



Request for budget analysis

The cost of nuclear submarines	
Person/party requesting the analysis:	Mr Adam Bandt MP, Australian Greens
Date analysis completed:	14 April 2023
Expiry date of the analysis:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> Confidential <input type="checkbox"/> Not confidential
Summary of request: The request sought a breakdown of the cost of the nuclear-powered submarines to be acquired under the AUKUS agreement, over the life of the program.	

Overview

A breakdown of the information requested is provided at Table 1.

Table 1: The cost of nuclear submarines – whole-of-program costs (\$b)^{(a)(b)(c)(d)}

2023-24 to 2026-27	2027-28 to 2032-33	2033-34 to 2042-43	2043-44 to 2052-53	2053-54 to 2054-55	Contingency	Total (incl. contingency)
9.1	48.5	81.7	87.9	17.5	122.9	367.6

(a) Cost estimates are out-turned (in current prices) and are presented on a 2022-23 Budget FE3 price basis (as at March 2023).

(b) Costs represent upper-bound estimates.

(c) The information is presented in Australian Dollars and is subject to regular adjustments to cater for foreign exchange variations.

(d) Contingency is not allocated by year, but is triggered on the occurrence of a contingent event.

Sensitivities and qualifiers

The Department of Defence (Defence) has advised, in providing these figures, that a year-by-year breakdown could not be provided as:

- the information remains compartmented and classified SECRET
- the sale of the U.S Virginia Class Submarines (VCS) is pending U.S Congressional approval. Release of the VCS sale price may potentially jeopardise the U.S process
- the annual profile of the current cost estimate points to the various stages of the program that remain commercially sensitive. The disclosure of this would undermine the Commonwealth of Australia in its' negotiation position as it enters successful program contract(s) for the delivery of the future SSN AUKUS.

Defence further advised that the profile presented reflects their current cost estimate and, as they progress through this long and complex program, the cost estimate and profile will need to be updated as the program matures.

Data sources

The Department of Defence provided the breakdown of costs as at March 2023.