

AUKUS: New Opportunities for the United States and Its Closest Allies

Peter Jennings

On September 15, 2021, U.S. President Joe Biden, Australian Prime Minister Scott Morrison, and U.K. Prime Minister Boris Johnson held a virtual media conference to announce “the creation of an enhanced trilateral security partnership called ‘AUKUS’—Australia, the United Kingdom, and the United States.” The partnership focuses on the Indo-Pacific and is intended to “foster deeper integration of security and defense-related science, technology, industrial bases, and supply chains.”¹

The most striking initial AUKUS project is “a shared ambition to support Australia in acquiring nuclear-powered submarines” and a projected 18-month time frame “to seek an optimal pathway to deliver this capability.” Only once before has the United States given a foreign power access to technology to develop nuclear propulsion: the United Kingdom in the 1950s. AUKUS therefore represents a significant strategic opportunity for Australia. More broadly, the partnership offers to pool defense-related science and technology and each country’s defense industry into a shared endeavor, working on the following high-priority areas: “cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities.”²

Early reactions to AUKUS described the agreement as a big deal. *The Economist* declared AUKUS to be as profound a strategic shift as “Nixon going to China in 1972 and the fall of the Berlin Wall in 1989.”³ It was a new piece of strategic architecture in the Indo-Pacific and for that reason directly aimed at the People’s Republic of China (PRC) and Beijing’s challenge to the rules-based order. Biden underlined this point at the agreement’s launch: [T]he future of each of our nations—and indeed the world—depends

on a free and open Indo-Pacific enduring and flourishing in the decades ahead.”⁴

While the Australian Navy appeared to be the first beneficiary of AUKUS’s focus on nuclear propulsion, the reality is that even on the most optimistic projections, a nuclear-powered submarine for Australia is at least a decade—and perhaps more realistically 15 to 20 years—in the future. In this essay, I will assess the opportunities and risks associated with AUKUS, asking what each of the three partners may want to get for their political and economic investment. All three countries stand to gain from AUKUS in geopolitical, strategic, and defense terms, but not without some risk to the practical delivery of defense technology outcomes.

AUKUS: The Strategic Context

AUKUS reflects a shared understanding among the three partner countries that the PRC presents an immediate and sustained challenge to the international security order, not only globally, but most pressing in the Indo-Pacific region. Each country has been forced to change policy on the PRC over the past decade, moving from attempts to engage Beijing with a view to shaping its behavior to a point now where the three countries openly acknowledge the danger of an assertive China’s growing power.

This has not been an easy process. Australia concluded a free trade agreement with China in late 2014 on terms that would hardly be acceptable today, and Tony Abbott, then the center-right Australian Prime Minister, welcomed Xi Jinping to Canberra saying that “a relationship might begin with commerce but it rarely ends there once trust has been established, as I believe it has between Australia

and China.”⁵ In 2015, then-British Prime Minister David Cameron was welcoming a “golden era” with Beijing based on massive PRC investment in critical infrastructure.⁶ When Xi visited Washington, D.C., in September 2015, he gave assurances to President Barack Obama that China had “no intention to militarize” the disputed Spratly Islands in the South China Sea and would reduce the cyber-enabled theft of American intellectual property.⁷ For a short while, there was hope in the White House that Xi could be taken at his word.

Since those optimistic times, policy toward the PRC has hardened in the AUKUS capitals. The need to respond to Beijing’s militarization of the South China Sea, massive military spending, coercive use of trade and investment, cyber espionage, and attempts to undermine American and allied influence in the Indo-Pacific has forced governments to make more negative assessments about Beijing’s intentions. The arrival of AUKUS reflects a shared realization that more concerted effort is needed to align policy responses to China and fast-track emerging military capabilities to strengthen deterrence. AUKUS should therefore be seen in the context of the arrival of the QUAD (a grouping that includes the U.S., Australia, Japan, and India); the rapidly growing Australia–U.S.–Japan trilateral defense partnership; and an enlarged and revitalized NATO. These are all recent examples of the world’s consequential pluralist countries grouping together in the face of a sustained authoritarian challenge from the PRC and Russia.

AUKUS does not supplant existing bilateral treaty agreements and defense cooperation activities between the U.S. and Australia and the U.S. and Britain, but it brings a new trilateral mechanism to the fore, creating the possibility of wider cooperation among the three countries’ defense and intelligence establishments, research and development, and industrial sectors.

AUKUS is perhaps also a tacit acknowledgement of the limits to the individual capacities of the three countries. As powerful as the United States is, it needs capable allies to bolster American military strength, add options for logistic support and sustainment, and field interoperable military platforms. For all three countries, AUKUS is a potentially valuable force multiplier with the capacity to strengthen conventional deterrence and complicate Beijing’s strategic planning.

How Does AUKUS Fit with U.S. Strategy?

Successive American Administrations have sought to give more priority to the Indo-Pacific, and Biden’s February 2022 *Indo-Pacific Strategy* stresses an “intensifying American focus” on the region. Two themes dominate the Biden strategy:

- This is a competition for influence with China, which “seeks to become the world’s most influential power” through “coercion and aggression,” and
- The United States will counter this through “collective efforts over the next decade” with allies and partners.⁸

On America’s defense posture in the region, the Biden strategy refers to AUKUS in the context of reinforcing and strengthening deterrence and bringing together European and Indo-Pacific partners. The AUKUS technology agenda fits neatly into the strategy’s priority list for Indo-Pacific defense priorities:

We will foster security ties between our allies and partners in the Indo-Pacific region and beyond, including by finding new opportunities to link our defense industrial bases, integrating our defense supply chains, and co-producing key technologies that will shore up our collective military advantages. As we do, we will bring together our Indo-Pacific and European partners in novel ways, including through the AUKUS partnership.⁹

There is substantial continuity between the Trump and Biden Administrations in terms of American force posture in the Indo-Pacific. The National Security Strategy released by then-Secretary of Defense James Mattis in 2018 defines key desired attributes of U.S. forces in the Indo-Pacific:

