

AXSAS

Defence After Certainty

Planning, production and governance in a transactional strategic order

Francis Kennedy
AXSAS Pty Ltd
April 2026
Version 1.0

Public analysis
support@axsas.org | axsas.org

Contents

Executive judgement	3
The first expired assumption is time	4
The second expired assumption is access	4
The third expired assumption is industrial elasticity	5
The fourth expired assumption is supplier visibility	6
Localised manufacturing is risk control, not nostalgia	7
Logistics has moved from support function to deterrence infrastructure	7
The dependency problem is wider than platforms	8
Decision speed is part of resilience	8
The fifth expired assumption is governance visibility	9
The role of independent exposure review	10
Conclusion	10
AXSAS positioning statement	11
Notes	12

Executive judgement

Defence planning is entering a period where certainty itself has become the weak assumption.

For three decades, allied defence systems planned inside a world that was difficult, violent and competitive, but still broadly governable. Warning time existed. Supply chains could usually be accessed. Alliance commitments could be treated as reliable operating conditions. Industrial mobilisation could be deferred because major war was treated as distant. Long dated capability programs could survive because the environment was expected to remain legible long enough for them to arrive.

That world has not ended in a single event. It has been eroded.

The rules based order still exists as language, architecture and aspiration. It no longer provides the same planning certainty. Norms are contested. Enforcement is selective. Security commitments are more conditional. Industrial access is more political. Domestic politics now reaches directly into alliance behaviour. Fiscal pressure, burden sharing disputes, competing theatres and national industrial priorities increasingly shape what states are willing and able to provide.

This is the transactional strategic order. It does not cancel alliances. It changes the exposure that can safely be placed on them.

Australia's 2026 National Defence Strategy recognises the direction of travel. It places deterrence, greater self reliance, national resilience, sovereign defence industrial base strength and trusted partnerships at the centre of Defence planning. The 2026 Integrated Investment Program reinforces that direction by linking capability delivery to industrial resilience and stronger international supply chains. That is the correct strategic movement. It is also the beginning of the test, not the end of it. [1] [2]

The test is whether Australia's governance systems, industrial base and supply chains can convert those priorities into credible capability inside the time now available.

That distinction is critical. Defence systems are still judged too often by what governments announce, what budgets allocate and what programs report. Under current conditions, that is not enough. Capability must now be judged by whether it can be produced, sustained, repaired, replenished, protected and governed when the assumptions behind the plan begin to fail.

The next serious defence failure will not begin when a platform is unavailable, a submarine schedule slips, a stockpile runs low, or a supply route becomes contested. It will begin earlier, when the assumptions underneath the plan are already broken and the governance system continues reporting confidence.

That is the exposure this paper examines.

For several months, AXSAS analysis has returned to the same pattern across apparently separate issues: AUKUS production risk, NATO industrial strain, Australian defence absorption limits, munitions replacement, semiconductor exposure, seabed infrastructure, AI and cyber governance, command architecture and industrial war in Europe. The subjects differ. The underlying signal is consistent. Defence systems are making confidence statements faster than they are proving the production, sustainment, logistics and governance conditions that make those statements credible. [3] [4] [5] [6]

Capability is no longer simply a question of strategy. It is a question of time, access, industrial depth, supplier visibility, logistics elasticity, decision speed and honest governance.

Any defence system that cannot prove those conditions is not yet resilient.

It is only confident.

The first expired assumption is time

The first expired assumption is that Australia and its allies still have enough time for traditional defence planning cycles to work.

That assumption has weakened.

The 2023 Defence Strategic Review made the point directly when it stated that Australia could no longer rely on geography or warning time. The 2024 National Defence Strategy then placed national defence and denial at the centre of Defence planning. The 2026 National Defence Strategy carries that logic forward through deterrence, preparedness, self reliance, resilience, industrial strength and trusted partnerships. [7] [8] [9]

That sequence is important because it shows strategic language catching up with the environment. But language can move faster than institutions. Strategy can be updated in months. Industrial capacity cannot. Skilled workforces cannot. Supplier depth cannot. Nuclear stewardship cannot. Shipyard maturity cannot. Regulatory throughput cannot. Sustainment infrastructure cannot.

