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Issue Brief

The Trump–Albanese Meeting and the Future of AUKUS

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Summary

President Trump's apparent endorsement of AUKUS, in his meeting with Australian Prime Minister Albanese, driven at least partially by the partnership's alignment with his 'America First' priorities of allied burden-sharing and domestic job creation, provides essential momentum.

When US President Donald J. Trump hosted Australian Prime Minister Anthony Albanese at the White House in October 2025, the future of the AUKUS partnership—Australia's most ambitious defence project in generations—hung in the balance. Amid doubts in Washington about costs and feasibility, and unease in Canberra about timing and technology transfer, the meeting provided reassurance but not resolution.[1] Both leaders affirmed the importance of AUKUS, but whether those warm words translate into steel in shipyards and reactors in hulls will determine if AUKUS endures or drifts towards political symbolism.

In the months before the meeting, various reports had stressed that a Pentagon review and internal US deliberations had created unease in Canberra and London about whether the United States would fully sustain transfer and cooperation commitments—especially the transfer of nuclear-propulsion technology and the timing of submarine transfers.[2] The White House meeting produced public endorsements from the US president about continuing the submarine pillar of AUKUS. It yielded a substantial bilateral package of critical minerals and rare earths intended to harden supply chains.[3]

However, whether the tone and deals translate into durable programmatic clarity for AUKUS depends on three linked factors: first, the legal and technical status of the naval nuclear cooperation framework; second, the industrial and budgetary realities of submarine production and sustainment; and third, the domestic political calculus in Washington and Canberra that colours long-term commitments.[4]

This brief examines the trajectory of the AUKUS security partnership following the 20 October 2025 meeting between Trump and Albanese. It assesses the substantive debates surrounding AUKUS in the US and Australia and evaluates the critical challenges that will determine whether this ambitious trilateral agreement can successfully transition from political commitment to operational reality.

Overview of AUKUS: Structure and Progress Thus Far

AUKUS, announced in September 2021 by the Biden administration and Australian and British leaders, represents one of the most ambitious defence technology-sharing arrangements since the Cold War. According to the Congressional Research Service (CRS) analysis, the partnership aimed to "deepen diplomatic, security, and

[1] Jane Norman, **"Albanese Played it Smart with Trump and Walked Away with Everything He Wanted"**, *ABC News*, 21 October 2025.

[2] Ken Moriyasu, **"AUKUS Faces Threat of Delay as Pentagon Reviews Submarine Pact"**, *Nikkei Asia*, 12 June 2025.

[3] **"Trump Ends AUKUS Uncertainty with Firm Backing for Albanese"**, *ABC News*, 21 October 2025.

[4] Josh Butler, **"Diplomatic Triumph or 'Capitulation'? Albanese Found Donald Trump in a Heavenly Mood but the Devil May Be in the Detail"**, *The Guardian*, 21 October 2025.

defence cooperation in the Indo-Pacific region" in response to China's growing military capabilities.[5]

The agreement consists of two distinct pillars. Pillar I, which has attracted the most attention and controversy, involves providing Australia with nuclear-powered submarine capability. The 'optimal pathway' announced in March 2023 calls for:[6]

1. Beginning in 2027, rotational deployment of US and British submarines to HMAS Stirling in Western Australia (Submarine Rotational Force-West);
2. The sale of three to five Virginia-class submarines to Australia beginning in the early 2030s;
3. Development and construction of a new SSN-AUKUS submarine class jointly by Australia and the United Kingdom, incorporating US technology, with deliveries to the Royal Australian Navy beginning in the early 2040s.

The total cost to Australia for Pillar I is estimated at approximately AUD 368 billion (roughly US$ 240 billion) over three decades.[7] As part of the arrangement, Australia has committed US$ 3 billion to support the expansion of the US submarine industrial base capacity, with US$ 1 billion already transferred and another US$ 1 billion expected by the end of 2025.[8]

Pillar II focuses on joint development of advanced military capabilities across multiple technological domains. CRS reports identify eight active working groups under Pillar II: undersea capabilities, quantum technologies, artificial intelligence and autonomy, advanced cyber capabilities, hypersonic and counter-hypersonic capabilities, electronic warfare, innovation, and information sharing.[9] While receiving less public attention than the submarines, Pillar II cooperation extends to technologies including Tomahawk cruise missiles, Long-Range Anti-Ship Missiles, and extended-range Joint Air-to-Surface Standoff Missiles that Australia plans to acquire.[10] The architecture is real but incomplete: treaty texts and technical agreements have lowered the legal barriers to transfer, but industrial capacity, workforce training, and the political timelines for construction and delivery remain long.

