,413**	**54,814,041**	**57,118,934**	**60,078,906**	**63,312,966**

Notes

a. The Defence Finance expenditure reduction in 2022-23 is driven by the whole-of-department long service leave actuarial adjustments that Defence Finance manage centrally on behalf of the Services (Navy, Army and Air Force). The Defence Finance expenditure is approximately $192.2 million excluding the whole-of-department actuarial adjustments. The Defence Finance revenue from other sources includes receipts/ refunds from other agencies that are managed centrally.

b. Includes estimated resourcing used to meet payments for Defence Force Superannuation Nominal Interest under Military Superannuation and Benefits Act, 1991 Part V, s.17. The corresponding estimates for total expenses is disclosed under Program 2.20.

c. Figures for 2022-23 and 2023-24 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.

d. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.

e. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

Contributions to Outcome 2

Program 2.1: Strategy, Policy and Industry

Program 2.1 Objective		
To deliver high-quality policy advice to Government, the Secretary and Chief of the Defence Force, to protect and advance Australia's strategic interests.		
Key Activities [a]	This program will be achieved through the following activities: **2. Be a Strategy-led Organisation**. Defence is a strategy-led organisation. Australian Government endorsed direction sets the strategic objectives, informing how Defence defends Australia and its national interests. The *Defence Strategy Framework*, endorsed by the Secretary of Defence and the Chief of the Defence Force, informs how strategy cascades through the organisation. The classified *Defence Planning Guidance*, released annually, is the primary strategic guidance document within Defence. It helps the organisation translate Government direction into action. **5. Promote regional and global security and stability**. Defence contributes to the promotion of regional and global security and stability. Defence does this through steady and consistent international engagement anchored in our resolve to safeguard our national interests and support a rules-based order. Defence diplomacy and cooperation focuses on enhancing Australia's ability to work with partners in response to common security challenges, particularly in the Indo-Pacific region. **7. Advance Australia's prosperity**. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	2.1: Defence develops actionable internal policy guidance to implement the Strategic Objectives of Shape, Deter and Respond.	Defence Planning Guidance informs subsidiary documents across Defence. *Expected to be met*
	5.1: Defence fosters and maintains relationships with international partners that enable effective promotion of regional and global security and stability.	International engagement activities align with Defence strategic objectives and priorities and relationships are strengthened. *Expected to be met*
	5.2: Defence regional cooperation contributes to improving collective responses to common security challenges.	People-to-people links, professional relationships and bilateral, trilateral and multilateral partnerships are strengthened. *Expected to be met*
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets. *Expected to be met*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	2.1: Defence develops actionable internal policy guidance to implement the Strategic Objectives of Shape, Deter and Respond.	Defence Planning Guidance informs subsidiary documents across Defence.
	5.1: Defence fosters and maintains relationships with international partners that enable effective promotion of regional and global security and stability.	International engagement activities align with Defence strategic objectives and priorities and relationships are strengthened.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	5.2: Defence regional cooperation contributes to improving collective responses to common security challenges.	People-to-people links, professional relationships and bilateral, trilateral and multilateral partnerships are strengthened.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.1 resulting from 2023-24 Budget Measures: • Enhancing Pacific Engagement with $923.9 million over the period 2023-24 to 2026-27 to be absorbed by Defence.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	88,646	86,865	94,294	96,411	105,365
Suppliers	534,925	537,380	542,722	561,252	590,376
Net losses from sale of assets	-	-	-	-	-
Other expenses	33,095	36,298	36,300	36,303	36,305
	656,666	660,543	673,316	693,966	732,046
Expenses not requiring appropriation					
Depreciation and amortisation	31,171	30,855	39,199	44,984	56,392
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	533	508	511	477	382
	31,704	31,363	39,710	45,461	56,774
Total operating expenses	**688,370**	**691,906**	**713,026**	**739,427**	**788,820**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	98,978	326,933	272,552	54,148	200,974
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	9,016	9,236	9,461	9,692	9,928
Total capital expenditure	**107,994**	**336,169**	**282,013**	**63,840**	**210,902**
Program 2.1 Strategy, Policy and Industry Total funded expenditure [a] [b]	**764,660**	**996,712**	**955,329**	**757,806**	**942,948**

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 2.2: Defence Executive Support

Program 2.2 Objective

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

Key Activities [a]	This program will be achieved through the following activities: **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met*
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*

Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.2 resulting from 2023-24 Budget Measures: Nil.

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 18: Cost Summary for Program 2.2 Defence Executive Support

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	90,523	72,832	74,295	75,492	77,014
Suppliers	284,397	643,394	649,238	878,509	979,851
Net losses from sale of assets	-	-	-	-	-
Other expenses	2,754	2,690	2,741	2,810	2,880
	377,674	718,916	726,274	956,811	1,059,745
Expenses not requiring appropriation					
Depreciation and amortisation	6,998	20,287	29,313	32,045	50,181
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	12,156	12,883	15,673	21,108	27,871
	19,154	33,170	44,986	53,153	78,052
Total operating expenses	**396,828**	**752,086**	**771,260**	**1,009,964**	**1,137,797**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	192,941	184,438	255,319	311,721	273,109
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	16	17	17	17	18
Total capital expenditure	**192,957**	**184,455**	**255,336**	**311,738**	**273,127**
Program 2.2 Defence Executive Support Total funded expenditure [a] [b]	**570,631**	**903,371**	**981,610**	**1,268,549**	**1,332,872**

Notes

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

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

Program 2.3: Defence Finance

Program 2.3 Objective		
To produce quality financial products to deliver Defence and Government-directed outcomes.		
Key Activities [a]	This program will be achieved through the following activities: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives. **7. Advance Australia's prosperity**. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets. *Expected to be met*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.3 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees [b] [c]	43,444	96,033	99,110	100,824	102,606
Suppliers	95,104	81,917	82,949	65,494	66,925
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,588	3,700	3,803	3,879	3,957
	142,136	181,650	185,862	170,197	173,488
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	**142,136**	**181,650**	**185,862**	**170,197**	**173,488**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	48	49	50	51	52
Total capital expenditure	**48**	**49**	**50**	**51**	**52**
Program 2.3 Defence Finance Total funded expenditure [d] [e]	**142,184**	**181,699**	**185,912**	**170,248**	**173,540**

Notes

a. The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
b. Full-time equivalent headcount is held in this Program from time to time for future prioritisation.
c. The Defence Finance Employees Expenses reduction in 2022-23 is driven by the whole-of-department long service leave actuarial adjustments that Defence Finance manage centrally on behalf of the Services (Navy, Army and Air Force). The Defence Finance Employees Expenses in 2022-23 for Program 2.3 (Defence Finance) is approximately $93.4 million excluding the whole-of-department actuarial adjustments.
d. The Defence Finance revenue from other sources includes receipts/ refunds from other agencies that are managed centrally.
e. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.4: Joint Capabilities

Program 2.4 Objective

To provide joint capabilities and joint enabling elements, including cyber warfare effects, logistics, health, military police, youth development, reserves and employer support, gender mainstreaming, civil-military cooperation and education and training, that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Key Activities [a]	This program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met*
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*

Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.4 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 20: Cost Summary for Program 2.4 Joint Capabilities

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	747,105	753,697	785,532	817,364	849,619
Suppliers	1,255,311	1,273,996	1,263,501	1,484,718	1,237,991
Net losses from sale of assets	-	-	-	-	-
Other expenses	21	21	22	22	23
	2,002,437	2,027,714	2,049,055	2,302,104	2,087,633
Expenses not requiring appropriation					
Depreciation and amortisation	44,925	77,890	116,324	156,555	192,398
Inventory consumption	25,319	36,498	32,581	44,932	45,119
Net write-down and net impairment of assets	290,096	279,764	270,220	260,753	254,122
	360,340	394,152	419,125	462,240	491,639
Total operating expenses	**2,362,777**	**2,421,866**	**2,468,180**	**2,764,344**	**2,579,272**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	575,451	777,114	930,663	409,473	879,070
Purchases of inventory	57,616	77,144	72,114	82,945	81,818
Principal repayments of lease liabilities	63	64	66	67	69
Total capital expenditure	**633,130**	**854,322**	**1,002,843**	**492,485**	**960,957**
Program 2.4 Joint Capabilities Total funded expenditure [a] [b]	**2,635,567**	**2,882,036**	**3,051,898**	**2,794,589**	**3,048,590**

Notes

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

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

Program 2.5: Navy Capabilities

Program 2.5 Objective
To provide maritime capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Key Activities [a]	This program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	Performance measures	Expected Performance Results
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.5 resulting from 2023-24 Budget Measures: • Activity to support delivery of nuclear-powered submarines as part of the Defence Integrated Investment Program is now included in Program 2.16: Nuclear-Powered Submarines.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 21: Cost Summary for Program 2.5 Navy Capabilities

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	2,487,879	2,623,022	2,750,828	2,845,991	2,976,888
Suppliers	3,703,166	4,273,226	4,361,980	4,341,414	4,671,325
Net losses from sale of assets	-	-	-	-	-
Other expenses	6,921	6,438	5,937	5,485	4,998
	6,197,966	6,902,686	7,118,745	7,192,890	7,653,211
Expenses not requiring appropriation					
Depreciation and amortisation	1,345,112	1,481,447	1,648,962	1,868,885	2,107,023
Inventory consumption	295,204	303,436	292,233	295,418	258,862
Net write-down and net impairment of assets	17,765	25,563	31,409	37,732	41,911
	1,658,081	1,810,446	1,972,604	2,202,035	2,407,796
Total operating expenses	**7,856,047**	**8,713,132**	**9,091,349**	**9,394,925**	**10,061,007**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,226,416	2,374,727	2,582,952	3,162,067	3,746,657
Purchases of inventory	669,092	620,710	626,772	512,302	462,719
Principal repayments of lease liabilities	25,549	22,204	22,805	22,787	22,710
Total capital expenditure	**3,921,057**	**3,017,641**	**3,232,529**	**3,697,156**	**4,232,086**
Program 2.5 Navy Capabilities Total funded expenditure [a] [b]	**10,119,023**	**9,920,327**	**10,351,274**	**10,890,046**	**11,885,297**

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

Deliverables		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
17	Major Combatants [b]	3,407	3,303	3,554	2,944	3,377
14	Minor Combatants [c]	4,184	3,786	2,618	2,334	2,269
5	Amphibious and Afloat Support [d]	1,186	1,187	1,170	1,086	1,009
10	Maritime Teams [e]	3,345	3,302	3,302	3,302	3,302
5	Hydrographic Force [f]	1,246	1,265	921	565	365

Notes

a. A Unit Availability Day (UAD) is a day when a unit is materielly ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
b. Major Combatants comprises eight *Anzac* class frigates, three *Hobart* class destroyers and six *Collins* class submarines. Decreased UAD for the Forward Estimates reflects *Anzac* and *Hobart* class transition and capability upgrade programs.
c. Minor Combatants comprises a decreasing number of *Armidale* class patrol boats, an increasing number of *Cape* class patrol boats and four *Huon* class coastal minehunters. Decrease in UAD from 2024-25 reflects transition from predominately *Armidale* class to *Cape* class.
d. Amphibious and Afloat Support comprises two *Supply* class replenishment ships, two *Canberra* class amphibious ships and HMAS *Choules*. Decreased UAD in the Forward Estimates is due to scheduled maintenance periods.
e. Maritime Teams comprises two Clearance Diving teams, four Deployable Geospatial Support and four Deployable Meteorological teams.
f. Hydrographic Force comprises two *Leeuwin* class hydrographic ships, a decreasing number of *Paluma* class survey motor launches and the Naval Air Station Weather and Oceanographic Centre. Decreased UAD relates to withdrawal of service of the *Leeuwin* and *Paluma* class.

Table 23: Navy Deliverables (Flying Hours)

Deliverables		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
23	MH-60R [a]	5,750	6,250	6,750	7,200	7,200

Note

a. Flying hours reflects continued progress in remediation of workforce shortfalls.

Program 2.6: Army Capabilities

Program 2.6: Objective		
To prepare land forces, including special operations forces, which contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment, and protect national interests.		
Key Activities [a]	This program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.6 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 24: Cost Summary for Program 2.6 Army Capabilities

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	4,504,569	4,722,344	4,826,935	4,965,172	5,132,961
Suppliers	2,095,823	2,739,957	3,282,113	3,355,392	3,329,310
Net losses from sale of assets	-	-	-	-	-
Other expenses	13	121	124	127	131
	6,600,405	7,462,422	8,109,172	8,320,691	8,462,402
Expenses not requiring appropriation					
Depreciation and amortisation	1,290,363	1,449,060	1,582,139	1,723,083	1,856,459
Inventory consumption	415,976	423,160	461,447	449,596	517,510
Net w rite-dow n and net impairment of assets	36,356	46,987	58,691	69,070	79,972
	1,742,695	1,919,207	2,102,277	2,241,749	2,453,941
Total operating expenses	**8,343,100**	**9,381,629**	**10,211,449**	**10,562,440**	**10,916,343**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,519,180	3,632,122	3,547,355	3,201,877	4,106,608
Purchases of inventory	940,928	875,502	1,002,618	798,529	932,930
Principal repayments of lease liabilities	5,303	5,433	5,565	5,701	5,840
Total capital expenditure	**4,465,411**	**4,513,057**	**4,555,538**	**4,006,107**	**5,045,378**
Program 2.6 Army Capabilities Total funded expenditure [a] [b]	**11,065,816**	**11,975,479**	**12,664,710**	**12,326,798**	**13,507,780**

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		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
10	CH-47F Chinook	2,600	2,800	3,000	3,000	3,000
34	S-70A-9 Black Hawk [a]	-	-	-	-	-
22	ARH Tiger [b]	4,500	4,500	4,500	2,500	1,400
47	MRH-90 Taipan [c]	4,850	6,000	6,000	6,000	6,000
29	AH-64E Apache [d]	-	-	-	1,500	3,000
40	UH-60M Black Hawk [e]	-	1,500	2,700	4,200	4,300

Notes
a. The fleet of S-70A-9 Black Hawk was retired from service in December 2022.
b. Reducing ARH Tiger Rate of Effort reflects transition of the workforce to the replacement Boeing AH-64E Apache.
c. Future year forecasts are subject to ongoing MRH stabilisation and withdrawal from service planning. 6000 hours estimated to be the upper limit.
d. AH-64E Apache Forward Estimates reflect the fleet's planned introduction into service as it replaces ARH Tiger. Aircraft deliveries are expected to commence in quarter 3, 2025 and will progressively increase to a fleet of 29.
e. UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service as it replaces MRH90 Taipan. Aircraft deliveries are expected to commence in quarter 2, 2023 and will progressively increase to a fleet of 40.

Program 2.7: Air Force Capabilities

Program 2.7 Objective

To provide air and space power capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Key Activities [a]	This program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*

Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.

Year	Performance measures	Planned Performance Results
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.7 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 26: Cost Summary for Program 2.7 Air Force Capabilities

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	2,492,338	2,615,617	2,707,930	2,815,828	2,954,117
Suppliers	4,290,690	4,480,100	4,819,278	4,644,360	4,982,459
Net losses from sale of assets	-	-	-	-	-
Other expenses	2,435	2,439	2,498	2,559	2,622
	6,785,463	7,098,156	7,529,706	7,462,747	7,939,198
Expenses not requiring appropriation					
Depreciation and amortisation	1,779,423	1,854,068	1,972,431	2,134,512	2,312,750
Inventory consumption	275,052	287,942	302,509	337,914	346,862
Net write-down and net impairment of assets	21,825	28,633	35,785	44,749	50,810
	2,076,300	2,170,643	2,310,725	2,517,175	2,710,422
Total operating expenses	**8,861,763**	**9,268,799**	**9,840,431**	**9,979,922**	**10,649,620**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,968,914	3,383,872	3,190,349	2,431,331	4,638,352
Purchases of inventory	609,526	586,353	648,315	589,836	621,685
Principal repayments of lease liabilities	31,535	32,305	33,093	33,901	34,728
Total capital expenditure	**3,609,975**	**4,002,530**	**3,871,757**	**3,055,068**	**5,294,765**
Program 2.7 Air Force Capabilities Total funded expenditure [a] [b]	**10,395,438**	**11,100,686**	**11,401,463**	**10,517,815**	**13,233,963**

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]		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
49	PC-21	19,941	23,650	23,650	23,650	23,650
12	KA350 King Air [b]	4,091	8,300	4,150	4,150	4,150
12	C-130J Hercules	5,450	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	5,518	6,200	6,200	6,200	6,200
10	C-27J Spartan	4,750	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,183	4,700	4,700	4,700	4,700
2	737 BBJ [c]	1,442	1,600	1,600	1,600	1,600
3	Falcon-7X	1,756	2,400	2,400	2,400	2,400
2	AP-3C Orion [d]	808	350	-	-	-
12	P-8A Poseidon [e]	5,200	6,600	7,200	7,200	7,200
6	E-7A Wedgetail	3,045	3,600	3,600	3,600	3,600
24	F/A-18F Super Hornet	4,670	4,050	4,050	4,050	4,050
33	Hawk 127	4,989	6,500	6,500	6,500	6,500
12	E/A-18G Growler	2,474	2,800	2,800	2,800	2,800
72	F-35A Lightning II [f]	7,388	12,500	13,000	13,500	13,500
-	MC-55A Peregrine [g]	-	450	1,500	2,440	3,000
-	MQ-4C Triton [h]	-	-	300	1,500	2,000

Notes
a. Fleet sizes represent totals at commencement of 2023-24.
b. KA350 Forward Estimates reflect the fleet's planned withdrawal from service 2028-29.
c. 737 BBJ hours reflect the replacement of existing aircraft with 2 new 737 BBJ.
d. AP-3C Orion Forward Estimates reflect the fleet's planned withdrawal from service.
e. P-8A Poseidon Forward Estimates reflect the fleet's on-going introduction into service.
f. F-35A Forward Estimate figures are based on maturing understanding of F-35A within the Air Combat Program.
g. MC-55A Peregrine Forward Estimates reflect the fleet's planned introduction into service.
h. MQ-4C Triton Forward Estimates reflect the fleet's planned introduction into service.

Program 2.8: Australian Defence Force Headquarters

Program 2.8 Objective

To design, integrate and prepare military capability that meets the current and future requirements of Government, and conduct joint, combined and interagency operations as directed by Government.

Key Activities [a]	This program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.8 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	42,361	30,416	31,771	32,778	33,551
Suppliers	275,934	248,049	306,812	291,845	260,287
Net losses from sale of assets	-	-	-	-	-
Other expenses	15	15	16	16	16
	318,310	278,480	338,599	324,639	293,854
Expenses not requiring appropriation					
Depreciation and amortisation	9,943	9,169	12,147	14,800	16,912
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	583	514	502	483	450
	10,526	9,683	12,649	15,283	17,362
Total operating expenses	**328,836**	**288,163**	**351,248**	**339,922**	**311,216**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	8,834	94,404	39,313	55,754	32,869
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	472	483	495	507	520
Total capital expenditure	**9,306**	**94,887**	**39,808**	**56,261**	**33,389**
Program 2.8 Australian Defence Force Headquarters Total funded expenditure [a]	**327,616**	**373,367**	**378,407**	**380,900**	**327,243**

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 2.9: Capability Acquisition and Sustainment

Program 2.9 Objective		
To acquire and sustain Defence equipment, including supplies and services, in the quantities and to the service levels required by Defence and approved by Government.		
Key Activities [a]	This program will be achieved through the following activities: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives. **7. Advance Australia's prosperity**. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets. *Expected to be met*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.9 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 29: Cost Summary for Program 2.9 Capability Acquisition and Sustainment

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	368,456	376,605	396,009	416,279	443,528
Suppliers	290,961	281,010	291,812	302,187	313,352
Net losses from sale of assets	-	-	-	-	-
Other expenses	11	11	11	11	12
	659,428	657,626	687,832	718,477	756,892
Expenses not requiring appropriation					
Depreciation and amortisation	447	403	214	146	129
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets [a]	-172	-166	-159	-153	-143
	275	237	55	-7	-14
Total operating expenses	**659,703**	**657,863**	**687,887**	**718,470**	**756,878**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	101	103	106	108	111
Total capital expenditure	**101**	**103**	**106**	**108**	**111**
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure [b] [c]	**659,529**	**657,729**	**687,938**	**718,585**	**757,003**

Notes
a. Defence has a net write-down and impairment of assets.
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 2.10: 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 Activities [a]	This program will be achieved through the following activity: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.10 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 30: Cost Summary for Program 2.10 Security and Estate

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	1,230,108	1,250,570	1,289,537	1,373,689	1,398,099
Suppliers	3,921,298	3,175,096	3,077,586	3,023,563	2,964,742
Net losses from sale of assets	-	-	-	-	-
Other expenses	93,035	91,442	89,717	87,296	85,009
	5,244,441	4,517,108	4,456,840	4,484,548	4,447,850
Expenses not requiring appropriation					
Depreciation and amortisation	1,494,976	1,463,877	1,401,855	1,474,035	1,557,294
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	2,828	4,153	4,927	5,107	4,540
	1,497,804	1,468,030	1,406,782	1,479,142	1,561,834
Total operating expenses	**6,742,245**	**5,985,138**	**5,863,622**	**5,963,690**	**6,009,684**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,887,216	2,191,188	2,435,486	2,602,506	2,608,428
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	224,461	231,418	238,725	244,933	251,967
Total capital expenditure	**2,111,677**	**2,422,606**	**2,674,211**	**2,847,439**	**2,860,395**
Program 2.10 Security and Estate Total funded expenditure [a]	**7,356,118**	**6,939,714**	**7,131,051**	**7,331,987**	**7,308,245**

Note

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

Program 2.11: Chief Information Officer

Program 2.11 Objective		
A modern, secure, sustainable and scalable information environment to enable Australian Defence Force Operations and support Defence business.		
Key Activities [a]	This program will be achieved through the following activity: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.11 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 31: Cost Summary for Program 2.11 Chief Information Officer

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	130,689	112,487	117,448	125,852	126,648
Suppliers	1,770,162	1,542,802	1,511,475	1,434,935	1,760,452
Net losses from sale of assets	-	-	-	-	-
Other expenses	33	34	35	36	37
	1,900,884	1,655,323	1,628,958	1,560,823	1,887,137
Expenses not requiring appropriation					
Depreciation and amortisation	263,403	261,762	241,252	174,922	154,502
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	31,733	37,269	44,269	51,798	65,449
	295,136	299,031	285,521	226,720	219,951
Total operating expenses	**2,196,020**	**1,954,354**	**1,914,479**	**1,787,543**	**2,107,088**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	26,799	134,603	152,834	133,921	302,100
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	3,089	3,164	3,241	3,320	3,401
Total capital expenditure	**29,888**	**137,767**	**156,075**	**137,241**	**305,501**
Program 2.11 Chief Information Officer Total funded expenditure [a]	**1,930,772**	**1,793,090**	**1,785,033**	**1,698,064**	**2,192,638**

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 2.12: Defence People

Program 2.12 Objective

To deliver a program that enables the required people capability to operate and support Defence equipment and systems, and to manage the business of Defence.

Key Activities [a]	The program will be achieved through the following activities: **1. Conduct operations and deployments to defend and advance Australia's national interests**. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad. **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.

Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met.*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met.*

Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.12 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 32: Cost Summary for Program 2.12 Defence People

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	175,868	224,712	229,820	234,494	238,978
Suppliers	490,992	494,096	660,854	683,214	639,430
Net losses from sale of assets	-	-	-	-	-
Other expenses	4,832	4,076	4,088	4,100	4,112
	671,692	722,884	894,762	921,808	882,520
Expenses not requiring appropriation					
Depreciation and amortisation	13,152	13,946	14,766	15,558	16,434
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	1,127	1,243	1,351	1,465	1,574
	14,279	15,189	16,117	17,023	18,008
Total operating expenses	**685,971**	**738,073**	**910,879**	**938,831**	**900,528**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	11,747	12,034	12,327	12,628	12,936
Total capital expenditure	**11,747**	**12,034**	**12,327**	**12,628**	**12,936**
Program 2.12 Defence People Total funded expenditure [a]	**683,439**	**734,918**	**907,089**	**934,436**	**895,456**

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 2.13: Defence Science and Technology

Program 2.13 Objective

To develop innovative technologies that can be delivered by industry and transitioned into Defence capability, and to shape innovation, science and technology within Defence and across the nation.

