



duMonde

2026 NDS / IIP: Summary and Analysis

GROWTH FOCUSED. RESULTS DRIVEN.



2026 NDS / IIP: Summary and Analysis

What the Update Is
Really Doing

Integrated Summary
and Analysis

Scorecard: Assessing
the success of the
NDS / IIP

What the Update Is Really Doing



The 2026 NDS / IIP largely reinforces the 2024 direction: National Defence, Strategy of Denial, greater self-reliance, industrial resilience and preparedness — **with a stronger emphasis on execution.**

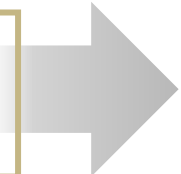
It also reaffirms a 10-year Defence funding model totalling **\$887 billion to 2035–36.**

Government’s additional funding commitment:

\$14 billion
over 4 years

and

\$53 billion
over 10 years



Total additional investment from the 2024 and 2026 NDS rises to:

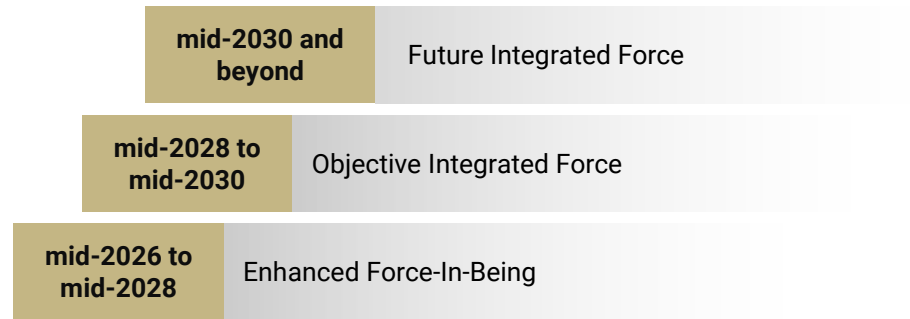
\$117 billion
Over the decade to 2035–36



Defence funding is projected to rise to around **3.0 per cent of GDP by 2033–34**, using the common methodology adopted by NATO allies.

Signalling sustained long-term commitment to capability uplift.

Defence planning is now framed through rolling epochs:



The update signals **delivery focus and force realisation**, particularly around:

- undersea warfare and maritime lethality,
- long-range strike,
- integrated air and missile defence,
- autonomous / uncrewed systems and counter-UAS
- northern bases, logistics, fuel resilience and preparedness and
- Defence reform, including the Defence Delivery Agency.

The total funding includes, around **\$425 billion** in allocated funding for the capabilities set out in the 2026 IIP.

Key Policy Shifts

Elevates reform as a core policy mechanism, especially delivery reform, estate rationalisation and prioritisation discipline.

Sharpens self-reliance, focusing on greater control over the capabilities, supply chains, industrial capacity Australia cannot afford to lose in crisis or conflict.

Biennial NDS / IIP cycle is embedded as a standing planning and governance discipline.

Broadens National Defence from force structure into civil preparedness, fuel security, supply chains, logistics, infrastructure, workforce and national resilience.

Pacific engagement is becoming more operationally structured, including through the Pacific Response Group.



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Defence is planning growth across all three major cost categories

Acquisition	\$19.2 bn (2024-25)	\$47.5 bn (2035-36)
Sustainment	\$18 bn (2024-25)	\$33.7 bn (2035-36)
Defence Workforce	\$17.4 bn (2024-25)	\$28.3 bn (2035-36)

Capability Priorities and Enabling Investment Areas (2026–27 to 2035–36)

The update reinforces the principal investment priorities:

- Undersea warfare (\$94-\$130 bn) 23%
- Maritime capabilities for sea denial/localised sea control (\$62-\$77bn) 15%
- Amphibious capable combined-arms land system (\$48-\$59 bn) 11%
- Expeditionary air operations (\$34-\$41bn) 8%
- Targeting and long-range strike (\$28-\$35bn) 7%
- Enterprise infrastructure (\$30-\$40 bn) 7%
- Space and cyber (\$27-\$38bn) 6%
- Guided weapons and explosive ordnance (GWEO) (\$26-\$36 bn) 6%
- Missile defence (\$21-\$30bn) 5%
- Theatre logistics and health (\$14-\$21 bn) 4%
- Theatre command and control (\$14-\$19 bn) 3%
- Enterprise data and ICT (\$12-\$15 bn) 3%
- Enhanced and resilient northern bases (\$13-\$16 bn) 3%
- Advanced Strategic Capabilities Accelerator (ASCA) (\$3.8-\$4.3 bn) 1%

The Defence Targeting Enterprise is a key reinforced enabler for strike, integration and decision advantage.