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[5] Derek E. Mix and Jared G. Tupuola, **"AUKUS and Indo-Pacific Security"**, Congressional Research Service (CRS), 3 March 2025.

[6] **"Joint Leaders Statement on AUKUS"**, Prime Minister of Australia, 14 March 2023.

[7] **"AUKUS: A Strategic Necessity, Not a Risky Gamble"**, Indo-Pacific Studies Center, 21 March 2025.

[8] Sana Khan, **"Australia to Make Next $1 Billion AUKUS Payment as Albanese Prepares Trump Visit"**, Modern Diplomacy, 14 October 2025.

[9] Luke A Nicastro, **"AUKUS Pillar 2 (Advanced Capabilities): Background and Issues for Congress"**, Report, CRS, 21 May 2024.

[10] Derek E. Mix and Jared G. Tupuola, **"AUKUS and Indo-Pacific Security"**, Report, CRS, 3 March 2025.

As we have noted in previous writings, the plan has advanced steadily despite scepticism concerning industrial capacity. Australian Defence Minister Richard Marles recently stated that AUKUS represents "the largest enhancement of our military capability in a century", pointing to visible progress at the Osborne Naval Yard, the future submarine construction site.[11] Concurrently, the US Navy continues expanding its production of Virginia-class vessels to meet domestic and allied commitments, as documented in the March 2025 CRS report on the Navy's submarine programme. [12]

AUKUS Debate on Both Shores

AUKUS has spawned vigorous debate on both sides of the Pacific. In the United States, congressional interest centres on cost, industrial capacity, and oversight. Some Members of Congress have pressed for assurance that the US shipyards can meet domestic fleet requirements while transferring hulls or capabilities to an ally. CRS reports highlight Virginia-class production's fiscal and programmatic trade-offs and any sale or transfer. Domestic political debate also emphasises the credibility of long-term commitments—Congressional appropriations and sustainment obligations matter as much as White House declarations.[13]

Despite these challenges, strong bipartisan Congressional support remains for the AUKUS partnership as a strategic concept. House Armed Services Committee Chairman Mike Rogers and Ranking Member Adam Smith wrote in a February 2024 letter to President Biden that "any deviation from the planned cadence of the construction and procurement of two submarines per year will reverberate both at home and abroad, with allies and competitors alike."[14] The concern reflects not opposition to AUKUS itself but rather anxiety about America's ability to deliver on its commitments.

Export control reform represents another dimension of the US debate. CRS analysis identifies the International Traffic in Arms Regulations (ITAR) as a significant obstacle to seamless AUKUS Pillar II cooperation. While legislation has been passed to facilitate technology sharing among the three partners, implementation remains complex, and some Congressional members worry about adequate safeguards for sensitive technologies.[15]

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[11] **"Joint Press Conference, Adelaide"**, Australian Government, 21 October 2025.

[12] Ronald O'Rourke, **"Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar 1) Project: Background and Issues for Congress"**, CRS, 28 March 2025.

[13] Ibid.

[14] Tom Corben and Alice Nason, **"Are Biden and Congress Playing Chicken with AUKUS?"**, United States Studies Centre, 29 February 2024.

[15] Luke A Nicastro, **"AUKUS Pillar 2 (Advanced Capabilities): Background and Issues for Congress"**, no. 9.