Key Activities [a]	This program is achieved through the following activities: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives. **7. Advance Australia's prosperity**. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.

Year	Performance measures	Expected Performance Results
Current Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets. *Expected to be met.*

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.13 resulting from 2023-24 Budget Measures:

- Establishment of the Advanced Strategic Capabilities Accelerator (ASCA) which includes activities previously undertaken by the Next Generation Technology Fund, Defence Innovation Hub, Capability Accelerator Fund and Rapid Prototyping Initiative.

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	315,533	330,571	341,560	354,986	367,667
Suppliers	320,355	292,655	310,448	374,954	397,406
Net losses from sale of assets	-	-	-	-	-
Other expenses	17	1,111	1,122	1,134	1,145
	635,905	624,337	653,130	731,074	766,218
Expenses not requiring appropriation					
Depreciation and amortisation	25,369	26,954	28,603	31,003	33,790
Inventory consumption	147	151	155	158	162
Net write-down and net impairment of assets	3,947	4,333	4,532	4,987	4,708
	29,463	31,438	33,290	36,148	38,660
Total operating expenses	**665,368**	**655,775**	**686,420**	**767,222**	**804,878**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	29,752	8,458	8,856	20,095	13,515
Purchases of inventory	147	151	155	158	162
Principal repayments of lease liabilities	196	200	205	210	215
Total capital expenditure	**30,095**	**8,809**	**9,216**	**20,463**	**13,892**
Program 2.13 Defence Science and Technology Total funded expenditure [a] [b]	**666,000**	**633,146**	**662,346**	**751,537**	**780,110**

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 2.14: Defence Intelligence

Program 2.14 Objective		
Deliver high-quality and timely intelligence services that achieve Government intelligence priorities.		
Key Activities [a]	This program is achieved through the following activities: **3. Enable intelligence-informed strategic policy and international operations**. Classified intelligence assessments and products inform Defence strategic policy and international operations. This ensures that Defence's activities are grounded in an intelligence-based understanding of drivers, capabilities and likelihood. **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	3.1: Defence intelligence assessments and products inform the planning and conduct of international operations and the development of strategic policy.	Baseline percentage of international operations (planning and conduct) and strategic policy products that are informed by Defence intelligence assessments and products. *Baseline will be set*
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule. *Baseline will be set*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	3.1: Defence intelligence assessments and products inform the planning and conduct of international operations and the development of strategic policy.	International operations (planning and conduct) and strategic policy products that are informed by Defence intelligence assessments and products.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.14 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 34: Cost Summary for Program 2.14 Defence Intelligence

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	112,426	115,850	120,387	126,284	130,957
Suppliers	513,900	511,562	529,505	489,875	472,388
Net losses from sale of assets	-	-	-	-	-
Other expenses	11	12	12	12	12
	626,337	627,424	649,904	616,171	603,357
Expenses not requiring appropriation					
Depreciation and amortisation	27,985	39,188	53,324	69,258	81,348
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	27,698	30,323	32,799	34,857	36,671
	55,683	69,511	86,123	104,115	118,019
Total operating expenses	**682,020**	**696,935**	**736,027**	**720,286**	**721,376**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	151,469	140,386	363,488	396,554	237,814
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	160	164	168	172	176
Total capital expenditure	**151,629**	**140,550**	**363,656**	**396,726**	**237,990**
Program 2.14 Defence Intelligence Total funded expenditure [a]	**777,966**	**767,974**	**1,013,560**	**1,012,897**	**841,347**

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	2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
Maritime Safety Updates [a]	100%	100%	100%	100%	100%
Charting Projects [b]	16	14	15	15	15
Nautical Publications [c]	29	29	29	29	29
Survey Projects [d]	11	9	8	12	14
Australian Hydrographic Office Availability [e]	247	247	248	249	249

Notes

a. Maritime Safety Updates (MSU) are urgent safety-critical revisions to nautical charts and publications or other hydrographic products and services. All Priority 1 MSU will be applied to product and released within the agreed 20 day timeframe, with a PB Statements Target of 100 per cent achievement.

b. A Charting Project includes all charting activities involved in compiling and publishing all paper and electronic charts or other charting services, for a particular geographic area. When all affected products are updated through different charting activities a Charting Project is considered complete. In 2022-23, 16 Charting Projects are on track to be completed. For 2023-24, 14 Charting Projects are planned to be completed.

c. The Nautical Publications produced are 25 fortnightly Notices to Mariners, four annual publications, and selected additional publications in some years.

d. A 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 collect using commercial arrangements. Survey Project rate of effort is aligned with the annual HIPP budget guidance and available personnel to manage the planning and oversight of scheduled survey projects. In 2022-23, 11 Survey Projects are planned to be completed. HIPP Phase 1 funding expires at the end of 2023-24; all Stage 1 contracts to be completed by end of 2023-24.

e. AHO Availability is those periods the AHO, as a Defence capability, is materially ready and its personnel state and level of competence enables the AHO to provide hydrographic products and services immediately in accordance with the *Navigation Act 2012*. The AHO is open 0700-1830 Monday to Friday, closed for Public Holidays and the Christmas stand down period; availability outside these hours is upon request. In 2022-23 the AHO availability was reduced by one day, to 247 days, when Thursday 22 September 2022 was declared the National Day of Mourning for Her Majesty The Queen.

Program 2.15: Naval Shipbuilding and Sustainment

Program 2.15 Objective		
To deliver maritime capability through the acquisition and sustainment of naval vessels for Navy and Army, while supporting the development of continuous naval shipbuilding key enablers in Australia, including the development of a secure, sovereign industrial base, infrastructure, and an appropriately skilled and experienced workforce.		
Key Activities [a]	This program is achieved through the following activities: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	N/A.	N/A.
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.15 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	138,300	140,636	143,429	146,277	149,181
Suppliers	161,709	283,383	107,717	70,558	63,840
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	300,009	424,019	251,146	216,835	213,021
Expenses not requiring appropriation					
Depreciation and amortisation	5	5	5	5	5
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	-	-	-	-	-
	5	5	5	5	5
Total operating expenses	**300,014**	**424,024**	**251,151**	**216,840**	**213,026**
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	5	5	5	5	5
Total capital expenditure	**5**	**5**	**5**	**5**	**5**
Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure [a] [b]	**300,014**	**424,024**	**251,151**	**216,840**	**213,026**

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. Program 2.15 Naval Shipbuilding and Sustainment was created on 4 January 2023 and reflects movement of functions and associated budget from other Defence Programs.

Program 2.16: Nuclear-Powered Submarines

Program 2.16 Objective		
Protect and advance Australia's national interests through the acquisition, delivery, construction, technical governance, sustainment and disposal of Australia's nuclear-powered submarine capability, via the AUKUS partnership, as directed by Government.		
Key Activities [a]	This program is achieved through the following activities: **6. Deliver future capability**. In the *2020 Force Structure Plan*, the Government provided Defence $270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	N/A.	N/A.
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.16 resulting from 2023-24 Budget Measures: • Activity to support delivery of nuclear-powered submarines as part of the Defence Integrated Investment Program.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	-	513,586	387,252	3,720,224	900,571
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	-	513,586	387,252	3,720,224	900,571
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net w rite-dow n and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses					
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	1,444	1,964	2,504	77,016
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	**-**	**1,444**	**1,964**	**2,504**	**77,016**
Program 2.16 Nuclear-Powered Submarines Total funded expenditure [b] [c]	**-**	**515,030**	**389,216**	**3,722,728**	**977,587**

Notes

a. $3.326 billion of the total costs of the Nuclear-Powered Submarines program over the Forward Estimates are reflected against other Defence Programs. The final allocation of funding for the nuclear-submarine capability will be finalised ahead of the establishment of the Australian Submarine Agency on 1 July 2023.

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. Program 2.16 Nuclear-Powered Submarines was created on 27 March 2023 and reflects movement of functions and associated budget from other Defence Programs.

Program 2.19: Defence Trusts and Joint Accounts

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses funded by appropriation and own source revenue					
Other expenses	304,822	327,736	260,810	316,626	324,806
Total operating expenses	**304,822**	**327,736**	**260,810**	**316,626**	**324,806**
Income					
Revenues					
Other revenue	304,822	327,736	260,810	316,626	324,806
Total revenue	**304,822**	**327,736**	**260,810**	**316,626**	**324,806**
Total income	**304,822**	**327,736**	**260,810**	**316,626**	**324,806**
Program 2.19 Defence Trusts and Joint Accounts [a]	**-**	**-**	**-**	**-**	**-**

Note

a. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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 Activities [a]	This program will be achieved through the following activity: **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.

Year	Performance measures	Expected Performance Results
Current Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met*

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.20 resulting from 2023-24 Budget Measures: Nil.

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Administered Program 2.21: Defence Force Superannuation Nominal Interest

Administered Program 2.21 Objective

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

Key Activities [a]	This program will be achieved by: **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.21 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Military retention benefits	63,929	36,669	9,889	-	-
Military superannuation benefits [a]					
- benefits	3,868,388	3,157,552	3,282,335	3,440,342	3,624,564
- interest	5,498,625	5,995,492	6,257,119	6,524,698	6,801,281
Total expenses	**9,430,942**	**9,189,713**	**9,549,343**	**9,965,040**	**10,425,845**
Income					
Revenues [b]					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	-1,123,864	-1,057,464	-995,434	-936,466	-881,867
Total income	**-1,123,864**	**-1,057,464**	**-995,434**	**-936,466**	**-881,867**
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	**8,307,078**	**8,132,249**	**8,553,909**	**9,028,574**	**9,543,978**

Notes

a. Figures for 2022-23 and 2023-24 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 revenues.

Administered Program 2.22: Housing Assistance

Administered Program 2.22 Objective		
The Defence Home Ownership Assistance Scheme (DHOAS) was established in order to support the Government's retention and recruitment initiatives and influence ADF members' decision to stay beyond critical career points. The scheme came into effect on 1 July 2008.		
Key Activities [a]	This program will be achieved through the following activity: **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met.*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met.*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.22 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 40: Cost Summary for Administered Program 2.22 Housing Assistance

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Housing subsidies	160,753	174,203	190,462	209,287	229,982
Total expenses	**160,753**	**174,203**	**190,462**	**209,287**	**229,982**
Income					
Revenues [a]					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	-19,235	-21,375	-23,739	-26,334	-29,187
Other	-	-	-	-	-
Total income	**-19,235**	**-21,375**	**-23,739**	**-26,334**	**-29,187**
Program 2.22 Housing Assistance	**141,518**	**152,828**	**166,723**	**182,953**	**200,795**

Note
a. Negative amounts denote revenues.

Administered Program 2.23: Other Administered

Administered Program 2.23 Objective

This program comprises three elements:

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

Key Activities [a]	This program will be achieved through the following activity: **4. Invest in Defence People**. Defence's integrated workforce brings together Australian Defence Force members, Australian public servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.	
Year	**Performance measures**	**Expected Performance Results**
Current Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements. *Expected to be partially met.*
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families. *Expected to be substantially met.*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.23 resulting from 2023-24 Budget Measures: Nil.		

Note

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

Table 41: Cost Summary for Administered Program 2.23 Other Administered

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Expenses					
Supplier expenses	-	-	-	-	-
Impairment on trade and other receivables	-	-	-	-	-
Total expenses	**-**	**-**	**-**	**-**	**-**
Income					
Revenues [a]					
Interest	-	-	-	-	-
Dividends	-63,559	-74,158	-61,539	-40,182	-44,862
Other	-40,200	-45,831	-48,392	-52,307	-50,599
Total income	**-103,759**	**-119,989**	**-109,931**	**-92,489**	**-95,461**
Program 2.23 Other Administered	**-103,759**	**-119,989**	**-109,931**	**-92,489**	**-95,461**

Note
a. Negative amounts denote revenues.

Section 3: Defence Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 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 are available on the Department's grants webpage (Home: Grants: Department of Defence).

3.2 Resource Summary

Table 42: Defence Resource Statement — Budget Estimates for 2023-24 as at May Budget 2023

	Estimated Actual available appropriation 2022-23 $'000	Estimate of prior year amounts available in 2023-24 $'000	Proposed at Budget 2023-24 $'000	Total Estimate 2023-24 $'000
Departmental				
Annual appropriations - ordinary annual services	32,753,202	-	34,828,325	34,828,325
Prior year appropriations available	-	-	-	-
Departmental appropriation	-	-	-	-
s74 External Revenue	-	-	-	-
Departmental capital budget - non-operating	-	-	-	-
Draw down of prior year appropriations	-	-	-	-
Prior year appropriations available	188,678	732,037	253,938	985,975
Equity injection	11,832,391	-	11,963,096	11,963,096
Departmental Capital Budget	2,833,844	-	3,294,930	3,294,930
Total Departmental annual appropriations [a]	**47,608,115**	**732,037**	**50,340,289**	**51,072,326**
Total Departmental resourcing	**47,608,115**	**732,037**	**50,340,289**	**51,072,326**
Administered				
Annual appropriations - ordinary annual services	3,671,366	-	4,001,788	4,001,788
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total Administered annual appropriations	**3,671,366**	**-**	**4,001,788**	**4,001,788**
Total Administered special appropriations				
Special Accounts				
Opening balance	277,148	357,357	-	357,357
Non-appropriation receipts	363,730	-	-	-
Payments made	-283,521	-	-	-
Reclassification to Departmental [b]	-	-357,357	-	-357,357
Total Special Accounts	**357,357**	**-**	**-**	**-**
Total Administered resourcing	**4,028,723**	**-**	**4,001,788**	**4,001,788**

Notes

a. The appropriations for 2022-23, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent.

b. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000
Receipts from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	137,630	110,838
Payments made to Defence Housing Australia for the provision of services (Departmental)	700,471	732,324
Receipts from Australian Signals Directorate for provision of services (Departmental)	97,426	100,502
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	23,978	24,071
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	35,870	38,079
Payments made to the Department of Finance for the provision of services (Departmental)	37,305	37,305
Payments made to Comcare for workers compensation premiums (Departmental)	12,169	12,887
Payments made to the Australian Federal Police for the provision of services (Departmental)	54,812	56,935
Payments made to the Bureau of Meteorology for the provision of services (Departmental)	26,442	26,779

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)

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
EXPENSES					
Employee benefits	12,986,359	13,559,095	14,008,886	14,527,721	15,087,180
Supplier expenses	21,222,937	22,591,105	23,275,439	26,851,790	24,800,502
Grants	41,004	44,699	44,816	44,907	44,999
Depreciation and amortisation	6,333,272	6,728,912	7,140,533	7,739,790	8,435,618
Finance costs	103,019	101,018	98,470	96,075	93,380
Write-down of assets and impairment of assets	1,287,195	1,353,455	1,424,922	1,502,178	1,585,893
Foreign exchange losses	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts [a]	304,822	327,736	260,810	316,626	324,806
Other	2,757	2,689	3,140	2,809	2,879
Total expenses	**42,281,365**	**44,708,709**	**46,257,016**	**51,081,895**	**50,375,257**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	479,293	317,894	309,981	324,241	331,349
Revenue in relation to Defence Trusts and Joint Accounts [a]	304,822	327,736	260,810	316,626	324,806
Other revenue	265,399	265,114	269,842	333,772	348,246
Total own-source revenue	**1,049,514**	**910,744**	**840,633**	**974,639**	**1,004,401**
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	840,722	881,449	924,414	969,744	1,017,576
Net gains from sale of assets	47,206	7,219	67,415	13,268	91
Other gains [b]	353,300	205,900	166,300	144,800	134,900
Total gains	**1,241,228**	**1,094,568**	**1,158,129**	**1,127,812**	**1,152,567**
Total own-source income	**2,290,742**	**2,005,312**	**1,998,762**	**2,102,451**	**2,156,968**
Net cost of (contribution by) services	**39,990,623**	**42,703,397**	**44,258,254**	**48,979,445**	**48,218,289**
Revenue from Government	32,753,202	34,828,325	35,925,964	39,884,899	38,501,405
Surplus (Deficit) attributable to the Australian Government	**-7,237,421**	**-7,875,072**	**-8,332,290**	**-9,094,546**	**-9,716,884**
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	**-7,237,421**	**-7,875,072**	**-8,332,290**	**-9,094,546**	**-9,716,884**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**242,264**	**60,157**	**71,348**	**-28,405**	**112,890**
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	6,333,272	6,728,912	7,140,533	7,739,790	8,435,618
Inventory consumption	1,011,699	1,051,187	1,088,925	1,128,019	1,168,516
Net write-down and net impairment of assets	446,473	472,006	500,508	532,434	568,317
Add: Repayment of lease liabilities funded through revenue appropriations	311,760	316,878	326,329	334,101	342,678
Surplus (Deficit) attributable to the Australian Government as per above	**-7,237,421**	**-7,875,072**	**-8,332,290**	**-9,094,546**	**-9,716,884**

Notes

a. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

b. Other gains predominantly relate to the Australia Singapore Military Training Initiative Agreement. Under the agreement, the Republic of Singapore makes a contribution to Defence which will be used towards the cost of development of military training facilities. Once developed, these facilities will be used by the Defence forces of Australia and Singapore for the conduct of exercises and other training activities.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	666,582	727,561	765,401	629,672	452,524
Trade and other receivables	167,021	167,021	167,021	167,021	167,021
Tax assets	392,067	392,067	392,067	392,067	392,067
Appropriation receivable	732,037	985,976	1,227,227	1,449,710	1,713,365
Other receivables	771,321	771,319	771,317	771,315	771,313
Total financial assets	**2,729,028**	**3,043,944**	**3,323,033**	**3,409,785**	**3,496,290**
Non-financial assets					
Land and buildings	24,100,395	26,524,163	29,154,255	31,358,920	33,325,436
Infrastructure, plant and equipment	8,392,190	7,771,928	7,283,972	6,835,128	6,432,242
Specialist military equipment	86,911,458	92,116,795	97,257,037	100,617,222	107,943,282
Intangibles	2,095,348	2,154,562	2,234,909	2,365,923	2,542,314
Heritage and cultural	404,050	377,385	350,980	324,825	299,351
Inventories	8,228,230	8,560,364	8,848,743	9,148,204	9,459,263
Prepayments	2,326,370	2,639,535	2,865,621	3,157,948	3,493,162
Total non-financial assets	**132,458,041**	**140,144,732**	**147,995,517**	**153,808,170**	**163,495,050**
Assets held for sale	160,607	160,607	160,607	160,607	160,607
Total assets	**135,347,676**	**143,349,283**	**151,479,157**	**157,378,562**	**167,151,947**
LIABILITIES					
Payables					
Suppliers	4,891,037	5,204,199	5,430,288	5,722,615	6,057,830
Other	972,317	1,091,629	1,181,901	1,102,763	981,164
Total payables	**5,863,354**	**6,295,828**	**6,612,189**	**6,825,378**	**7,038,993**
Interest bearing liabilities					
Leases	2,909,789	2,900,177	2,888,611	2,876,954	2,864,588
Total interest bearing liabilities	**2,909,789**	**2,900,177**	**2,888,611**	**2,876,954**	**2,864,588**
Provisions					
Employee provisions	3,166,809	3,362,600	3,555,165	3,726,662	3,934,753
Restoration, decontamination and decommissioning	1,009,050	1,009,050	1,009,050	1,009,050	1,009,050
Other	284,175	284,175	284,175	284,175	284,175
Total provisions	**4,460,034**	**4,655,825**	**4,848,390**	**5,019,887**	**5,227,978**
Total liabilities	**13,233,177**	**13,851,830**	**14,349,190**	**14,722,219**	**15,131,559**
NET ASSETS	**122,114,499**	**129,497,453**	**137,129,967**	**142,656,343**	**152,020,388**
EQUITY					
Contributed equity	79,038,848	94,296,874	110,261,678	124,882,600	143,963,529
Reserves	32,446,454	32,446,454	32,446,454	32,446,454	32,446,454
Retained surplus (accumulated deficit)	10,629,197	2,754,125	-5,578,165	-14,672,711	-24,389,595
Total equity	**122,114,499**	**129,497,453**	**137,129,967**	**142,656,343**	**152,020,388**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (current year)	32,769,387	34,574,386	35,684,713	39,662,416	38,237,750
Appropriations (prior year)	-	-	-	-	-
Goods and services	709,591	557,094	553,603	650,173	671,754
Net GST received	2,685,566	2,857,641	2,982,733	3,143,235	3,327,285
Interest	-	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	297,131	388,714	298,650	180,896	147,657
Other cash received	29,370	20,039	20,193	1,666	1,677
(receivables)	-	-	-	-	-
Total cash received	**36,491,045**	**38,397,874**	**39,539,892**	**43,638,386**	**42,386,123**
Cash used					
Employees	13,002,544	13,305,156	13,767,635	14,305,238	14,823,524
Suppliers	20,211,251	21,539,580	22,187,984	25,723,375	23,632,000
Net GST paid	2,685,566	2,857,641	2,982,733	3,143,235	3,327,285
Grants	41,004	44,699	44,816	44,907	44,999
Payments in relation to Defence Trusts and Joint Accounts	304,822	327,736	260,810	316,626	324,806
Other cash used	100,190	97,981	95,740	92,868	90,092
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Total cash used	**36,345,376**	**38,172,793**	**39,339,718**	**43,626,249**	**42,242,706**
Net cash from (used by) operating activities	**145,669**	**225,082**	**200,174**	**12,137**	**143,417**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	99,851	119,232	129,605	157,578	191
Proceeds from sales of infrastructure, plant and equipment	24,745	33,543	34,390	28,656	21,922
Proceeds from sales of specialist military equipment	34,289	-	-	-	-
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	**158,885**	**152,775**	**163,995**	**186,234**	**22,113**
Cash used					
Purchase of land and buildings	2,241,216	3,090,096	3,353,841	3,121,231	2,844,109
Purchase of infrastructure, plant and equipment	147,701	65,319	69,864	67,166	87,563
Purchase of specialist military equipment	9,751,129	9,617,419	9,880,892	9,115,653	13,647,621
Purchase of heritage and cultural assets	-	-	-	-	-
Purchase of intangibles	192,602	270,953	310,234	333,102	402,322
Purchase of inventory	2,333,587	2,214,239	2,349,973	1,983,770	2,099,314
Selling costs on sale of assets	484	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	**14,666,719**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**
Net cash from (used by) investing activities	**-14,507,834**	**-15,105,251**	**-15,800,809**	**-14,434,688**	**-19,058,816**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
Appropriations - departmental capital budget	2,833,844	3,294,930	3,430,448	3,154,056	3,254,579
Prior year appropriation	-	-	-	-	-
Total cash received	**14,666,235**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**
Cash used					
Principal repayments of lease liabilities	311,760	316,878	326,329	334,101	342,678
Cash to the Official Public Account	-	-	-	-	-
Total cash used	**311,760**	**316,878**	**326,329**	**334,101**	**342,678**
Net cash from (used by) financing activities	**14,354,475**	**14,941,148**	**15,638,475**	**14,286,821**	**18,738,251**
Net increase (decrease) in cash and cash equivalents held	-7,691	60,979	37,840	-135,729	-177,148
Cash and cash equivalents at the beginning of the reporting period	316,916	666,582	727,561	765,401	629,672
Transfer of cash from administered programs	357,357	-	-	-	-
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	**666,582**	**727,561**	**765,401**	**629,672**	**452,524**