Alternative financing is being prioritised for estate, Henderson and GWEO (~\$15bn decade; ~\$5bn FEs).

Key Implications

For Government

Success now depends on whether reform, approvals and governance can convert strategy into delivered capability at pace.

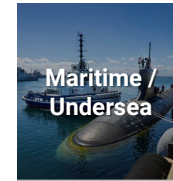
For Defence

It is no longer what the force should become, but whether it can field it quickly enough with sufficient readiness, sustainment, stock depth and command-and-control integration.

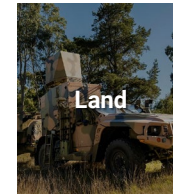
For Industry

The opportunity set is strongest in naval shipbuilding and sustainment, GWEO, autonomy / counter-UAS, cyber / EW / SATCOM, logistics and enabling infrastructure.

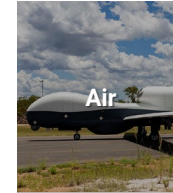
What is materially moving by domain:



AUKUS SSN pathway, Collins sustainment, Hunter and Mogami frigates, Large Optionally Crewed Surface Vessels, Ghost Shark, Speartooth and Bluebottle, alongside strike integration across the fleet.



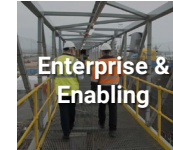
HIMARS / Precision Strike Missile, Landing Craft Medium and Heavy, Redback, Boxer, Abrams, Apache, Black Hawk, tactical EW, counter-UAS and a modernised land C2 system.



LRASM, JASSM-ER, Joint Strike Missile, anti-radiation weapons, hypersonic development, P-8A, Triton, Ghost Bat, Wedgetail replacement planning, C-130J expansion and retirement / replacement of the C-27J Spartan.



Resilient multi-orbit SATCOM, DARC, geospatial intelligence, REDSPICE, cyber terrain hardening and advanced communications.



Treating domestic basing as a resilient warfighting network, prioritising northern force projection, southern sustainment depth, and the protection of fuel, energy and wider civil-military infrastructure.



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Scorecard: Assessing the success of the NDS/IIP (Analytical Watchpoint)

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KEY BENEFITS	DIMENSION	IDENTIFIED RISK
Reinforces National Defence, Strategy of Denial, self-reliance, regional partnerships and a biennial planning rhythm.	Strategic clarity	Limited public acknowledgement of alliance volatility and how a changed US affects Australian assumptions.
Clear emphasis on undersea, maritime strike, IAMD, autonomy, counter-UAS, SATCOM and munitions resilience.	Capability prioritisation	Much is continuation, not fresh redesign; some areas may still see insufficient scale or pace.
Additional \$14bn, \$53bn and \$425bn in allocated capability funding create a stronger demand signal and reinforce long-horizon investment intent.	Funding credibility	Key uncertainty remains over how much is near-term, approved and capability-convertible, particularly given alternative financing, estate divestment and the rolling ten-year frame.
The projected rise to ~3.0% of GDP by 2033-34 signals stronger national commitment to Defence and reinforces Australia's burden-sharing message to allies and industry	Defence spending trajectory	Headline ~3.0% GDP figure relies on NATO methodology caveat and may overstate visible near-term capability impact.
Real opportunities in naval, GWEO, autonomy, missile defence, cyber and infrastructure.	Industrial opportunity	Opportunity is real but uneven; delivery bottlenecks, workforce shortages and allied supply dependence remain serious.
Frames workforce as a national capability enabler, aligning ADF, APS, industry and training partners to support force generation, capability delivery and sustainment.	Force readiness / preparedness	If not treated as an integrated national effort, workforce gaps across Defence, industry and training pipelines will constrain readiness, delivery tempo and sustainment capacity.
Delivery reform, estate review and regular strategy cycles improve governance discipline.	Implementation confidence	Defence must demonstrate it can deliver at pace, absorb funding and convert plans into operational capability.