As pointed out in our earlier writings, efforts have been made to introduce ITAR exemptions for Australia and the UK since the Clinton administration. However, there has been sustained opposition from the US Congress to this effort. This is due to the concerns that such exemptions would eventually open the floodgates for technology transfers and undermine the US's technology-based military dominance.[16]

The Australian debate over AUKUS is more fundamental and wide-ranging than the American discussion, encompassing strategic, financial, sovereignty and regional stability concerns. According to the Centre for Strategic and International Studies (CSIS) analysis, the most vocal critics include retired political and government officials, with major political parties maintaining active support despite some internal dissent.[17]

In Australia, political debate focuses on sovereignty, strategic independence, cost and timelines. Critics ask whether committing to nuclear-powered submarines locks Australia into a decades-long dependence on foreign reactors, fuel-cycle arrangements and sustainment infrastructure. Others argue that the strategic imperative—deterrence in an increasingly contested Indo-Pacific—justifies the expense and the operational shift. Australian parliamentary discussions and public debates also emphasise skills, jobs and regional diplomatic repercussions, particularly with Southeast Asian neighbours and China. The Australian government has sought to dampen fears by highlighting the defensive, stabilising intent of AUKUS while accelerating domestic industrial preparations.[18]

The cost debate has been particularly contentious. Former Prime Minister Malcolm Turnbull criticised the agreement and noted that Australia was "spending $3 billion to support the US submarine industrial base, but we have no guarantee we will ever get any submarines".[19] Critics argue that the projected AUD 368 billion cost represents excessive spending that will distort other defence and social priorities. However, supporters counter that this represents a 30-year investment, including not just on submarines but also providing access to cutting-edge technologies across multiple domains and helping develop Australian sovereign submarine construction capability.

Strategic risk concerns focus on whether AUKUS increases Australia's vulnerability to being drawn into conflicts that are not in its direct interest. Reports that the Trump administration might require Australian pre-commitment to support the US in a

[16] R. Vignesh, **"The Road Ahead for AUKUS in 2024"**, Issue Brief, Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), 21 January 2024.

[17] James Carouso, **"AUKUS Is a Big Deal, and Big Deals Should Lead to Big Debates"**, CSIS, 28 April 2023.

[18] Australian Submarine Agency, **"AUKUS Agreement for Cooperation on Naval Nuclear Propulsion"**, Australian Government, 7 August 2025.

[19] **"AUKUS: A Strategic Necessity, Not a Risky Gamble"**, Indo-Pacific Studies Center, 21 March 2025.

Taiwan contingency sparked significant controversy. Defence Industry Minister Pat Conroy stated that no such firm commitment would be forthcoming.[20] This tension reflects broader Australian anxiety about maintaining strategic autonomy while deepening alliance ties.

However, public opinion polling suggests Australians support AUKUS more than the intensity of elite criticism might indicate. The Lowy Institute's latest polling shows that 67 per cent of Australians support acquiring nuclear-powered submarines under AUKUS, and 51 per cent believe Australia should increase defence spending.[21] This disconnect between elite critique and public support may provide political space for the government to pursue AUKUS despite vocal opposition.

AUKUS Pathways to Progress: Critical Factors

The Trump–Albanese meeting provides a foundation for the continuation of AUKUS. Still, the partnership faces significant challenges over the next several years that will test whether it can survive the aspiration to reality. Several factors will prove critical.

The Trump Factor

President Trump's personal imprint on AUKUS cannot be ignored. His first term (2017–2021) saw scepticism towards multilateralism but support for burden-sharing allies. In this second administration, his rhetoric stresses transactional fairness and domestic manufacturing. Those instincts could either bolster AUKUS—by demanding faster US industrial output—or undermine it—if 'America First' politics constrain export commitments. The October meeting suggests both impulses are at work. Trump publicly praised Australia as a "great ally" and a "great leader in the Pacific". Yet, the subtext of his domestic messaging was unmistakable: AUKUS must deliver US jobs and allied security. For Canberra, that dual demand implies that political lobbying in Washington will remain a permanent feature of AUKUS management.[22]

Industrial Base Development

The most immediate challenge remains US submarine production capacity. The Navy and industry partners are working to increase Virginia-class production to 2.0 boats per year by 2028, with a subsequent target of 2.33 annually.[23] Whether this goal can be achieved remains uncertain. Congress has appropriated billions of dollars for

[20] Colin Clark, **"Criticism, Questions Mount About AUKUS & US Relations in Australia"**, *Breaking Defense*, 21 July 2025.

[21] **"Acquiring Nuclear-Powered Submarines"**, Lowy Institute Poll 2025, 29 July 2025.

[22] **"AUKUS Architect Says Concerns Remain Over Deal's Future Despite Donald Trump Backing"**, *ABC News*, 22 October 2025.