Table 47: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2023-24)

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2023				
Balance carried forward from previous period	10,629,197	32,446,454	79,038,848	**122,114,499**
Adjustment for changes in accounting policies	-	-	-	**-**
Adjusted opening balance	**10,629,197**	**32,446,454**	**79,038,848**	**122,114,499**
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	**-**
Subtotal comprehensive income	**-**	**-**	**-**	**-**
Surplus (Deficit) for the period	-7,875,072	-	-	**-7,875,072**
Total comprehensive income recognised directly in equity	**-7,875,072**	**-**	**-**	**-7,875,072**
Transactions with owners				
Distribution to owners				
Returns on capital:				
Restructuring	-	-	-	**-**
Other	-	-	-	**-**
Contributions by owners				
Appropriation (equity injection)	-	-	11,963,096	**11,963,096**
Departmental Capital Budget	-	-	3,294,930	**3,294,930**
Other	-	-	-	**-**
Sub-total transaction with owners	**-**	**-**	**15,258,026**	**15,258,026**
Transfers between equity components	-	-	-	**-**
Estimated closing balance as at 30 June 2024	**2,754,125**	**32,446,454**	**94,296,874**	**129,497,453**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,833,844	3,294,930	3,430,448	3,154,056	3,254,579
Bill 2 Equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
Total capital appropriations	**14,666,235**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**
Represented by:					
Purchase of non-financial assets	12,332,648	13,043,787	13,614,831	12,637,152	16,981,615
Purchase of inventory	2,333,587	2,214,239	2,349,973	1,983,770	2,099,314
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
Total Items	**14,666,235**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	14,666,235	15,258,026	15,964,804	14,620,922	19,080,929
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Funded internally from departmental resources [a]	-	-	-	-	-
[Net capital (surplus)/ deficit]					
Total	**14,666,235**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	15,019,535	15,463,926	16,131,104	14,765,722	19,215,829
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	353,300	205,900	166,300	144,800	134,900
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	**14,666,235**	**15,258,026**	**15,964,804**	**14,620,922**	**19,080,929**

Note

a. 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 2023-24)

	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 2023								
Gross book value	6,142,259	16,590,695	90,985,225	9,023,649	3,680,086	445,324	160,607	**127,027,846**
Gross book value - ROU	60,492	2,651,930	626,730	766,425	-	-	-	**4,105,576**
Accumulated depreciation/amortisation and impairment	-	589,979	4,328,694	1,102,417	1,584,738	41,274	-	**7,647,101**
Accumulated depreciation/amortisation and impairment - ROU	-	755,002	371,803	295,467	-	-	-	**1,422,273**
Opening net book balance	**6,202,751**	**17,897,644**	**86,911,458**	**8,392,190**	**2,095,348**	**404,050**	**160,607**	**122,064,048**
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	84,302	3,005,794	9,617,419	65,319	270,953	-	-	**13,043,787**
By purchase - appropriation equity - ROU	-	236,616	-	70,650	-	-	-	**307,266**
By purchase - donated funds	86,193	61,352	-	58,355	-	-	-	**205,900**
By purchase - donated funds - ROU	-	-	-	-	-	-	-	**-**
By finance lease	-	-	-	-	-	-	-	**-**
By finance lease - ROU	-	-	-	-	-	-	-	**-**
Total additions	**170,495**	**3,067,146**	**9,617,419**	**123,674**	**270,953**	**-**	**-**	**13,249,687**
Total additions - ROU	**-**	**236,616**	**-**	**70,650**	**-**	**-**	**-**	**307,266**
Other movements								
Reclassifications [a]	-	-34,247	1,002,654	11,353	3,667	-	-	**983,428**
Reclassifications - ROU	-	-	-	-	-	-	-	**-**
Depreciation and amortisation	-	746,962	4,863,206	664,925	116,167	26,665	-	**6,417,925**
Depreciation and amortisation - ROU	-	213,911	30,852	66,225	-	-	-	**310,988**
Other disposals [b]	-	55,369	520,678	94,789	99,239	-	-	**770,075**
Other disposals - ROU	-	-	-	-	-	-	-	**-**
Total other movements	**-**	**-836,578**	**-4,381,230**	**-748,361**	**-211,739**	**-26,665**	**-**	**-6,204,573**
Total other movements - ROU	**-**	**-213,911**	**-30,852**	**-66,225**	**-**	**-**	**-**	**-310,988**
As at 30 June 2024								
Gross book value	6,312,754	19,568,225	101,084,620	9,063,887	3,855,467	445,324	160,607	**140,490,884**
Gross book value - ROU	60,492	2,888,546	626,730	837,075	-	-	-	**4,412,843**
Accumulated depreciation/amortisation and impairment	-	1,336,941	9,191,900	1,767,342	1,700,905	67,939	-	**14,065,027**
Accumulated depreciation/amortisation and impairment - ROU	-	968,913	402,655	361,692	-	-	-	**1,733,260**
Closing net book value	**6,373,246**	**20,150,917**	**92,116,795**	**7,771,928**	**2,154,562**	**377,385**	**160,607**	**129,105,440**

Notes
a. Reclassifications include 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)

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	-	-	-	-	-
Dividends	63,559	74,158	61,539	40,182	44,862
Military superannuation contributions	1,123,864	1,057,464	995,434	936,466	881,867
Fees	19,235	21,375	23,739	26,334	29,187
Other	40,200	45,831	48,392	52,307	50,599
Total non-taxation	**1,246,858**	**1,198,828**	**1,129,104**	**1,055,289**	**1,006,515**
Total revenues administered on behalf of Government	**1,246,858**	**1,198,828**	**1,129,104**	**1,055,289**	**1,006,515**
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	160,753	174,203	190,462	209,287	229,982
Military retention benefits	63,929	36,669	9,889	-	-
Military superannuation benefits	9,367,013	9,153,044	9,539,454	9,965,040	10,425,845
Other	-	-	-	-	-
Total expenses administered on behalf of Government	**9,591,695**	**9,363,916**	**9,739,805**	**10,174,327**	**10,655,827**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	82,794	95,533	85,278	66,516	74,049
Investments accounted for using the equity method	3,143,801	3,259,464	3,375,530	3,478,580	3,593,601
Loans	-	-	-	-	-
Total financial assets	**3,226,595**	**3,354,997**	**3,460,808**	**3,545,096**	**3,667,650**
Non-financial assets					
Prepayments	46,558	9,889	-	-	-
Total non-financial assets	**46,558**	**9,889**	**-**	**-**	**-**
Total assets administered on behalf of Government	**3,273,153**	**3,364,886**	**3,460,808**	**3,545,096**	**3,667,650**
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	1,315	1,314	1,314	1,314	1,314
Total payables	**1,315**	**1,314**	**1,314**	**1,314**	**1,314**
Provisions					
Superannuation - DFRB [a]	261,518	245,251	229,588	214,508	199,992
Superannuation - DFRDB [b]	32,290,907	32,058,989	31,769,534	31,443,641	31,079,936
Superannuation - MSBS [c]	84,184,106	88,239,436	92,141,074	95,949,479	99,674,540
Superannuation - ADF Cover [d]	3,504,230	5,022,543	6,824,950	8,928,215	11,349,628
Total provisions	**120,240,761**	**125,566,219**	**130,965,146**	**136,535,843**	**142,304,096**
Total liabilities administered on behalf of Government	**120,242,076**	**125,567,533**	**130,966,460**	**136,537,157**	**142,305,410**

Notes
a. Defence Force Retirement Benefits.
b. Defence Force Retirement and Death Benefits.
c. Military Superannuation and Benefits Scheme.
d. Australian Defence Force Cover.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,123,864	1,057,464	995,434	936,466	881,867
Fees	30,164	19,235	21,375	23,739	26,334
Other	75,362	45,619	48,180	52,095	50,387
Total cash received	**1,229,390**	**1,122,318**	**1,064,989**	**1,012,300**	**958,588**
Cash used					
Subsidies paid	160,753	174,203	190,462	209,287	229,982
Military benefits	3,510,613	3,827,585	4,140,528	4,394,344	4,657,594
Total cash used	**3,671,366**	**4,001,788**	**4,330,990**	**4,603,631**	**4,887,576**
Net cash from or (used by) operating activities	**-2,441,976**	**-2,879,470**	**-3,266,001**	**-3,591,331**	**-3,928,988**
INVESTING ACTIVITIES					
Cash received					
Dividends	**78,194**	**63,559**	**74,158**	**61,539**	**40,182**
Total cash received	**78,194**	**63,559**	**74,158**	**61,539**	**40,182**
Cash used					
Loans	**-**	**-**	**-**	**-**	**-**
Total cash used	**-**	**-**	**-**	**-**	**-**
Net cash from (used by) investing activities	**78,194**	**63,559**	**74,158**	**61,539**	**40,182**
Net increase (decrease) in cash held	**-2,363,782**	**-2,815,911**	**-3,191,843**	**-3,529,792**	**-3,888,806**
Cash at the beginning of reporting period	357,357	-	-	-	-
Cash from the Official Public Account for appropriations	3,671,366	4,001,788	4,330,990	4,603,631	4,887,576
Cash to the Official Public Account	-1,307,584	-1,185,877	-1,139,147	-1,073,839	-998,770
Reclassification to Departmental [a]	-357,357	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	**-**	**-**	**-**	**-**	**-**

Note

a. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

3.3.2 Notes to the Budgeted Financial Statements

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

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Appendix A: Defence Cooperation Program

The Defence Cooperation Program (DCP) has made a significant contribution to Australia's international defence engagement since the 1960s. The program:

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

The DCP advances Australia's strategic interests. In line with those interests, the DCP-priority countries and regions include Papua New Guinea (PNG), Indonesia, Timor-Leste, Pacific island countries, Southeast Asia, Pakistan and the Middle East. The objective is to maximise Australia's security through developing close and enduring links with partners that support their capacity to protect their sovereignty, work effectively with the Australian Defence Force (ADF) and contribute to regional security.

To achieve its objectives, the DCP suite of activities includes education courses, training, personnel exchanges, capacity building, military secondments, strategic dialogues, visits, infrastructure support, and exercises and operations.

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

Australia maintains regular defence talks with regional countries in order to exchange views on regional security issues and to discuss defence cooperation priorities. The DCP also supports a program of visits by senior defence representatives to and from Australia. Through these visits, Australia gains an improved understanding of regional militaries and the strategic outlook of neighbouring countries.

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

In the Pacific, a key element of the DCP, and the centrepiece of Australia's defence engagement, is the Pacific Maritime Security Program. The Pacific Maritime Security Program is the successor to the original Pacific Patrol Boat Program, through which Australia provided 22 Patrol Boats (with in-country advisory personnel, maintenance support, crew training and technical assistance) to 12 Pacific Island nations. Under the Pacific Maritime Security Program, Australia is replacing the existing fleet of Pacific Patrol Boats with new larger and more capable vessels. This program now consists of 22 Guardian class patrol boats for gifting to Pacific Island nations and Timor-Leste designed and built by Austal Ships. The first Guardian class patrol boat was gifted to a Pacific Island nation (PNG) in 2018 and a further 14 have been gifted to date. The Pacific Maritime Security Program expands the scope of the Pacific Patrol Boat Program by including a region-wide integrated aerial surveillance capability and support for enhancing regional coordination. The Program engages Pacific navies and police maritime wings and is designed to enhance the sovereign capability of participating Pacific Island nations to independently police their maritime zones.

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

Australia's DCP with PNG is our largest with any country. The PNG DCP supports the PNG Defence Force and Defence to be a more capable, sustainable and professional regional security partner, and supports current and future leaders to build a strong and resilient Defence Force. The PNG DCP will continue to facilitate the conduct of bilateral exercises, mobile training teams, logistics support, capability development, governance, training support and information sharing.

Table 53: Defence Cooperation Program Budget 2023-24 [a]

Defence is committed to being flexible and responsive to the needs of our international partners. The global strategic environment is dynamic and can result in shifting demands requiring the re-allocation of funds between nations or at a regional level. In our near region in particular, the threat posed by climate change and other non-traditional security threats are shifting the priorities of our partner security forces to focus on shared regional resilience and disaster preparedness. In order to remain flexible and responsive to emerging and long-term needs of our partners, the DCP budget allocation will now occur at the regional level.

	2022-23 Budget Estimate $'000	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000
Pacific Region [b]	175,444	185,854	248,261
Southeast Asia	34,440	37,822	34,915
Other regional activities	16,641	25,229	18,122
Defence International Training Centre [c]	670	540	399
Total	**227,195**	**249,445**	**301,697**

Notes

a. DCP funding does not include support provided through the Capability Acquisition Program.
b. Per the *Defence Strategic Review* the investment in the Pacific Region has increased to help our Pacific partners respond to climate change and other non-traditional security threats and includes some one-off projects.
c. The Defence International Training Centre (DITC) provides training in Australia for the defence forces of Southeast Asia and Pacific nations and to other selected overseas personnel. The DITC is managed by Joint Capabilities Group.

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects

The Top 30 Military Equipment Acquisition Program Approved Projects table includes other elements of acquisition that contribute to an overall capability (excluding workforce). The table reflects the top 30 projects prior to the full implementation of decisions related to the *Defence Strategic Review*. The full range of adjustments are anticipated to be finalised for the 2024-25 Portfolio Budget Statements. Projects are grouped in the revised domain structure introduced through Defence's Capability Program Architecture.

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

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain						
New Air Combat Capability	**AIR 6000 Phase 2A/B**	Military Equipment Acquisition	16,456	11,677	870	This project is approved to acquire 72 F-35A Lightning II (Joint Strike Fighter) aircraft and supporting elements to form four squadrons – three squadrons for operations and one squadron for training. The prime contractor, Lockheed Martin, is contracted to the United States Government to develop and produce F-35A aircraft. Australia is procuring the aircraft through a cooperative partnership. During 2023-24, the remaining 12 Aircraft will be delivered and Full Operational Capability is expected.
		Other Project Inputs to Capability	1,726	1,532	0	
Multi-mission Unmanned Aircraft System	**AIR 7000 Phase 1B**	Military Equipment Acquisition	2,134	887	315	This project is approved to acquire the MQ-4C Triton Remotely Piloted Aircraft System for maritime patrol and other intelligence, surveillance and reconnaissance roles. The aircraft and systems are being procured through a cooperative program with the United States Navy. The approved scope includes the first three aircraft, associated operations and training systems and facilities, and integration into Defence networks. During 2023-24, project activities in preparation for the arrival of the first aircraft and support systems due in 2024-25 will continue.
		Other Project Inputs to Capability	643	96	182	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Ground Based Air & Missile Defence Enhancement	**LAND 19 Phase 7B**	Military Equipment Acquisition	1,233	814	190	This project will deliver Army's new Short Range Ground Based Air Defence system. This is an enhanced version of the Raytheon/Kongsberg National Advanced Surface to Air Missile System, which incorporates guided missiles and missile launchers, command and control shelters, electro-optical sensors and radars mounted on current Army vehicles. Australian-developed radars from CEA Technologies will be provided as Government furnished equipment to replace the United States-developed Sentinel radar in the system. During 2023-24, the project will complete integration, testing, operator training, and continue with manufacture and delivery of equipment.
		Other Project Inputs to Capability	287	58	157	
Enhanced Maritime Strike for Air Combat Capability	**AIR 3023 Phase 1**	Military Equipment Acquisition	751	267	333	This project will acquire a suite of maritime strike weapon systems to enable air-delivered strike against well-defended maritime targets in complex and littoral environments for use by Air Force air combat aircraft, including the F/A-18F Super Hornet, P-8A Poseidon and, in the future, the F-35A Lightning II. Equipment will be procured through the United States Government Foreign Military Sales program. During 2023-24, the project will continue to progress acquisition activities for the Long Range Anti-Ship Missile and Joint Strike Missile and enabling systems, and monitor the United States Navy integration onto the F/A-18F Super Hornet and P-8A Poseidon.
		Other Project Inputs to Capability	15	4	3	
Long Range ISREW Aircraft	**AIR 555 Phase 1**	Military Equipment Acquisition	2,360	1,710	175	This project is approved to acquire four MC-55A Peregrine aircraft including mission, ground and support systems, and Australian-based facilities. The project is primarily a developmental Foreign Military Sales acquisition through the United States Air Force. During 2023-24, flight and mission system testing, and initial operator and maintenance training will be conducted in the United States. Additionally, ground and support system deliveries will continue, ensuring that the operational support infrastructure and systems are installed, integrated and fully functional prior to aircraft delivery.
		Other Project Inputs to Capability	514	312	116	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Advanced Growler Development	**AIR 5349 Phase 6**	Military Equipment Acquisition	3,200	442	206	This project is approved to acquire a number of upgrades to the airborne electronic attack capability, centred on the EA-18G Growler aircraft. The upgrades include the Next Generation Jammer being developed and procured through a cooperative program with the United States Navy. Other elements will be procured through a range of avenues and include anti-radiation missiles, airborne decoys, aircraft system upgrades and electronic warfare training range enhancements. During 2023-24, the project will continue to contribute to the Next Generation Jammer cooperative program with the United States Navy, and work with CEA Technologies on Electronic Warfare Ranges design activities.
		Other Project Inputs to Capability	259	36	54	
Multi Domain Joint Strike - Air Launch	**AIR 6004 Phase 2**	Military Equipment Acquisition	558	22	180	This project will acquire long-range air launch strike weapons and enabling systems for use by Air Force's air combat aircraft, including the F/A-18F Super Hornet and, in the future, the F-35A Lightning II. Equipment will be procured through the United States Government Foreign Military Sales program. During 2023-24, the project will continue to progress acquisition activities for the Joint Air to Surface Stand-off Missile – Extended Range (JASSM-ER) and enabling systems, and monitor the United States Navy integration onto the F/A-18F Super Hornet.
		Other Project Inputs to Capability	-	-	-	
Weapons & Countermeasures for Air Combat Capability	**AIR 6000 Phase 3**	Military Equipment Acquisition	810	213	172	This project will deliver weapons (excluding air-to-air missiles) and countermeasures for use by Air Force's air combat aircraft, including the F/A-18F Super Hornet and F-35A Lightning II. Equipment will primarily be acquired through the United States Government Foreign Military Sales program, with some items purchased via direct commercial sales, including supply of general purpose bombs through Australian Munitions. During 2023-24, the project will continue to progress acquisition activities and accept deliveries for Small Diameter Bomb I and II, 500lb and 2000lb guided bombs, countermeasures and ammunition.
		Other Project Inputs to Capability	0	0	-	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Lead-In Fighter Capability Assurance	**AIR 5438 Phase 2**	Military Equipment Acquisition	586	169	159	This project is upgrading the Hawk 127 Lead-In Fighter Training System and replacing the aircraft engines, ensuring the training system is safe and fit-for-purpose through to the revised Hawk 127 planned withdrawal date of 2032. During 2023-24, the engine flight test program will be conducted and fleet embodiment will commence. The Government has agreed to re-scope this project as part of re-prioritisation of Defence capabilities in line with the *Defence Strategic Review* recommendations.
		Other Project Inputs to Capability	-	-	-	
MQ-28A Ghost Bat	**DEF 6014 Phase 2**	Military Equipment Acquisition	454	233	145	This project (formerly referred to as Loyal Wingman) aims to deliver an uncrewed combat air system with fighter-like performance to contribute to the joint force. Following on from the Phase 1 development of three prototypes, Phase 2 of the project will acquire an additional seven aircraft, bringing the total Defence fleet to 10. During 2023-24, air vehicle and mission system development will continue through flight, ground and laboratory test phases. In line with the *Defence Strategic Review* for greater collaboration with the Unites States a Combat Collaborative Aircraft Project Arrangement has been signed between the United States and Australia.
		Other Project Inputs to Capability	3	2	0	
P-8A Maritime Patrol & Response Aircraft System	**AIR 7000 Phase 2**	Military Equipment Acquisition	5,732	4,599	118	This project is approved to acquire 14 P-8A Poseidon aircraft and supporting elements for maritime patrol and other intelligence, surveillance and reconnaissance roles. The aircraft and systems are being procured through a cooperative program with the United States Navy. This includes a suite of aircrew and maintenance training systems, three Mobile Tactical Operations Centres, and logistics support elements. During 2023-24, updates will continue across the Australian fleet to align the aircraft and training system configurations with the latest P-8A capability baseline.
		Other Project Inputs to Capability	936	799	27	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Growler Airborne Electronic Attack Capability	**AIR 5349 Phase 3**	Military Equipment Acquisition	3,508	2,905	135	This project is approved to acquire 12 EA-18G Growler aircraft, ALQ-99 Tactical Jamming Systems, associated weapons, support and training systems to establish an airborne electronic attack capability for Defence. During 2023-24, the project is scheduled to complete deliveries associated with the Growler training system.
		Other Project Inputs to Capability	366	472	-	
Air to Air Weapons for Joint Strike Fighter	**AIR 6000 Phase 5**	Military Equipment Acquisition	902	373	135	This project will acquire war stock and training reserves of air-to-air missiles for use by Air Force's air combat aircraft, including the F/A-18F Super Hornet and F-35A Lightning II. Equipment will be procured through the United States Government Foreign Military Sales program. During 2023-24, the project will continue to progress acquisition activities and accept deliveries for AIM-9X Sidewinder and AIM-120D Advanced Medium Range Air to Air Missiles.
		Other Project Inputs to Capability	-	-	-	
Information and Cyber						
Enhanced HF Communications Re-Modernisation Program	**JNT 9101 Phase 1**	Military Equipment Acquisition	848	187	178	This project will enhance the Defence High Frequency Communications System. This involves facilities upgrades at 10 sites across Australia, replacing mission system equipment and introducing enhanced technology into the system. The enhanced capability will provide greater communications capacity and faster speeds, and improved interoperability between Defence and its partners. During 2023-24, the project will begin work at Townsville QLD and Riverina NSW.
		Other Project Inputs to Capability	403	27	106	
Multiple Tactical Data Link Network	**JNT 9347 Phase 1**	Military Equipment Acquisition	565	137	131	This project will expand and modernise Defence's Joint Data Networks to enhance command and control through the timely distribution and management of tactical and intelligence data between aircraft, ships, vehicles and ground nodes. During 2023-24, the project will deliver key tactical data link equipment and radios, support integration on Defence platforms, and finalise design and development for future Joint Data Network Systems.
		Other Project Inputs to Capability	144	81	16	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain						
Main Battle Tank Upgrade, Combat Engineering Vehicles	**LAND 907 Phase 2**	Military Equipment Acquisition	2,283	215	971	This project will deliver 75 M1A2 Abrams Main Battle Tanks to replace the in-service M1A1 variant, 52 Combat Engineering Vehicles and associated training and simulation systems. The upgraded Main Battle Tanks and Combat Engineering Vehicles will be acquired through the United States Government Foreign Military Sales program. During 2023-24, the Main Battle Tanks and Combat Engineering Vehicles will commence full rate production. The project will continue to undertake detailed preparation for the delivery of the vehicles in partnership with the United States Government. This includes planning for introduction into service and enduring support of the capabilities, and establishment of contracts with Australian industry for training systems and engineering and logistics support.
		Other Project Inputs to Capability	36	10	5	
Mounted Combat Reconnaissance Capability	**LAND 400 Phase 2**	Military Equipment Acquisition	5,657	2,467	812	This project will deliver 211 Boxer 8x8 Combat Reconnaissance Vehicles for Reconnaissance, Joint Fires and Surveillance, Multi-Purpose, Command, Repair and Recovery roles. An additional 12 Mission Modules will be acquired, providing Army with the ability to rapidly re-role from one variant to another. The vehicles will replace the Australian Defence Force's current combat reconnaissance vehicle capability, the Australian Light Armoured Vehicle. The primary role of the vehicles will be to perform ground-based reconnaissance and counter-reconnaissance activities. During 2023-24, the project will progress various design reviews and testing activities for Joint Fires and Surveillance, Command, Repair and Recovery variants, while production activities for the Reconnaissance variant will continue.
		Other Project Inputs to Capability	128	48	13	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
MRH Rapid Replacement	**LAND 4507 Phase 1**	Military Equipment Acquisition	3,372	351	642	This project will acquire 40 UH-60M Black Hawks via the United States Government Foreign Military Sales program as a proven and mature utility helicopter to replace the current MRH90 Taipan. During 2023-24, the project will focus on delivery, acceptance and flight operation of the first five UH-60M aircraft. The project will also deliver spares and support equipment, individual aircrew and maintenance training, and support test and evaluation activities.
		Other Project Inputs to Capability	377	29	34	
Armed Reconnaissance Helicopter (ARH) Replacement	**LAND 4503 Phase 1**	Military Equipment Acquisition	4,393	110	285	This project will acquire 29 AH-64E Apache as a proven and mature helicopter to replace the current Tiger helicopter capability. During 2023-24, the project will focus efforts on pursuing initial provisioning through the Foreign Military Sales arrangements with the United States Army and developing AH-64E Apache sustainment arrangements.
		Other Project Inputs to Capability	63	12	21	
Protected Mobile Fires	**LAND 8116 Phase 1**	Military Equipment Acquisition	1,316	433	228	This project will deliver 30 Self-Propelled Howitzers and 15 Armoured Ammunition Resupply Vehicles. During 2023-24, the project will continue design, testing and integration activities, and commence vehicle production. The Government has agreed to the *Defence Strategic Review* recommendation that Phase 2 of this project be cancelled.
		Other Project Inputs to Capability	42	5	10	
Special Operations Capability Enhancement	**LAND 1508 Phase 1**	Military Equipment Acquisition	340	144	74	This project will provide Special Operations with leading edge capability including body armour, weapons, diving, parachuting, roping and climbing systems, medical and search and rescue, communications, human performance training and support. During 2023-24, the project will continue to deliver the first tranche of capabilities and continue planning and delivery of the second tranche of capabilities.
		Other Project Inputs to Capability	568	65	91	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
ADF Small Arms Replacement	**LAND 159 Phase 1**	Military Equipment Acquisition	463	57	140	This project will replace and upgrade weapons systems ranging from fighting knives, pistols, rifles and machine guns to Anti-Tank Guided Missile systems. During 2023-24, the project will undertake activities to prepare for delivery of a first tranche and develop options for a second tranche.
		Other Project Inputs to Capability	67	20	22	
Tactical Training Vehicles	**LAND 121 Phase 5B**	Military Equipment Acquisition	1,170	808	133	This project will complete the medium and heavy vehicle capability replacement program commenced under project LAND 121 Phase 3B. It will acquire an additional 1,044 medium and heavy vehicles, 872 modules and 812 trailers. During 2023-24, the project will continue to deliver production vehicles and trailers.
		Other Project Inputs to Capability	230	149	23	
ADF Deployable Health	**JNT 2060 Phase 3**	Military Equipment Acquisition	401	142	152	This project will deliver a whole of system Deployable Health Capability for Army and Air Force that includes an integrated, modular and scalable system ranging from basic primary health care and first aid, through to hospital care, including acute treatment and intensive care. The project will facilitate the construction and use of the Deployable Health Capability Support Centre in Bundamba QLD. During 2023-24, the project will finalise the design of the Deployable Health Capability Mission System and equipment, and support the conduct of an operational test and evaluation activity.
		Other Project Inputs to Capability	12	8	3	
Tactical Unmanned Aerial Vehicles Upgrade	**LAND 129 Phase 3**	Military Equipment Acquisition	371	136	91	This project will replace and enhance the existing Tactical Uncrewed Aerial System capability. During 2023-24, the project will be focused on executing initial support contract arrangements and progression towards Initial Operational Capability.
		Other Project Inputs to Capability	76	14	35	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Joint Counter Improvised Explosive Device	**LAND 154 Phase 4**	Military Equipment Acquisition	653	290	118	This project provides a Joint Counter Improvised Explosive Device Capability to protect against radio controlled improvised explosive devices, equipment for Explosive Ordnance Disposal teams and search, neutralisation and exploitation capabilities for the Australian Defence Force. Following recent Government approval, the project will deliver remote positioning vehicles (in contract) as well as progressing mounted and dismounted force protection equipment, route clearance capability and facilities to support force protection Electronic Countermeasure capability.
		Other Project Inputs to Capability	40	19	7	
Maritime Domain						
Hunter Class Frigate - Design and Construction	**SEA 5000 Phase 1**	Military Equipment Acquisition	6,161	2,559	780	This project will introduce into service nine new anti-submarine warfare frigates. Based on the Type 26 Global Combat Ship, the Hunter class frigates will replace the existing fleet of eight Anzac class frigates and form the next generation of major surface combatants. The Government approved stage of the project covers design and productionisation. During 2023-24, the project will continue to progress design and productionisation activities including prototyping, acquisition of long lead items, and the conduct of a whole of ship preliminary design review. Production of the first three Hunter class schedule protection blocks will continue during 2023-24, and work will continue on maturing Australian industry capability. The Government has agreed to the *Defence Strategic Review* recommendation for a review of Navy's Surface Combatants Fleet capability to be completed in Q3 2023.
		Other Project Inputs to Capability	1,020	462	110	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Arafura Class Offshore Patrol Vessel	**SEA 1180 Phase 1**	Military Equipment Acquisition	3,664	1,389	414	This project will acquire 12 new vessels to replace the capability delivered by the Armidale and Cape class patrol boats. The primary role of the Arafura class offshore patrol vessel (OPV) will be maritime border patrol and response. Build commenced on OPV 1 at Osborne, South Australia in November 2018. Construction of OPV 2 commenced in June 2019 at Osborne. Subsequent OPVs will all be built at Henderson, Western Australia. During 2023-24, the project will continue to progress the build and acceptance of the OPVs. OPV 1 will be offered for acceptance in Q4 2023, OPV 2 will be launched in Q3 2023 and OPV 3 will be launched in Q2 2024. Construction will commence on OPV 7 in Q3 2023. The Government has agreed to the *Defence Strategic Review* recommendation for a review of Navy's Surface Combatants Fleet capability to be completed in Q3 2023.
		Other Project Inputs to Capability	984	358	220	
Navy Guided Weapons Sub-Program	**SEA 1300 Phase 1**	Military Equipment Acquisition	6,264	1,079	545	This project is introducing a programmatic approach to delivering Navy guided weapon capabilities. During 2023-24, the project will continue to progress development and acquisition activities related to long-range anti-ship missiles, extended range surface-to-air missiles, advanced lightweight torpedoes and advanced maritime land strike capabilities.
		Other Project Inputs to Capability	44	2	7	
Hobart Class Destroyer - Aegis Capability Upgrade	**SEA 4000 Phase 6**	Military Equipment Acquisition	949	232	232	This project will increase the ADF air and missile defence capability. The project will upgrade the three Hobart class destroyers' Aegis combat system to Aegis Baseline 9 and replace the Kongsberg Australian Tactical Interface with a Saab Australia developed Australian Interface. During 2023-24, the project will continue to progress planning and development work.
		Other Project Inputs to Capability	15	11	3	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)(Continued) [a] [b]