This is the first conversion gap.

Australia has recognised that time is compressed. The unresolved issue is whether the systems that produce capability have compressed with it.

A defence program that arrives eventually may still have value, but it cannot answer an exposure that exists now. A platform due in the 2030s may shape the future balance, but it does not solve a near term industrial, logistics or deterrence deficit. A budget line can signal seriousness, but it does not by itself create trained people, certified processes, available dock space, integrated software authority or secure supply.

This is why the old planning rhythm has become dangerous. Defence systems manage complexity through process. Process creates order. It also consumes time. Under strategic compression, time consumed by process becomes a strategic cost.

Long term capability still has to be built. That is not in dispute. The issue is whether long term programs are being mistaken for near term answers.

That distinction needs to sit at the centre of governance. A credible defence system has to separate future option value from current resilience. It has to know which risks are being reduced now and which are merely being carried forward into a later promise.

Time is no longer a neutral planning variable. It is one of the central constraints.

The second expired assumption is access

The second expired assumption is that access can be treated as a stable background condition.

Access once sat quietly behind defence planning. Access to allied technology. Access to foreign components. Access to shipping routes. Access to maintenance slots. Access to munitions. Access to intelligence. Access to industrial support. Access to political attention from larger partners.

That is no longer safe.

A more transactional world does not mean alliances have lost value. It means access must be tested rather than assumed. Partners still cooperate, but cooperation increasingly passes through national filters: domestic politics, industrial scarcity, fiscal pressure, election cycles, theatre priority, export control regimes and burden sharing expectations.

This is the uncomfortable part of the current environment. Alliance language can remain strong while alliance access becomes more conditional. A country can remain a trusted partner and still prioritise its own fleet, its own munitions, its own workforce, its own repair queues and its own political constraints during crisis.

Australia's self reliance framing implicitly acknowledges this shift. Self reliance is not isolation. It is the ability to employ and sustain credible military power when support from allies or partners may be limited, delayed or consumed elsewhere. That should be read as a planning signal, not a slogan.

The strategic task is not to choose between sovereignty and alliance. That is a false choice. Australia will remain deeply dependent on allies for nuclear propulsion pathways, intelligence, advanced technology, high end munitions, strategic lift, industrial collaboration and operational integration.

The real task is to map dependence honestly.

Some dependencies are acceptable because they are visible, redundant and governed. Some are dangerous because they are hidden, singular or politically conditional. Some can be managed through stockpiles, trusted partner redundancy or domestic repair capacity. Others require sovereign control because failure would compromise the whole system.

This is where access becomes a governance issue. It is not enough to say a partner relationship exists. Governance has to ask what access actually means under pressure.

Can Australia obtain the component when the supplier nation has its own crisis. Can the maintenance slot be protected when allied demand surges. Can export controls move at operational speed. Can critical software authority be exercised without waiting on foreign approval. Can shipping routes remain reliable if insurance costs rise or ports are disrupted. Can political support be assumed if another theatre consumes attention.

These questions are not hostile to alliances. They are what serious alliance planning now requires.

A transactional world does not cancel trust. It punishes untested trust.

The third expired assumption is industrial elasticity

The third expired assumption is that industry can absorb demand at political speed.

This remains one of the most persistent illusions in defence planning. Governments announce funding as though money itself produces capability. It does not. Money is necessary, but it is not sufficient. It only becomes capability when the industrial system can absorb it.

Absorption is the capacity to convert funding, contracts and intent into deployable, sustainable capability inside relevant timeframes. It depends on certified labour, tooling, facilities, test infrastructure, regulatory pathways, security clearances, integration authority, software rights, data access and supplier capacity. If any one of those constraints lags, the whole system slows.

This is why higher defence spending can coexist with delivery weakness. A system can receive more money and still fail to generate output fast enough. The binding constraint may not be budget. It may be workforce, certification, specialist materials, energetics, dock capacity, sovereign maintenance, software integration, quality assurance or lower tier supplier fragility.