[23] Ronald O'Rourke, **"Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar 1) Project: Background and Issues for Congress"**, CRS, 28 March 2025.

industrial base expansion, but workforce development, supply chain resilience, and infrastructure modernisation take years to bear fruit.

Australia's AUD 3 billion contribution to US industrial base expansion represents unprecedented allied burden-sharing for defence industrial capacity. However, there is limited transparency about how these funds will be spent and no apparent refund mechanism if submarines cannot be delivered as promised.[24] This investment's success will significantly influence future allies' willingness to contribute to US defence industrial capacity.

Australia faces its own industrial base challenges. Less than two years away, the country must develop infrastructure and workforce capabilities to support Submarine Rotational Force-West by 2027, then maintain and eventually construct nuclear-powered submarines domestically. AUKUS represents a generational transformation in Australian defence industrial capacity requiring sustained political will and funding over decades.

Political Sustainability

AUKUS spans multiple election cycles in all three countries, creating political vulnerability. While bipartisan support exists in Australia and the US, changes in government or shifts in political priorities could undermine the partnership. Though ultimately endorsing continuation, the Trump administration's review of AUKUS demonstrated how presidential transitions can create uncertainty for multi-decade commitments.

The Financial Times reported that Under Secretary of Defence Elbridge Colby has privately pushed for Australian and Japanese pre-commitments to support the US in potential Taiwan contingencies.[25] If such demands become public ultimatums, they could undermine Australian political support for AUKUS by framing it as sacrificing sovereignty for security guarantees. Managing alliance expectations while maintaining political sustainability in Canberra represents a delicate balancing act.[26]

China Factor

AUKUS emerged explicitly in response to concerns about China's growing military capabilities and assertive behaviour in the Indo-Pacific. However, Australia's relationship with China has stabilised since the depths of bilateral tensions under former Prime Minister Scott Morrison. Maintaining this stabilisation while

[24] Kym Bergmann, **"AUKUS Fail – US Legislation to Fund Submarine Industrial Base Blocked"**, Asia Pacific Defence Reporter, 18 February 2024.

[25] Demetri Sevastopulo, **"US Demands to Know What Allies Would Do in Event of War Over Taiwan"**, *Financial Times*, 13 July 2025.

[26] Michael Shoebridge, **"Australia and the United Kingdom Put the AUKUS Spin Cycle on High"**, The Interpreter, 29 July 2025.

simultaneously developing capabilities explicitly aimed at regional deterrence requires careful diplomacy.

The critical minerals agreement signed during the Trump–Albanese meeting illustrates this tension. As China tightens export controls on rare earths, Australia positions itself as an alternative supplier to the US—a move with clear strategic implications for US–China competition. How Beijing responds to Australian submarine acquisitions and deepens alliance cooperation with Washington will significantly influence regional dynamics and potentially Australian domestic politics around AUKUS.

Pillar II Acceleration

While Pillar I submarines attract the most attention, Pillar II's advanced capabilities cooperation may ultimately prove more strategically significant. The CRS identifies multiple working groups pursuing joint development of critical technologies from artificial intelligence to hypersonic.[27] Success in these domains could yield capabilities available years before submarines are delivered, providing near-term deterrence value while submarine construction proceeds.

Export control reform remains essential for Pillar II's success. The three countries have made progress in streamlining technology transfer processes, but significant regulatory barriers remain. Congressional oversight of these reforms must balance facilitating allied cooperation against technology security concerns.

Expansion Questions

Multiple countries have expressed interest in AUKUS, particularly in the Pillar II cooperation. Canada, Japan, New Zealand and South Korea have all sought engagement.[28] Expanding AUKUS could enhance its strategic impact and demonstrate broader allied commitment to Indo-Pacific security. However, expansion also risks diluting the partnership's unique intimacy and complicating its already challenging implementation. How the three founding partners manage these expansion requests will shape AUKUS's longer-term evolution.

Beyond Submarines: The Case for 'AUKUS Plus'

Even if submarine timelines slip, the logic of technological collaboration endures. Pillar II offers a platform for what officials call 'AUKUS Plus'—partnerships with Japan, South Korea, or Canada on emerging technologies. Expanding the ecosystem could share costs and strengthen interoperability. Trump and Albanese's rare-earth

[27] Luke A Nicastro, **"AUKUS Pillar 2 (Advanced Capabilities): Background and Issues for Congress"**, no. 9.