	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m
Total Top 30 Projects (Gross Plan) – Total	**86,554**	**39,677**	**10,323**
Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability	**9,000**	**4,629**	**1,267**
Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition	**77,555**	**35,048**	**9,057**
Other Approved Project Gross Plans - Military Equipment Acquisition	62,898	48,985	3,848
Total Approved Projects (Gross Plan) - Military Equipment Acquisition	**140,453**	**84,033**	**12,905**
Overprogramming - Military Equipment Acquisition			-3,491
Net Approved Program - Military Equipment Acquisition			**9,414**

Notes

a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2023 and Budget Estimate 2023-24 are on an accrual basis, and funded by appropriation.
b. Budget estimates shown as 0 are amounts greater than $0 but less than $500,000.

Appendix C: Top 30 Capability Sustainment Products

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

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Air Domain			
F/A18F Super Hornet & Growler Weapon System	**CAF21**	534	The Air Combat and Airborne Electronic Attack capability comprises a fleet of 24 F/A-18F Super Hornet and 12 EA-18G Growler aircraft, with associated support elements operating from RAAF Base Amberley. Defence will procure one additional Growler (under AIR5349 Phase 3), restoring the fleet to 12, following the loss of one aircraft in 2018. The F/A-18F Super Hornet delivers Air Combat capability. The EA-18G Growler is an electronic attack aircraft capable of disrupting, deceiving or denying a broad range of military electronic systems, including radars and communications. Both capabilities are operated from RAAF Base Amberley, QLD. During 2023-24, F/A-18F and EA-18G aircraft are scheduled to undergo planned capability upgrades as a part of the United States Navy-managed Spiral Upgrade Program to ensure the platform's ongoing lethality and survivability in a contested air combat environment, and to maintain configuration alignment with United States Navy.
F-35 Joint Strike Fighter	**CAF30**	484	The F-35A Lightning II capability currently comprises 62 aircrafts and is based at RAAF Base Williamtown, NSW and RAAF Base Tindal, NT. The aircraft and associated support elements are transitioning into service and will provide Australia with a fifth-generation Air Combat capability. In-service sustainment is primarily delivered through the F-35 Global Support Solution facilitated by the United States based F-35 Joint Program Office and supplemented through local direct commercial arrangements. During 2023-24, all 72 aircraft will have been received and Air Force is scheduled to achieve Full Operational Capability. Defence will continue to mature the F-35A sustainment support system to meet the directed level of operational capability and Air Force pilot training throughput requirements.
Airborne Early Warning and Control System - AEWC	**CAF20**	279	The Airborne Early Warning and Control capability comprises six E-7A Wedgetail aircraft and associated support elements operated from RAAF Base Williamtown, NSW. Sustainment is provided under a performance-based arrangement for maintenance, logistics, engineering, training and program management to support the capability. During 2023-24, the focus will be on advancing multiple mission system obsolescence remediation activities, implementing safety and cybersecurity modifications, and maximising aircraft fleet availability to support international partner training.
P-8A Poseidon Maritime Patrol and Response	**CAF35**	182	The Maritime Patrol and Response capability currently comprises 12 P-8A Poseidon aircraft and support elements operated from RAAF Base Edinburgh, SA. The fleet will grow to 14 in 2024-25. Support elements include three Mobile Tactical Operation Centres including deployable flyaway kits, and various Training Support Systems including two Operational Flight Trainers and Weapons Tactics Trainers. The capability is supported via a cooperative program with the United States Navy and a Through Life Support contract for sustainment within Australia. During 2023-24 the focus will be on maturing sustainment relationships between the Through Life Support contractor and the United States Navy P-8A Cooperative Program.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
KC-30A Weapon System Multi-role Tanker Transport	**CAF22**	171	The Multi-Role Tanker Transport capability comprises seven KC-30A aircraft, a flight simulator and associated support elements, operated from RAAF Base Amberley, QLD. All seven aircraft are capable of air-to-air refueling from pod and boom systems and airlift logistics support. In 2019, the seventh aircraft was delivered with a government transport configuration. Support is provided through a performance-based arrangement for maintenance, logistics, engineering, training and program management to support the capability. During 2023-24, the focus will be on maturing sustainment performance, supporting military operations, and expansion of aircraft types certified as capable of air-to-air refueling from the KC-30A Multi-Role Tanker Transport. Mid-life upgrade activities on the KC-30A fleet will progress.
C-17 Heavy Air Lift Weapons System	**CAF19**	169	The Heavy Airlift capability comprises eight C-17A Globemaster III aircraft, a flight simulator, and associated support elements operated from RAAF Base Amberley, QLD. The majority of sustainment support for aircraft and training systems is provided via United States Air Force Foreign Military Sales global support arrangements for the worldwide C-17A Globemaster fleet. These global sustainment arrangements are supplemented by a contract for support services within Australia. During 2023-24, there will be a number of minor upgrades to the fleet to address obsolescence, rectify minor deficiencies, and maintain configuration alignment with the United States Air Force. Upgrades will improve satellite connectivity and treat obsolescence of the heads up display.
C130J-30 Weapon System	**CAF06**	141	The Medium Airlift capability consists of 12 C-130J Hercules aircraft, a flight simulator, and associated support elements operated from RAAF Base Richmond, NSW. The capability is supported by two performance-based contracts for deeper level maintenance, logistics and engineering support for the aircraft, and for support for the propulsion system. During 2023-24, there will be efficient delivery of concurrent programs of deeper maintenance and six further C-130J Block Upgrade enhancements. Engine program improvements include improved service delivery and schedules from industry partners to further reduce risks over the remaining life of type.
Lead-In Fighter Hawk 127 Weapon System	**CAF03**	135	The Lead-In Fighter Training capability comprises 33 Hawk 127 lead-in fighter aircraft and related support systems and is operated from RAAF Bases Williamtown, NSW and Pearce WA. During 2023-24, the focus will be on generating required rates of availability to support Air Force requirements, while supporting the embodiment of new engines delivered by the Lead-In Fighter Capability Assurance project.
Pilot Training System	**CAF37**	123	The Pilot Training System comprises 49 turbo propeller aircraft, seven flight training devices, six cockpit procedural trainers, mission pre-briefing and debriefing systems, personal learning devices, learning environments and courseware. This capability provides an integrated fixed wing pilot training system for ab-initio pilots and qualified flying instructors for Navy, Army and Air Force. Aircraft currently operate from RAAF Bases at East Sale VIC, Pearce WA, Edinburgh SA and Williamtown NSW. During 2023-24, the focus will be on executing initiatives to improve throughput of ab-initio students.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
MC-55A Peregrine Airborne ISREW Capability	**CAF40**	115	The MC-55A Peregrine Airborne Intelligence Surveillance, Reconnaissance and Electronic Warfare Capability will sustain four MC-55 Peregrine aircraft and related support systems. During 2023-24, the focus will be on the establishment of initial support arrangements to allow operation of the aircraft upon arrival in Australia.
Wide Area Surveillance (OTHR)	**CAF13**	111	The Wide Area and Space Surveillance Capability is delivered through the High Frequency Radar system known as the Jindalee Operational Radar Network (JORN). JORN comprises three Over-The-Horizon-Radars located in proximity to Longreach QLD, Laverton WA and Alice Springs NT. During 2023-24, the focus will be on sustainment of new enhancements and upgrades to the capability system. A maturing sustainment obsolescence program will contribute to enhanced supportability of current assets through to replacement.
Special Purpose Aircraft	**CAF09**	96	Sustainment of the Special Purpose Aircraft is provided at RAAF Fairbairn ACT, through an Australian support contract. During 2023-24, the focus will be disposal of two Boeing Business Jet platforms and introducing into service two Boeing 737-8 'max' platforms.
Defence Enterprise Programs			
Explosive Ordnance Manufacturing Facilities	**CJC01**	100	The Explosive Ordnance Manufacturing Facilities provide for the safe, compliant, and sustainable operation of the Government Owned Contractor Operated munitions and explosives factories at Benalla and Mulwala. These facilities provide the Australian Defence Force with a supply of specified domestically manufactured munitions and a surge capability to be able to generate and maintain munitions stock surety. During 2023-24, the focus will be to continue the delivery of key sustainment activities that will provide enhanced domestic manufacturing capability and increased surety of supply. The contracted operator provides Defence with a direct supply of high explosives and to selected allied partners that increases the resilience of their supply chains.
Land Domain			
Multi Role Helicopter - TLH MRH90	**CA48**	285	The multi-role helicopter fleet is located at the 5th Aviation Regiment in Townsville QLD, 6th Aviation Regiment in Sydney NSW, and Army Aviation Training Centre in Oakey QLD. Deeper maintenance is conducted in Brisbane QLD. During 2023-24, Defence will work with industry to assure capability through to the transition to the UH-60M. Defence will commence drawdown and end of service arrangements for MRH90 Taipan. A transition facility has been established at Townsville airport to store aircraft in preparation for end of service.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Land Domain (Continued)			
Explosive Ordnance - Army Munitions Branch	**CA59**	271	Sustainment of Army Munitions and Guided Weapons support Army's explosive ordnance inventory which consists of small arms ammunition, pyrotechnics, mortar and artillery ammunition, special purpose ammunition, demolitions stores, vehicle ammunition, direct fire and Army guided weapons. This also includes sustainment of inventory used by Navy and Air Force where Army is the lead service. During 2023-24, key sustainment activities include rationalisation of land explosive ordnance inventory, maturing through life management plans and transitioning to in-service support of new capabilities procured by major projects, such as Future Artillery Ammunition. This will also include consideration of domestic manufacturing and in country maintenance, repair, overhaul and upgrades.
Armed Reconnaissance Helicopter Weapons System	**CA12**	161	In-service support is provided for the Armed Reconnaissance Helicopter (ARH Tiger) Weapon System. During 2023-24, Defence will continue to work with Airbus Australia Pacific to improve ARH Tiger armed reconnaissance helicopter availability and sustainability.
Battlespace Communication Systems	**CA31**	118	The Battlespace Communications System comprises a range of deployable voice and data communications systems for command and control. During 2023-24, key activities will include capability enhancements to the trunk system, as the backbone of a deployed network, acquisition of a new mobile retransmission system, reduction and disposal of obsolete radio systems, and support for design, acquisition and sustainment.
Protected Mobility Fleet - Bushranger	**CA04**	115	This product provides in-service support for the Bushmaster Medium Protected Mobility Vehicles and Hawkei Light Protected Mobility Vehicles. Support is provided by Regional Joint Logistics Units and the vehicle manufacturer Thales Australia. Contractor deliverables include engineering support, spare parts and heavy grade repair of the vehicles. During 2023-24, key activities include continuing to support the Bushmaster fleet, establishing sustainment systems to support the Hawkei vehicles, and providing support for the gifting of Bushmaster vehicles to Ukraine.
ADO Commercial Vehicles Fleet	**CA19**	96	Defence's commercial vehicle fleet comprises approximately 6,000 vehicles and trailers. The fleet ranges from passenger sedans through to heavy rigid trucks, touring coaches and aviation refueling vehicles. SG Fleet provide fleet management services as part of a whole of Australian Government Fleet Services contract. During 2023-24, the passenger and light-medium commercial fleet will be replaced as part of a rolling vehicle replacement program. The fleet will continue the procurement of low emission vehicles to support the Government's target of reducing Australia's carbon emissions.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Maritime Domain			
Collins Class Submarine	**CN10**	717	This product manages the sustainment of Collins class submarine materiel capability, assuring availability targets are met; that submarines are materially prepared (in conjunction with selected capability upgrades) to undertake scheduled operational activities; and to assure availability of the present submarine escape and rescue capability. This work is conducted under enterprise arrangements with industry and through key contracts with ASC, Raytheon Australia, Thales Australia, BAE Systems, PMB Defence, James Fisher Defence, and other providers. During 2023-24, the program will continue to assure Navy's agreed Collins class submarine performance targets are achieved, as continual improvement and efficiency initiatives are implemented. Ongoing Collins class submarine life-of-type extension work (through CN62) will continue to inform sustainment plans for the Collins class fleet.
Anzac Class Frigate	**CN02**	375	This product comprises support arrangements to maintain the capability of the eight Anzac class frigates and support systems through the provision of materiel support, maintenance and engineering services. During 2023-24, the focus will be on completing the scheduled Anzac class maintenance activities. The Anzac Midlife Capability Assurance Program will also continue over this period. This program will progress upgrades to maritime communications (SEA 1442 Phase 4), and air search radar (SEA 1448 Phase 4B). The follow-on Transition Capability Assurance Program, which is the overarching program delivering a large number of discrete capability insertion projects for the Anzac class frigates, will also commence in 2023-24. This program will carry the Anzac class frigates through the transition to the Hunter class frigates.
Hobart Class Destroyer	**CN40**	249	This product comprises support arrangements to maintain the capability of three Hobart class destroyers through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2023-24, the focus will be on undertaking scheduled maintenance activities, which include the planned docking cycle for the Hobart class, to ensure Navy's requirements are achieved. Preparations will increase to support the Aegis Upgrade Program (SEA 4000 Phase 6), and associated class capability enhancements.
MH-60R Seahawk Romeo Helicopter	**CN35**	195	The MH-60R Seahawk 'Romeo' capability is operated from HMAS Albatross in Nowra NSW, and is supporting eight embarked flights in Navy ships. In-service support is led through a United States Government Foreign Military Sales case. During 2023-24, the focus continues to be on expanding current sustainment arrangements to support the additional helicopters delivered under the Improved Embarked Logistics Support Helicopter project (SEA 9100 Phase 1), which will increase the total fleet to 36 by the end of 2026.
Canberra Class Amphibious Ship	**CN34**	173	This product comprises support arrangements to maintain the capability of the two Canberra class amphibious ships and 12 associated landing craft, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2023-24, the focus will be on delivering the scheduled maintenance activities, achieving a steady state for the in-service support arrangements and progression of design activities for the Canberra class capability assurance program (SEA 2048 Phase 6).

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Maritime Domain (Continued)			
Collins Submarine Program Life of Type Extension	**CN62**	160	Planning, design and engineering activity is currently progressing to extend the life of all six Collins class submarines under CN62. This life-of-type extension related work, integrated with effective ongoing sustainment (under CN10) and select capability enhancements (most specifically under SEA 1439), will assure the Collins class remains enduring, potent and agile, supporting continuity of Australia's submarine capability in combination with delivery of the nuclear-powered submarine pathway. HMAS Farncomb will be the first Collins class submarine to be extended. The life-of-type-extension full-cycle docking during which the key elements of the life-extension work will be implemented in Farncomb is planned to commence at Osborne, in South Australia, from mid-2026 and will extend the planned service-life of Farncomb until 2038. During 2023-24, the focus will be on working with ASC to progress design and procure long lead time items, coordinated with ongoing sustainment and selected capability enhancements.
Anzac Class Frigate Capability Assurance Program	**CN65**	133	The eight Anzac class frigates were due to reach Planned Withdrawal Date between 2024 and 2033. To meet the introduction of the Hunter class frigates from 2031, there is a need to extend the life of the Anzac class frigates. This will require an average of a nine year life extension per ship. The life extension will be enabled through a Transition Capability Assurance Program, or TransCAP, that will extend the life of the ships and generate the weight, space and power margins to accommodate capability insertions to keep the ships relevant to the threat.
Navy Explosive Ordnance	**CN54**	119	This product supports Navy's guided weapons and explosive ordnance including precision guided munitions, countermeasures, navigational outfits and naval gunnery. Navy's guided weapons are categorised into three main capability streams: maritime strike and munitions, underwater weapons, and air and missile defence. During 2023-24, the focus will be on maintaining existing inventories at funded readiness levels, incorporating new products into existing support systems and preparing support systems to meet future inventory demand. This will also include consideration of domestic manufacturing and in-country maintenance, repair, overhaul and upgrades.
Aegis Combat System	**CN60**	114	This product covers the sustainment of the Aegis combat systems in the Hobart class destroyers and its related shore based test and training infrastructure, both in Australia and the United States. During 2023-24, the focus will be commencing the installation of combat system computer program major update; and delivering software and hardware updates for Aegis combat system elements.
Armidale Class Patrol Boat	**CN09**	107	This product comprises support arrangements to maintain the capability of the Armidale class patrol boats, Cape class patrol boats and evolved Cape class patrol boats through the provision of materiel support and ongoing maintenance of the ships and associated equipment and systems. During 2023-24, the focus will be on continued delivery of operational capability for the patrol force, the phase-out activities for the remaining Armidale class patrol boats, acceptance into service of the evolved Cape class patrol boats and ongoing efforts to develop a robust enduring support system for evolved Cape class patrol boats.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)

Product Name	Product Serial	Budget Estimate 2023-24 $m [a]	Top 30 Capability Sustainment Product Descriptions
Maritime Domain (Continued)			
Maritime Electronic Warfare and Radar Systems	**CN24**	96	Maritime Electromagnetic Warfare and Radar Systems support provides development, sustainment and disposal of current and future electromagnetic warfare and intelligence systems, enabling sense, analyse and effect capabilities in support of deployments and operations. During 2023-24, the activities will continue to provide support and sustainment of these systems.

