



# Budget

The Government is investing an additional **\$14 billion** over the next four years and **\$53 billion** over the next decade.

This brings the combined additional investment across the 2024 National Defence Strategy and the 2026 National Defence Strategy to **\$30 billion** over the next four years and **\$117 billion** over the decade to 2035–36.

This includes around **\$425 billion** in capability investment over the decade to 2035–36.

When compared to previous years:

From the 2024 IIP - \$330 billion over the decade **to 2033-34. This is an increase of \$95 billion over the planning decade.**

From the 2020 Defence Strategic Update - \$270 billion over the decade **to 2029-30. This is an increase of \$155 billion over the planning decade.**

	2026-27 \$bn	2027-28 \$bn	2028-29 \$bn	2029-30 \$bn	2030-31 \$bn	2031-32 \$bn	2032-33 \$bn	2033-34 \$bn	2034-35 \$bn	2035-36 \$bn
Defence funding (including ASD, ASA and ANNPSR)	63.4	67.3	73.3	80.1	86.9	90.1	96.6	106.7	110.9	112.1

**Table 1:** Total Defence funding profile 2026-27 to 2035-36 (including the Australian Signals Directorate, the Australian Submarine Agency and the Australian Naval Nuclear Power Safety Regulator). Defence funding/appropriation is correct as at the date of release of the 2026 NDS.

	2026-27 \$bn	2027-28 \$bn	2028-29 \$bn	2029-30 \$bn	2030-31 \$bn	2031-32 \$bn	2032-33 \$bn	2033-34 \$bn	2034-35 \$bn	2035-36 \$bn	FEs \$bn	Decade \$bn
Additional investment through 2024 NDS	0.7	3.8	5.3	5.7	6.9	7.0	9.8	9.9	7.7	7.7	15.6	64.5
Additional investment through 2026 NDS	2.5	3.9	3.7	4.2	5.6	4.8	3.9	8.7	9.8	5.8	14.2	52.8
Total additional investment	3.2	7.7	9.1	9.9	12.5	11.8	13.7	18.6	17.5	13.5	29.8	117.4

**Table 2:** Total additional investment in defence capability 2026-27 to 2035-36 (2026 NDS includes \$12 billion investment in the Henderson Defence Precinct and excludes investment in Australian Naval Infrastructure for the Osborne Naval Shipyard). Figures may not add due to rounding.






# Budget

## Planned expenditure by category

The Defence budget comprises three major categories of costs: acquisition of new capability; sustainment of capability; and the critical Defence workforce.

**Over the decade to 2035–36, the Government plans to increase annual expenditure across all three major categories of cost, with:**

		
<p><b>Acquisition of new capability</b></p> <p>to grow from \$19.2 billion in 2024-25 to \$22.4 billion in 2026-27 and \$47.5 billion in 2035-36</p>	<p><b>Sustainment of capability</b></p> <p>to grow from \$18.0 billion in 2024-25 to \$19.8 billion in 2026-27 and \$33.7 billion in 2035-36</p>	<p><b>Defence workforce</b></p> <p>to grow from \$17.4 billion in 2024-25 to \$19.4 billion in 2026-27 and \$28.3 billion in 2035-36</p>

## Defence budget categories

Categories	2026–27 \$bn	2029–30 \$bn	2035–36 \$bn
Acquisition	22.4	29.9	47.5
Sustainment	19.8	26.3	33.7
Workforce	19.4	21.9	28.3
Operating and Operations	2.9	3.2	3.7
<b>Total Planned Expenditure</b>	<b>64.5</b>	<b>81.4</b>	<b>113.2</b>

**Table 3:** Total planned expenditure for Defence 2026-27 to 2035-36 (including the Australian Signals Directorate, the Australian Submarine Agency and the Australian Naval Nuclear Power Safety Regulator). Planned expenditure includes expenditure funded from Government appropriations and own source revenue. Figures may not add due to rounding.

## Alternative financing

- ▶ The 2026 National Defence Strategy recognises the need to leverage all forms of investment to deliver defence capability at the scale and pace required.
- ▶ Alternative financing can include equity-based financing through Commonwealth bodies, such as special direct investment vehicles and government business enterprises, as well as private financing.
- ▶ The Government has identified around **\$5 billion over the forward estimates** and **\$15 billion over the decade** in projects for which Defence will prioritise developing alternative financing options as part of the additional investment in the 2026 National Defence Strategy. This includes projects in the Defence estate, the Henderson Defence Precinct and the Guided Weapons and Explosive Ordnance enterprise.