[28] Derek E. Mix and Jared G. Tupuola, **"AUKUS and Indo-Pacific Security"**, no. 10.

deal hints at this broader ambition—securing supply chains for sensors, batteries and advanced materials that underpin deterrence in the Indo-Pacific.

The Stakes for the Indo-Pacific Order

The Indo-Pacific remains the central theatre of strategic competition. China's rapid naval expansion and coercive diplomacy have eroded regional confidence. A credible AUKUS, delivering real capabilities and steady cooperation, reinforces deterrence and signals that liberal democracies can marshal industrial power for collective defence. Conversely, a faltering AUKUS would embolden sceptics of US reliability and raise doubts about allied resolve.

Regional perceptions will hinge on how transparently AUKUS partners explain their intentions. Southeast Asian observers, including Indonesia and Malaysia, remain wary. Confidence-building measures—information sharing, joint humanitarian exercises and explicit non-proliferation guarantees—will be vital.[29] Albanese's post-summit statement that AUKUS "strengthens stability, not competition" reflects awareness of that regional balancing act.

Three Futures for AUKUS

Continuity with Acceleration

If political will holds and industrial bottlenecks ease, the AUKUS partners could meet or even accelerate current timelines. Additional US funding for submarine industrial capacity—already proposed in Congressional markups—would help. Australia's investment in workforce training and regulatory frameworks could reduce dependency on foreign expertise. The critical minerals pact would expand AUKUS into a full-spectrum economic security partnership.

Managed Slowdown with Diversification

This is more likely a moderated path. US shipyard congestion or cost overruns could delay Virginia-class deliveries. Canberra might extend the life of its Collins-class fleet, host more visiting submarines, and focus on Pillar II technologies—AI, cyber and undersea sensors—that provide deterrence without delay. That 'diversified AUKUS' would still serve the alliance's strategic purpose, albeit with fewer submarines and more silicon.

Strategic Recalibration

In a less favourable scenario, domestic politics in either country could sharply curtail AUKUS. A future US administration might prioritise its naval build-up,

[29] Michael Shoebridge, **"Australia and the United Kingdom Put the AUKUS Spin Cycle on High"**, no. 26.

leaving Australia short of promised boats. Alternatively, an Australian political shift could favour regional diplomacy and cost control over nuclear ambitions. Both leaders insist that it is not on the cards, but long programmes often outlast political cycles.

Whither AUKUS

The Trump–Albanese meeting delivered political reassurance. Trump's apparent endorsement of AUKUS, driven at least partially by the partnership's alignment with his ‘America First’ priorities of allied burden-sharing and domestic job creation, provides essential momentum. Yet, reassurance is not execution. The more complicated tasks now lie with budget committees, engineers, regulators and shipwrights. Congress must approve multi-year funding; Australian industries must train nuclear engineers; safety authorities must finalise reactor standards. Each milestone will test the alliance's bureaucratic endurance.

The lesson from other long-horizon defence projects—whether the F-35 fighter or the UK Astute-class submarine—is that political enthusiasm can fade as technical challenges mount. AUKUS must avoid that fate through institutionalisation—trilateral governance boards, transparent reporting and bipartisan buy-in on both sides of the Pacific. Only then will AUKUS move from press conference rooms to the production line.

The future of AUKUS after the Trump–Albanese meeting appears more secure than some feared but less specific than supporters hope. It represents a calculated bet that democratic allies can cooperate at unprecedented levels to shape Indo-Pacific security for future generations. Whether that bet succeeds will determine not only the fate of this particular partnership but also the broader viability of allied cooperation in an era of renewed great power competition.

Ultimately, AUKUS is less a treaty than a test of whether democracies can organise for the long term in a world of short attention spans. Trump and Albanese's meeting kept the test alive. Success will depend not on handshakes but on hulls, not on headlines but on complex engineering. If the partnership delivers, it will reshape the strategic geometry of the Indo-Pacific for half a century. If it falters, historians may view the October 2025 meeting as a photo-op that could not anchor an alliance of the future.

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