	Budget Estimate 2023-24 $m [a]
Total Top 30 Capability Sustainment Products	**6,124**
Other Sustainment Product Estimates	3,948
Total Capability Sustainment Product Funds Available	**10,072**
Support to Operations	67
Total Capability Sustainment including support to Operations	**10,139**

Note
a. Budget Estimate 2023-24 is on an accrual basis, and funded by appropriation.

Appendix D: Enterprise Estate and Infrastructure

The Enterprise Estate and Infrastructure Program component of the Integrated Investment Program comprises approved and yet to be approved major and medium capital facilities and infrastructure projects. These projects are providing new and refurbished facilities and infrastructure works to sustain the existing Defence Estate, support current and future capability requirements, support Government initiatives, and ensure compliance with legislative obligations. Upgrades and development of Australia's northern network of bases, ports and barracks are being prioritised to support implementation of the *Defence Strategic Review*.

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

Approved Major and Medium Enterprise Estate and Infrastructure Program Projects

The table below, and the following descriptions, provide details on the progress and expenditure of approved major and medium Enterprise Estate and Infrastructure Program projects for 2023-24.

Where projects contribute to broader capability acquisitions, as part of the Top 30 Military Equipment Acquisition Program Approved Projects, the value of these projects is included within the 'Other Project Inputs to Capability' lines in Table 54.

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative (USFPI) Airfield Works and Associated Infrastructure				
RAAF Tindal	NT - Lingiari	**1,582.0**	**537.4**	**317.5**
Enhanced Land Force (ELF) Stage 2 [a]				
Lone Pine Barracks	NSW - Hunter		117.5	-
Puckapunyal Training Area	VIC - Nicholls		11.8	-
Simpson Barracks	VIC - Jagajaga		20.2	-
RAAF Amberley	QLD - Blair		9.6	-
Lavarack Barracks	QLD - Herbert		62.2	-
Townsville Training Area	QLD - Kennedy		3.9	-
Greenbank Training Area	QLD - Wright		120.7	-
Gallipoli Barracks	QLD - Ryan		807.9	-
Wide Bay Training Area	QLD - Wide Bay		78.3	-
Kokoda Barracks	QLD - Wright		71.8	-
Cultana Training Area	SA - Grey		69.9	33.2
RAAF Edinburgh	SA - Spence		34.5	-
Majura Field Training Area	ACT - Canberra		13.4	-
Royal Military College Canberra	ACT - Canberra		9.0	-
Mount Stuart	QLD - Kennedy		4.1	-
Total		**1,476.0**	**1,434.8**	**33.2**

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
Navy Capability Infrastructure Sub-program: Offshore Patrol Vessel (OPV) Facilities (SEA 1180 Phase 1) [a] [b]				
HMAS *Coonawarra*	NT - Solomon		75.5	70.8
RAAF Darwin	NT - Solomon		8.2	2.5
HMAS *Cairns*	QLD - Leichhardt		41.7	69.7
HMAS *Stirling*	WA - Brand		143.7	60.4
Henderson Maritime Precinct	WA - Fremantle		44.1	9.1
Total		**918.5**	**313.2**	**212.5**
Navy Capability Infrastructure Sub-program: Hunter Class Frigate Program Facilities (SEA 5000 Phase 1) [a] [b]				
HMAS *Watson*	NSW - Wentworth		-	-
Garden Island Defence Precinct	NSW - Sydney		-	-
St Kilda	SA - Spence		102.4	0.2
Osborne Naval Shipyard	SA - Hindmarsh		25.9	49.2
HMAS *Stirling*	WA - Brand		196.6	39.1
Henderson Maritime Precinct	WA - Fremantle		68.3	16.9
Total		**915.5**	**393.2**	**105.4**
Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B) [a] [b]				
RAAF Edinburgh	SA - Spence		502.3	22.0
RAAF Darwin	NT - Solomon		155.3	-
RAAF Townsville	QLD - Herbert		1.1	5.3
RAAF Pearce	WA - Pearce		100.9	-
HMAS *Stirling*	WA - Brand		4.6	-
Total		**896.9**	**764.2**	**27.3**
USFPI Northern Territory Training Areas and Ranges Upgrades [a]				
Bradshaw Field Training Area	NT - Lingiari		97.5	106.7
Kangaroo Flats Training Area	NT - Lingiari		37.2	59.6
Mount Bundey Training Area	NT - Lingiari		8.0	37.6
Robertson Barracks Close Training Area	NT - Lingiari		54.5	59.4
Total		**747.0**	**197.2**	**263.3**
Larrakeyah Defence Precinct Redevelopment Program				
Larrakeyah Defence Precinct	NT - Solomon	**601.7**	**434.9**	**77.0**
Cocos (Keeling) Islands Airfield Upgrade				
Cocos (Keeling) Islands	NT - Lingiari	**567.6**	**3.8**	**159.0**
HMAS *Cerberus* Redevelopment				
HMAS *Cerberus*	VIC - Flinders	**465.6**	**458.0**	**2.6**
HMAS *Watson* Redevelopment				
HMAS *Watson*	NSW - Wentworth	**430.5**	**185.8**	**55.7**
Airfield Capital Works P0010 (Amberley, Pearce, Richmond and Albatross) [a]				
HMAS *Albatross*	NSW - Gilmore		7.5	70.0
RAAF Richmond	NSW - Macquarie		-	-
RAAF Amberley	QLD - Blair		15.2	80.0
RAAF Pearce	WA - Pearce		15.2	98.1
Total		**427.9**	**37.9**	**248.1**

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
Facilities to Support AIR7000 Phase 1B Remotely Piloted Aircraft System[a]				
RAAF Tindal	NT - Lingiari		11.5	117.8
Edinburgh Defence Precinct	SA - Spence		4.5	45.0
Total		**427.2**	**16.0**	**162.8**
Robertson Barracks Base Improvements Project				
Robertson Barracks	NT - Lingiari	**389.1**	**7.7**	**100.1**
AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works [a] [b] [d]				
Territory of Cocos (Keeling) Islands	NT - Lingiari		5.8	8.7
RAAF Darwin	NT - Solomon		0.7	0.0
RAAF Townsville	QLD - Herbert		3.4	7.2
RAAF Edinburgh	SA - Spence		166.6	76.9
Total		**293.7**	**176.5**	**92.8**
Garden Island (East) Critical Infrastructure Recovery Program (CIRP) Stage 2				
Garden Island Defence Precinct	NSW - Sydney	**286.5**	**268.1**	**12.3**
Facilities to Support LAND 19 Phase 7B Short Range Ground Based Air Defence [b]				
RAAF Edinburgh	SA - Spence	**266.1**	**31.5**	**116.2**
Joint Health Command Garrison Facilities Upgrades [a]				
Simpson Barracks	VIC - Jagajaga		19.7	-
Puckapunyal Training Area	VIC - Nicholls		18.9	-
Albury-Wodonga Military Area	VIC - Indi		17.3	-
Royal Military College Canberra	ACT - Canberra		49.1	-
Russell Offices	ACT - Canberra		-	-
Holsworthy Barracks	NSW - Hughes		8.0	-
Robertson Barracks	NT - Lingiari		5.1	-
Larrakeyah Barracks	NT - Solomon		16.3	-
Army Aviation Centre Oakey	QLD - Groom		18.4	-
Gallipoli Barracks	QLD - Ryan		11.0	-
Campbell Barracks	WA - Curtin		17.2	-
RAAF Townsville	QLD - Herbert		15.3	-
RAAF Pearce	WA - Pearce		5.7	-
RAAF Darwin	NT - Solomon		15.1	3.0
Total		**251.8**	**217.1**	**3.0**
Armoured Fighting Vehicles Facilities Program Stage 1 [a] [b]				
Lavarack Barracks	QLD - Herbert		33.6	-
Edinburgh Defence Precinct	SA - Spence		51.6	10.0
Puckapunyal Military Area	VIC - Nicholls		98.8	4.8
Total		**248.5**	**184.0**	**14.8**
Navy Capability Infrastructure Sub-program: Maritime Operational Support Capability Facilities (SEA 1654 Phase 3) [a]				
HMAS *Stirling*	WA - Brand		139.1	27.3
Randwick Barracks	NSW - Kingsford Smith		26.4	-
Garden Island Defence Precinct	NSW - Sydney		-	-
Total		**208.5**	**165.5**	**27.3**

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
Land 121 Phase 5B Facilities Project [a] [b] [d]				
Lavarack Barracks	QLD - Herbert		7.0	-
Robertson Barracks	NT - Lingiari		-	-
Gallipoli Barracks	QLD - Ryan		83.6	16.3
Derwent Barracks	TAS - Clark		16.5	0.0
Puckapunyal Military Area	VIC - Nicholls		9.0	-
Campbell Barracks	WA - Curtin		30.5	4.8
Porton Barracks	QLD - Kennedy		0.1	-
Total		**183.3**	**146.7**	**21.1**
Airfield Capital Works P0008 (RAAF Williamtown)				
RAAF Williamtown	NSW - Paterson	**181.3**	**155.7**	**9.3**
DEF101 Data Centre Upgrade				
HMAS *Harman*	ACT - Bean	**131.5**	**111.2**	**8.3**
HMAS *Harman* Redevelopment				
HMAS *Harman*	ACT - Bean	**116.4**	**33.2**	**67.9**
Airfield Capital Works P0006 (Curtin, Tindal and Townsville) [a]				
RAAF Townsville	QLD - Herbert		0.9	13.0
RAAF Curtin	WA - Durack		15.2	-
RAAF Tindal	NT - Lingiari		47.5	-
Total		**95.3**	**63.6**	**13.0**
Cultana Training Area Redevelopment Phase 2				
Cultana Training Area	SA - Grey	**79.8**	**2.4**	**72.9**
North Queensland Mid-Term Refresh Program: RAAF Townsville Mid-Term Refresh Project				
RAAF Townsville	QLD - Herbert	**72.8**	**5.7**	**27.3**
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project [a]				
Alice Springs	NT - Lingiari		52.3	-
Murray Bridge Training Area	SA - Barker		1.0	-
RAAF Learmonth	WA - Durack		3.4	-
Kojarena	WA - Durack		1.2	0.1
Total		**61.9**	**57.9**	**0.1**
Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project [a]				
HMAS *Kuttabul*	NSW - Sydney		0.9	2.4
HMAS *Cerberus*	VIC - Flinders		0.4	-
HMAS *Stirling*	WA - Brand		10.7	9.0
HMAS *Coonawarra*	NT - Solomon		1.2	0.9
HMAS *Cairns*	QLD - Leichardt		0.3	-
Total		**58.6**	**13.5**	**12.3**
Anglesea Paterson Project [a]				
Anglesea Barracks	TAS - Clark		10.3	9.9
North Launceston	TAS - Bass		4.7	9.1
Youngtown Depot	TAS - Bass		0.3	14.3
Total		**57.4**	**15.3**	**33.3**
Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles				
Gallipoli Barracks	QLD - Ryan	**51.7**	**4.8**	**30.1**

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
LAND 4502 Phase 1 Additional CH-47F Chinook Facilities				
RAAF Townsville	QLD - Herbert	**49.9**	**41.5**	**4.3**
Puckapunyal Mid-Term Refresh				
Puckapunyal Military Area	VIC - Nicholls	**45.8**	**41.5**	**0.1**
RAAF Base Amberley Sewage Treatment Plant				
RAAF Amberley	QLD - Blair	**41.7**	**11.3**	**13.2**
Puckapunyal Health and Wellbeing Centre [d]				
Puckapunyal Military Area	VIC - Nicholls	**39.8**	**34.9**	**0.0**
Facilities to Support LAND3025 Phase 2 Deployable Special Operations Engineer Regiment				
Holsworthy Barracks	NSW - Hughes	**30.7**	**4.6**	**20.2**
HMAS *Creswell* Mid-Term Refresh				
HMAS *Creswell*	ACT - Fenner	**30.7**	**0.5**	**6.7**
HMAS *Waterhen* Mid-Term Refresh				
HMAS *Waterhen*	NSW – North Sydney	**23.4**	**17.9**	**1.0**
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence Facilities [a]				
HMAS *Stirling*	WA - Brand		1.1	-
Bindoon Training Area	WA - Pearce		0.8	-
Robertson Barracks	NT - Lingiari		0.9	-
RAAF Edinburgh	SA - Spence		0.9	-
Lavarack Barracks	QLD - Herbert		0.9	-
Gallipoli Barracks	QLD - Ryan		0.9	-
RAAF Amberley	QLD - Blair		0.8	-
Holsworthy Barracks	NSW - Hughes		0.9	-
Kapooka Military Area	NSW - Riverina		1.3	-
RAAF Wagga	NSW - Riverina		1.0	-
HMAS *Creswell*	ACT - Fenner		1.0	-
Majura Range	ACT - Canberra		0.8	-
HMAS *Cerberus*	VIC - Flinders		0.8	-
Dutson Air Weapons Range	VIC - Gippsland		0.8	0.1
Total		**23.1**	**12.9**	**0.1**
North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project				
Townsville Field Training Area	QLD - Kennedy	**22.8**	**5.3**	**16.4**
Space Domain Awareness Project Mirror Recoating Facility [d]				
Harold E Holt	WA - Durack	**17.6**	**11.5**	**0.0**
Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region				
Tweed Heads	NSW - Richmond	**17.4**	**1.7**	**12.4**
North Queensland Mid-Term Refresh Program: HMAS *Cairns* Mid-Term Refresh Project				
HMAS *Cairns*	QLD - Leichardt	**15.6**	**3.4**	**10.8**
Military Working Dogs Kennel Facility Upgrade				
RAAF Tindal	NT - Lingiari	**6.8**	**1.0**	**5.5**

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

	State and Federal Electorate	Total Estimated Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	2023-24 Budget Estimate $m
2nd Combat Engineer Regiment Compensatory Hardstand Project [d]				
Gallipoli Barracks	QLD - Ryan	**6.5**	**6.0**	**0.0**
Projects in or about to enter Defects Liability Period [c]				**9.1**
Total [d] [e]		**12,862.4**	**6,630.8**	**2,426.3**

Notes

a. The project crosses state and electorate boundaries. Estimated Cumulative Expenditure to 30 June 2023 and 2023-24 Budget Estimate figures are provided in the table per location.
b. The project is referenced in Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) of Appendix B.
c. This amount represents the expenditure estimates for contract administration of 21 completed projects during their first year in-use.
d. The sum of the individual figures may differ to the totals due to rounding. Budget estimates shown as 0.0 are amounts greater than $0 but less than $50,000.
e. Previously reported projects may not be shown in this table due to the medium works lower limit threshold increasing from $2 million to $5 million effective 1 January 2023.

Explanation of Projects

Australian Capital Territory

DEF101 Data Centre Upgrade

This project is providing infrastructure to support and ensure ongoing communications capability at HMAS *Harman,* ACT through the expansion and fit-out of existing facilities. The majority of the works are complete with the exception of a minor engineering services component. This project is scheduled for completion in early-2024.

HMAS *Harman* Redevelopment

This project will deliver fit-for-purpose facilities and infrastructure at HMAS *Harman,* ACT, including upgrading, replacing and providing new engineering services, command facility, entry precinct, office accommodation, and living-in accommodation. This project is scheduled to commence construction in late-2023 for completion in early-2025.

HMAS *Creswell* Mid-Term Refresh

This project will refurbish existing facilities and infrastructure at HMAS *Creswell*, Jervis Bay ACT, including engineering services, car parking, and the entry precinct. This project is scheduled to commence construction in mid-2023 for completion in late-2024.

New South Wales

HMAS *Watson* Redevelopment

This project is addressing functionality deficiencies, capacity constraints, and non-compliances with facilities and infrastructure at HMAS *Watson*, Sydney NSW. This project is scheduled for completion in early-2027.

Garden Island (East) Critical Infrastructure Recovery Program Stage 2

This project is providing upgraded wharves and engineering services to address condition, capacity and compliance issues at the Garden Island Defence Precinct, Sydney NSW. This project is scheduled for completion in late-2023.

Airfield Capital Works P0008 (RAAF Base Williamtown)

This project is maintaining aircraft pavements, aeronautical ground lighting and airfield drainage, and delivering associated airfield upgrade works, at RAAF Base Williamtown, NSW. This project is scheduled for completion in early-2024.

Facilities to Support LAND3025 Phase 2 Deployable Special Operations Engineer Regiment

This project will deliver fit-for-purpose facilities and infrastructure to support deployable special operations engineer capability at Holsworthy Barracks, NSW, including new storage, training and laboratory facilities as well as refurbishment of an existing office. This project is scheduled for completion in late-2024.

HMAS *Waterhen* Mid-Term Refresh

This project is addressing condition, capacity and compliance issues with existing facilities and infrastructure at HMAS *Waterhen,* NSW, including shore power, mechanical services, working accommodation, security and access. This project is scheduled for completion in mid-2023.

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

This project is providing administration, common user, training, storage, and hardstand facilities as well as minor refurbishment works to alleviate existing functionality and capacity issues at Tweed Heads, NSW. This project is scheduled for completion in mid-2024.

Northern Territory

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

This program is delivering a range of enhanced facilities and infrastructure, including airfield improvements, at RAAF Base Tindal, NT. Government approved a Real Cost Increase in September 2022 due to construction industry pressures associated with material and labour costs. This program of works is scheduled for completion in late-2027.

USFPI Northern Territory Training Areas and Ranges Upgrades

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

Larrakeyah Defence Precinct Redevelopment Program

This program is upgrading critical base infrastructure, improving the working environment, delivering new facilities, and supporting future growth on the Larrakeyah Defence Precinct, NT. This program is also delivering a new wharf, fuel storage and refueling capabilities to support Navy's major surface combatant ships operating in the north of Australia. This program of works is scheduled for completion in late-2023.

Cocos (Keeling) Islands Airfield Upgrade

This project will upgrade the airfield and construct supporting infrastructure at Cocos (Keeling) Islands, including the runway, taxiway, and airfield lighting. This project is scheduled to commence construction in mid-2023 and completed in mid-2026.

Robertson Barracks Base Improvements Project

This project will upgrade engineering services (such as potable water, electrical and fire water), provide additional living-in accommodation, and provide a new combined mess at Robertson Barracks, NT. This project is scheduled to commence construction in mid-2023 for completion in early-2026.

Military Working Dogs Kennel Facility Upgrade

This project is upgrading military working dogs kennel facilities at RAAF Base Tindal, NT. This project is scheduled to commence construction in mid-2023 for completion in early-2024.

Queensland

North Queensland Mid-Term Refresh Program

RAAF Townsville Mid-Term Refresh Project

This project will upgrade engineering services including potable water and power, refurbish working accommodation, and provide additional transit living-in accommodation at RAAF Base Townsville, QLD. This project is scheduled to commence construction in mid-2023 for completion in early-2025.

Townsville Field Training Area Mid-Term Refresh Project

This project will upgrade engineering services including power, sewerage, stormwater and information and communications technology, and construct a new entry point at the Townsville Field Training Area, QLD. This project is scheduled to commence construction in mid-2023 for completion in mid-2024.

HMAS *Cairns* Mid-Term Refresh Project

This project will upgrade engineering services including firefighting systems, potable water, sewerage and stormwater, and deliver minor building refurbishment works at HMAS *Cairns,* QLD. This project is scheduled to commence construction in mid-2023 for completion in late-2024.

Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles

This project is providing fit-for-purpose facilities and infrastructure to support replacement Tactical Unmanned Aerial Vehicle capability at Gallipoli Barracks, QLD, including working accommodation, training, storage, and hardstand facilities as well as electrical and communications upgrades. This project is scheduled for completion in mid-2024.

LAND 4502 Phase 1 Additional CH-47F Chinook Facilities

This project is providing new facilities to support the introduction and sustainment of new CH-47F Chinook Medium Lift Helicopters at RAAF Base Townsville, QLD. This project is scheduled for completion in early-2024.

RAAF Base Amberley Sewage Treatment Plant

This project is providing a new sewage treatment plant and associated infrastructure and facilities including administration and storage at RAAF Base Amberley, QLD. This project is scheduled for completion in mid-2024.

2nd Combat Engineer Regiment Compensatory Hardstand Project

This project is providing an appropriate hardstand area for the 2nd Combat Engineer Regiment at Gallipoli Barracks, QLD. This project is scheduled for completion in late-2023.

South Australia

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

This project is providing new working accommodation, operational support, storage, training, and living-in accommodation facilities to support new air defence capability at RAAF Base Edinburgh, SA. This project is scheduled for completion in late-2024.

Cultana Training Area Redevelopment Phase 2

This project will provide new facilities and infrastructure to develop the expanded training area into a training range at the Cultana Training Area, SA. This project is scheduled to commence construction in early-2024 for completion in mid-2025.

Tasmania

Anglesea Paterson Project

This project will upgrade engineering services and refurbish buildings at Anglesea Barracks and Youngtown Depot, TAS, and construct new facilities in North Launceston, TAS. This project is scheduled to commence construction in mid-2023 for completion in mid-2024.

Victoria

HMAS *Cerberus* Redevelopment

This project is upgrading engineering services, refurbishing living-in accommodation, constructing a new logistics precinct, upgrading the gym, refurbishing training facilities and galley, and demolishing redundant buildings at HMAS *Cerberus,* VIC. This project is scheduled for completion in mid-2023.

Puckapunyal Mid-Term Refresh

This project is addressing condition, capacity and compliance issues with existing infrastructure at the Puckapunyal Military Area, VIC including remediating and upgrading engineering services and constructing a new storage facility. This project is scheduled for completion in mid-2023.

Puckapunyal Health and Wellbeing Centre

This project is providing a new fit-for-purpose health and wellbeing centre at the Puckapunyal, Military Area, VIC. This project is scheduled for completion in mid-2023.

Western Australia

Space Domain Awareness Project Mirror Recoating Facility

This project is constructing a Mirror Recoating Facility to recoat Space Surveillance Telescope mirrors at Harold E Holt, WA. This project is scheduled for completion in mid-2023.

Various Locations

Enhanced Land Force (ELF) Stage 2

This project provided purpose-built facilities and supporting infrastructure to support ELF capabilities. This included the construction of new and refurbished accommodation, common use, and training facilities, and upgraded site infrastructure. The works are complete with the exception of an underpass at the Cultana Training Area, SA, which is scheduled for completion in late-2024.

Navy Capability Infrastructure Sub-program

This program of works is providing new and upgraded facilities and infrastructure around Australia to support the introduction into service and sustainment of new frigates, offshore patrol vessels and replenishment ships:

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

This project is providing berthing, training, maintenance, logistics, and support facilities to support the introduction into service of the Arafura class OPVs at HMAS *Coonawarra* and RAAF Base Darwin in the NT, HMAS *Cairns* in QLD and HMAS *Stirling* and Henderson Maritime Precinct in WA. This project is scheduled for completion in late-2026.

Hunter Class Frigate Facilities (SEA 5000 Phase 1)

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

Maritime Operational Support Capability Facilities (SEA 1654 Phase 3)

This project is providing new and upgraded facilities and infrastructure to support the introduction of Supply class replenishment ships at HMAS *Stirling* WA, and Randwick Barracks and the Garden Island Defence Precinct in NSW. This project is scheduled for completion in early-2024.

Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)

This project is providing new and upgraded facilities and infrastructure to support the introduction of P-8A aircraft at RAAF Base Edinburgh in SA, RAAF Base Townsville in QLD, RAAF Base Pearce in WA, RAAF Base Darwin in NT and HMAS *Stirling* in WA. The works are progressively scheduled for completion at each base up to early-2026.

