



From the old world to the new

Why German rearmament matters for Australia

Summary

- Germany is undertaking its largest campaign of rearmament since World War II. Its April 2026 defence strategy announced an intention to take ‘responsibility for Europe at the conventional level’ by building Europe’s strongest army by 2039.
- The strategy, if successfully executed in tandem with Germany’s European partners, would assist with the creation of a new European liberal-democratic pole increasingly independent from the United States. This would allow the latter to place greater attention on the Indo-Pacific.
- This not only assists global efforts to combat the Sino-Russian axis of authoritarianism but also provides Australia with an increasingly capable global partner that shares its values, particularly as Germany and Australia pursue a status of forces agreement.
- German rearmament is also poised to shift the regional order within Europe. While European allies have welcomed Germany’s increased focus on defence, some have criticised its approach as too unilateral.
- Germany’s plan to rapidly rearm has also led to the implementation of novel approaches with potential takeaways for Australia, particularly regarding civil preparedness and organisational efficiency.
- While barriers to implementation remain, Germany’s rearmament is a positive development for Australia and its allies and partners.

Introduction

When then chancellor of Germany Olaf Scholz delivered the famous *Zeitenwende* (epochal shift) speech outlining the urgent need for change in defence and security policy as a response to Russia’s invasion of Ukraine in 2022, he presided over a military that reportedly struggled to participate in even basic NATO operations.¹ This was despite the fact that Germany was the world’s seventh-largest military spender at US\$55.6 billion (A\$79.2 billion, 1.3 percent of GDP) in 2021, suggesting the presence of deep structural issues.² Since the *Zeitenwende*, however, Germany has committed to military and industrial uplift with zeal.

Germany is now the world’s fourth-largest military spender in absolute terms and expects to spend around US\$125 billion on defence in 2026.³ This is set to grow to around US\$176 billion (3.5 percent of GDP) by 2029 before continuing to climb. The release of Germany’s inaugural defence strategy in April 2026 represents a major step in rearmament efforts.⁴ Entitled ‘The Overall Concept of Military Defence – Military Strategy and Plan for the Armed Forces – Responsibility for Europe’, it commits Germany to an extensive program of rearmament to deter and, if need be, fight and win a war with Russia as part of a European coalition.

Germany's policy priorities

Germany's defence strategy notes that the US has deprioritised its involvement in Europe in favour of the Indo-Pacific and the Western hemisphere. While expecting the US will continue to play a vital yet reduced role in the alliance, the strategy reflects that Germany, as a major economic, demographic and industrial centre, is uniquely capable of filling many roles previously held by the US and must therefore take 'strategic responsibility for Europe at the conventional level'.⁵ Germany seeks to do this by building the strongest conventional army in Europe by 2039, uplifting its military-industrial capability and taking a leadership role within the alliance. While US calls for increased burden-sharing under the Trump administration have almost certainly influenced German policy, it is important to note German rearmament began several years prior in response to the invasion of Ukraine. As the strategy notes, 'NATO must become more European in order to remain transatlantic.'

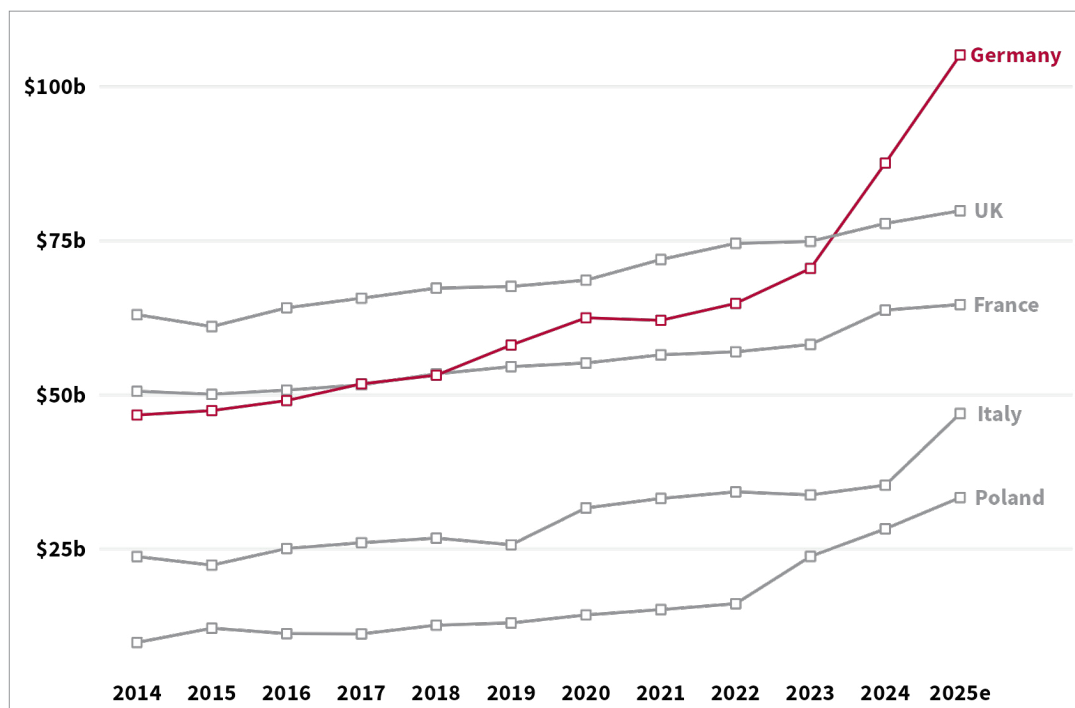
Nato must become more European in order to remain transatlantic