Forward force maneuver and posture resilience. Investments will prioritize ground, air, sea, and space forces that can deploy, survive, operate, maneuver, and regenerate in all domains while under attack. Transitioning from large, centralized, unhardened infrastructure to smaller, dispersed, resilient, adaptive basing that include active and passive defenses will also be prioritized.¹⁰

This is particularly relevant to U.S. thinking about Australia’s strategic geography and the potential for American forces to operate with their Australian Defence Force (ADF) counterparts in and from the north of Australia. Since 2010, the U.S. Marine Corps has been staging annual six-month to eight-month rotational deployments to Darwin in the Northern Territory. The U.S. Air Force has been staging increasing numbers of flights from Australia’s northern air bases. Current planning seeks to intensify this cooperation. At the most recent annual Australia–U.S. Ministerial Consultations (AUSMIN) talks in September 2021, bringing the U.S. Secretaries of State and Defense together with their Australian counterparts, the Secretaries and Ministers endorsed the following areas of force posture cooperation:

- Enhanced air cooperation through the rotational deployment of U.S. aircraft of all types in Australia and appropriate aircraft training and exercises.
- Enhanced maritime cooperation by increasing logistics and sustainment capabilities of U.S. surface and subsurface vessels in Australia.
- Enhanced land cooperation by conducting more complex and more integrated exercises and greater combined engagement with Allies and Partners in the region.
- Establish a combined logistics, sustainment, and maintenance enterprise to support high-end warfighting and combined military operations in the region.¹¹

Without much attention being drawn to it, the U.S. is investing substantially in building a fuel facility near Darwin, to be completed in September 2023, which will be able to store 300 million litres (nearly 80 million U.S. gallons) of military jet fuel.¹²

Taken together with the arrival of AUKUS, it seems clear that American thinking about Australia’s strategic value in the Indo-Pacific is changing. Northern Australia is becoming more important to support a dispersal strategy, while Australia’s potential as a supply and sustainment hub is growing. An Australian Defence Force operating nuclear-powered submarines (in all probability *Virginia*-class

SSNs) along with an array of interoperable platforms, sensors, and weapons is valuable. Combine that with key elements of equipment production and prepositioning in Australia along with access to ADF bases and national infrastructure, and this becomes a powerful force multiplier for the U.S. military at great distance from the continental U.S.

Are there risks to the United States in pursuing a closer defense relationship with Australia? All alliances impact autonomous decision-making to some degree. However, nothing can replace the value of Australia’s strategic geography to the south of the Asian mainland. Just as in the Second World War, a major military campaign focused on the Western Pacific would find Australia a vital piece of geography for the United States. The U.S. must factor in occasional political differences between Canberra and Washington that may impact the conduct of operations. For example, how would the two countries manage political decision-making in support of military operations mounted from Australian territory? Nevertheless, over the 70-year life of the ANZUS treaty,¹³ Australia and the United States have had a remarkable confluence of shared strategic interests, and this confluence is only being reinforced by the rise of an assertive Beijing.

The British Agenda for AUKUS

In March 2021, the U.K. government released a policy statement, *Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy*. The statement argued that “the Indo-Pacific will be of increasing geopolitical and economic importance, with multiple regional powers with significant weight and influence, both alone and together.”¹⁴ As a result, Britain would “tilt to the Indo-Pacific,”¹⁵ in part as a response to the competitive challenges presented by China. The policy shift was underscored by a deployment to the Indo-Pacific of the *Queen Elizabeth* aircraft carrier and a maritime strike group in late 2021.

Not all in the U.K. are convinced that the “tilt” will survive after the Prime Ministership of Boris Johnson, the chief architect of the policy. The judgment of Peter Ricketts, now in the House of Lords after a career at the heart of British foreign policy, is unambiguous: “A tilt to the Indo-Pacific is a slogan not a strategy. It does not match closely enough the pattern of Britain’s vital interests to become the basis for a durable national strategy.”¹⁶ Ricketts does

accept, though, that an active foreign policy in Europe and deeper engagement in the Asia–Pacific “are not mutually exclusive.”¹⁷

Russia’s invasion of Ukraine is a reminder that Europe and the U.K. face more immediate strategic threats in their own neighborhood. This, appropriately, will be a primary driver of British defense policy. However, enabled by the size of its economy and population and driven by a nationalist and assertive ideology, the PRC will remain the biggest long-term strategic challenge to global stability. Whether acknowledged or not, all countries are tilting to the Indo-Pacific. After Brexit, the U.K. is looking for markets and economic prospects in the region. This mix of risk and reward is likely to sustain a long-term British interest in the Indo-Pacific, perhaps best regarded as a second-level security priority after the existential threat presented to Europe by a revanchist Russia.

AUKUS is a prime enabler for the U.K. to pursue its agenda for an Indo-Pacific tilt. The two policy objectives of enhanced trilateral cooperation and a stronger British presence and interest in the Indo-Pacific align comfortably. In a perfect policy world, AUKUS should add momentum to independent British efforts to pursue a tilt to the region. From a British perspective, AUKUS cements a stronger bilateral relationship with the U.S. that is quite separate from NATO or other European connections. If the aspired level of technology cooperation is achieved, AUKUS lifts the U.K. and Australia into a closer and stronger relationship with the United States relative to any other ally or partner. Britain will probably also assess that a close AUKUS industrial partnership will strengthen its defense export position relative to European competitors.

AUKUS and Australia

The arrival of AUKUS reflects a strong Australian interest to seek support from like-minded democracies in what has been a protracted and complicated set of disputes with China. In 2018, Australia became one of the first countries to exclude PRC companies, in particular Huawei and ZTE, from participating in the rollout of the 5G network. Canberra has also passed laws banning PRC funding of political parties, prevented at least some Chinese acquisitions of critical infrastructure, and modernized anti-espionage and anti-covert interference laws. Following then-Prime Minister Scott Morrison’s call for an international investigation into the origin of the Covid-19

virus, Beijing retaliated with official and unofficial bans on Australian exports including coal, barley, wine, beef, seafood, and other commodities.