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

This project is maintaining aircraft pavements, aeronautical ground lighting, and drainage at HMAS *Albatross* and RAAF Base Richmond in NSW, RAAF Base Amberley in QLD and RAAF Base Pearce in WA. The works are scheduled for completion in early-2025.

Facilities to Support AIR7000 Phase 1B Remotely Piloted Aircraft System

This project is providing facilities and infrastructure to support the introduction into service of the MQ-4C Triton aircraft system at RAAF Base Tindal, NT and the Edinburgh Defence Precinct, SA. The works include a control centre, training facilities, squadron headquarters, hangars, airfield pavements, aircraft wash point, and site-wide engineering services. The works are scheduled for completion in late-2025.

AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works

This project is providing facilities and infrastructure to support the introduction into service of MC-55A Peregrine Airborne Intelligence Surveillance Reconnaissance Electronic Warfare capability at RAAF Base Darwin, NT, RAAF Base Townsville QLD, RAAF Base Edinburgh SA and Cocos (Keeling) Islands, NT. This project is scheduled for completion in mid-2024.

Joint Health Command Garrison Facilities Upgrades

This project is providing contemporary Garrison Health Facilities at 14 bases around Australia. The majority of the works are complete except for those at RAAF Base Darwin, NT, which are scheduled for completion in mid-2024.

Armoured Fighting Vehicles Facilities Program Stage 1

Stage 1 of this program is providing facilities and infrastructure to support, sustain, and train Army personnel on the next generation armoured fighting vehicles at Lavarack Barracks, QLD, Edinburgh Defence Precinct, SA and the Puckapunyal Military Area, VIC. Stage 1 is scheduled for completion in late-2023.

LAND 121 Phase 5B Facilities Project

This project is providing facilities and infrastructure to support and sustain vehicles, modules and trailers at seven bases around Australia. This project is scheduled for completion in early-2024.

Airfield Capital Works P0006 (Curtin, Tindal and Townsville)

This project is maintaining aircraft pavements and airfield lighting at RAAF Base Curtin, WA, RAAF Base Tindal, NT and RAAF Base Townsville, QLD. The works at Curtin and Tindal are complete while the works at Townsville have been reprogrammed to align with similar works being delivered under a related project to minimise disruptions to airfield operations, and are scheduled for completion in early-2026.

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

This project is providing new facilities and infrastructure to support the mid-life upgrade of the JORN capability at Mount Everard and Harts Range near Alice Springs, NT, Murray Bridge Training Area, SA and RAAF Learmonth and Kojarena in WA. This project is scheduled for completion in mid-2023.

Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project

This project is providing an upgraded information system that supports maritime and naval operations at HMAS *Kuttabul,* NSW, HMAS *Cerberus,* VIC, HMAS *Stirling,* WA, HMAS *Coonawarra* NT and HMAS *Cairns,* QLD. This project is scheduled for completion in early-2024.

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

This project is providing new and refurbished facilities, including training and storage facilities, at 14 bases around Australia. This project is scheduled for completion in late-2023.

Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2023-24

Program of Works Foreshadowed for Consideration and Approval

During 2023-24, Defence expects to present a number of Enterprise Estate and Infrastructure Program (EEIP) capital facilities and infrastructure project proposals to the Parliamentary Standing Committee on Public Works (PWC). The following tables detail the proposed major capital facilities and infrastructure projects expected to be referred to the PWC, and medium capital facilities and infrastructure projects expected to be notified to the PWC, in 2023-24.

Table 57: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2023-24

Project Description	State/Electorate	Actual/Indicative PWC Referral Date [a]	Actual/Indicative PWC Hearing Date [a] [b]	Parliamentary Approval Date [a]
Facilities to Support Enhanced Communications Systems	Various locations	Mid-2023	Mid-2023	Mid-2023
Explosive Ordnance Facilities Northern New South Wales Redevelopment	NSW - Lindsay & Hunter	Mid-2023	Mid-2023	Late-2023
Edinburgh Defence Precinct Mid-Term Refresh	SA - Spence	Mid-2023	Mid-2023	Late-2023
Fishermans Bend Redevelopment	VIC - McNamara	Mid-2023	Mid-2023	Late-2023
Armoured Fighting Vehicle Facilities Program Stage 2	Various locations	Mid-2023	Late-2023	Late-2023
Defence Fuels Transformation Program Tranche 2 Facilities Project	Various locations	Mid-2023	Late-2023	Late-2023
Facilities to Support AIR5077 Phase 6 Wedgetail Airborne Early Warning and Control	Various locations	Late-2023	Late-2023	Early-2024
Royal Military College Duntroon Redevelopment	ACT - Canberra	Late-2023	Late-2023	Early-2024
Facilities to Support AIR5349 Phase 6 Advanced Growler	Various locations	Late-2023	Early-2024	Early-2024
KC-30 Multi Role Tanker Airfield Upgrades	WA - Durack	Late-2023	Early-2024	Early-2024
RAAF Darwin Mid-Term Refresh	NT - Solomon	Late-2023	Early-2024	Early-2024
Albury-Wodonga Military Area Redevelopment	Various locations	Late-2023	Early-2024	Mid-2024
RAAF Base Wagga Redevelopment	NSW - Riverina	Late-2023	Early-2024	Mid-2024
Blamey Barracks Redevelopment	NSW - Riverina	Late-2023	Early-2024	Mid-2024
General John Baker Complex Capability Assurance Project Tranche 2	NSW - Eden-Monaro	Early-2024	Early-2024	Early-2024

Table 57: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2023-24 (Continued)

Project Description	State/Electorate	Actual/Indicative PWC Referral Date [a]	Actual/Indicative PWC Hearing Date [a] [b]	Parliamentary Approval Date [a]
Guided Weapons Explosive Ordnance Storage Program Tranche 2	Various locations	Early-2024	Early-2024	Mid-2024
Facilities to Support SEA9100 Phase 1 Improved Embarked Logistics Support Helicopter	Various locations	Early-2024	Early-2024	Mid-2024
Facilities to Support LAND4507 Phase 1 Multi Role Helicopter Rapid Replacement Program	NSW - Hughes	Early-2024	Mid-2024	Mid-2024
Army Aviation Omnibus Program of Works	Various locations	Early-2024	Mid-2024	Mid-2024
Facilities to Support AIR3503 Phase 1 Distributed Ground Station	SA - Spence	Mid-2024	Mid- 2024	Mid-2024

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

Table 58: Medium Capital Facilities Projects Foreshadowed for Consideration and Approval in 2023-24

Project Description [a]	State/Electorate	Actual/Indicative PWC Notification Date [b]	Indicative PWC Approval Date [c]
Facilities to Support JP8190 Deployable Bulk Fuel Distribution	Various locations	Mid-2023	Mid-2023
Relocation of Units from Elizabeth North Training Depot	SA - Spence	Mid-2023	Mid-2023
Facilities to Support LAND154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device	Various locations	Late-2023	Late-2023
RAAF Base Richmond Sewage Treatment Plant	NSW - Macquarie	Late-2023	Late-2023
Facilities to Support LAND8180 Phase 1 Aviation and Field Fire Truck Capability	Various locations	Late-2023	Early-2024
Facilities to Support LAND4130 Phase 1 National Information Environment	Various locations	Early-2024	Early-2024
Facilities to Support LAND8113 Phase 1 Long Range Fires	Various locations	Early-2024	Early-2024
RAAF Base Darwin Secure Multi User Facility	NT - Solomon	Early-2024	Early-2024
Facilities to Support DEF2063 Phase 1 Geospatial Facilities	VIC - Bendigo	Early-2024	Mid-2024

Notes
a. Previously reported projects may not be shown in this table due to medium works lower limit threshold increasing to $5 million from 1 January 2023.
b. Actual dates are shown in full. Forecast dates are shown as “Early”, “Mid”, “Late”.
c. Indicative PWC approval dates are subject to the PWC’s consideration.

Explanation of Projects

Project Narratives by State and Various Locations

Australian Capital Territory

Royal Military College Duntroon Redevelopment

This major project proposes to provide living-in accommodation, upgrade engineering services, demolish an existing building, and address building compliance issues at the Royal Military College Duntroon, ACT. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2026.

New South Wales

Explosive Ordnance Facilities Northern New South Wales Redevelopment

This major project proposes to remediate existing facilities, and provide new facilities and infrastructure, to support training, storage and maintenance activities at Defence Establishment Orchard Hills and Myambat Explosive Ordnance Depot, NSW. Subject to Government and parliamentary approval, construction is planned to commence in late-2023 for completion in mid-2026.

RAAF Base Wagga Redevelopment

This major project proposes to address condition, capacity and compliance issues at RAAF Base Wagga, NSW, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2030.

Blamey Barracks Redevelopment

This major project proposes to address condition, capacity and compliance issues at Blamey Barracks, NSW, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2030.

General John Baker Complex Capability Assurance Project Tranche 2

This major project proposes to deliver new and updated facilities at Headquarters Joint Operations Command, Bungendore NSW. Subject to Government and parliamentary approval, construction is planned to commence in late-2024 for completion in late-2026.

Facilities to Support LAND4507 Phase 1 Multi Role Helicopter Rapid Replacement Program

This major project proposes to deliver facilities in support of the associated capability at Holsworthy Barracks, NSW. Subject to parliamentary approval, construction is planned to commence in early-2025 for completion in early-2027.

RAAF Base Richmond Sewage Treatment Plant

This medium project proposes to deliver a new Sewage Treatment Plant at RAAF Base Richmond, NSW. Subject to Public Works Committee agreement, construction is planned to commence in late-2023 for completion in late-2025.

Northern Territory

RAAF Base Darwin Mid-Term Refresh

This major project proposes to address condition, capacity and compliance issues at RAAF Base Darwin, NT, including upgrading engineering services. Subject to Government and parliamentary approval, construction is planned to commence in late-2024 for completion in early-2027.

RAAF Base Darwin Secure Multi User Facility

This medium project proposes to provide a multi user facility at RAAF Base Darwin, NT, including working accommodation and planning rooms. Subject to Government and Public Works Committee agreement, construction is planned to commence in late-2024 for completion in early-2027.

South Australia

Edinburgh Defence Precinct Mid-Term Refresh

This major project proposes to remediate and upgrade base infrastructure to support Defence requirements and capabilities at the Edinburgh Defence Precinct, SA. Subject to Government and parliamentary approvals, construction is planned to commence in late-2023 for completion in late-2026.

Facilities to Support AIR3503 Phase 1 Distributed Ground Station

This major project proposes to deliver facilities in support of the associated capability at RAAF Base Edinburgh, SA. Subject to Government and parliamentary approval, construction is planned to commence in mid-2025 for completion in early-2028.

Relocation of Units from Elizabeth North Training Depot

This medium project proposes to provide new facilities to allow the relocation of units to the Edinburgh Defence Precinct, SA. Subject to Government approval and Public Works Committee agreement, construction is planned to commence in late-2023 for completion in early-2025.

Victoria

Fishermans Bend Redevelopment

This major project proposes to address condition, capacity and compliance issues at Fishermans Bend, VIC, including upgrading engineering services, refurbishing existing facilities and providing new working accommodation. Subject to Government and parliamentary approval, construction is planned to commence in early-2024 for completion in late-2026.

Facilities to Support DEF2063 Phase 1 Geospatial Facilities

This medium project proposes to provide a new facility to support the associated capability at the Australian Geospatial Organisation, VIC. Subject to Government and Public Works Committee agreement, construction is scheduled to commence in late-2024 for completion in early-2026.

Western Australia

KC-30 Multi Role Tanker Airfield Upgrades

This major project proposes to improve the airfield at RAAF Base Learmonth, WA. Subject to Government and parliamentary approval, construction is scheduled to commence in mid-2024 for completion in late-2027.

Various Locations

Facilities to Support Enhanced Communications Systems

This major project proposes to provide facilities and infrastructure to support the implementation of enhanced communications systems at various bases. Subject to Government and parliamentary approval, construction is planned to commence in late-2023 for completion in early-2026.

Armoured Fighting Vehicle Facilities Program Stage 2

This major project proposes to provide sustainment and support facilities at various bases to support the associated capability. Subject to parliamentary approval, construction is planned to commence in early-2024 for completion in early-2026.

Defence Fuels Transformation Program Tranche 2 Facilities Project

This major project proposes to remediate and improve fuel supply infrastructure at various bases. Subject to parliamentary approval, construction is planned to commence in late-2024 for completion in mid-2028.

Facilities to Support AIR5077 Phase 6 Wedgetail Airborne Early Warning and Control

This major project proposes to deliver new and refurbished facilities at various bases in support of the associated capability. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in mid-2026.

Facilities to Support AIR5349 Phase 6 Advanced Growler

This major project proposes to provide new facilities and infrastructure in support of the associated capability at various bases. Subject to parliamentary approval, construction is planned to commence in early-2025 for completion in mid-2026.

Albury-Wodonga Military Area Redevelopment

This major project proposes to address condition, capacity and compliance issues at the Albury-Wodonga Military Area in NSW and VIC, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2030.

Guided Weapons Explosive Ordnance Storage Program Tranche 2

This major project proposes to provide storage facilities and infrastructure at various bases. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2026.

Facilities to Support SEA9100 Phase 1 Improved Embarked Logistics Support Helicopter

This major project proposes to provide facilities in support of the associated capability at various bases. Subject to Government and parliamentary approvals, construction is planned to commence in early-2025 for completion in late-2026.

Army Aviation Omnibus Program of Works

This major program proposes to provide facilities and infrastructure to support associated capabilities at various sites. Subject to Government and parliamentary approval, construction is planned to commence in mid-2025 for completion in late-2028.

Facilities to Support JP8190 Deployable Bulk Fuel Distribution

This medium project proposes to provide new and refurbished facilities to support training, maintenance and storage of the associated capability at various bases. Subject to Government approval and Public Works Committee agreement, construction is planned to commence in late-2023 for completion in early-2025.

Facilities to Support LAND154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device

This medium project proposes to provide testing, storage and training facilities to support the associated capability at various bases. Subject to Government and parliamentary approval, construction is planned to commence in mid-2024 for completion in late-2025.

Facilities to Support LAND8180 Phase 1 Aviation and Field Fire Truck Capability

This medium project proposes to deliver training, testing, maintenance, and storage facilities to support the associated capability at various bases. Subject to Government approval and Public Works Committee agreement, construction is planned to commence in late-2024 for completion in late-2025.

Facilities to Support LAND4130 Phase 1 National Information Environment

This medium project proposes to provide facilities and infrastructure to support the associated capability at various bases. Subject to Government and Parliamentary Works Committee agreement, construction is scheduled to commence in late-2024 for completion in early-2026.

Facilities to Support LAND8113 Phase 1 Long Range Fires

This medium project proposes to provide facilities and infrastructure to support the associated capability at various bases. Subject to Public Works Committee agreement, construction is scheduled to commence in early-2025 for completion in mid-2026.

Appendix F: Top 5 Information and Communication Technology Approved Projects

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

Table 59: Top 5 ICT Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) [a]

Project Name	Project Number/ Phase	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 5 ICT Project Descriptions
Defence Enterprise Resource Planning (ERP) Program	**ICT 2283 Phase 1**	1,642	591	172	ERP will modernise, integrate and transform Defence's processes to manage its HR, finance, logistics, supply, engineering and maintenance functions. During 2023-24, key activities include data conversion, testing, preparedness and business transformation to deliver ERP across Defence.
ADF - SATCOM	**AIR 9102 Phase 2A**	349	154	171	This project will support ADF satellite functionality to 2034 and beyond. During 2023-24 the project is focused on upgrading ground facilities and networks.
ADF Deployable Health Knowledge Management	**JNT 2060 Phase 4**	379	159	112	Health Knowledge Management (HKM) will replace the ADF's legacy electronic health record product (DeHS) with a modern, patient-centric health solution. The new HKM System will replace Defence's Electronic Health System in Garrison and on board, and will offer a new e-Health System for the deployed environments. This new HKM System will record, store, aggregate and allow analysis of de-identified health data and information for the ADF population, unifying multidisciplinary primary and occupational care with emergency and hospital care, to enable better clinical decision-making. HKM will provide a longitudinal health record that will span the individual's entire career and integrate into other whole-of-government systems, including the Department of Veterans' Affairs, ComSuper and My Health Record. Over 2023-24, the integrated project team will continue systems development with the Prime Systems Integrator, data migration preparedness and business transformation activities.

Table 59: Top 5 ICT Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued)[a]

Project Name	Project Number/ Phase	Approved Project Expenditure $m	Estimated Cumulative Expenditure to 30 June 2023 $m	Budget Estimate 2023-24 $m	Top 5 ICT Project Descriptions
Windows 10 Upgrade	**ICT 2222 Phase 2**	407	251	94	The project will provide a contemporary operating system by upgrading the Defence Secret Environment desktop operating system and supporting hardware in locations within Australia and overseas. During 2023-24, key activities include upgrading the operating system to Windows 10, replacement of desktop hardware, implementation of Multi-Factor Authentication and smart-card based secure printing.
Fleet Information Environment Modernisation	**NAV 2273 Phase 1**	563	285	90	The project will modernise Navy IT systems by replacing the current Fleet Information Environment with a contemporary design and update capability that will refresh the IT platform, hardware and software to improve operations and enhance cyber security. During 2023-24, key activities will include installation and commissioning of systems on major fleet units and at eastern Australian regional sites.
Total Top 5 ICT Projects (Gross Plan)		**3,340**	**1,440**	**638**	

Note
a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2023 and Budget Estimate 2023-24 are on an accrual basis and funded by appropriation.

Appendix G: Australian Government Indigenous Expenditure

Table 60: Australian Government Indigenous Expenditure

	Program	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000
Defence Indigenous Strategy	2.12	4,365	6,051
Army Aboriginal Community Assistance Program	2.6	5,370	16,450
Total Australian Government Indigenous Expenditure		**9,735**	**22,501**

Defence Indigenous Strategy

Defence remains committed to improving the socio-economic outcomes for Aboriginal and Torres Strait Islander peoples.

Following the conclusion of the *Defence Reconciliation Action Plan 2019-2022* in December 2022, a new First Nations Approach is being developed in consultation with Defence's Indigenous voices. This new approach will align with the *Commonwealth Closing the Gap Implementation Plan*, with a strong focus on the attraction and recruitment of First Nations people and empowering the Indigenous business sector to enhance Defence capability.

As an integrated workforce (APS and ADF) Defence is committed to the Commonwealth Government's Indigenous participation target of 3 per cent. As at 1 December 2022, the Defence integrated workforce surpassed this target with a First Nations participation rate of 3.1 per cent, an ADF participation rate of 3.5 per cent and an APS participation rate of 2.3 per cent.

Defence continues to exceed Government targets under the Indigenous Procurement Policy (IPP) and is the Commonwealth's largest procurer of goods and services. Defence has taken a leading role in supporting the IPP and the Indigenous business sector to enhance defence industry participation. As at March 2023, over $7.5 billion of Commonwealth Government contracts have been awarded to Indigenous businesses since the IPP was introduced in 2015. Of this, Defence has awarded over $3.9 billion in contract value to Indigenous businesses.

Defence Indigenous Programs

Defence offers a range of programs for Indigenous Australians interested in a career in the ADF or Defence APS workforce, and to support existing Indigenous members of Defence including:

- The ADF Indigenous Pathway Programs: the Navy and Army Indigenous Development Programs, Air Force Indigenous Recruitment Pathways and the Tri-Service Indigenous Pre-Recruit Program across Australia.

- Participation in a number of Indigenous APS programs that enable employment pathways into Defence through apprenticeships, traineeships and graduate recruitment including the Indigenous Apprenticeship Program and the Indigenous Australian Government Development Program.

- Defence manages the whole-of-government Indigenous Graduate Pathway Program that supports the *Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020-24*. The program is aimed at increasing Indigenous representation across Government agencies.

Army Aboriginal Community Assistance Program

The Army Aboriginal Community Assistance Program (AACAP) is a Commonwealth Government initiative between Defence (Army) and the National Indigenous Australians Agency. It aims to improve infrastructure, health, living and economic conditions within remote Indigenous communities. These aims support the *National Agreement on Closing the Gap* which brings Aboriginal and Torres Strait Islander peoples, governments and key stakeholders together, to address the inequality experienced by Aboriginal and Torres Strait Islander peoples. AACAP projects leverage the ability of Army to deliver a range of services in remote areas, providing infrastructure works, employability skills training, health promotion and community support in a holistic and highly effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP projects to exercise various operational capabilities in a unique cultural and physical environment. AACAP 2022 in Gapuwiyak, NT was the 25th anniversary of AACAP. Future AACAP projects are scheduled to be delivered in Baniyala, NT in 2023, Amata, SA in 2024 and proposed for the Torres Strait, QLD in 2025.

Air Force Kummundoo Program (Health)

The Kummundoo initiative is a partnership between Air Force and the National Aboriginal Community Controlled Health Organisation, as the national peak body for Aboriginal and Torres Strait Islander health. Through this initiative Air Force contributes to enhancing primary health care outcomes in Aboriginal and Torres Strait Islander communities. It creates opportunities for Air Force personnel to deploy into unique environments to assist Aboriginal and Torres Strait Islander communities on mutually agreed projects.

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AUSTRALIAN SIGNALS DIRECTORATE

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AUSTRALIAN SIGNALS DIRECTORATE

Section 1: ASD Overview and Resources

1.1 Strategic Direction Statement

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

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

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

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

The organisation's strategic objectives include:

- ASD **delivers strategic advantage** for Australia by providing foreign signals intelligence that protects and advances Australia's national interest. Foreign intelligence collection activities are guided by strategic priorities set by the Government.
- ASD is the Australian Government's **leading cyber security agency**, and aims to make Australia the most secure place to connect online and foster national cyber security resilience. ASD's Australian Cyber Security Centre monitors cyber threats targeting Australian interests. It also provides advice and information, including through an international network of Computer Emergency Response Teams (CERTs), to help protect Australians. When serious cyber incidents occur, ASD leads the Australian Government response to help mitigate the threat and strengthen defences.

- ASD has a long history of **supporting Australian military operations**, with the organisation's heritage dating back to the Second World War. Today, ASD supports Australian Defence Force (ADF) operations around the globe, including by providing intelligence and offensive cyber capabilities to enable the warfighter and protect ADF personnel and assets. ASD also draws on its deep technical expertise to help the ADF stay ahead of technology advancements in the region, including the introduction of 5th generation weapons and cyber-warfare capabilities.

- ASD capabilities play an important role in **countering cyber-enabled threats**. The organisation protects Australia and Australians by preventing and disrupting offshore cyber-enabled crime, including the activities of organised criminal groups using malware to target Australians, and terrorists who use the internet to plan and incite attacks against Australian interests.

- Finally, ASD **provides trusted advice and expertise** to government, business and the community. ASD draws on its deep technical understanding of communications technology to help Australian governments, industry, and the public understand the nature of the cyber threat environment, how they might be vulnerable and what they can do to protect themselves.

