

SO, WHAT'S IN THE 2026-27 DEFENCE BUDGET?

Consolidated Defence funding this year

\$62.6bn

Equating to 2.1% of GDP vs 2.0% (2025-26)

This includes funding for:

Defence	\$59.5bn
Australian Signals Directorate (ASD)	\$2.5bn
Australian Submarine Agency (ASA)	\$0.51bn
Australian Naval Nuclear Power Safety Regulator (ANNPSR)	\$0.05bn

Key Changes from Previous Year

Funding has risen by about **\$3.6bn** from 2025-26

with key boosts in NPS submarines, General Purpose Frigates (GPF) and the Guided Weapons and Explosive Ordnance (GWEO) Enterprise."



Defence Planned Expenditure by Key Cost Category

\$18.4bn	Workforce
\$0.41bn	Operations
\$21.0bn	Capability Acquisition Program
\$18.5bn	Capability Sustainment Program
\$2.3bn	Operating

Key Observations



\$3.7bn advance in 2025-26 explains the dip. The 2026-27 baseline remains stable at \$62.6bn.



\$62.6bn across Defence, ASD, ASA and the new ANNPSR, equating to approximately 2.1% of GDP.



83,514 FTE planned for 2026-27, with workforce costs of \$18.4bn the single largest budget driver.



-\$3.6bn FX headwind. USD-priced capabilities make the budget vulnerable to AUD fluctuations.

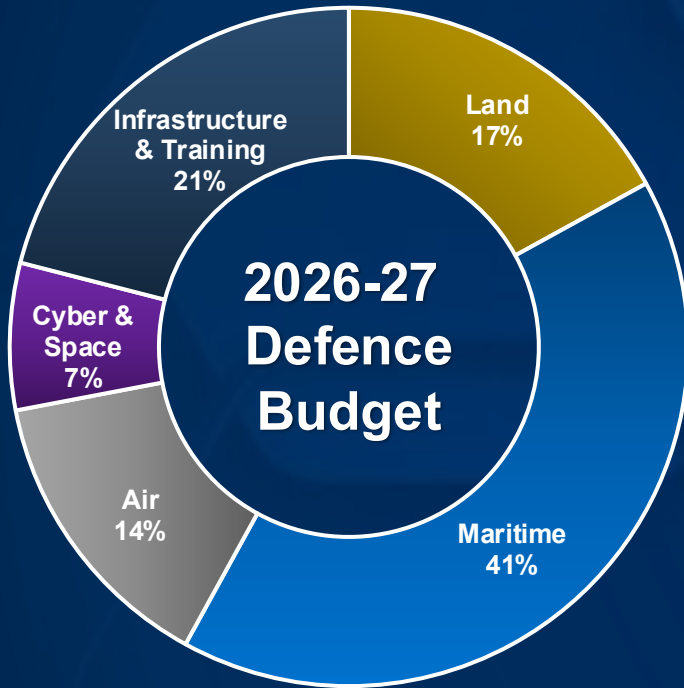


The Defence Delivery Agency (DDA) stands up in July 2027, consolidating CASG, GWEO Group and NSSG

NOTES:






- Categories funded by appropriations and own-source revenue.
- Excludes Defence Trusts and Joint Accounts, offset by revenues.
- Working Capital changes are excluded. The 2025-26 advance drawdown (\$3.7bn) covered NPS and capability acceleration funds and does not affect forward estimate capital expenditures.
- Sources: PBS 2026-27, Budget Related Paper No. 1.4A; 2026 National Defence Strategy; 2026 Integrated Investment Program.

SO, WHAT'S IN THE 2026-27 DEFENCE BUDGET? (Cont.)



Breakdown of Defence Budget allocation by Program and Initiatives



Naval Capabilities

	AUKUS Nuclear-Powered Submarines <i>(SRF-West at HIMAS Stirling from Q4 2027; SSN-AUKUS construction commencing late 2020s)</i>	\$3.6bn
	Collins Class Submarine <i>(Sustainment uplift per Program)</i>	Est. \$1.1bn
	Hunter-class Frigates <i>(Construction phase progressing at Osborne Shipyard)</i>	Est. \$2.1bn
	Arafura-class Vessels <i>(Final OPV completions)</i>	Est. \$350m
	GPF (Mogami-class) <i>(3 built in Japan, 8 at Henderson Shipyard WA)</i>	Est. \$649m



Land Forces

	Modernisation of Armoured Capabilities <i>(Redback IFV x129, Boxer CRV x211, Apache AH-64E)</i>	Est. \$580m
	Long Range Fires Regiment <i>(Delivery of HIMARS armed with Precision Strike Missile)</i>	Est. \$450m
	Army Landing Craft <i>(LC-Medium x18, LC-Heavy x8, Henderson Shipyard WA)</i>	Est. \$680m

Air Force Modernisation

	F-35 Joint Strike Fighter <i>(F-35A x72 fleet; LRASM + Joint Strike Missile integration)</i>	Est. \$1.1bn
	MQ-4C Triton <i>(3 operational at RAAF Tindal; 4th by end of decade)</i>	Est. \$285m

Infrastructure and Training

	Training Facilities <i>(Northern bases uplift: RAAF Tindal, HIMAS Stirling, Osborne SCY — hardened infrastructure)</i>	Est. \$420m
	Training Simulation <i>(Sustainment products like the Pilot Training System)</i>	Est. \$160m



NOTES:

- Allocations marked 'Est.' are indicative estimates derived from PBS 2026-27 and IIP analysis. They are not formally line-itemed government appropriations and may vary subject to Government approval. Source: Portfolio Budget Statements 2026-27, Budget Related Paper No. 1.4A.
- Delivery oversight via the Defence Delivery Agency (DDA) from July 2027.