The document outlines a three-phase plan to uplift Germany's capability, recognising the need to maximise deterrence before crucial acquisitions can arrive. The first phase runs until 2029 and aims to maximise defence and deterrence in the immediate term by increasing readiness and operational

efficiency with current equipment. Procurement priorities include ammunition, drones and armoured vehicles. During the second phase, which stretches from 2029 until around 2035, Germany plans to adopt its new military leadership role in the alliance as a major capability uplift takes place. The third phase, beginning around 2035 and stretching beyond 2039, corresponds with Germany's pursuit of technological superiority to deliver the strongest conventional army on the continent. To this end, other defence documents have outlined revised efforts to address long-standing industrial shortfalls.⁶

Similarly, by 2033, Germany's goal is to have an armed force that is 460,000 strong, 200,000 of whom will be reservists primarily tasked with the protection of critical infrastructure and logistics nodes within Germany.⁷ This is a significant increase from the 186,000 serving full-time as of April 2026.⁸ Given the rapidly evolving nature of modern warfare, Germany's defence strategy is intended to be a 'living document' with priorities capable of shifting as the strategic situation changes.⁹ Accordingly, the strategy notes that achieving the right balance between low-cost, high-volume systems and high-cost, lower-volume systems will determine operational success or failure on the modern battlefield.

Germany notes it can only effectively deliver deterrence in tandem with its alliance partners as part of a 'single set of forces', but that in doing so it seeks a leadership role. While European partners have welcomed German rearmament, some fear that Germany is pursuing its goals too unilaterally – Patrick Keller and Max Becker from the



Defence expenditure of the top five European NATO spender nations (USD, 2021 value). Source: The Secretary General's Annual Report 2025, NATO, 26 March 2026, [online](#).

German Council on Foreign Relations note that Germany is taking ‘responsibility for Europe but not with Europe’.¹⁰ This could lead to a disjointed rearmament as European allies compete for industrial resources and build militaries that are not sufficiently complementary. The collapse of the Franco-German joint fighter jet project in June has highlighted that coproduction remains difficult. However, with details of acquisitions classified, there is the possibility of greater behind-the-scenes cooperation. German rearmament also changes the traditional European division of labour, where France took the lead strategically while Germany held the reins economically. While a change to the previous order is clearly necessary given Europe’s challenging strategic circumstances, any transition in military affairs may entail a certain period of disruption as the new strategic order settles.

Implications for Australia

Germany’s rearmament efforts, if successful, will have several positive direct and indirect flow-on effects on Australia’s interests in the Indo-Pacific.

The most immediate is Europe’s increased ability to combat the axis of authoritarianism – comprising Russia, China, Iran and North Korea – by deterring and containing Russia. This would directly support Australia’s global interests. Germany has adopted a one-theatre approach, viewing Europe, the Middle East and the Indo-Pacific as one interconnected domain. This recognises that Russia’s successes in Europe and China’s successes in the Indo-Pacific are inherently linked and contribute to global trends contrary to the interests of any rules-respecting and liberal-democratic nation. A coordinated approach on the Chinese and Russian fronts of the axis of authoritarianism will serve as a force multiplier, maximising chances of mutual success. Australia’s pursuit of a status of forces agreement with Germany demonstrates that both countries already understand the value in such coordination.¹¹

Australia will gain diplomatic benefits from Germany’s rearmament if it successfully leads to the establishment of an increasingly independent European liberal-democratic pole in world politics. While this will require consistent and coordinated action from various European states, German efforts are crucial. This would help counter China’s malign narrative that liberal democracy is in irreparable decline, provide Australia with an increasingly capable global partner that shares its values and contribute to a global order that continues to favour liberal-democratic principles.