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

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

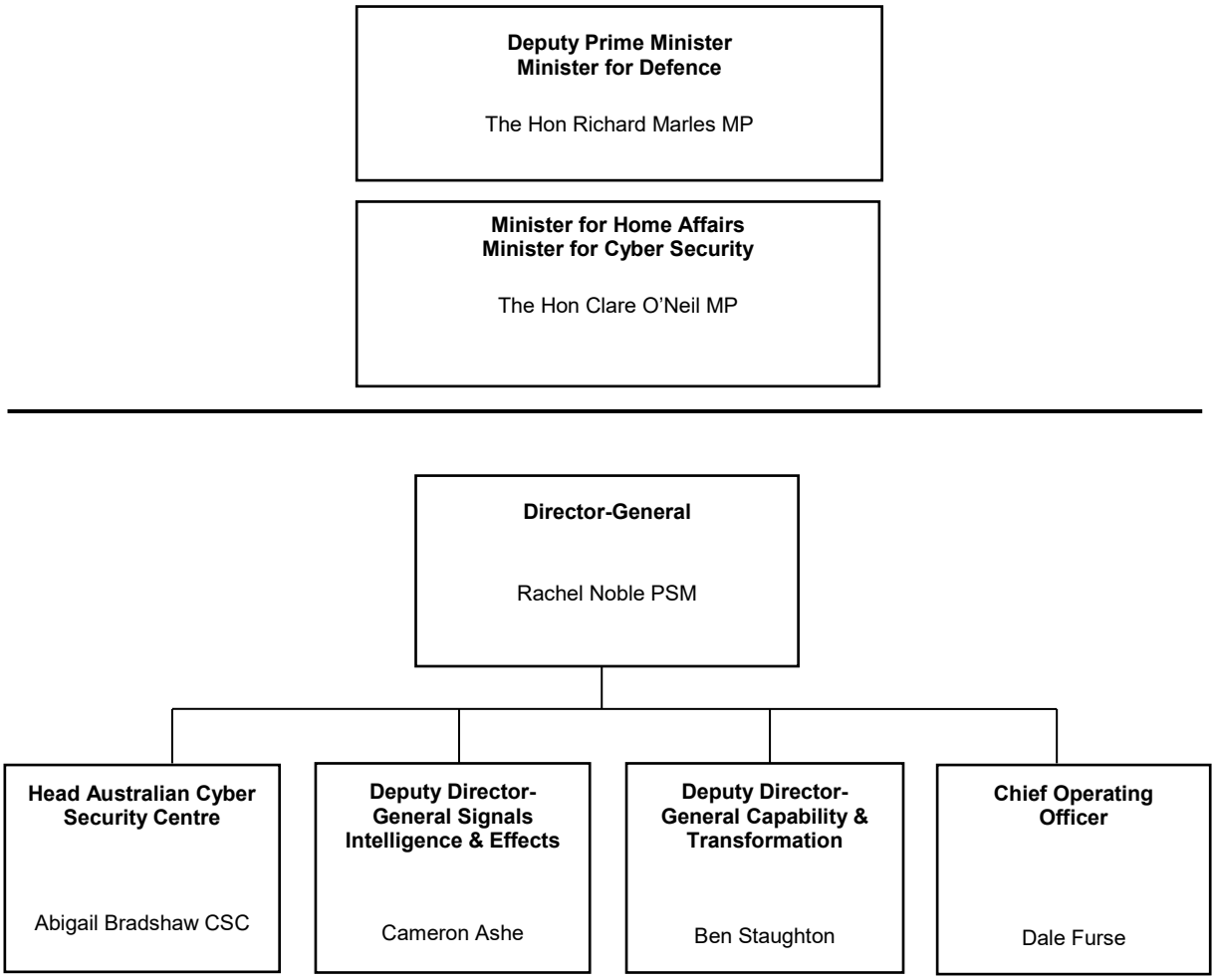
ASD's success is founded in the ingenuity of its workforce. The organisation seeks to recruit and develop a curious and imaginative workforce which is not deterred by difficult challenges. Recruiting the requisite specialist technological expertise has become increasingly challenging, given the high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

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

The Government has made a significant investment in ASD's cyber and intelligence capabilities through REDSPICE (Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers). REDSPICE will significantly expand ASD's offensive cyber capabilities, its ability to detect and respond to cyber attacks, and introduce new intelligence capabilities.

This investment will involve a substantial increase in the cyber, data science and intelligence workforce, with the creation of 1,900 ASD jobs over 10 years, and additional jobs for Australian industry.

Figure 1: ASD Organisational Structure



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

Senior Executive Changes

No changes have taken place since the October Portfolio Budget Statements 2022-23.

Organisational Structure

No changes have taken place since the October Portfolio Budget Statements 2022-23.

1.2 ASD Resource Statement

Table 1: ASD Resource Statement – Budget Estimates for 2023-24 as at May Budget

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Departmental					
Annual appropriations - ordinary annual services					
Departmental appropriation	1,260,584	1,475,082	1,638,358	1,789,502	1,892,959
s74 External Revenue	2,845	2,918	2,994	3,064	3,141
Departmental Capital Budget	30,000	30,000	30,000	30,000	30,000
Annual appropriations - other services - non-operating					
Equity injection	421,173	967,339	854,938	484,874	310,770
Total Departmental annual appropriations	1,714,602	2,475,339	2,526,290	2,307,440	2,236,870
Total Departmental resourcing	**1,714,602**	**2,475,339**	**2,526,290**	**2,307,440**	**2,236,870**
Total resourcing for ASD	**1,714,602**	**2,475,339**	**2,526,290**	**2,307,440**	**2,236,870**

1.3 Budget Measures

2023-24 Budget Measures and Other Budget Adjustments

Table 2: ASD 2023-24 Budget Measures

	2023-24 Budget Estimate $m	2024-25 Forward Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m
Departmental Budget Measures				
Payment Measures				
Adequate Funding for Oversight of our Intelligence Agencies	-1.4	-2.1	-2.9	-2.9
Total Departmental Budget Measures	**-1.4**	**-2.1**	**-2.9**	**-2.9**
Other Budget Adjustments				
Transfer of Projects from Department of Defence	158.2	224.7	260.2	120.7
Other Adjustments [a]	nfp	nfp	nfp	nfp
Total Other Departmental Budget Adjustments	**158.2**	**224.7**	**260.2**	**120.7**
Variation to ASD Departmental Funding	**156.8**	**222.6**	**257.3**	**117.8**

Note
a. This budget adjustment is not for publication (nfp).

Section 2: ASD Outcomes and Planned Performance

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

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

Note:

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

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

2.1 Budgeted Expenses and Performance for Outcome 1

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

Linked Programs

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

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

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

Budgeted Expenses for Outcome 1

Table 3: Budgeted Expenses for Outcome 1

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations					
Expenses funded by appropriation and own source revenue [a]					
Employees	399,720	508,799	599,887	649,959	688,447
Suppliers	807,499	913,252	984,354	1,086,899	1,155,376
Other expenses	7,702	7,272	6,578	5,860	5,188
	1,214,921	1,429,323	1,590,819	1,742,718	1,849,011
Expenses not requiring appropriation [b]					
Resources received free of charge (Auditor fees)	155	156	155	159	160
Depreciation and amortisation	268,616	388,265	501,444	533,037	554,936
Net write-down and net impairment of assets	-	-	-	-	-
	268,771	388,421	501,599	533,196	555,096
Total operating expenses	**1,483,692**	**1,817,744**	**2,092,418**	**2,275,914**	**2,404,107**
Capital expenditure funded by appropriation					
Purchases of non-financial assets	475,354	997,339	884,938	514,874	340,770
Principal repayments of lease liabilities	43,851	48,677	50,533	49,848	47,089
	519,205	1,046,016	935,471	564,722	387,859
Total capital expenditure	**519,205**	**1,046,016**	**935,471**	**564,722**	**387,859**
Total funded expenditure Program 1.1 [c]	**1,734,126**	**2,475,339**	**2,526,290**	**2,307,440**	**2,236,870**

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

	2022-23	2023-24
Average Staffing Level (number)	nfp	nfp

Table 4: Performance Measures for Outcome 1

Table 4 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2023-24 Budget Measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.		
Program 1.1- Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations To defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.		
Key Activities	• Provide foreign signals intelligence. • Provide cyber security services. • Conduct offensive cyber operations. • Sustain and secure future capabilities.	
Year	**Performance measures** [a]	**Expected Performance Results**
Current Year 2022-23	ASD's foreign signals intelligence meets Government expectations to deliver strategic advantage and enables National Intelligence Community operations.	Government expectations to deliver strategic advantage are met. *Expected to be met*
		National Intelligence Community operational requirements are met. *Expected to be met*
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	ASD's foreign signals intelligence support the ADF's military operations and activities, technological advantage and capability development. *Expected to be met*
	ASD provides quality, impactful cyber security services to government, critical infrastructure and services, business, families and individuals.	ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture. *Expected to be met*
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders. *Expected to be met*
		ASD's Top Secret network accreditation and key management services support stakeholders' requirements. *Expected to be met*
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security and resilience.	Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia. *Expected to be met*
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia. *Expected to be met*

Year	Performance measures [a]	Expected Performance Results
Current Year 2022-23	ASD's offensive cyber operations provide effective and timely support for military operations and activities.	Offensive cyber capabilities provide effective and timely support for ADF military operations and activities. *Expected to be met*
	ASD offensive cyber activities meet whole-of-government security requirements to counter offshore cyber threats.	Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements. *Expected to be met*
	ASD's corporate services, and technology platforms and products support the achievement of mission outcomes.	ICT infrastructure and services support mission operations and corporate services. *Expected to be met*
		ASD's workforce meets mission requirements. *Expected to be met*
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023-24	ASD's foreign signals intelligence meets Government expectations to deliver strategic advantage and enables National Intelligence Community operations.	Government expectations to deliver strategic advantage are met.
		National Intelligence Community operational requirements are met.
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	ASD's foreign signals intelligence support the ADF's military operations and activities, technological advantage and capability development.
	ASD provides quality, impactful cyber security services to government, critical infrastructure and services, business, families and individuals.	ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture.
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders.
		ASD's Top Secret network accreditation and key management services support stakeholders' requirements.
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security and resilience.	Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia.
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia.
	ASD's offensive cyber activities provide effective and timely support for ADF and whole-of-government requirements for countering offshore cyber threats.	Offensive cyber capabilities provide effective and timely support for ADF military operations and activities.
		Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements.
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil.		

Note

a. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Section 3: ASD Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000
Payments made to Department of Defence for provision of services (Departmental)	97,426	100,502

Note

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

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
EXPENSES					
Employee benefits	399,720	508,799	599,887	649,959	688,447
Supplier expenses	807,654	913,408	984,509	1,087,058	1,155,536
Depreciation and amortisation	268,616	388,265	501,444	533,037	554,936
Write-down of assets and impairment of assets	-	-	-	-	-
Foreign exchange losses	-	-	-	-	-
Other	7,702	7,272	6,578	5,860	5,188
Total expenses	**1,483,692**	**1,817,744**	**2,092,418**	**2,275,914**	**2,404,107**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	2,845	2,918	2,994	3,064	3,141
Total own-source revenue	**2,845**	**2,918**	**2,994**	**3,064**	**3,141**
Gains					
Reversals of previous asset write-downs	-	-	-	-	-
Other	155	156	155	159	160
Total gains	**155**	**156**	**155**	**159**	**160**
Total own-source income	**3,000**	**3,074**	**3,149**	**3,223**	**3,301**
Net cost of (contribution by) services	**-1,480,692**	**-1,814,670**	**-2,089,269**	**-2,272,691**	**-2,400,806**
Revenue from Government	1,260,584	1,475,082	1,638,358	1,789,502	1,892,959
Surplus (Deficit) attributable to the Australian Government	**-220,108**	**-339,588**	**-450,911**	**-483,189**	**-507,847**
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income/(loss)	**-**	-	-	-	-
Total comprehensive income attributable to the Australian Government	**-220,108**	**-339,588**	**-450,911**	**-483,189**	**-507,847**

Note: Impact of net cash appropriation arrangements

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**4,657**	**-**	**-**	**-**	**-**
less: Depreciation/amortisation expenses previously funded through revenue appropriations	-268,616	-388,265	-501,444	-533,037	-554,936
add: Principal repayments on leased assets	43,851	48,677	50,533	49,848	47,089
Total comprehensive income/(loss) - as per the statement of comprehensive income	**-220,108**	**-339,588**	**-450,911**	**-483,189**	**-507,847**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	33,006	33,006	33,006	33,006	33,006
Trade and other receivables	154,521	154,521	154,521	154,521	154,521
Total financial assets	**187,527**	**187,527**	**187,527**	**187,527**	**187,527**
Non-financial assets					
Land and buildings	520,797	487,722	431,850	378,567	329,888
Property, plant and equipment	548,227	1,147,128	1,550,361	1,587,528	1,430,326
Intangibles	104,683	159,792	195,925	193,878	185,593
Heritage assets	244	244	244	244	244
Other non-financial assets	70,015	70,015	70,015	70,015	70,015
Total non-financial assets	**1,243,966**	**1,864,901**	**2,248,395**	**2,230,232**	**2,016,066**
Total assets	**1,431,493**	**2,052,428**	**2,435,922**	**2,417,759**	**2,203,593**
LIABILITIES					
Payables					
Suppliers	161,586	161,586	161,586	161,586	161,586
Other	9,399	9,399	9,399	9,399	9,399
Total payables	**170,985**	**170,985**	**170,985**	**170,985**	**170,985**
Interest bearing liabilities					
Leases	502,057	465,241	414,708	364,860	317,771
Total interest bearing liabilities	**502,057**	**465,241**	**414,708**	**364,860**	**317,771**
Provisions					
Employee provisions	104,976	104,976	104,976	104,976	104,976
Total provisions	**104,976**	**104,976**	**104,976**	**104,976**	**104,976**
Total liabilities	**778,018**	**741,202**	**690,669**	**640,821**	**593,732**
NET ASSETS	**653,475**	**1,311,226**	**1,745,253**	**1,776,938**	**1,609,861**
EQUITY					
Contributed equity	1,370,640	2,367,979	3,252,917	3,767,791	4,108,561
Reserves	42,578	42,578	42,578	42,578	42,578
Retained surplus (accumulated deficit)	-759,743	-1,099,331	-1,550,242	-2,033,431	-2,541,278
Total equity	**653,475**	**1,311,226**	**1,745,253**	**1,776,938**	**1,609,861**

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,260,584	1,475,082	1,638,358	1,789,502	1,892,959
Goods and services	2,845	2,918	2,994	3,064	3,141
Net GST received	47,183	46,548	42,443	44,535	47,593
Other	10	-	-	-	-
Total cash received	**1,310,622**	**1,524,548**	**1,683,795**	**1,837,101**	**1,943,693**
Cash used					
Employees	399,720	508,799	599,887	649,959	688,447
Suppliers	807,499	913,252	984,354	1,086,899	1,155,376
Net GST paid	47,193	46,548	42,443	44,535	47,593
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Interest payments on lease liabilities	7,702	7,272	6,578	5,860	5,188
Total cash used	**1,262,114**	**1,475,871**	**1,633,262**	**1,787,253**	**1,896,604**
Net cash from (used by) operating activities	**48,508**	**48,677**	**50,533**	**49,848**	**47,089**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of intangibles	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of assets	475,354	997,339	884,938	514,874	340,770
Total cash used	**475,354**	**997,339**	**884,938**	**514,874**	**340,770**
Net cash from (used by) investing activities	**-475,354**	**-997,339**	**-884,938**	**-514,874**	**-340,770**
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	475,354	997,339	884,938	514,874	340,770
Receipts from other entities on account of restructure	-	-	-	-	-
Total cash received	**475,354**	**997,339**	**884,938**	**514,874**	**340,770**
Cash used					
Principal repayments of lease liabilities	43,851	48,677	50,533	49,848	47,089
Cash to the Official Public Account	-	-	-	-	-
Total cash used	**43,851**	**48,677**	**50,533**	**49,848**	**47,089**
Net cash from (used by) financing activities	**431,503**	**948,662**	**834,405**	**465,026**	**293,681**
Net increase (decrease) in cash and cash equivalents held	4,657	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	28,349	33,006	33,006	33,006	33,006
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	**33,006**	**33,006**	**33,006**	**33,006**	**33,006**

Table 9: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2023-24)

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	-759,743	42,578	-	1,370,640	**653,475**
Adjustment for changes in accounting policies	-	-	-	-	**-**
Adjusted opening balance	**-759,743**	**42,578**		**1,370,640**	**653,475**
Comprehensive income					
Comprehensive income recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	**-**
Subtotal comprehensive income	**-**	**-**	**-**	**-**	**-**
Surplus (Deficit) for the period	-339,588	-	-	-	**-339,588**
Total comprehensive income recognised directly in equity	**-339,588**	**-**	**-**	**-**	**-339,588**
Transactions with owners					
Distribution to owners					
Returns on capital:					
Restructuring	-	-	-	-	**-**
Other	-	-	-	-	**-**
Contributions by owners					
Appropriation (equity injection)	-	-	-	967,339	**967,339**
Departmental Capital Budget (DCB)	-	-	-	30,000	**30,000**
Other	-	-	-	-	**-**
Sub-total transaction with owners	**-**	**-**	**-**	**997,339**	**997,339**
Transfers between equity components	**-**	**-**	**-**	**-**	**-**
Estimated closing balance as at 30 June 2024	**-1,099,331**	**42,578**	**-**	**2,367,979**	**1,311,226**
Closing balance attributable to the Australian Government	**-1,099,331**	**42,578**	**-**	**2,367,979**	**1,311,226**

Table 10: Statement of Departmental Asset Movements (Budget year 2023-24)

	Buildings $'000	Other property, plant and equipment $'000	Heritage & cultural $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2023					
Gross book value	51,797	848,600	244	175,922	1,076,563
Gross book value - ROU assets	663,635	-	-	-	663,635
Accumulated depreciation / amortisation and impairment	-5,647	-300,373	-	-71,239	-377,259
Accumulated depreciation / amortisation and impairment - ROU assets	-188,988	-	-	-	-188,988
Opening net book balance	**520,797**	**548,227**	**244**	**104,683**	**1,173,951**
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity [a]	-	886,322	-	81,017	967,339
By purchase - appropriation equity - ROU assets	11,861	-	-	-	11,861
By purchase - appropriation ordinary annual services [b]	-	30,000	-	-	30,000
By purchase - appropriation ordinary annual services - ROU assets	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By purchase - other - ROU assets	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Total additions	**11,861**	**916,322**	**-**	**81,017**	**1,009,200**
Other movements					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
ROU assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	(2,219)	-317,421	-	-25,908	-345,548
Depreciation/amortisation on ROU assets	(42,717)	-	-	-	-42,717
Disposals [c]	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	-	-	-	-
From disposal of entities or operations (including restructuring) on ROU assets	-	-	-	-	-
Other	-	-	-	-	-
Other - ROU assets	-	-	-	-	-
Total other movements	**-44,936**	**-317,421**	**-**	**-25,908**	**-388,265**
As at 30 June 2024					
Gross book value	51,797	1,764,922	244	256,939	2,073,902
Gross book value - ROU assets	675,496	-	-	-	675,496
Accumulated depreciation/amortisation and impairment	(7,866)	-617,794	-	-97,147	-722,807
Accumulated depreciation/amortisation and impairment - ROU assets	(231,705)	-	-	-	-231,705
Closing net book balance	**487,722**	**1,147,128**	**244**	**159,792**	**1,794,886**

Notes

a. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023-24, including Collection Development Acquisition Budget.
b. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2023-24 for Departmental Capital Budget or other operational expenses.
c. Net proceeds may be returned to the Official Public Account.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
NEW CAPITAL APPROPRIATIONS					
Departmental Capital budget - Bill 1 (DCB)	30,000	30,000	30,000	30,000	30,000
Equity injections - Bill 2	421,173	967,339	854,938	484,874	310,770
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	**451,173**	**997,339**	**884,938**	**514,874**	**340,770**
Provided for:					
Purchase of non-financial assets	451,173	997,339	884,938	514,874	340,770
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
Total items	**451,173**	**997,339**	**884,938**	**514,874**	**340,770**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	475,354	997,339	884,938	514,874	340,770
Funded by finance leases	-	-	-	-	-
Funded internally from Departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	**475,354**	**997,339**	**884,938**	**514,874**	**340,770**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	475,354	997,339	884,938	514,874	340,770
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	**475,354**	**997,339**	**884,938**	**514,874**	**340,770**

3.2.2 Notes to the Budgeted Financial Statements

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

DEFENCE HOUSING AUSTRALIA

Agency Resources and Planned Performance

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Defence HOUSING Australia

Section 1: DHA Overview and Resources

1.1 Strategic Direction Statement

The main function of Defence Housing Australia (DHA) is to provide adequate and suitable housing for, and housing related services to, members of the Australian Defence Force (ADF) and their families in response to Defence requirements. In fulfilling its role, DHA contributes to Defence capability and operational goals.

DHA provides a range of housing solutions to meet the needs of the ADF in a sustainable and financially prudent way, balancing leasing, acquisitions and developments to deliver the appropriate property types, in the right locations, at the right time. DHA takes an efficient and flexible approach to managing the portfolio to respond to changes in housing demand from Defence and reflecting the cyclical nature of the property markets.

DHA administers Defence housing policy and services including:

- Allocation of housing, primarily for ADF Members with Dependents (MWD) and their families, and Members with Dependents (Unaccompanied) (MWD(U)). DHA also houses eligible Members without Dependents (MWOD);

- Managing approximately 16,950 properties in all states and territories of Australia[1] valued at about $13.2 billion, including providing tenancy and housing services such as managing maintenance requests;

- Administering the payment of Defence-funded Rent Allowance to eligible ADF members renting through the private market; and

- Online booking and allocation system for approximately 42,374 Defence-owned and maintained Living-in Accommodation beds across 51 Defence bases and establishments.

DHA is a Commonwealth corporate entity and Government Business Enterprise operating under the provisions of the *Defence Housing Australia Act 1987* (DHA Act), the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the PGPA Rule. DHA is required to maintain a strong balance sheet and to meet shareholder return obligations. DHA sits within the Defence portfolio and reports to the Minister for Finance and the Assistant Minister for Defence as joint Shareholder Ministers.

DHA is not directly funded from the Federal Budget. DHA is a full tax paying entity and contributes an annual dividend to the Australian Government. DHA funds its operations through the receipt of commercial rent, fees and charges from Defence, and generates revenue from selling and leasing back dwellings through its property investment program, as well as selling land and properties that are surplus to requirements.

[1] Total portfolio as at 31 March 2023 managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.

