

2026 National Defence Strategy and Integrated Investment Program

16 April 2026

On 16 April 2026, Defence Minister the Hon. Richard Marles MP announced the 2026 National Defence Strategy (NDS) and Integrated Investment Program (IIP) at the National Press Club. The Strategy builds on the inaugural 2024 NDS and is a recognition of the growing volatility on the global stage.

In his speech, Marles stated that Australia faces its most complex strategic circumstances since the end of World War II, and the Albanese Government is pursuing every avenue of increasing defence capability quickly, through defence appropriations and accessing private capital.

The first tranche of funding will be accounted for in the 2026/27 Budget, which will be delivered by the Treasurer in May.

National Defence Strategy

The inaugural NDS, delivered in 2024, identified that Australia's strategic environment was deteriorating. The 2026 strategy builds on the foundations of the 2024 strategy, identifying a pathway to improve Australia's self-reliance and defence industry.

The key pillars of the NDS are:

1. Increasing efforts to develop greater self-reliance.
2. Prioritising capability acquisition and sustainment plans, drawing on lessons learned from the war in Ukraine and conflicts in the Middle East.
3. Strengthening Australia's defence industrial base, building stronger industrial partnerships.
4. Improving national preparedness and resilience to help Australia manage global disruption; and
5. Increasing coordination with partners to preserve the global rules-based order.

The NDS in conjunction with the IIP are designed to promote ADF capacity in defending Australia and the immediate region. It also focuses on protecting economic connections and denying potential adversary's the ability to project power.

The Government will continue to drive reform as part of the NDS, including the sales of the Defence Estate, delivery of the AUKUS initiative, and the portfolio's delivery functions, with the Defence Delivery Agency to be established from 1 July 2026.

See the full 2026 National Defence Strategy [here](#).

Integrated Investment Program

The 2026 IIP is the Government's plan to continue the transformation of the ADF, building on the foundational reform from 2024.

The IIP will focus on 11 capability investment priorities:

- Undersea Warfare
- Maritime Capabilities and localised sea control operations
- Targeting and long-range strike
- Space and cyber
- Amphibious capable combined-arms land system
- Expeditionary air operations
- Missile defence
- Theatre logistics and health
- Theatre command and control
- Guided weapons and explosive ordnance
- Enhanced and resilient northern bases

The IIP includes investments to ensure the ADF is prepared. This includes investment in the enabling areas of infrastructure, enterprise data and ICT that are needed to support operations. This also includes investment in recruitment and retention of ADF members, and a focus on upskilling to meet the strategies' priorities.

See the full Integrated Investment Program [here](#).

Defence Budget

The NDS and IIP together add an additional \$14 billion over the next four years, and an additional \$53 billion over the decade. As a result, defence spending as a proportion of GDP will rise to 3 per cent by 2033. This brings the combined additional investment across the 2024 and 2026 NDS to \$117 billion.

The Defence budget comprises three major categories of costs:

- Acquisition of new capability
- Sustainment of capability
- The Defence workforce

The government plans to increase spending across all three categories, with capability spending reaching \$47.5 billion, sustainment reaching \$33.7 billion, and workforce costs reaching \$28.3 billion by 2035–36.

NDS 2026 recognises that not all this funding can be achieved through appropriations and seeks to leverage other forms of investment. As a result, defence is seeking alternative finance arrangements, including equity-based financing through Commonwealth bodies and private financing.

The Government has identified around \$5 billion over the forward estimates and \$15 billion over the decade in projects Defence will prioritise developing alternative financing options for. This includes the Defence estate, the Henderson Defence Precinct and the Guided Weapons and Explosive Ordnance enterprise.

Further Information

See the [Minister's Speech](#) and [Press Release](#).

For more information, please contact Hawker Britton's Partner and CEO [Simon Banks](#) on +61 419 638 587 or Hawker Britton's Partner [Tim Grey-Smith](#) +61 432 226 323.

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