

The National Defence Strategy & Integrated Investment Program

On Wednesday the 17th of April, Hon Richard Marles MP, the Deputy Prime Minister and Minister for Defence, addressed the National Press Club to launch the National Defence Strategy (NDS) and the Integrated Investment Program (IIP). Marles emphasised the strategic focus on Australia's amphibious force, funding re-prioritisation and the historic level of funding increase to the Defence portfolio.

National Defence Strategy

The NDS has been developed to respond to the 2023 Defence Strategic Review, providing a strategic framework for the immediate changes directed by the Government. The framework serves to outline the transformation to the Australian Defence Force (ADF) as an integrated and focused capability to deliver and guard Australia's national interest.

Integrated Investment Plan

The IIP outlines the Albanese Government's investment in priority capability. The IIP includes a complete rebuild of Defence's capability procurement plan, serving as the Government's plan to meeting the current strategic circumstances and prioritising the delivery of critical capabilities.

Marles flagged that while the IIP will increase in funding, it will also contain the reprioritisation of \$22.5 billion over the next four years and \$72.8 billion over the decade.

Funding Allocation

Marles announced the following allocations over the next decade:

- \$53 – 63 billion commitment to AUKUS over the next decade to deliver nuclear-powered submarine capability
- \$51 – 69 billion commitment to aid the Navy's future surface combatant fleet and continuous naval shipbuilding
- \$28 - 35 billion reprioritisation to support longer range strike and targeting
- \$16 - 21 billion over the next decade to the industrial uplift to grow Australia's domestic manufacturing industry
- \$7 - 10 billion to transform the mobility of the Army



- \$14 - 18 billion to northern bases
- \$3.6 - 3.8 billion to establishing the Advanced Strategic Capabilities Accelerator (ASCA)
- \$15 - 20 billion to developments in the cyber domain
- \$1.1 billion in Australian drone and counter-drone capabilities

Additional Investments

Navy's surface combatant fleet: Additional funding of **\$11.1 billion** over the next decade has been committed in response to delivering capability post the independent analysis.

ADF preparedness: **\$1 billion** has been committed over the course of 4 years to support long-range fires, theatre logistics, fuel resilience and robotic and autonomous systems.

IIP: **\$38.2 billion** has been committed over the next decade to fund the IIP and support priority areas.

This brings the Government's commitment to **\$5.7 billion** over the next 4 years and **\$50.3 billion** over the decade in additional Defence funding. The changes today see Defence funding reach **\$765 billion** over the decade. Marles has indicated that by 2033-34, the annual Defence budget will grow by more than **\$100 billion**. This equates to Defence funding increasing to **2.4% of GDP** – an increase of 0.3%.

Funding Changes

Marles indicated that upgrades to Defence facilities across Canberra would be reallocated to go to northern base at RAAF Bases Darwin, Townsville and Learmonth, cutting almost \$1.4 billion across the decade. Another \$4.1 billion in the next 10 years will be saved from cancelling two Navy support vessels that are no longer deemed as priority.

ADF Recruitment and Retention

Marles outlined the challenge of recruitment and retention, listing that only achieved 80% of the target recruitment had been achieved between 2020-21 and 2022-23, amounting to a shortcoming of 4400 uniformed personnel. Marles signalled that recruiting to the ADF from pools of non-citizens is an area to start focusing. He referenced looking towards citizens of New Zealand, the broader Pacific family and Australia's AUKUS partners, the US and the UK, but did not make any firm commitment.



Future of the NDS & IIP

The Government has indicated the next NDS and the IIP will be delivered in 2026 consistent with planned biannual updates to both documents.

The media release of Deputy Prime Minister on the National Defence Strategy can be found [here](#).

The joint media release of Deputy Prime Minister and Minister for Defence Industry on the Integrated Investment Program can be found [here](#).

The National Defence Strategy and the Integrated Investment Program can be accessed [here](#).

For more information, please contact Hawker Britton's Managing Director Simon Banks on +61 419 648 587.