From a defense perspective, Australia has been particularly concerned about the PRC’s illegal annexation of much of the South China Sea and its cultivation of political influence with Australian state governments, with Pacific Island countries, and in Southeast Asia. A *Defence Strategic Update* issued in 2020 concluded that:

Previous Defence planning has assumed a ten-year **strategic warning time** for a major conventional attack against Australia. This is no longer an appropriate basis for defence planning. Coercion, competition and grey-zone activities directly or indirectly targeting Australian interests are occurring now.... Reduced warning times mean defence plans can no longer assume Australia will have time to gradually adjust military capability and preparedness in response to emerging challenges. This includes the supply of specialised munitions and logistic requirements, such as fuel, critical to military capability.¹⁸

In responding to these developments, Canberra has sought to deepen alliance cooperation with the United States significantly, build closer defense ties with Japan and India, and restate the importance of cooperation between countries that support the international rule of law.

There is bipartisan political and domestic popular support for lifting defense spending beyond the current level of 2.1 per cent of gross domestic product, as well as for establishing the conditions for domestic production of a range of missiles for ADF and allied use, expanding offensive and defense cyber capabilities, and looking for other ways to increase ADF range and firepower to boost deterrence. Australian governments have recognized that emphasizing force structure improvements—replacing aging submarines and surface vessels, for example—that would not deliver new capabilities until well into the 2030s was a major weakness in defense planning.

AUKUS therefore addresses five identified Australian strategic needs.

- It seeks to engage the United States more closely, giving Washington reason to put higher value on its alliance with Australia.

- British involvement is welcomed by Canberra as a way of signaling that likeminded democracies will work together to resist the PRC's challenge to the global order. This is a way of internationalizing what has been a difficult bilateral struggle between Canberra and Beijing.
- AUKUS offers the possibility of fast-tracking the acquisition of new military technology that will strengthen deterrence and give the ADF a technology edge.
- AUKUS underpins a strategic judgment that the defense of Australia is something that can be credibly assured only within an alliance context, so the ADF needs to have the best possible levels of interoperability with the U.S. military.
- AUKUS addresses a central policy failure spanning several Australian administrations, which is the inability to find more capable replacements for the ADF's high-quality but aging *Collins*-class submarines.

Australian critics of AUKUS argue that the agreement draws the country too closely into the U.S. rivalry with China. Hugh White, for example, argues that “we cannot take it for granted the US will solve our China problem for us. On the contrary, our ally will probably fail us. Americans will find that it will cost them more than it is worth to maintain leadership in Asia against China’s formidable challenge.”¹⁹

White’s critique is based on his concluded view that China will not be deterred from seeking dominance in the Indo-Pacific. Australian national security policymakers do not accept that position, preferring instead to argue that a close alliance with the United States helps to strengthen deterrence. It is certainly true, though, that an alliance made closer through AUKUS will lift American expectations about what Australia should be able to contribute to that collective defense effort.

The Submarine Strategy

Prior to the AUKUS announcement, Australia was planning to replace its six *Collins*-class conventional attack submarines with 12 locally built French-designed submarines designated the *Attack*-class. The aim as stated in the *2016 Defence White Paper* was to produce 12 “regionally superior

submarines with a high degree of interoperability with the United States.” The “key capabilities” of these submarines “will include: anti-submarine warfare; anti-surface warfare; intelligence, surveillance and reconnaissance; and support to special operations.”²⁰ By 2020, Prime Minister Scott Morrison had formed doubts about whether the *Attack* class would provide that regionally superior capability at the time of initial delivery around the mid-2030s.

Morrison directed a small team in the Defence Department to identify alternative submarine designs. By the time of the G-7 meeting in Cornwall in the United Kingdom, Biden, Johnson, and Morrison had agreed privately on the broad shape of AUKUS cooperation, noting that “the strategic context in the Indo-Pacific was changing and that there was a strong rationale for deepening strategic cooperation between the three governments.”²¹ It was a remarkable step made possible only by the presidential decision to allow Australia access to nuclear technology.

In my personal experience as Deputy Secretary for Strategy in the Defence Department between 2009 and 2012, the United States Navy and wider national security system was not in any way disposed to give Australia access to submarine nuclear propulsion technology. Australian officials had raised the issue on several occasions only to be politely but firmly rebuffed. The U.S. Navy’s interest was in assisting Australia to strengthen its capacity for conventional attack submarine operations.

Media reports suggest that there are substantial reservations in the U.S. Navy about the AUKUS plan to develop an Australian SSN. For example, Randy Schriver, a former Assistant Secretary of Defense in the Trump Administration, identified “many potential obstacles on both sides” including from the U.S. Navy. Schriver told *The Australian* newspaper that there needed to be “sustained commitment from the senior political leaders in both capitals, otherwise the chances of Australia deploying its own nuclear submarine will drop below 50 per cent.”²² In effect, the decision to proceed with finding a pathway for Australia to access SSNs could have come only from President Biden. From an Australian perspective, an essential part of the 18-month “pathway” to March 2023 is to assure the U.S. Navy, Department of Energy, and other parties that Australia is capable of handling this transfer of intellectual property and technology securely and safely.