AXSAS has described this as the absorption problem: strategy can be sound, funding can rise, and intent can be genuine while the industrial system remains unable to convert demand into capability at the required rate. [10]

The NATO experience since Russia's full scale invasion of Ukraine illustrates the same lesson. NATO agreed a Defence Production Action Plan in 2023, followed by an Industrial Capacity Expansion Pledge in 2024 and an

updated Defence Production Action Plan in 2025. The updated plan focuses on demand aggregation, industrial capacity growth and production acceleration. [11] [12]

That progression is revealing. The alliance did not suddenly discover that strategy was important. It rediscovered that industrial depth is the mechanism through which strategy becomes usable force.

Ukraine has reinforced the point with brutal clarity. Modern conflict rewards regeneration as much as possession. A force that begins with capable platforms but cannot replace losses, repair damage, restock munitions or sustain consumption eventually reveals the weakness of its model. Factory floors, repair cycles, maintenance labour, software updates and replenishment rates are now part of force structure. They are not background administration. [13]

Australia cannot separate itself from this lesson. AUKUS, guided weapons production, northern infrastructure, fuel resilience, cyber security, seabed systems, critical minerals processing and maritime logistics are not isolated policy themes. They are parts of the same national resilience system.

Industrial elasticity cannot be assumed. It has to be proven.

The fourth expired assumption is supplier visibility

The fourth expired assumption is that prime contractor confidence equals supply chain resilience.

Public debate focuses on primes because they are visible. They sign contracts, issue statements, brief officials and appear in announcements. But the serious exposure often sits below them.

The United States Government Accountability Office describes the defence industrial base as a tiered system of prime contractors, major subcontractors and lower tier suppliers that provide parts, electronic components and raw materials. It also states that the Department of Defense relies on a global network of more than 200,000 suppliers to produce weapons and other goods, while foreign supplier dependence presents national security risk and visibility into manufacturing location and supplier origin remains limited. [14]

That is the centre of the problem.

A defence system can know its prime contractors and still not fully know its exposure. The lower tier supplier carrying a specialised component, material, licence, process, machine tool, software dependency or certification may be the point where the whole schedule depends on one fragile node.

That node may have limited capital. It may depend on commercial demand. It may rely on foreign inputs. It may have no practical surge capacity. It may be exposed to delayed payments, cyber compromise, skilled labour loss, export restrictions, energy costs or inflation pressure. Yet in senior reporting, that exposure often appears only as supply chain risk.

That phrase is now too vague to be useful.

Supply chain risk has to be broken into visibility, substitutability, criticality, lead time, financial resilience, geographic exposure, certification burden and crisis demand. Unless those elements are separated, governance cannot see which dependency could actually break the program.

This is why Tier 2 and Tier 3 suppliers should sit near the centre of modern defence assurance. Not because primes are unimportant, but because primes do not generate resilience by themselves. Production throughput is the sum of the weakest critical dependencies underneath them.

AUKUS makes this visible. It is not only a submarine pathway. It is a generational test of whether three allied systems can align workforce, regulation, nuclear stewardship, shipyard capacity, lower tier suppliers,

sustainment infrastructure, export controls, political patience and public confidence over decades.

Australia's AUKUS Submarine Industry Strategy recognises the need to develop sovereign industrial capability to deliver, operate and sustain future conventionally armed nuclear powered submarines, while also addressing supply chain resilience and enabling Australian industry to invest in capability, personnel and supply chains. [15]

That framing is correct. The difficulty is that recognition is not maturity.

AUKUS will not be delivered by communiques. It will be delivered by welders, engineers, nuclear qualified personnel, planners, regulators, software authorities, universities, suppliers, sustainers, yards and firms that currently need to mature faster than Australia's defence system has historically moved.

If the lower tiers are not visible, the program is not yet fully knowable.

Localised manufacturing is risk control, not nostalgia

The supplier visibility problem leads directly to the local manufacturing question.

The case for more localised defence manufacturing is often argued poorly. It is framed as nationalism, industry protection or a political preference for domestic jobs. That misses the deeper point.

Localised manufacturing is not nostalgia. It is risk control.

Under stable conditions, efficiency tends to win. Under uncertainty, access wins. Defence governance now has to price that trade properly.

