

AUKUS at the watershed

AUKUS is a wager worth making, with eyes open.

For decades Australian defence planning rested on a comfortable assumption, embedded in policy as recently as the [2016 Defence White Paper](#): around ten years of strategic warning time before any serious threat could materialise. That assumption is dead. The [2023 Defence Strategic Review](#) buried it, and the [2026 National Defence Strategy](#) went further, describing 'force projection risks not seen since WWII'. China's military modernisation has been the fastest sustained build-up by any power since the Second World War; the People's Liberation Army Navy is projected to reach [eighty submarines by 2035](#), against a US fleet that will hover in the mid fifties. It is against this backdrop that AUKUS, announced in September 2021, must be judged. It is the most consequential strategic decision Australia has made since the Second World War. The argument here is that its strategic logic holds, but not always for the reasons ministers give, and the official case glosses over three things that deserve harder scrutiny. The alternatives, all of them, are worse.

Three capitals, three bargains

AUKUS is routinely analysed as an Australian acquisition with two suppliers attached. That misses why it is durable. Each capital signed because the program solves a different national problem. For Canberra, nuclear propulsion delivers an operational geometry that no conventional boat can: the ability to transit vast distances submerged, hold station for months, and threaten an adversary's forces far from home, plus a depth of embedding in the US strategic calculus that no treaty text alone achieves. For London, AUKUS fills the design and production gap at Barrow-in-Furness between the Dreadnought and the next attack boat, gives the Royal Navy its next submarine on a shared development burden, and makes the Indo-Pacific tilt concrete through the fifty year Geelong Treaty. For Washington, HMAS Stirling offers forward maintenance and presence thousands of kilometres closer to the critical sea lanes of the Indian Ocean. Washington also benefits from Australia's financial contribution into the submarine industrial base that



worries Congress most, and a capable ally becomes an operationally integrated one. Three problems, one program, which is why it has survived changes of government in all three capitals.

There is a question buried in that architecture. In the early commentary a recurring American doubt surfaced: whether a country with no civil nuclear industry and no nuclear navy could responsibly own and operate one. The doubt was not unreasonable, and it echoes still in scepticism about the workforce. The United Kingdom is part of the answer. It is [the only country ever to have shared in United States naval nuclear propulsion technology](#), and it resembles Australia in scale far more than the United States does. A trilateral arrangement reassures the American system in a way a bilateral one could not, because the model has been run once before. The precedent is exact, and it began in suspicion: when the Royal Navy sought American reactor technology in the 1950s, Admiral Hyman Rickover [at first resisted](#), relenting only once he judged Britain a serious and enduring ally, whereupon the [1958 US-UK Mutual Defence Agreement](#) put an American reactor into HMS Dreadnought. The doubt that attended Australia in 2021 is the doubt that attended Britain in the 1950s, and the resolution rhymes.

The strategic logic, tested

The deepest argument for AUKUS is that it denies China a hegemonic position in the Indo-Pacific, and it works at three levels. The first is cognitive, and the most important. Hegemony works in the mind before it works on the map: it succeeds when a smaller state concludes that resistance is futile and accommodates in advance. A survivable submarine force refuses that conclusion, because an adversary cannot find it, fix it, or discount it from any calculation. It injects permanent uncertainty into a coercive plan, and uncertainty is the solvent of hegemonic confidence. The clearest proof the mechanism is real comes from Beijing, which would not spend the diplomatic capital it has spent at the IAEA and across Southeast Asia opposing a program it judged irrelevant.

The second level is grand strategic, and here the claim must be stated carefully. Australia cannot balance China; no middle power can. What AUKUS does is add a node to a distributed system in which the cost of dominance is raised by a coalition, the United States, Japan, India, the Southeast Asian hedgers, each in their own way. Australia's contribution is a high end



sovereign capability at the hinge between the Indian Ocean and the Pacific Ocean. Validated, the claim holds only as a contribution to collective balancing, and only while the United States remains engaged, which is the dependency examined below. The third level is operational and the soundest: sea denial is exactly what an attack submarine does, holding an adversary's forces at risk in the choke points and making regional sea control prohibitively expensive, a coalition effect to which a handful of Australian boats is a serious addition.

The second argument is normative, and closest to why this matters. A middle power's sovereignty is not only a legal fact but a practical capacity: the ability to make consequential choices without having them foreclosed by coercion. In a region trending towards a single dominant pole, choice sets narrow quietly, through anticipated reaction, long before a shot is fired. The nuclear submarine preserves that capacity because of three attributes. It is survivable, so it cannot be removed cheaply and cannot be discounted by anyone seeking to compel acquiescence. It is independent, operating at intercontinental range without staging through anyone else's territory or asking permission. And it is persistent, holding position for months, so the capacity to resist coercion is continuous. A country harder to coerce keeps more of its choices. That is the link between a reactor at sea and a sovereign destiny, and it carries the sharpest tension in the enterprise: the autonomy is purchased with deeper dependence on the United States. The trade is, in my judgement, the right one, because the alternative is not pristine independence but exposure without the means to act on any choice at all. But it survives the test only if sovereign control, Australian crews, sustainment, command and a regulatory chain that can in fact say no, is genuinely achieved rather than nominal.

What the official case glosses over

Three official claims are stated confidently and defended least. The first is that embedding with the United States is an unalloyed gain. It is the oldest dilemma in alliance management: the fear of abandonment and the fear of entrapment pull in opposite directions, and every measure that reduces one increases the other. AUKUS is a large purchase of insurance against abandonment, paid for in entrapment risk. In law the boats will be under sovereign command. In practice, a force whose training, doctrine, weapons, maintenance and intelligence picture are jointly produced with the US Navy



retains the legal right to say no while the practical cost of exercising it rises year by year. Ministers would serve the public better by defending that as a trade than by asserting that sovereignty is untouched.