An Australian Nuclear Powered Submarine Task Force was established to work with the U.K. and U.S. on defining an 18-month pathway to development of an acquisition strategy. Key issues that the pathway is intended to address are “[s]ubmarine design, construction, safety, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.”²³

Compared to normal Defence business processes, this work is happening at breakneck speed, and measurable progress is being made. By December of 2021, a key parliamentary committee agreed to a U.S.–U.K.–Australia treaty enabling the exchange of naval nuclear propulsion information, an essential platform for classified information sharing. The committee noted that “the Australian Government has approved funding of up to \$300 million for the operation of the Nuclear Powered Submarine Task Force. As of 25 November 2021, the task force had 134 staff.”²⁴ By May 2022, that staff had grown to 226 people—by Australian standards a significant policy commitment.²⁵

In the United States, a bipartisan congressional working group announced in June 2022 that the Australia–U.S. Submarine Officer Pipeline Act was being introduced to “establish a joint training pipeline between the U.S. Navy and the Royal Australian Navy” and “enable the start of U.S.-based training of Commanding Officers for Australia’s future fleet of nuclear-powered submarines under the AUKUS alliance.”²⁶

Given the rapid worsening of the strategic outlook in the Indo-Pacific, much attention has been paid to how quickly a nuclear propulsion capability could be delivered to Australia. A complicating factor is that the Morrison government insisted that the nuclear submarines could be built in Adelaide, South Australia. To put it mildly, this is a major commitment, well ahead of current Australian industrial capability. The head of the Nuclear Powered Submarine Task Force, Vice Admiral Jonathan Mead, has said that outside of weapons fit, no design changes would be made to a choice between either the British *Astute*-class or American *Virginia*-class SSNs. Mead has acknowledged that, given design priorities in the U.K. and U.S., “new versions, the American SSNX and the British SSNR, will be in the mix.”²⁷

In January 2022, U.K. Foreign Secretary Elizabeth Truss commented to the Australian media that

there could be the possibility of “collaborative development by the three AUKUS parties rather than a choice of Britain’s *Astute*-class or America’s *Virginia*-class.”²⁸ There is promise in that approach, which could produce a design common to all three navies along lines like the common development approach used for the Joint Strike Fighter.

There is intense speculation in Australia that it might be possible to lease or acquire a U.S. *Virginia*-class SSN in U.S. service, reflagging the boat as Australian before 2030 and before construction of Australian SSNs. Peter Dutton, Australia’s Minister for Defence up to the May 2021 election and now leader of the centre-right Opposition, claims that:

I believed it possible to negotiate with the Americans to acquire, say, the first two submarines off the production line out of Connecticut. This wouldn’t mean waiting until 2038 for the first submarine to be built here in Australia. We would have our first two subs this decade. I had formed a judgment that the Americans would have facilitated exactly that.²⁹

For that to happen, Biden or his successor would have to conclude that there was value in giving Australia access to these boats ahead of the U.S. Navy’s own demands for more submarines. The advantage to the U.S. is that Australia would pay for the capability, allowing an expansion of a larger “federated” submarine presence in the Indo-Pacific. However, no one should underestimate the costs and challenges ahead in realising this Australian capability in every area from construction and sustainment to basing, crew training, safety, and operational planning.

The Wider AUKUS Technology Agenda

In addition to nuclear propulsion, the September 2021 AUKUS announcement identified four “high priority areas” for collaborating work: cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities. Further, in April 2022, Biden, Johnson, and Morrison met virtually to review progress on the AUKUS agenda and added some new categories for increased collaboration: “We also committed today to commence new trilateral cooperation on hypersonics and counter-hypersonics, and electronic warfare capabilities, as well as to expand information sharing and to deepen cooperation on defense innovation.”³⁰

Little has been publicly released about progress to date. A tripartite senior officials' group has been appointed to oversee progress. In Australia, the Secretary of the Department of Prime Minister and Cabinet is the representative, while U.K. and U.S. National Security Advisers Stephen Lovegrove and Jake Sullivan, respectively, lead for their countries.

Two joint steering groups have been established: one focused on submarines and the other covering all other nominated areas of advanced technology. Working groups have been established for each technology. To date, a work plan has not been released.

On April 5, 2022, the partners released a fact sheet reporting the following meetings:

- “On March 10, 2022, National Security Advisors from the three allies met virtually to review AUKUS progress and provide direction to the trilateral partnership going forward.”³¹
- “The three countries have held multiple Joint Steering Group meetings for each of the two AUKUS lines of effort, including in-person meetings in Canberra, London, and Washington, D.C.”³²
- “Seventeen trilateral working groups have been established (nine relating to nuclear-powered submarines, and eight to other advanced military capabilities); each has met multiple times.”³³

On April 1, 2022, it was announced that a bipartisan AUKUS Working Group, also known as the “AUKUS Caucus,” had been formed in the U.S. Congress. Its members, drawn from both the Democratic and Republican parties, are intent on “provid[ing] a forum for congressional attention on the implementation of AUKUS and on completing the steps needed to strengthen our already-existing security relationship.”³⁴

Three areas of weapons development activity that have been publicly revealed may be taken as examples of what could emerge from AUKUS cooperation.

First, in April 2022, the AUKUS leaders reviewed progress on implementation and, on autonomous systems, said: “Through the AUKUS Undersea Robotics Autonomous Systems (AURAS) project, our nations are collaborating on autonomous underwater vehicles, which will be a significant force

multiplier for our maritime forces. Trials and experimentation of this capability are planned for 2023.”³⁵ In May 2022, during the election campaign, then-Defence Minister Peter Dutton announced plans to fast-track the acquisition of three Extra Large Autonomous Undersea Vehicles (XLAUV).³⁶ For a planned cost of USD\$100 million, the boats are to be built in Australia over three years in a co-development project between the Australian Defence Organisation and U.S. company Anduril.³⁷ The boats are said to be capable of long endurance and multi-mission roles.

