

The AUKUS Blowout: the bill in brief

A five-page summary of the full cost assessment — the estimated cost and the worst case for each part of the bill.

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AUKUS is defended as one number: \$368 billion. Its real cost is a stack of separate costs of different kinds — a lifetime bill, annual exposures, one-off losses, uncOSTed long-tails, and costs that cannot be priced at all. They cannot be added into a single figure, and the heaviest carry no dollar sign. Each is set out below with a base estimate and a worst case.

THE COST	ESTIMATE (BASE CASE)	WORST CASE
1. Buy & build	\$368B (incl. 50% contingency)	\$480-650B+
2. China as the enemy	~\$10B+/yr (lost investment, eroding share)	~6% of GDP (~\$160B/yr) + supply collapse
3. Choosing America	~\$1-3B/yr (tariffs, no trade gained)	No shelter from the ally; tariffs escalate
4. Choosing Britain	~A\$4.6B+ to the UK industrial base	A partner that can't deliver as the boats slip
5. Sovereignty	Unpriced — the whole \$368B+ is conditional	0 boats unless US output doubles and a president signs off
6. Costs no one totals	~\$10-20B+ (nuclear long-tail; defence toward ~5% GDP)	Open-ended nuclear liability; "too big to cancel"
7. The wrong direction	The renewable-energy & manufacturing nation foregone	Scarce talent & capacity locked to a depreciating asset
8. Lives	Unpriced	Tens of thousands, in a war that cannot be won

Figures are order-of-magnitude. They measure different things and cannot be summed; the worst-case column is where the trajectory points, and for the trade and lives entries assumes the wartime rupture the programme is built for.

1. The cost to buy and build

\$368 billion is a 2023 whole-of-life estimate to 2055 that already carries a 50% contingency — the floor, not the ceiling. Comparable builds overran: the UK Astute class ran ~30% over budget, France’s cancelled Attack-class climbed from ~\$50B toward ~\$90B. About \$11 billion will be spent by mid-2027 with no boat in the water, ~US\$3 billion of it non-refundable to US and UK shipyards. Seventeen years after the 2009 decision to replace the Collins class, zero boats have been delivered.

ESTIMATE	WORST CASE
\$368B	\$480-650B+

Sources: Defence portfolio budget papers; UK National Audit Office (Astute); ANAO; Michael West Media / Rex Patrick.

2. The cost of declaring China the enemy

China takes about a third of all exports (\$312B two-way, 2024) and is also Australia’s largest *supplier* — about a quarter of imports, the cheap goods the RBA judges disinflationary. The 2020 coercion disrupted ~\$20B of trade (net ~\$1B; iron ore was spared). Foregone Chinese investment now runs ~\$10B+/yr. Iron ore is the shield, and China is spending ~\$20B on Simandou (Guinea) to remove it. Lithuania shows China will cut a country off entirely over a Taiwan stance. A full rupture is the *wartime* case: the modelled income loss is ~6% of GDP (~\$160B/yr) and 14% per head — but the larger, unmodelled half is the simultaneous collapse of supply (goods, fuel, medicine), which breaks the economy.

ESTIMATE	WORST CASE
~\$10B+/yr	~6% GDP (~\$160B/yr) + supply collapse

Sources: DFAT trade data; J. Quiggin (rupture modelling); RBA (disinflation); ASPI / BITRE (seaborne shares); CSIS & Asia Society (Lithuania).

3. The cost of choosing America

Washington refused Australia a steel and aluminium tariff exemption in March 2025 (now 50% / 25%), added a 10% import surcharge, and has proposed a 100% pharmaceutical tariff — all under a free-trade agreement, and while the United States runs a trade surplus *with* Australia. AUKUS bought no trade relief. The US takes under 5% of exports, so the direct dollar cost is modest; the signal — an ally that taxes a treaty partner when its own politics suit — is the cost that matters.

ESTIMATE	WORST CASE
~\$1-3B/yr	No shelter when interests diverge

Sources: US executive orders / USTR; Australian Government statements; Lowy Institute.

