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Trump Warns Albanese on AUKUS Defence Spending Shortfall

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The Trump administration has intensified pressure on Prime Minister Anthony Albanese, warning that Australia's AUKUS commitments risk failure without increasing defence spending to 3.5% of GDP.

The Trump administration has issued a stern warning to the Australian government, led by Prime Minister Anthony Albanese, stating that the AUKUS (Australia-United Kingdom-United States) security pact could falter unless defence spending rises to 3.5% of gross domestic product (GDP). Senior US defence officials, including Secretary of Defence Pete Hegseth, have emphasized that Australia's current 2.3% of GDP allocation falls short of the "global standard" needed to sustain the \$368 billion submarine program. This

follows a Pentagon review of AUKUS to ensure alignment with Trump's "America First" policy, raising concerns about Australia's capacity to meet its obligations.

Hegseth, in a recent meeting with Australian Deputy Prime Minister and Defence Minister Richard Marles, underscored the need for Australia to bolster its defence budget to support the acquisition of Virginia-class submarines by 2032. "The US expects allies to pull their weight," Hegseth reportedly told Marles, according to a former Australian defence official, Ross Babbage, in an interview with *The Nightly*. Babbage highlighted US frustration with Albanese's dismissal of the 3.5% target, noting that it risks straining the alliance. The AUKUS agreement, critical for countering regional threats, hinges on Australia's ability to fund and maintain nuclear-powered submarines, a cornerstone of the pact.

The Albanese government has defended its position, with Marles stating that Australia's defence policy prioritizes capability over arbitrary spending targets. "Australia will invest in what our strategic needs require," Marles said, pointing to a \$50.3 billion increase in defence funding through 2034, bringing spending to 2.3% of GDP. Critics, including the Coalition's defence spokesperson Angus Taylor, argue this is insufficient, warning that inadequate funding could jeopardize AUKUS and leave Australia vulnerable. Taylor stressed the need for clarity on the review's implications, noting, "Strengthening alliances requires concrete action, not just promises."

The US review has sparked domestic debate, with analysts like John Blaxland expressing cautious optimism about AUKUS's future, citing strategic benefits like the Perth submarine base. However, the pressure from Washington underscores broader concerns about Australia's defence readiness amid rising geopolitical tensions. As Albanese prepares for a potential meeting with Trump at the G7 summit, the government faces tough choices to balance domestic priorities with alliance commitments.