The freeing of US forces to focus on its pacing threat in the Indo-Pacific – a region where European agency is more limited, but where Europe’s future is also being written – also supports Australian interests.

Transferable takeaways

Germany’s plan to go from a very low state of military readiness to having Europe’s strongest conventional army in a 15-year period has led to the implementation of novel approaches with potential lessons for Australia.

A key initiative is the elimination of large swathes of military and civil bureaucracy through a system requiring abolition of regulations or processes that produce insufficient outcomes relative to the time invested.¹² Germany’s armed forces also seek to integrate AI at all levels of the workforce to improve speed and efficiency. Initiatives such as these are framed as immediate priorities, as a failure to implement them at speed could see the enemy gain an operational edge. While significant amendments would need to be made to account for local context, such initiatives could be relevant for Australia.

Australia will gain diplomatic benefits from Germany’s rearmament

Much like Australia’s 2026 National Defence Strategy, Germany’s strategy outlines the importance of civil preparedness and national resilience. Germany is a particularly useful case study as, much like Australia, it has not historically had a culture of preparedness as seen in places such as Finland. The Operational Plan for Germany outlines that in a wartime scenario, Germany would become a transport and logistics hub with large numbers of troops and vehicles passing through its territory.¹³ The German government notes this will cause inconvenience for the general populace, but that it will be necessary to maintain a free, liberal-democratic German state within a united Europe. Regional military commanders have been meeting with local governments and industry leaders to direct them to prepare for wartime production, outlining potential logistical shortages and recommending solutions to ensure continued operations.¹⁴

Germany also reintroduced a form of national service in late 2025. Under the scheme, all 18-year-old men are obliged to fill out a questionnaire regarding their willingness to undergo six to 11 months of military service with no obligation to commit to an extended contract.¹⁵ The questionnaire is optional for women, but the government has stated that service may be made compulsory if the scheme does not gain enough recruits.¹⁶ This model – based on the Swedish civil preparedness model – is cheaper and potentially less politically taxing for a country without a pre-existing culture of preparedness. In this regard, Germany is running a natural experiment with its successes and failures offering potential lessons.

Potential barriers to implementation

Many of Germany's rearmament initiatives have proven controversial with significant sections of the German voter base, in part due to cost-of-living issues.¹⁷ There are also issues regarding the social licence for rearmament given a strong anti-militarist strain in German society.¹⁸ It is also unclear to what extent the German government's messaging around civil preparedness has been effective. Recruitment is another potential bottleneck. While growing, it is not yet at the level required to match Germany's 2033 goal, with one parliamentary report noting that 'political ambition risks outpacing military reality'.¹⁹ The tight timeframe for such a major capability uplift could also create delays, as could stagnating industrial production capacity and structural issues, which have previously hampered German efforts. Germany's ambitious 15-year plan would also have to survive several federal elections, the next of which is in 2029. Many of these concerns have been voiced by Germany's European allies, who fear that stalled German rearmament efforts could weaken Europe's strategic position.²⁰

Conclusion

The takeaway from Germany's last few years of military build-up is clear. Germany is preparing for the possibility of conflict with Russia and is employing close to all means of national power to deter and, if necessary, fight and win a general war in Europe as part of a coalition. Despite its efforts, Germany's success in its endeavours isn't guaranteed, and domestic constraints may well hinder its ambitious goals. Further, Germany can't deter Russia on its own, and consistent efforts from other key European states are critical to delivering a capable coalition.

However, the fact that one of the world's wealthiest countries and a staunch liberal democracy is undertaking an unprecedented campaign of military uplift is a positive development for Australia and its partners. These efforts would not only make Germany – and Europe more broadly – a more valuable liberal-democratic partner but would also allow the US to increase its focus on the Indo-Pacific region. The Australian government seems to recognise this shift and is increasing its defence and diplomatic engagement with Germany accordingly.

Notes

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Explainers: Are short analyses that raise awareness of both existing and emerging security and defence policy challenges facing Australia and the region.

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