DHA Organisational Structure

The composition of DHA's Board of Directors and associated committees is detailed below. As at 31 March 2023, the DHA Board members were:

Chairman	Hon J.A.L. (Sandy) Macdonald, AM
Managing Director	Mr Barry Jackson
Commercial Director	Ms Gai Brodtmann
Commercial Director	Mr Robert Fisher AM
Commercial Director	Ms Andrea Galloway
Nominee Secretary of Defence	Ms Kate Louis
Nominee Chief of Defence Force	BRIG Leigh Wilton AM
Nominee Secretary of Finance	Mr Simon Lewis AO, PSM

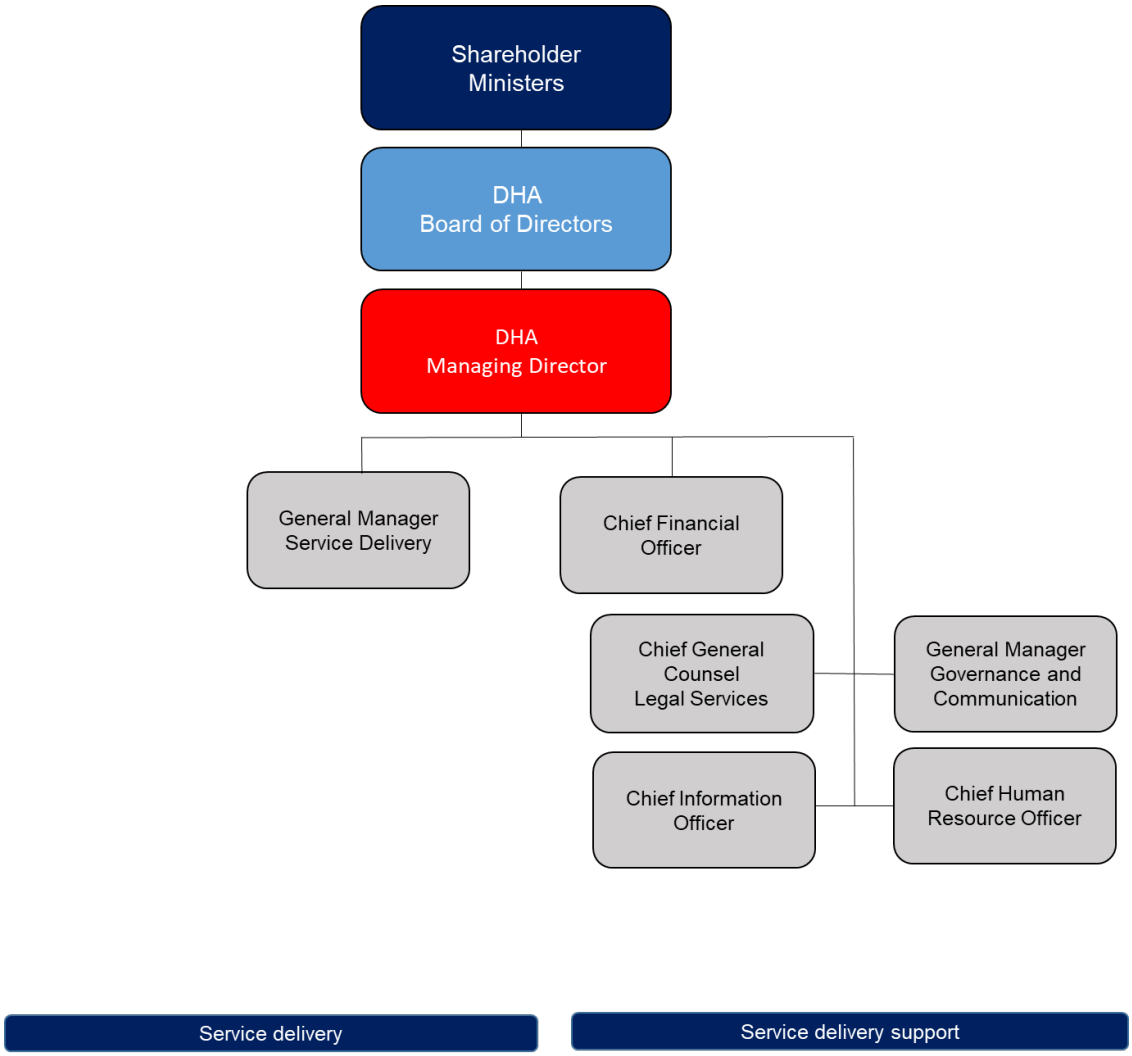
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Board Investment Committee, People and Culture Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 31 March 2023:

Chairperson	BRIG Leigh Wilton AM
Defence Family Advocate of Australia	Ms Sandi Laaksonen-Sherrin
Appointee of the Chief of the Defence Force	RADM Christopher Smith CSM, RAN (Deputy Chief of Navy)
	MAJGEN Natasha Fox AM, CSC (Deputy Chief of Army)
	AVM Glen Braz AM, CSC, DSM (Deputy Chief of Air Force)
Appointee of Defence Housing Australia	Mr Barry Jackson (Managing Director)

The chart below shows DHA's Senior Executive.

Figure 1: DHA Organisational Structure (as at 31 March 2023)



1.2 DHA Resource Statement

Table 1: DHA Resource Statement – Budget Estimates for 2023-24 as at May Budget [a]

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000
Opening balance/cash reserves at 1 July	182,988	116,093
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department	708,793	736,825
Total amounts received from related entities	708,793	736,825
Total funds from Government	**708,793**	**736,825**
Funds from other sources		
Interest	3,082	128
Sale of goods and services	197,673	257,643
Total funds from other sources	**200,755**	**257,771**
Total net resourcing for DHA	**1,092,536**	**1,110,689**

Note

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

1.3 Budget Measures

There are no Budget Measures relating to DHA for the 2023-24 Budget Estimates.

Section 2: DHA Outcomes and Planned Performance

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

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

Note:

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

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

The most recent annual performance statement can be found at: Defence Housing Australia Annual Report 2021-22 | Transparency Portal.

2.1 Budgeted Expenses and Performance for Outcome 1

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

Budgeted Expenses for Outcome 1

Table 2: Budgeted Expenses for Outcome 1

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Program 1.1 Other Departmental - DHA					
Revenue from Government					
Payment from related entities	700,471	732,324	749,052	737,096	740,980
Revenues from other independent sources	200,283	247,662	390,074	266,565	295,177
Total expenses for Program 1.1	**900,754**	**979,986**	**1,139,126**	**1,003,661**	**1,036,157**

	2022-23	2023-24
Average staffing level (number)	544	643

Table 3: Performance Measures for Outcome 1

Table 3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2023-24 Budget Measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – To contribute to Defence outcomes by providing total housing services that meet Defence Operational and client needs through a strong customer and business focus		
Program 1.1: The provision of Defence housing and housing related services		
Program 1.1 Objective Provide adequate and suitable housing and related services. Provide value to shareholders.		
Key Activities	• Partner with Defence to shape and administer housing policy. • Provide and manage a portfolio of housing solutions. • Provide housing services to ADF members and their families. • Operate effectively, efficiently and sustainably as a better practice Commonwealth entity.	
Year	**Performance measures**	**Expected Performance results**
Current Year 2022–23	Housing solutions supplied against provisioning schedule. ADF Members satisfied with housing solutions. Return on equity.	>99% >80% >3%
Year	**Performance measures**	**Planned Performance Results**
Budget Year 2023–24	Housing solutions supplied against provisioning schedule. ADF Members satisfied with housing solutions. Return on equity.	>99% >80% >3%
Forward Estimates from 2024–27	Housing solutions supplied against provisioning schedule. ADF Members satisfied with housing solutions. Return on equity.	>99% >80% >3%

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 budget year, including the impact of Budget Measures and resourcing on financial statements.

3.1 Explanatory Tables

Not applicable to DHA.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-65 Forward Estimate $'000	2026-27 Forward Estimate $'000
INCOME					
Revenue					
Sale of goods and rendering of services	897,817	979,858	1,138,873	1,003,446	1,035,942
Interest	3,082	128	253	215	215
Total revenue	**900,899**	**979,986**	**1,139,126**	**1,003,661**	**1,036,157**
Gains					
Reversals of previous asset write-downs and impairments	-145	-	-	-	-
Sale of assets	-	-	-	-	-
Total gains	**-145**	**-**	**-**	**-**	**-**
Total income	**900,754**	**979,986**	**1,139,126**	**1,003,661**	**1,036,157**
EXPENSES					
Employee benefits	77,776	83,938	84,136	82,115	83,463
Suppliers	296,296	360,516	531,394	442,690	469,843
Depreciation and amortisation	336,109	321,120	325,095	326,499	329,198
Finance costs	42,318	52,869	60,411	64,289	58,203
Total expenses	**752,499**	**818,443**	**1,001,036**	**915,593**	**940,707**
Profit/(loss) before income tax	**148,255**	**161,543**	**138,090**	**88,068**	**95,450**
Income tax expense	45,321	49,266	40,883	26,694	29,078
Net profit/(loss)	**102,934**	**112,277**	**97,207**	**61,374**	**66,372**
Profit/(loss) attributable to the Australian Government	**102,934**	**112,277**	**97,207**	**61,374**	**66,372**
Total comprehensive income attributable to the Australian Government	**102,934**	**112,277**	**97,207**	**61,374**	**66,372**

Note: Impact of Net Cash Appropriation Arrangements

	2022-23 Estimated actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
Total comprehensive income/(loss) as per statement of Comprehensive Income	**102,934**	**112,277**	**97,207**	**61,374**	**66,372**
plus: depreciation of ROU	305,024	295,337	298,668	299,343	298,929
less: principal repayments	305,864	294,269	295,340	296,649	294,865
Net Cash Operating Surplus / (Deficit)	**102,094**	**113,345**	**100,535**	**64,068**	**70,436**

Notes

a. Prepared on Australian Accounting Standards basis.
b. The 2022-23 Estimated Actual data in this table is based on DHA's draft 2022-23 annual financial statements and for Outer Years the draft 2022-23 Corporate Plan. The Forecast and Corporate Plan are prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.
c. Impact of Net Cash Appropriation Arrangements - Included in accordance with RMG 125 Commonwealth Entities Financial Statements Guide. As DHA is not directly appropriated, the above information is presented for reporting purposes only and includes the depreciation and principal repayments of leases under AASB 16 Leases.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
ASSETS					
Financial assets					
Cash and cash equivalents	116,093	118,751	106,510	92,186	111,693
Trade and other receivables	7,087	7,258	7,884	8,462	8,664
Other financial assets	31,039	25,039	25,039	25,039	25,039
Total financial assets	***154,219***	***151,048***	***139,433***	***125,687***	***145,396***
Non-financial assets					
Land and buildings	4,494,705	4,566,613	4,630,918	4,663,449	4,756,705
Property, plant and equipment	11,249	11,039	10,440	9,697	10,787
Intangibles	615	14	885	1,847	2,696
Inventories	149,227	365,750	384,487	477,719	478,807
Tax assets	46,901	42,400	38,480	34,573	30,644
Other non-financial assets	6,276	6,351	6,429	6,509	6,592
Total non-financial assets	***4,708,973***	***4,992,167***	***5,071,639***	***5,193,794***	***5,286,231***
Assets held for sale	1,601	1,601	1,601	1,601	1,601
Total assets	**4,864,793**	**5,144,816**	**5,212,673**	**5,321,082**	**5,433,228**
LIABILITIES					
Payables					
Suppliers	11,833	11,831	11,830	11,831	11,832
Dividends	63,559	71,100	58,481	37,124	41,804
Other payables	69,816	75,030	58,299	46,362	50,575
Total payables	***145,208***	***157,961***	***128,610***	***95,317***	***104,211***
Interest bearing liabilities					
Loans	85,000	257,143	238,656	324,601	304,168
Leases	1,497,624	1,480,928	1,485,747	1,446,249	1,442,609
Total interest bearing liabilities	***1,582,624***	***1,738,071***	***1,724,403***	***1,770,850***	***1,746,777***
Provisions					
Employee provisions	13,900	10,451	6,915	3,289	19,910
Other provisions	103,971	105,667	107,070	106,075	104,984
Total provisions	***117,871***	***116,118***	***113,985***	***109,364***	***124,894***
Total liabilities	**1,845,703**	**2,012,150**	**1,966,998**	**1,975,531**	**1,975,882**
Net assets	**3,019,090**	**3,132,666**	**3,245,675**	**3,345,551**	**3,457,346**
EQUITY					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	2,588,290	2,663,747	2,741,088	2,819,772	2,910,057
Retained surplus (accumulated deficit)	34,652	72,771	108,439	129,631	151,141
Total parent entity interest	***3,019,090***	***3,132,666***	***3,245,675***	***3,345,551***	***3,457,346***
Total non-controlling interest	**-**	**-**	**-**	**-**	**-**
Total equity	**3,019,090**	**3,132,666**	**3,245,675**	**3,345,551**	**3,457,346**

Notes

a. Prepared on Australian Accounting Standards basis.
b. Equity is the residual interest in assets after the deduction of liabilities.
c. The 2022-23 Estimated Actual data in this table is based on DHA's draft 2022-23 annual financial statements and for Outer Years the draft 2022-23 Corporate Plan. The Forecast and Corporate Plan are prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

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

	2022-23 Estimated Actual $'000	2023-24 Budget Estimate $'000	2024-25 Forward Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	905,348	982,723	1,133,166	997,799	1,031,263
Interest	3,082	128	253	215	215
Net GST received	-	-	-	-	-
Total cash received	***908,430***	***982,851***	***1,133,419***	***998,014***	***1,031,478***
Cash used					
Employees	77,411	87,387	87,672	85,741	66,842
Suppliers	267,427	531,286	501,818	483,692	420,414
Borrowing costs	1,272	12,611	16,227	19,478	10,557
Interest payments on lease liability	41,046	40,258	44,184	44,811	47,646
Other	68,391	82,418	97,005	81,962	67,058
Total cash used	***455,547***	***753,960***	***746,906***	***715,684***	***612,517***
Net cash from/(used by) operating activities	**452,883**	**228,891**	**386,513**	**282,330**	**418,961**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1,118	11,745	38,160	28,653	-
Total cash received	***1,118***	***11,745***	***38,160***	***28,653***	***-***
Cash used					
Purchase of property, plant and equipment and intangibles	221,838	49,235	48,929	53,064	43,974
Total cash used	***221,838***	***49,235***	***48,929***	***53,064***	***43,974***
Net cash from/(used by) investing activities	**-220,720**	**-37,490**	**-10,769**	**-24,411**	**-43,974**
FINANCING ACTIVITIES					
Cash received					
Cash received from borrowings	85,000	172,143	189,489	258,088	-
Total cash received	***85,000***	***172,143***	***189,489***	***258,088***	***-***
Cash used					
Repayments of borrowings	-	-	207,976	172,143	20,433
Principal payments on lease liability	305,864	294,269	295,340	296,649	294,865
Dividends paid	78,194	66,617	74,158	61,539	40,182
Total cash used	***384,058***	***360,886***	***577,474***	***530,331***	***355,480***
Net cash from/(used by) financing activities	**-299,058**	**-188,743**	**-387,985**	**-272,243**	**-355,480**
Net increase/(decrease) in cash held	**-66,895**	**2,658**	**-12,241**	**-14,324**	**19,507**
Cash and cash equivalents at the beginning of the reporting period	182,988	116,093	118,751	106,510	92,186
Cash and cash equivalents at the end of the reporting period	116,093	118,751	106,510	92,186	111,693

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2022-23 Estimated Actual data in this table is based on DHA's draft 2022-23 annual financial statements and for Outer Years the draft 2022-23 Corporate Plan. The Forecast and Corporate Plan are prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Table 7: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2023-24) [a] [b]

	Retained Earnings $'000	Asset Revaluation Reserve $'000	Contributed Equity/ Capital $'000	Total Equity $'000
Opening balance as at 1 July 2023				
Balance carried forward from previous period	34,652	2,588,290	396,148	3,019,090
Adjusted opening balance	***34,652***	***2,588,290***	***396,148***	***3,019,090***
Comprehensive income				
Surplus/(deficit) for the period	112,277	-	-	112,277
Total comprehensive income	***112,277***	***-***	***-***	***112,277***
Transactions with owners				
Distributions to owners				
Returns on capital:				
Dividends	-74,158	-	-	-74,158
Contributions by owners				
Other	-	75,457	-	75,457
Sub-total transactions with owners	***-74,158***	***75,457***	***-***	***1,299***
Estimated closing balance as at 30 June 2024	**72,771**	**2,663,747**	**396,148**	**3,132,666**
Closing balance attributable to the Australian Government	**72,771**	**2,663,747**	**396,148**	**3,132,666**

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2022-23 Estimated Actual data in this table is based on DHA's draft 2022-23 annual financial statements and for Outer Years the draft 2022-23 Corporate Plan. The Forecast and Corporate Plan are prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Table 8: Statement of Departmental Asset Movements (Budget Year 2023-24) [a] [b]

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2023						
Gross book value	1,613,669	1,447,918	24,440	22,309	1,601	3,109,937
Gross book value - ROU assets	-	2,612,864	2,093	-	-	2,614,957
Accumulated depreciation/ amortisation and impairment	-	-	-13,235	-21,694	-	-34,929
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,179,746	-2,049	-	-	-1,181,795
Opening net book balance	**1,613,669**	**2,881,036**	**11,249**	**615**	**1,601**	**4,508,170**
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - other	24,783	24,783	1,365	-	-	50,931
By purchase - other - ROU assets	-	277,573	-	-	-	277,573
Total additions	**24,783**	**302,356**	**1,365**	**-**	**-**	**328,504**
Other movements						
Assets held for sale or in a disposal group held for sale	-5,872	-5,872	-	-	11,745	1
Depreciation/amortisation expense	-	-24,013	-1,169	-601	-	-25,783
Depreciation/amortisation on ROU assets	-	-294,931	-406	-	-	-295,337
Disposals	-	-	-	-	-11,745	-11,745
Other	27,604	47,853	-	-	-	75,457
Total other movements	**21,732**	**-276,963**	**-1,575**	**-601**	**-**	**-257,407**
As at 30 June 2024						
Gross book value	1,660,184	1,514,682	25,805	22,309	1,601	3,224,581
Gross book value - ROU assets	-	2,890,437	2,093	-	-	2,892,530
Accumulated depreciation/ amortisation and impairment	-	-24,013	-14,404	-22,295	-	-60,712
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,474,677	-2,455	-	-	-1,477,132
Closing net book balance	**1,660,184**	**2,906,429**	**11,039**	**14**	**1,601**	**4,579,267**

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2022-23 Estimated Actual data in this table is based on DHA's draft 2022-23 annual financial statements and for Outer Years the draft 2022-23 Corporate Plan. The Forecast and Corporate Plan are prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Glossary

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

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

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

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

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

Term	Meaning
Special account	Special Accounts are an appropriation mechanism to draw money from the Consolidated Revenue Fund for particular purposes. They are not bank accounts.
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.
Specialist military equipment	Assets of a military nature used for a specific military purpose. This includes military equipment and commercial items that have had major modifications to convert/fit them for a military purpose.
System Program Office	The office of the Program Manager. It serves as the single point of contact with industry, government agencies, and other activities participating in the acquisition process of a given system.
Theatre	The area in which military operations and activities take place.
Two-pass approval process	The process by which major capital investment proposals are developed for consideration and approval by the Government.
Unit Availability Days	A Unit Availability Day is a day when a unit is materielly ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
Weighted average cost	An inventory valuation method which considers the fluctuating prices and quantities of acquired goods in computing of the cost of inventory. The weighted average method takes the prices of units at the beginning inventory and the varying prices of purchases made and are weighted by the number of units to determine the weighted average cost per unit. It may be computed as the weighted average cost of all available goods present in a given period, or as a weighted moving average cost adjusted when new goods are delivered.
Write-downs	The reduction in the value of assets.

Acronyms

A

AACAP	Army Aboriginal Community Assistance Program
AAF	Army Amenities Fund
AAFCANS	Army and Air Force Canteen Service
AC	Companion of the Order of Australia
ACC	Air Combat Capability
ACMC	Australian Civil-Military Centre
ACPB	Armidale Class Patrol Boats
ACS	Aegis Combat System
ADF	Australian Defence Force
AEWC	Airborne Early Warning and Control
ADGE	Air Defence Ground Environment
AFV	Armoured Fighting Vehicle
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AM	Member of the Order of Australia
AMSA	Australian Maritime Safety Authority
ANSTO	Australian Nuclear Science and Technology Organisation
AO	Officer of the Order of Australia
AOR	Auxiliary Oiler Replenishment
APS	Australian Public Service
ARH	Armed Reconnaissance Helicopter
ASA	Australian Submarine Agency
ASCA	Advanced Strategic Capabilities Accelerator
ASD	Australian Signals Directorate
ASEAN	Association of Southeast Asian Nations
ASIO	Australian Security Intelligence Organisation
ASMTI	Australia-Singapore Military Training Initiative
ASPI	Australian Strategic Policy Institute
ATSB	Australian Transport Safety Bureau
AUKUS	An enhanced security partnership between Australia, the United Kingdom and the United States
AUSMIN	Australia–US Ministerial Consultations
AVM	Air Vice Marshal
AWD	Air Warfare Destroyer

B

BMS	Battlefield Management Systems
BRIG	Brigadier

C

C4ISR	Command, Control, Communications, Computing, Intelligence, Surveillance, and Reconnaissance
CAF	Chief of Air Force
CBRND	Chemical Biological Radiological Nuclear Defence
CCPB	Cape Class Patrol Boat
CCSM	Collins Class Submarine
CSM	Conspicuous Service Medal
CDF	Chief of the Defence Force
CER	Combat Engineer Regiment
CERT	Computer Emergency Response Teams
CIRP	Critical Infrastructure Recovery Project
CMATS	Civil Military Air Traffic System
COMSEC	Communications Security
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSC	Commonwealth Superannuation Corporation / Conspicuous Service Cross

D

DACC	Defence Assistance to the Civil Community
DCB	Defence Capital Budget
DCP	Defence Cooperation Program
DDG	Hobart Class Air Warfare Destroyers
DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DGST	Deployable Geospatial Support
DHA	Defence Housing Australia
DHOAS	Defence Home Ownership Assistance Scheme
DISR	Department of Industry, Science and Resources
DITC	Defence International Training Centre
DMFS	Defence Member and Family Support Branch
D-RAP	Defence Reconciliation Action Plan
DSAS	Data Sharing and Analytical Services
DSC	Distinguished Service Cross

D

DSM	Distinguished Service Medal
DSR	Defence Strategic Review
DSTG	Defence Science and Technology Group
DVA	Department of Veterans' Affairs

E

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

F

FAICD	Fellow of the Australian Institute of Company Directors
FCA	Fellow Chartered Accountant
FFH	Fast Frigate Helicopter / Helicopter Capable Frigate - Anzac Class Frigate
FMS	Foreign Military Sales
FOC	Final Operational Capability
FTE	Full Time Equivalent

G

GA	Geoscience Australia
GBE	Government Business Enterprise
GOCO	Government Owned Contractor Operated
GST	Good and Services Tax

H

HIPP	HydroScheme Industry Partnership Program
HKM	Health Knowledge Management
HS	Hydrographic ship
HMAS	Her Majesty's Australian Ship
HR	Human Resources

I

IAGDP	Indigenous Australian Government Development Program
ICT	Information and Communications Technology
IED	Improvised Explosive Device
IOC	Initial Operational Capability

I

IPP	Indigenous Procurement Policy
ISREW	Intelligence Surveillance Reconnaissance and Electronic Warfare

J

JORN	Jindalee Operational Radar Network
JTA	Joint Transition Authority
JP	Joint Project

L

LHD	Landing Helicopter Dock
LSD	Landing Ship Dock
LOTE	Life of Type Extension

M

MAJGEN	Major General
METOC	Mobile Meteorological and Oceanographic
MHC	Mine Hunter Coastal – Coastal Mine Hunter / Medium Heavy Capability
MMT	Mobile Meteorological Team
MOU	Memorandum of Understanding
MP	Member of Parliament
MRH	Multi-Role Helicopter
MRTT	Multi-Role Tanker Transport
MSBS	Military Superannuation and Benefits Scheme
MSU	Maritime Safety Updates
MVO	Member of the Royal Victorian Order
MWD	Members with Dependents
MWOD	Members without Dependents
MWD(U)	Members with Dependents (Unaccompanied)
MYEFO	Mid-Year Economic and Fiscal Outlook

N

NACC	New Air Combat Capability
NATO	North Atlantic Treaty Organization

O

ODIS	Office of Defence Industry Support
OPV	Offshore Patrol Vessel
OTHR	Over the Horizon Radar

P

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PEAP	Partner Employment Assistance Program
PEFO	Pre-election Economic and Fiscal Outlook
PGPA	Public Governance, Performance and Accountability
PMICA	Protected Mobility Integrated Capability Assurance
PMSP	Pacific Maritime Security Program
PMV-L	Protected Mobility Vehicle
PNG	Papua New Guinea
PSM	Public Service Medal
PWC	Parliamentary Standing Committee on Public Works

R

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RAN	Royal Australian Navy
RANCCB	Royal Australian Navy Central Canteens Board
RA	Rent Allowance
REDSPICE	Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers
RMG	Resource Management Guide
ROE	Rate of Effort – Flying Hours
ROU	Right of Use
RMC	Royal Military College
RSC	Recruiting Services Contract

S

SERCAT	Service Category
SME	Specialist Military Equipment / School of Military Engineering / Small Medium Enterprise
SML	Survey Motor Launch
STEM	Science, Technology, Engineering and Mathematics

T

TAS	Trusted Autonomous Systems / Tasmania

U

UAD	Unit Availability Days
UNDOF	United Nations Disengagement Observer Force
UNSCR	United Nations Security Council Resolutions
US	United States
USFPI	United States Force Posture Initiatives