

Overview of 1st two months of the Labor Government (2025-2028)



Department of Defence

This report assesses the performance of the Department of Defence's under the Labor government's second term, over the first two months of the current term, focusing on actions, policy initiatives, major statements, challenges faced, and gaps in approach.

Key actions undertaken

1. Advancing AUKUS and defence partnerships

- **AUKUS Submarine Program:** To accelerate the AUKUS submarine initiative, strong emphasis has been placed on workforce development and strengthening Australia's industrial base. As part of this effort, more than 120 skilled Australian tradespeople have been sent to Pearl Harbor to undergo practical, hands-on training on Virginia-class submarines. This critical step is not only about building technical expertise but also about laying the foundation for sovereign capability, ensuring that Australia will be fully prepared to operate and maintain its own fleet of nuclear-powered submarines by the early 2030s.
- **Trilateral Engagement:** Hosted and participated in high-level meetings with US and UK counterparts, reaffirming commitment to AUKUS and discussing operational plans, workforce development, and trilateral supply chain resilience.
- **Regional Engagement:** Led delegations to the Shangri-La Dialogue in Singapore, striving to strengthen defence ties with ASEAN and Five Power Defence Arrangements partners, and deepening cooperation with Singapore on defence science, logistics, and training.

2. Defence industry and capability development

- **Missile Manufacturing:** The Ministry has advanced agreements for domestic production of guided missiles, including the Guided Multiple Launch Rocket System (GMLRS), with the first batch scheduled for some time in 2025. This is a milestone for sovereign munitions manufacturing.
- **Naval and Army Modernization:** Announced investments to more than triple the Navy's vertical launch missile capacity and to equip the Army with advanced High Mobility Artillery Rocket Systems (HIMARS) and precision strike missiles, extending operational reach beyond 500 km.

- **Northern Defence Bases:** Oversaw the initiation of upgrades to northern airfields, ports, and barracks, with \$1 billion allocated for immediate projects, aligning with the Defence Strategic Review's recommendations.

3. Workforce and skills

- **Defence Workforce Growth:** Continues to build on national initiatives to address workforce shortages, especially in the submarine and shipbuilding sectors, and promoted STEM education and apprenticeships for defence industry growth.

4. Legislative changes and new programs

- **New Programs:** Initiated the Submarine Rotational Force, West at HMAS Stirling to support the operation and maintenance of Virginia-class submarines.
- **Policy Adjustments:** Advanced implementation of the Defence Strategic Review's recommendations, including capability planning and industrial base expansion.

Major challenges and responses

Challenge	Response/Action taken
US submarine production & sustainment rates	Provided funding and deployed Australian workforce to US shipyards to accelerate production and training.
Workforce Shortages	Expanded training, apprenticeships, and STEM initiatives; promoted workforce development nationally.
Regional Instability & Strategic Competition	Strengthened alliances, increased defence spending, and accelerated capability acquisition.

Gaps and areas for improvement

- Most initiatives remain in the planning or early implementation phase, with few new laws or funding programs enacted in the first 60 days.
- Public debate continues regarding the extent of US military presence and Australia's strategic autonomy, with calls for greater transparency and public engagement.
- While initiatives have been launched, the scale of workforce shortages in defence remains a significant hurdle.
- Progress on diversifying defence industry participation across all states and sectors is ongoing but not yet fully realized.

Overall impact

The following summarize recommendations dated May 31, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Richard Marles, Deputy PM and the Minister for Defence for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Implemented (✓/X)	Progress Made	Remarks
Advance National Defence Strategy implementation	✓	Advanced Defence Strategic Review (DSR) implementation through planning, industrial base expansion, and capability assessments.	Early-phase actions launched; no legislative or full budgetary rollout yet.
Ensure budget transparency and sustainability	X	No comprehensive 10-year defence capability plan or public breakdown of AUKUS funding released.	Budget clarity remains a gap; funding priorities unarticulated.
Grow and retain skilled defence workforce	✓	Initiated defence workforce development—STEM promotions, apprenticeships, and overseas training for submarine readiness.	Focused on shipbuilding and submarine sectors; broader coordination still needed.
Enhance long-range strike and munitions manufacturing	✓	Progressed local GMLRS missile manufacturing with target for 2025; established production agreements and sovereign capability framework.	Key step towards sovereign munitions industry.
Progress AUKUS submarine acquisition	✓	Sent 120+ Australian tradespeople to US for nuclear-sub training; workforce and industrial capacity initiatives underway.	Strong momentum on AUKUS Pillar 1; foundational groundwork progressing.
Upgrade northern defence bases	✓	Committed \$1 billion for initial upgrades to key northern infrastructure including airfields and barracks, aligned with DSR recommendations.	Implementation initiated; sustained oversight needed.

IPAG Recommendations	Implemented (✓/X)	Progress Made	Remarks
Boost cyber security defence technology	X	No visible actions from Defence Ministry regarding Cyber Security Strategy 2023–2030.	Likely under Home Affairs/Communications portfolio; not reflected in Defence Minister’s scope.
Address veterans’ welfare based on Royal Commission	X	No initiatives reported under Marles to enact statutory reforms or implement veteran support based on 2023 recommendations.	Likely under separate Veterans’ Affairs Minister; not addressed in Marles’ 60-day actions.
Deepen regional and international defence partnerships	✓	Led defence diplomacy at Shangri-La Dialogue; enhanced ASEAN ties and advanced AUKUS trilateral engagements.	Strong international engagement evident; aligns with strategic posture in Indo-Pacific.

Moving forward....

The first 60 days of the new term have been characterised by decisive steps toward advancing Australia’s strategic partnerships, particularly under the AUKUS framework, and by a focused effort to enhance sovereign capabilities and develop the defence workforce. Progress has also been made in modernising critical infrastructure and expanding regional and international defence cooperation, reinforcing Australia's commitment to collective security in the Indo-Pacific.

Nonetheless, significant challenges remain. For instance, legislative and budgetary transparency is still limited, workforce development is in early stages, and reforms related to veterans’ welfare and cyber defence have yet to materialise. Hence, much of the progress to date lies in foundational planning rather than immediate outcomes, with several initiatives still in preliminary or pilot phases.

Overall, while the strategic direction is clear and alliance-building has been strong, translating intent into tangible results will require accelerating industry diversification, and delivering measurable capability enhancements.