No serious defence industrial strategy should pretend that Australia can build everything domestically. That would be unrealistic and wasteful. The useful question is more precise: which parts of the critical path are too important to leave exposed to foreign availability, contested shipping, political hesitation, export control delay or another country's competing priority.

That question requires controlled assessment, not slogans.

Some components can remain globally sourced. Some need trusted partner redundancy. Some need allied stockpiling. Some need sovereign production. Some need domestic repair, test or certification capacity even if production remains offshore. Some need protected data rights or software authority more than domestic manufacturing.

The old language of sovereign capability is too broad. The sharper test is whether access can be assured when the system is under pressure.

A component that is cheap in peacetime may become strategically expensive if it cannot be obtained during disruption. A supplier that looks inefficient during stable conditions may become essential when shipping routes, allied bandwidth or foreign production priorities shift. A domestic capability that appears costly in ordinary budget logic may be the only source of assured access during crisis.

That is not an argument for autarky. It is an argument for controlled dependency.

Logistics has moved from support function to deterrence infrastructure

Logistics used to sit behind strategy. That separation is no longer safe.

A force that cannot move, sustain, repair, replace and replenish at tempo is not a credible deterrent, regardless of platform quality. Deterrence is not only the possession of capability. It is the demonstrated ability to keep that capability functioning under pressure.

This is where logistics becomes strategic. Ports, fuel, storage, munitions movement, repair capacity, sealift, airlift, maintenance labour, spare parts, cyber resilience, data flows and secure communications all become part of the deterrence system.

A defence plan that treats logistics as administration is already behind the environment it is trying to manage.

The implication for Australia is significant. Geography creates strategic distance, but it also creates sustainment burden. Northern infrastructure, maritime approaches, fuel security, undersea cables, ship repair, munitions storage and industrial distribution are not secondary concerns. They are part of whether the force can function when pressure arrives.

AXSAS analysis of industrial war in Europe made this point through Ukraine: modern conflict tests the ability to regenerate, not simply the ability to possess. A stockpile is useful until it is consumed. A platform is useful until it cannot be repaired. A supply route is useful until it is contested. A maintenance ecosystem is useful until it lacks parts or people. [13]

That is why logistics has become part of deterrence.

A capability that cannot be sustained sends a signal too.

The dependency problem is wider than platforms

Strategic uncertainty does not only expose shipyards, munitions lines and prime contractors. It also exposes the enabling systems modern defence now depends on.

Semiconductors are the clearest example. AXSAS Strategic Briefing 006 examined a scenario in which Taiwan semiconductor export throughput is restricted without physical destruction of fabrication facilities. The significance of that scenario is that disruption does not require invasion. It only requires reduced export velocity, maritime and air pressure, insurance repricing, allocation conflict and delay. [16]

That scenario illustrates the wider pattern.

Modern defence systems depend on advanced chips, secure communications, cloud infrastructure, AI compute, software defined platforms, undersea cables, satellites, trusted data flows and cyber integrity. These systems are global, layered and commercially entangled. Their exposure does not always sit inside Defence. It often sits in private firms, ports, fabs, cloud providers, foreign regulators, maintenance contractors, data centres and commercial logistics systems.

This changes what national resilience means.

A country can have a capable military and still be exposed if the industrial and digital systems behind it are fragile. A defence plan can appear coherent while the enabling infrastructure underneath it depends on assumptions no one has properly stress tested.

This is why a narrow platform view of capability is no longer sufficient. The serious test is not only what the military owns. It is what the national system can keep functioning when pressure arrives.

Decision speed is part of resilience

Industrial depth and logistics are not enough if the command system cannot use capability at speed.

Modern conflict is compressing decision cycles. Drones, cyber effects, electronic warfare, long range precision fires, AI enabled sensing and contested communications all reduce tolerance for slow approval chains. In that environment, capability that cannot be tasked, retasked and integrated quickly becomes less useful than its technical specification suggests.

This is where governance and command meet.

A system can procure advanced tools and still hesitate. It can field autonomous systems and still lack doctrine for their use. It can connect sensors and shooters while decision authority remains fragmented across services, agencies, allies and contractors. It can describe interoperability while leaving decision rights unclear.