Second, a large investment in cyber capability was announced in the March 2022 Australian budget. Project REDSPICE—an acronym standing for Resilience, Effects, Defence, Space, Intelligence, Cyber and Enablers—will invest an additional AUS\$9.9 billion over the coming decade in a range of areas, including tripling the size of the Australian Signals Directorate’s offensive cyber capability. In terms of cooperation with the U.S. and U.K., ASD claims that Project REDSPICE will enable “[g]reater integration through expanded global footprint,” “[c]o-investment in Five-Eyes initiatives,” and “[c]ollaboration on AI and cyber technologies.”³⁸

Finally, without providing details, the Australian government has alluded to “collaboration with the United States to develop hypersonic missiles” as part of wider plans to develop a local missile manufacturing capability and increase stock holdings of U.S. missiles, including Tomahawk cruise missiles; joint air-to-surface standoff missiles (extended range); long-range anti-ship missiles (extended range); and precision-strike guided missiles for land forces with a range of over 400 kilometres.³⁹ In April 2022, the government announced that “Raytheon and Lockheed Martin have been chosen to deliver the Sovereign Guided Weapons and Explosive Ordnance Enterprise (GWEO), to initially enhance self-reliance and supply chain resilience, but with a future goal of developing a guided weapons manufacturing capability in Australia.”⁴⁰ It is clear that the project is intended to support U.S. missile requirements in the Indo-Pacific as much as it is to expand the ADF’s missile capabilities.

Reactions to AUKUS

International reactions to AUKUS were varied and largely divided on lines reflecting the strategic competition for influence in the Indo-Pacific.

Countries that welcomed the agreement included Japan, Singapore, and the Philippines. While Vietnam remained silent on the subject, it is assumed that it tacitly approves. France was critical based on the difficult reality that AUKUS ended its contract to design and build conventionally powered submarines in Australia.⁴¹ The change of government in Australia has opened the way to resuming a more positive bilateral relationship between Canberra and Paris.

Predictably, the PRC was a strident critic. A Ministry of Foreign Affairs spokesperson condemned the agreement, claiming that:

Cooperation on nuclear-powered submarine technology between the US, the UK and Australia will gravely undermine regional peace and stability, aggravate arms race and impair international nuclear non-proliferation efforts. It runs counter to regional countries' wishes. The three countries should discard the Cold War zero-sum mentality and narrow geopolitical perspective, follow the trend of the times for peace and development, and stop forming exclusive blocs or cliques.⁴²

Concerns about a supposed proliferation risk were aired by Indonesia and Malaysia. In May, Prime Minister Ismail Sabri of Malaysia told Japan's *Nikkei* newspaper that "We are worried that some other major economies will take advantage of AUKUS. For example, if China wants to help North Korea purchase nuclear-powered submarines, we can't say no because AUKUS has set a precedent."⁴³ Australia continues to make the case in Southeast Asia that it has no intention of acquiring nuclear weapons. All three AUKUS partners maintain that the agreement to provide Australia with a pathway to nuclear propulsion does not compromise their support for nuclear non-proliferation. The AUKUS countries advised the International Atomic Energy Agency (IAEA) that a critical objective of their cooperation will be to maintain "the strength of both the nuclear non-proliferation regime and Australia's exemplary non-proliferation credentials."⁴⁴

One important task for the AUKUS partners will be to determine whether any other countries should be allowed to participate in the broader technology development programs being advanced by the agreement. In an interview with the Australian Strategic

Policy Institute (ASPI) in November 2021, Japan's ambassador to Australia said, "We have been told there are some instances or areas where AUKUS members may need Japanese cooperation and participation and we are more than willing to do our contribution."⁴⁵

With two AUKUS members in NATO, it is relevant that the recently released NATO Strategic Concept commits the alliance to "promote innovation and increase our investments in emerging and disruptive technologies to retain our interoperability and military edge."⁴⁶ This too could create a basis for expanding AUKUS cooperation, although hopefully without a loss of focus and pace, which are key aspects of the AUKUS strategy.

Next Steps

A defining event in AUKUS's short history will be in March 2023 when officials are projected to bring to the President and the two Prime Ministers the plan for how Australia can acquire nuclear-propelled submarines. Australia's new Defence Minister and Deputy Prime Minister, Richard Marles, has said that he hopes to achieve three key outcomes at that time. The first is an identified submarine type, which amounts to a choice between the U.S. *Virginia*-class or British *Astute*-class SSNs or their design successors. Second, it is expected that the advice in March 2023 will identify a realistic time frame for the Australian submarine acquisition. Finally, Marles has said that he wants to understand options for an interim conventional submarine replacement if there is a gap between the end of life of the *Collins*-class submarines and the arrival of the SSNs.⁴⁷ The Australian Defence Organisation is working on the third of these options in parallel with the AUKUS study.

At this stage, there is little on the public record indicating timelines for developments in the other technology areas. A potential critical waypoint will be the AUSMIN Ministerial meeting, which is due to be held in Australia toward the end of 2022. Given the priority that recent AUSMIN meetings have put on strengthening interoperability between the ADF and U.S. forces and on shared technology development, we should expect that the United States and Australian governments will put a high priority on the AUKUS agenda's leading to the quickest possible deployment of new military capabilities.

What Could Go Wrong?

For all its promise, a lot could happen to derail AUKUS. The agreement is too disruptive of existing policy processes to have come from officials, and AUKUS would not have proceeded without the personal commitment of President Biden, Boris Johnson, and Scott Morrison. On May 21, 2022, Morrison's government was defeated in Australia's federal election. The new centre-left Labor government of Anthony Albanese has pledged to continue with AUKUS, although there are elements of the Labor Party that oppose nuclear propulsion. Labor depends on support from minor parties in the Senate, which in some cases are adamantly opposed to AUKUS and the alliance with the United States.

Whatever the views inside the Labor Party, AUKUS was popularly received by Australians. A poll conducted in March 2022 found that 52 percent of those surveyed thought AUKUS would make Australia safer, while 70 percent surveyed were in favor of acquiring nuclear propelled submarines.⁴⁸

As for Boris Johnson, in addition to having become deeply unpopular with British voters, he narrowly survived a vote of no confidence in his leadership from Conservative Party members of Parliament in early June and was finally forced to resign on July 7.⁴⁹ The Conservative Party is going through lengthy mandated processes to select a new party leader and therefore Prime Minister by October 2022. It would be surprising if a new Conservative Prime Minister opposed AUKUS, but beset with domestic and international problems, a new British PM might not give AUKUS the priority that Boris Johnson did. The British Labour Party maintains support for the U.K.'s own submarine-based nuclear deterrent (although this is a contested position within the party) and has also indicated support for AUKUS.⁵⁰

While President Biden has indicated an intention to run for a second term, his age is giving rise to speculation about his capacity to continue in office. All three of the original AUKUS leaders could therefore be out of office before the agreement delivers tangible progress on any defense capability plan. Would a re-elected Donald Trump continue AUKUS? It must be said that while Trump was skeptical of NATO, in office he was a strong supporter of the alliance with Australia and bilateral partnership with the U.K. Much could depend on how Trump or any future Republican President might choose to engage with Beijing.