The second is the trapdoor in the timeline. The strategy says the danger is now; the first Australian flagged Virginia arrives in 2032, SSN-AUKUS in the early 2040s, the full fleet in the mid-2050s. Submarine Rotational Force-West covers the gap, but with allied boats under allied command. And under the [US transfer legislation](#), the President must certify, no later than 270 days before the first transfer, that the sale 'will not degrade' US undersea capability and that production and maintenance investment is sufficient for both nations. At a production rate of [1.1 boats a year against a requirement of 2.33](#), a president applying that statute honestly could not sign today. The certification depends on an American industrial recovery that Australia is paying to support but cannot control. What the official case lacks is a stated hedge: what Australia does in 2031 if the certification cannot be made. Protecting the Collins life of type extension, institutionalising SRF-West and holding open an expanded rotational presence are the obvious elements. Hedging is not defeatism; it is what serious programs do.

The third is the arithmetic. Submarine fleets follow a rule of three: at any moment a third is in deep maintenance, a third in training or transit, a third available. Eight boats means two, sometimes three, on station. The official phrase 'eight nuclear-powered submarines' invites the public to imagine eight at sea; planners plan on a third of that. The geometry argument survives, which is why nuclear propulsion was worth the premium, but the honest conclusion is that the 2040s force will be potent and thin.

The cost debate, corrected

The Australian [Parliamentary Budget Office estimate of \\$368 billion](#) is the most cited number in the Australian debate and the least contextualised. It lands as though the alternative were free. It was not. The conventional path Australia was already on, twelve Attack class boats, was costed by Defence before the program died at [roughly \\$80 billion to acquire and a further \\$145 billion to sustain to 2080](#), about \$225 billion whole-of-life, on a figure that had more than doubled in a decade with construction yet to begin. Against that, the nuclear base estimate is \$244.7 billion to 2054-55, \$368 billion with a deliberate fifty per cent contingency. The nuclear premium is real but



denominated in tens of billions across three decades, not the hundreds the headline implies. Compared over the same horizon the gap is larger than the naive subtraction suggests, on the order of \$100 billion, because the conventional sustainment tail ran on to 2080. Costed per day of presence in the waters that matter, where an SSN's dwell is a multiple of a conventional boat's, the nuclear submarine is plausibly the cheaper option. There was never a cheap path; [Australia was already heading towards \\$5 billion a year](#) on its conventional submarine enterprise.

What could roughly \$100 billion otherwise buy? On unit costs, thousands of [long-range missiles](#), many times over a national fleet of [uncrewed undersea vehicles](#), or several more conventional boats. None reproduces the effect. Missiles punish but do not persist; uncrewed systems extend the submarine rather than replace it today; more conventional hulls inherit the geometry problem the nuclear boat was chosen to solve. The caveat worth holding is that if attritable autonomy matures faster than the boats arrive, the calculus shifts, which argues for buying the uncrewed layer in parallel, not instead.

And why not simply buy eight Virginias off the US line, skipping the cost and risk of building our own? At about USD4.5 billion a hull the sticker looks seductive. But the comparison is false at both ends. There are not eight Virginias to buy: the American line cannot meet its own requirement, let alone an Australian order this side of the 2040s. The \$244.7 billion is whole-of-life, carrying sustainment, infrastructure, the regulator and the industrial base that eight imported hulls would still need. And a fleet with no domestic design authority or build line is a capability Australia hosts rather than owns. SSN-AUKUS costs more precisely because it buys the sovereign capability the cheap option cannot.

The binding constraint

Money is the wrong place to look for the real constraint. People are. The conventional program expected around 2,800 jobs on average; the nuclear program demands [around 20,000 direct jobs over thirty years](#), tripling peak industrial demand. The uniformed picture is steeper: a trained submarine workforce of around 900 today must [grow to around 3,000](#), since a Virginia sails with 132 against a Collins crew of around 55. Most trades carry across from three decades of building and sustaining the Collins; what is new is everything nuclear, reactor operation, health physics, nuclear grade quality



assurance and, above all, the safety case culture, now regulated by a [dedicated national authority](#). Money can be appropriated on a single budget night. A nuclear qualified welder takes years to certify, a commanding officer fifteen years to grow, a safety culture a generation. That, not the headline cost, is the number to watch, and it is the constraint the alliance should organise hardest to relieve, through reciprocal training places, transferable qualifications and genuinely interchangeable workforces across the three partners.

A generational wager

AUKUS is imperfect. The timelines are ambitious, the industrial constraints real, the certification clause a trapdoor that deserves a stated hedge, and the workforce mountain is the true risk to delivery. But the alternatives are worse. A conventional fleet cannot provide the geometry Australia's reversed tyranny of distance requires. Accommodation of an assertive revisionist power has no precedent of success where that power holds expansive claims and uses economic coercion as policy. Disengagement from the US alliance would leave Australia with neither the capability nor the protection to navigate the environment the national defence strategy describes. For the alliance, the lesson is that the enterprise will be made or broken not by the strategic case, which is sound, but by delivery: American production, Australian workforce, and the political will in three capitals to sustain a fifty year commitment across electoral cycles. Australia's security will be shaped by decisions taken this decade. AUKUS is the centrepiece, not because it is risk free, but because deterrence requires capability, and capability requires commitment well before the crisis arrives. That is a wager worth making, with eyes open.