AXSAS has previously argued that Western defence weakness is not only production, but command architecture. Capability can exist while initiative stalls. Decision rights can be distributed so widely that accountability thins. AI systems can be introduced faster than doctrine adapts. Coalition arrangements can share authority while obscuring who owns the outcome. [17]

Under uncertainty, speed of decision becomes part of resilience.

A defence system that can produce but not decide will still underperform. A system that can decide but not sustain will also underperform. The operating test is not whether each layer works alone. It is whether planning, production, logistics, supply, cyber, command and governance can hold together under pressure.

The fifth expired assumption is governance visibility

The fifth expired assumption is that governance systems can see enough of the exposure they are reporting on.

This is the controlling assumption because it governs all the others.

The old governance question was whether a program was on schedule. The better question is whether the assumptions underneath the schedule remain true.

That shift changes the work. It moves the conversation from progress reporting to exposure testing.

A serious defence review now has to examine whether production capacity can meet demand under disruption. It has to test whether Tier 2 and Tier 3 dependencies are visible, financially resilient and replaceable. It has to ask whether alliance support would still be available if multiple theatres placed simultaneous demand on the same partner. It has to examine whether sustainment routes, repair facilities, maintenance labour and replenishment pathways can survive pressure. It has to test whether delivery timelines still support deterrence if the strategic environment deteriorates faster than expected.

Most importantly, it has to ask whether decision makers are seeing real constraint data or confidence language.

That final question is uncomfortable because governance failure rarely announces itself. It usually appears as optimism. It appears as amber risk that should be red. It appears as a dashboard that tracks program movement but not strategic sufficiency. It appears as upward reporting that is technically accurate but strategically incomplete.

In a stable world, that may be survivable. In an uncertain one, it is a liability.

Governance visibility is not just knowing whether a project is late. It is knowing which assumption has failed before the system admits the failure.

That is the new test.

The role of independent exposure review

This is the gap AXSAS is positioned to occupy.

Not as a traditional consultancy. Not as an implementation shop. Not as another voice selling strategy. The useful role is independent exposure assessment.

That means testing where governance confidence diverges from industrial, supply chain, logistics and delivery reality. It means asking which assumptions must remain true for a program, board or organisation to remain credible under uncertainty. It means examining not only what is planned, but what would fail first if the environment deteriorated.

This is not a substitute for Defence, primes, internal risk teams or formal assurance. It is an external challenge layer around assumptions that large systems often carry for too long.

That distinction is important. The aim is not louder criticism. It is clearer exposure.

The greatest risk in defence governance is not always ignorance. Often it is comfort. Institutions become comfortable with their own reporting language. They know the program. They know the milestones. They know the governance rhythm. They know the public narrative. What they may not see clearly is the gap between internal confidence and external stress.

That gap is where independent review earns its value.

Conclusion

The rules based order does not need to collapse for defence planning to become exposed. It only needs to become less predictable.

That has already happened.

The central issue is no longer whether allied governments understand that the environment has deteriorated. The central issue is whether their governance systems, industrial policies and supply chains have adjusted fast enough to operate inside that deterioration.

The answer remains uncertain.

What is clear is that deterrence is not declared by strategy documents. It is demonstrated through production, sustainment, replacement, logistics, supplier depth, decision speed and credible governance.

Capability is not real when it is announced. It is real when it can be generated, protected and regenerated under pressure.

Defence after certainty will reward systems that can see their dependencies clearly, test their assumptions honestly and build resilience below the level of public announcement.

Everything else is confidence.

And confidence is not a capability.

AXSAS positioning statement

AXSAS provides independent defence, AI and cyber governance analysis focused on structural exposure across allied systems. Its work examines where declared intent, program confidence and board level assurance diverge from industrial, supply chain, logistics and delivery reality.

This paper consolidates prior AXSAS analysis on AUKUS, industrial readiness, strategic uncertainty, semiconductor dependency, command architecture and defence governance into a single assessment framework for operating in a more transactional strategic order.