A further risk is that once the 18-month study into Australia's nuclear propulsion options is concluded in March 2023, U.S. officials might conclude that Australia does not have the capacity or resolve to adopt nuclear propulsion. By then, the Albanese government will have a clearer sense of the cost involved. A Labor government might conclude that the cost is too high, although against that, Labor would have to balance the negative implications for wider alliance cooperation.

Alliance relationships work best when they are delivering practical outcomes that benefit all parties. In short, AUKUS needs some practical results, including in areas where the fast delivery of capability will show the value of each country's changing long-standing industrial and procurement practices. While that is clearly the aim of officials working on AUKUS delivery, we should not underestimate the challenges. Will the U.S. Congress, for example, really support the early delivery of a Block IV *Virginia*-class SSN to Australia ahead of the U.S. Navy's own requirements? To date, congressional backing for AUKUS has been vocal and impressive, but in all three countries, local industrial and political perspectives will have to be acknowledged.

On balance, there is more for the AUKUS countries to gain by continuing cooperation under the agreement than there is by backsliding. Biden's personal investment in AUKUS is such that a failure to deliver tangible outcomes would damage the Administration's position, particularly in the Indo-Pacific region, weakening future options for the U.S. military posture in the Western Pacific. For Australia, the costs of an AUKUS backdown would likely have an election-losing consequence for any Australian government. The U.K. has perhaps the least to lose if AUKUS fails to deliver, but London has much to gain if it can shape a closer industry and technology relationship with Washington.

Conclusion

Speaking at Singapore's Shangri La Dialogue in June 2022, U.S. Secretary of Defense Lloyd J. Austin summed up the value of AUKUS:

That's another reason why our new security partnership with Australia and the U.K. is so important. AUKUS won't just deliver nuclear-powered submarines. It holds out the promise of progress across a range of emerging tech areas that can bolster our deterrence, from AI to hypersonics.⁵¹

The defining words here are surely “the promise of progress.” AUKUS offers a remarkable new stage of alliance cooperation that will substantially lift Australian defense capabilities and strengthen allied military forces in the Indo-Pacific with exotic new technology. If AUKUS succeeds, it will be transformative. If for whatever reason AUKUS fails, that would do lasting damage to the United States’ position in the Indo-Pacific and to the position of the U.K. and Australia as America’s closest allies. The next 12 months will be hugely consequential as officials work to deliver a viable path forward.

Endnotes

1. “Joint Leaders Statement on AUKUS,” The White House, September 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aucus/> (accessed July 7, 2022).
2. *Ibid.*
3. “The Strategic Reverberations of the AUKUS Deal Will Be Big and Lasting,” *The Economist*, September 19, 2021, <https://www.economist.com/international/2021/09/19/the-strategic-reverberations-of-the-aucus-deal-will-be-big-and-lasting> (accessed July 7, 2022).
4. “Remarks by President Biden, Prime Minister Morrison of Australia, and Prime Minister Johnson of the United Kingdom Announcing the Creation of AUKUS,” The White House, September 15, 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/09/15/remarks-by-president-biden-prime-minister-morrison-of-australia-and-prime-minister-johnson-of-the-united-kingdom-announcing-the-creation-of-aucus/> (accessed July 7, 2022).
5. Prime Minister Tony Abbott, statement to Parliament of Australia on visit by Chinese Prime Minister Xi Jinping, November 17, 2014, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=CHAMBER;id=chamber%2Fhansardr%2F35c9c2cf-9347-4a82-be89-20df5f76529b%2F0003;query=id%3A%22chamber%2Fhansardr%2F35c9c2cf-9347-4a82-be89-20df5f76529b%2F0005%22> (accessed July 7, 2022).
6. Reuters, “China, Britain to Benefit from ‘Golden Era’ in Ties—Cameron,” October 17, 2015, <https://www.reuters.com/article/us-china-britain-idUSKCN0SB10M20151017> (accessed July 7, 2022).
7. David Brunnstrom and Michael Martina, “Xi Denies China Turning Artificial Islands into Military Bases,” Reuters, September 25, 2015, <https://www.reuters.com/article/us-usa-china-pacific-idUSKCNORP1ZH20150925> (accessed July 7, 2022), and “FACT SHEET: President Xi Jinping’s State Visit to the United States,” The White House, September 25, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/fact-sheet-president-xi-jinpings-state-visit-united-states> (accessed July 7, 2022).
8. Executive Office of the President, National Security Council, *Indo-Pacific Strategy of the United States*, February 2022, p. 5, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf> (accessed July 7, 2022).
9. *Ibid.*, p. 13.
10. James Mattis, Secretary of Defense, *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge*, U.S. Department of Defense, p. 6, <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf> (accessed July 8, 2022). Emphasis in original.
11. Australian Government, Department of Foreign Affairs and Trade, “Joint Statement Australia–U.S. Ministerial Consultations (AUSMIN) 2021, September 16, 2021, <https://www.dfat.gov.au/geo/united-states-of-america/ausmin/joint-statement-australia-us-ministerial-consultations-ausmin-2021> (accessed July 7, 2022).
12. Melissa Mackay, “Work Begins on \$270 Million US Fuel Storage Facility on Darwin’s Outskirts,” ABC [Australian Broadcasting Corporation] News, January 18, 2022, <https://www.abc.net.au/news/2022-01-19/work-begins-on-us-jet-fuel-facility-outside-darwin/100764194> (accessed July 7, 2022).
13. U.S. Department of State, Office of the Historian, “The Australia, New Zealand and United States Security Treaty (ANZUS Treaty), 1951,” <https://history.state.gov/milestones/1945-1952/anzus> (accessed July 8, 2022).
14. HM Government, *Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy*, Presented to Parliament by the Prime Minister by Command of Her Majesty, CP 403, March 2021, p. 27, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age_the_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf (accessed July 7, 2022).
15. *Ibid.*, pp. 60 and 66–67.
16. Peter Ricketts, *Hard Choices: What Britain Does Next* (London: Atlantic Books, 2021), p. 227.
17. *Ibid.*
18. Australian Government, Department of Defence, *2020 Defence Strategic Update*, p. 14, para. 1.13, <https://www.defence.gov.au/about/publications/2020-defence-strategic-update> (accessed July 7, 2022). Emphasis in original.
19. Hugh White, “We Need to Talk About China—and then Actually Do Something About Our Own Security,” *The Australian*, June 25, 2022, <https://www.theaustralian.com.au/inquirer/we-need-to-talk-about-china-and-then-actually-do-something-about-our-own-security/news-story/97dcb2c562d8f81304e1f2233061b1c> (accessed July 8, 2022). Subscription required.
20. Australian Government, Department of Defence, *2016 Defence White Paper*, p. 90, para. 4.25, <https://www.defence.gov.au/about/publications/2016-defence-white-paper> (accessed July 8, 2022). See also *ibid.*, p. 90, para. 4.26.
21. “Readout: Trilateral Meeting of Prime Minister Boris Johnson of the United Kingdom, President Joe Biden, and Prime Minister Scott Morrison of Australia,” The White House, June 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/readout-trilateral-meeting-of-prime-minister-boris-johnson-of-the-united-kingdom-president-joe-biden-and-prime-minister-scott-morrison-of-australia/> (accessed July 8, 2022).

