



CLIMATE ENERGY FINANCE

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NEW REPORT: COALITION'S NUCLEAR FOLLY WOULD COST AUSTRALIAN ECONOMY AT LEAST \$4.3 TRILLION BY 2050

[New analysis](#) by independent public interest think tank [Climate Energy Finance \(CEF\)](#) of the economic implications of the nuclear pathway modelled by Frontier Economics for Australia's energy transition – cited extensively by the Federal Coalition to defend its nuclear plan – reveals a massive hollowing out of Australian industry, permanently higher total energy costs, uncosted unabated carbon pollution, and trillions of dollars in lost GDP.

The CEF analysis exposes damaging flow-on costs to the economy for which the Frontier modelling fails to account.

Combined with Frontier's extreme underestimation of the capital costs of building nuclear reactors, these costs accumulate to \$4.3 - 5.2 trillion by 2050, 13-16 times the \$331bn price tag for a nuclear Australia assumed by Frontier Economics.

These costs include an estimated:

- \$3.5 trillion in cumulative undiscounted lost GDP through 2050.
- \$111-332bn in unaccounted for nuclear capex costs, which the Frontier modelling erases all but \$13.5bn of by failing to both amortise nuclear's capital investment costs incurred after 2050 and account for inevitable expensive retrofits;
- \$234bn in higher fuel costs due to slower electrification meaning consumers and businesses are forced to rely on higher cost fossil fuels for longer;
- \$72-720bn in economic damage from up to 2.0bn of additional tonnes of CO₂ emissions;
- \$100bn in lost export revenue from the aluminium industry alone, likely to collapse under the drastically reduced industrial electricity demand in the nuclear scenario.

Report author Tim Buckley, CEF Director and a former MD of global investment bank Citigroup, said:

"It strains credulity that the Frontier Economics nuclear report is riddled with shortcomings which completely undermine its credibility as a work of serious energy transition analysis, given this is the central modelling being relied upon by the Opposition for its key energy and climate policy offering of the 2025 Federal election.

"The largest share of the Frontier-modelled 'savings' in energy transition investment comes at the cost of delivering much weaker outcomes for Australia, including an assumption the Australian economy's GDP is \$300bn lower annually by 2051. This represents an astonishing \$3.5 trillion in cumulative GDP forgone.

“This is as weak as the Opposition Leader recently declining to accept the settled climate science because he is ‘not a scientist’.

“It beggars belief that this is the best the party representing itself as alternative federal government can come up with, as the nation stands on the brink of an immense generational opportunity to remake itself as a global renewables superpower and green energy export leader in a rapidly decarbonising world.”

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