For further information: support@axsas.org

Website: axsas.org

Notes

- [1] Australian Government Department of Defence, 2026 National Defence Strategy and 2026 Integrated Investment Program, 2026. URL: <https://www.defence.gov.au/about/strategic-planning/2026-national-defence-strategy-2026-integrated-investment-program>
- [2] The Hon Richard Marles MP and The Hon Pat Conroy MP, 2026 National Defence Strategy and Integrated Investment Program, joint media release, 16 April 2026. URL: <https://www.minister.defence.gov.au/media-releases/2026-04-16/2026-national-defence-strategy-integrated-investment-program>
- [3] AXSAS, The World Is Not Drifting Toward One War. It Is Drifting Toward Several That Could Collide, Medium, April 2026. URL: <https://medium.com/@axsaspty/the-world-is-not-drifting-toward-one-war-it-is-drifting-toward-several-that-could-collide-849919f442e5>
- [4] AXSAS, AUKUS Does Not Have a Strategy Problem. It Has a Production and Governance Problem, Medium, December 2025. URL: <https://medium.com/@axsaspty/aukus-does-not-have-a-strategy-problem-it-has-a-production-and-governance-problem-bb9a2f9e07ed>
- [5] AXSAS, Defence Does Not Have a Strategy Problem. It Has an Absorption Problem, Medium, January 2026. URL: <https://medium.com/@axsaspty/defence-does-not-have-a-strategy-problem-6910149ce32e>
- [6] AXSAS, Capability Without Throughput Is Not Deterrence, Medium, February 2026. URL: <https://medium.com/@axsaspty/capability-without-throughput-is-not-deterrence-0b02ecd76d54>
- [7] Australian Government, National Defence: Defence Strategic Review, 2023. URL: <https://www.defence.gov.au/about/reviews-inquiries/defence-strategic-review>
- [8] Australian Government Department of Defence, 2024 National Defence Strategy and 2024 Integrated Investment Program, 2024. URL: <https://www.defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program>
- [9] Australian Government Department of Defence, Preparing Australia for future strategic challenges, 17 April 2026. URL: <https://www.defence.gov.au/news-events/news/2026-04-17/preparing-australia-future-strategic-challenges>
- [10] AXSAS, Defence Does Not Have a Strategy Problem. It Has an Absorption Problem, Medium, January 2026. URL: <https://medium.com/@axsaspty/defence-does-not-have-a-strategy-problem-6910149ce32e>
- [11] NATO, Updated Defence Production Action Plan, 13 February 2025. URL: <https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2025/02/13/updated-defence-production-action-plan>
- [12] NATO, NATO releases Updated Defence Production Action Plan, Commercial Space Strategy and Rapid Adoption Action Plan, 24 June 2025. URL: <https://www.nato.int/en/news-and-events/articles/news/2025/06/24/nato-releases-updated-defence-production-action-plan-commercial-space-strategy-and-rapid-adoption-action-plan>
- [13] AXSAS, Four Years of Industrial War in Europe: What Modern Conflict Actually Rewards, Medium, February 2026. URL: <https://medium.com/@axsaspty/four-years-of-industrial-war-in-europe-what-modern-conflict-actually-rewards-7aa7cb300616>
- [14] United States Government Accountability Office, Defense Industrial Base: Actions Needed to Address Risks Posed by Dependence on Foreign Suppliers, GAO 25 107283, July 2025. URL: <https://www.gao.gov/products/gao-25-107283>
- [15] Australian Submarine Agency, Australia's AUKUS Submarine Industry Strategy, March 2025. URL: <https://www.asa.gov.au/sites/default/files/documents/2025-03/Australias-AUKUS-Submarine-Industry-Strategy.pdf>
- [16] AXSAS, AXSAS Strategic Briefing 006: Taiwan Semiconductor Dependency and Allied Industrial Exposure, Medium, March 2026. URL: <https://medium.com/@axsaspty/axsas-strategic-briefing-006-c8a7c798b857>
- [17] AXSAS, The Real Failure in Western Defence Is Not Production. It Is Command and Control, Medium, January 2026. URL: <https://medium.com/@axsaspty/the-real-failure-in-western-defence-is-not-production-it-is-command-and-control-843bf909377c>

This paper is public analysis prepared for general information. It does not replace formal legal, financial, operational or government advice.