22. Adam Creighton, "Australia May Not Get Any Sub from AUKUS Warns Former Trump Official," *The Australian*, January 16, 2022, <https://www.theaustralian.com.au/nation/defence/australia-may-not-get-any-sub-from-aucus-warns-former-trump-official/news-story/751c928ccc91ebd5d919edcff51961ca> (accessed July 15, 2022). Subscription required.
23. See Australian Government, Department of Defence, "Nuclear Powered Submarine Taskforce: Frequently Asked Questions: What Nuclear-Powered Submarine Will Australia Be Acquiring?" <https://www.defence.gov.au/about/taskforces/nuclear-powered-submarine-task-force/frequently-asked-questions> (accessed July 8, 2022).
24. Parliament of the Commonwealth of Australia, Joint Standing Committee on Treaties, Report No. 199, *Agreement for the Exchange of Naval Nuclear Propulsion Information*, December 2021, p. 14, para. 2.55, https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024853/toc_pdf/Report199.pdf;fileType=application%2Fpdf (accessed July 8, 2022).
25. Brendan Nicholson, "Australia Considering Next-Generation US and UK Designs for Nuclear Submarines," Australian Strategic Policy Institute, *The Strategist*, May 10, 2022, <https://www.aspistrategist.org.au/australia-considering-next-generation-us-and-uk-designs-for-nuclear-submarines/> (accessed July 8, 2022).
26. Press release, "Gallagher, AUKUS Working Group Introduce New Bill to Establish Officer Training Pipeline for Australian Submarines," Office of Congressman Mike Gallagher, June 15, 2022, <https://gallagher.house.gov/media/press-releases/gallagher-aucus-working-group-introduce-new-bill-establish-officer-training> (accessed July 8, 2022). See also H.R. 8073, "To direct the Secretary of Defense to establish a joint training pipeline between the United States Navy and the Royal Australian Navy, and for other purposes," 117th Cong., Introduced June 15, 2022, <https://www.congress.gov/bill/117th-congress/house-bill/8073?s=1&r=3> (accessed July 8, 2022).
27. Nicholson "Australia Considering Next-Generation US and UK Designs for Nuclear Submarines."
28. Ticky Fullerton, "Deeper Defence Ties Vital to Counter China's Influence, Says Liz Truss," *The Australian*, January 19, 2022, <https://www.theaustralian.com.au/nation/politics/defence-ties-vital-to-counter-china-truss/news-story/b78943dd035f3d52e604c05e779c124c> (accessed July 8, 2022). Subscription required. See also Peter Jennings, "AUKMIN's Global View Is Good for Australia," Australian Strategic Policy Institute, *The Strategist*, January 24, 2022, <https://www.aspistrategist.org.au/aukmins-global-view-is-good-for-australia/> (accessed July 8, 2022).
29. Peter Dutton, MP, "Opinion Piece for the Australian," June 8, 2022, <https://www.peterdutton.com.au/opinion-piece-for-the-australian/> (accessed July 8, 2022).
30. "AUKUS Leaders' Level Statement," The White House, April 22, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/aucus-leaders-level-statement/> (accessed July 8, 2022).
31. "Fact Sheet: Implementation of the Australia–United Kingdom–United States Partnership (AUKUS)," The White House, April 5, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/05/fact-sheet-implementation-of-the-australia-united-kingdom-united-states-partnership-aucus/> (accessed July 8, 2022).
32. Ibid.
33. Ibid.
34. Press release, "Reps. Courtney, Gallagher, Kilmer, and Moore Announce Formation of the New Bipartisan AUKUS Working Group, in Support of the Undersea Alliance Between the U.S., U.K., and Australia," Office of Congressman Joe Courtney, April 1, 2022, <https://courtney.house.gov/media-center/press-releases/rebs-courtney-gallagher-kilmer-and-moore-announce-formation-new> (accessed July 8, 2022). For an excellent summary of AUKUS developments, see Marcus Hellyer and Ben Stephens, Australian Strategic Policy Institute, *Strategic Insights* No. 170, "ASPI AUKUS Update 1: May 2022," <https://ad-aspi.s3.ap-southeast-2.amazonaws.com/2022-05/ASPI%20AUKUS%20update%201.pdf?VersionId=IB063VndLFT5t5YHsDDwHvxWnKViC4m1> (accessed July 8, 2022).
35. "Fact Sheet: Implementation of the Australia–United Kingdom–United States Partnership (AUKUS)."
36. Tom Ravlic, "Election 2022: Dutton Flags Robotic Undersea Warfare Capability," *The Mandarin*, May 5, 2022, <https://www.themandarin.com.au/188327-election-2022-dutton-flags-robotic-undersea-warfare-capability/> (accessed July 8, 2022).
37. Andrew McLaughlin, "Anduril & ADF to Partner on Autonomous Undersea Vehicle Development," *Australian Defence Business Review*, May 5, 2022, <https://adbr.com.au/anduril-adf-to-partner-on-autonomous-undersea-vehicle-development/> (accessed July 8, 2022).
38. Australian Government, Australian Signals Directorate, *REDSPICE: A Blueprint for Growing ASD's Capabilities*, p. 18, <https://www.asd.gov.au/sites/default/files/2022-05/ASD-REDSPICE-Blueprint.pdf> (accessed July 8, 2022).
39. The Hon. Scott Morrison MP, Prime Minister; The Hon. Peter Dutton MP, Minister for Defence; and Senator the Hon. Marise Payne, Minister for Foreign Affairs and Minister for Women, "Australia to Pursue Nuclear-Powered Submarines Through New Trilateral Enhanced Security Partnership," joint media statement, September 16, 2021, <https://www.foreignminister.gov.au/minister/marise-payne/media-release/australia-pursue-nuclear-powered-submarines-through-new-trilateral-enhanced-security-partnership> (accessed July 8, 2022).
40. "Raytheon and Lockheed Martin to Deliver GWE0," *Australian Defence Magazine*, April 5, 2022, <https://www.australiandefence.com.au/defence/joint/raytheon-and-lockheed-martin-to-deliver-gweo#:~:text=Raytheon%20and%20Lockheed%20Martin%20have,weapons%20manufacturing%20capability%20in%20Australia> (accessed July 8, 2022).
41. For a good summary of international reactions to AUKUS, see Hellyer and Stephens, Australian Strategic Policy Institute, *Strategic Insights* No. 170, "ASPI AUKUS Update 1: May 2022."