4. The cost of choosing Britain

Britain is a marginal economic partner — about £24 billion of two-way trade, Australia ranking as the UK’s 21st partner at barely 1% of its trade, and Britain taking around 2% of what Australia sells the world, while selling Australia roughly twice what it buys. Keating’s “dumped us” is literal: joining the European Economic Community in 1973, Britain ended the Commonwealth preferences that had made it Australia’s protected market and forced the pivot to Asia. Yet AUKUS reverses the ledger: Australia has committed about A\$4.6 billion over a decade to expand Britain’s submarine industry (Rolls-Royce at Derby, BAE at Barrow) and fund part of a British-designed boat whose reactors are built in England. Australia is subsidising British jobs and a British design, for boats arriving in the 2040s, from a partner whose own yards are stretched by the Dreadnought build and may slip the first AUKUS submarine.

ESTIMATE

~A\$4.6B+ to the UK

WORST CASE

A partner that may not deliver

Sources: UK DBT / ONS trade factsheet; gov.uk Defence Nuclear Enterprise; US Studies Centre; Lowy Institute; ASA Senate Estimates.

5. The cost in sovereignty

The submarines transfer only if a US president certifies it will not degrade US capability — so the entire \$368B+ buys a capability that arrives, if at all, at Washington’s discretion. The 30 May 2026 revision (three second-hand boats, no new hull) was set to suit the US industrial base, not Australian need. And the transfer is gated on a build rate the US has never hit: the Navy says it must produce ~2.33 Virginia-class boats a year to spare any for Australia, but the actual rate is ~1.1-1.3 and only reaches two a year around 2032 — the year the first transfer is due. Australia also leased the Port of Darwin to a Chinese firm (now buying it back) and has twice had to force China-linked owners out of a heavy-rare-earths project.

ESTIMATE

Unpriced — the bill is conditional

WORST CASE

0 boats unless US output doubles + sign-off

Sources: US AUKUS legislation (FY2024 NDAA); Senate Estimates (ASA); Pentagon ‘America First’ review reporting.

6. The costs no one totals

Nuclear stewardship commits Australia to high-level waste for the life of the boats, a naval-nuclear regulator, and indemnifying the US and UK — with no waste site chosen; the UK’s own submarine-disposal bill runs on the order of \$10–20B. Sustaining the programme pushes defence spending toward ~5% of GDP (~\$140B/yr). Each non-refundable payment makes exit dearer — a plan engineered to be “too big to cancel.” Hosting the boats and bases raises Australia’s value as a target.

ESTIMATE

~\$10-20B+

WORST CASE

Open-ended nuclear liability

Sources: UK National Audit Office (submarine disposal); ANAO; defence budget projections.

7. The largest cost: the wrong direction

Wrong as defence: a submarine cannot lift a blockade — the contest that actually decides an island trading nation. Wrong as industrial strategy: it draws down scarce engineers, trades and factory capacity to build a foreign-designed boat, and in its early years to expand US and UK shipyards. The same base could build rail, energy and manufacturing that compound in value and feed, fuel and power the country; the submarine only depreciates. And AUKUS need not be cancelled so much as redirected — the same yards, undersea trades and skills shift to sovereign subsea transmission, service and cable-repair vessels and uncrewed undersea systems, a far broader scope than eight nuclear boats. The opportunity cost is the nation not built.

ESTIMATE

**The nation
foregone**

WORST CASE

**Talent & capacity locked to a depreciating
asset**

Sources: MMA Memos 31–34 (the net assessment and the alternative).

8. The cost that cannot be undone: lives

The boats and the US bases on Australian soil make Australia a combatant. Wargames of a Taiwan invasion project tens of thousands of combatant casualties; a blockade kills civilians by shortage, as twentieth-century naval blockades killed hundreds of thousands. These would be Australian lives spent in a war that, on the analysis, cannot be won — one only the United States and China survive as functioning nations.

ESTIMATE

Unpriced

WORST CASE

Tens of thousands

Sources: CSIS Taiwan-invasion wargame (2023); naval-blockade history (WWI; Japan / USSBS).

The MMA position

At this price the programme buys the wrong capability for the threat that actually decides the country, and surrenders the power to decide its own use. A plan that costs this much, across this many dimensions, must be reviewed. The same money would buy a defence that is owned, relevant and delivered sooner — and, because every other cost can be reversed but lives cannot, keep Australia out of a war that is not its own. **Find peace, and build a united Asia.**

This is a summary of the full assessment, *The AUKUS Blowout* (16 references), which sets out the sourcing and the reasoning in full. Modern Movement Australia.