42. Ministry of Foreign Affairs of the People's Republic of China, "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on September 22, 2021," https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/202109/t20210922_9580314.html (accessed July 8, 2022).
43. Associated Press, "Australia FM Stresses AUKUS Will Not Create Nuclear Weapons," June 28, 2022, <https://apnews.com/article/china-asia-australia-global-trade-b3bb95edec2baa9584fb8faead271222> (accessed July 8, 2022).
44. Press release, "IAEA on Trilateral Effort of Australia, United Kingdom, and United States on Nuclear Naval Propulsion," International Atomic Energy Agency, September 16, 2021, <https://www.iaea.org/newscenter/pressreleases/iaea-on-trilateral-effort-of-australia-united-kingdom-and-united-states-on-nuclear-naval-propulsion> (accessed July 8, 2022).
45. Jack Norton, "Japan 'More than Willing' to Help Ensure AUKUS Success," Australian Strategic Policy Institute, *The Strategist*, November 12, 2021, <https://www.aspistrategist.org.au/japan-more-than-willing-to-help-ensure-aukus-success/> (accessed July 8, 2022).
46. North Atlantic Treaty Organization, "NATO 2022 Strategic Concept," p. 7, para. 24, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf (accessed July 8, 2022).
47. The Hon. Richard Marles MP, Deputy Prime Minister and Minister for Defence, "Interview with Peter Stefanovic, Sky News." Australian Government, Department of Defence, July 1, 2022, <https://www.minister.defence.gov.au/minister/rmarles/transcripts/interview-peter-stefanovic-sky-news> (accessed July 8, 2022).
48. Natasha Kassam, "Lowy Institute Poll 2022," Lowy Institute, June 29, 2022, <https://poll.lowyinstitute.org/report/2022> (accessed July 8, 2022).
49. Rowena Mason, "Boris Johnson Wins No-Confidence Vote Despite Unexpectedly Large Rebellion," *The Guardian*, June 7, 2022, <https://www.theguardian.com/politics/2022/jun/06/boris-johnson-wins-no-confidence-vote-despite-unexpectedly-large-rebellion> (accessed July 8, 2022); Jim Pickard, "Boris Johnson Resigns," *Financial Times*, July 7, 2022, <https://www.ft.com/content/db96be7d-7728-435a-af70-5b1ba3173e83#post-55fdb4a7-68ac-40da-8839-92acd6476362> (accessed July 8, 2022); and Owen Amos, "Boris Johnson Resigns: Five Things That Led to the PM's Downfall," BBC News, July 7, 2022, <https://www.bbc.com/news/uk-politics-62070422> (accessed July 8, 2022).
50. Latika Bourke, "British Labour Backs AUKUS Alliance but Would Punish Australia for Climate Inaction," *The Sydney Morning Herald*, September 28, 2021, <https://www.smh.com.au/world/europe/british-labour-backs-aukus-alliance-but-would-punish-australia-for-climate-inaction-20210926-p58uy5.html> (accessed July 8, 2022), and BBC News, "Labour Renews Vow to Keep Nuclear Weapons," February 28, 2021, <https://www.bbc.com/news/uk-politics-56198972> (accessed July 8, 2022).
51. Secretary of Defense Lloyd J. Austin, "Remarks at the Shangri-La Dialogue by Secretary of Defense Lloyd J. Austin III (as Delivered), U.S. Department of Defense, June 11, 2022, <https://www.defense.gov/News/Speeches/Speech/Article/3059852/remarks-at-the-shangri-la-dialogue-by-secretary-of-defense-lloyd-j-austin-iii-a/> (accessed July 8, 2022).