



Carmichael Centre Explainers Kit

The AUKUS agreement — with the United Kingdom and the United States — proposes a military partnership between the three nations. AUKUS involves a deal that will see the US share highly sensitive design details of its nuclear submarine program with Australia, enabling nuclear submarines to be built for the Royal Australian Navy.

The federal Coalition government has touted the recent AUKUS deal with the UK and USA as a “forever partnership” that will serve Australia’s strategic interests in the Indo-Pacific. Instead, what the AUKUS deal represents is a joint strategy of increased offensive capability amongst Australian, UK and US governments, to contain China. The agreement treats China as a significant military threat. But whether that is the best approach to managing a complex relationship with China is doubtful, especially because significant uncertainty remains about the details of the submarine deal.

“The only certainty is that we won’t have new submarines for 20 years and their cost will be a lot more than the French subs.”

— former PM Malcolm Turnbull

THE ANNOUNCEMENT SIGNIFICANTLY INCREASES TENSIONS WITH CHINA

Acquiring nuclear submarines increases the potential for a regional arms race and instability threatening nuclear conflict. Unnecessarily confronting China, our largest trading partner, makes no military, economic, geopolitical or geostrategic sense — especially when the change of direction with the submarine project places Australia at major capability risk.

“The idea of now completely switching direction and aiming for nuclear propulsion supplied by either the US or the UK has set that back by 10 years. As more details become known — or rather as the lack of detail becomes increasingly apparent — this deal is looking more like a back of a beer coaster list of ideas compiled by some senior political advisors rather than a coherent plan.”

— Kym Bergmann, Editor Asia Pacific Defence Reporter

DEFENCE PROCUREMENT & INDUSTRY POLICY

THE CASE OF NEW SUBMARINES

IT DOES NOT SERVE AUSTRALIA'S INTERESTS

Building French-designed subs in Australia was claimed to be about developing Australian manufacturing capability. It seems to be more about Howard’s “deputy Sherriff” plan — supporting the US and UK spread their power throughout Asia and the Pacific. Both countries want to restrain China’s influence on the global economy. Acts of aggression in the Asia-Pacific region risks further harming the already bitter relationship between China and Australia, potentially damaging the Australian economy well into the future.

“We were all told repeatedly that the deal with France was not about buying submarines, it was developing a sovereign industrial capability that would make Australia independent forever ... All of that has now been ditched ... we will try for a third time with input from the US and the UK — both countries that are extremely protectionist when it comes to their own defence sectors — to again recreate an industry. This is beyond ridiculous.” — Kym Bergmann

THE FEDERAL GOVERNMENT DECEIVED AND LIED TO ITS FRENCH PARTNERS

French government and industry leaders were kept in the dark about the AUKUS negotiations, creating significant diplomatic tensions with France and throwing Australia’s relationship with the European Union into jeopardy. It has seriously diminished our reputation as a trustworthy trading partner.

“It violates the spirit and letter of the Australia-France Strategic Framework of 2012 and later enhanced by Prime Minister Malcolm Turnbull in 2017. It fails the basic contractual obligation of Australia to consult with the French Naval Group if Australia decided to radically change the tender specification from twelve conventional submarines to eight nuclear-powered ones.” — former PM Kevin Rudd

THE AUKUS DEAL RISKS BREACHING THE NUCLEAR WEAPONS NON-PROLIFERATION TREATY THAT THE UK, USA AND AUSTRALIA HAVE ALL SIGNED

The deal goes against the obligations Australia agreed to at a global level in 1970 to never be able to obtain nuclear weapons — the Department of Foreign Affairs website states that “Australia has been

one of the treaty's strongest supporters" — in 1995, the Keating Government ensured the Treaty was extended into perpetuity. But where acquiring nuclear submarines capable of carrying missiles raises the chance of Australia acquiring nuclear weapons, it would also increase risks to Australia and violate the non-proliferation treaty.

Significant questions remain: how will the International Atomic Energy Agency's safeguard rules apply to the weapons-grade nuclear fuels powering the propulsion systems of these subs? The vessel will be operated by Australia but rely on classified Intellectual Property that the US and/or the UK own. The IAEA has now sent a special team to investigate the safety and legal implications of the AUKUS partnership.

"What this means is that we, with Australia, with the United States and with the United Kingdom, we have to enter into a very complex, technical negotiation to see to it that as a result of this there is no weakening of the nuclear non-proliferation regime."

— Rafael Grossi, IAEA Director

We will not know the outcome of this process for some time to come. In the meantime, the Morrison Government risks eroding the rules of nuclear proliferation with the AUKUS deal — and at no clear benefit to Australia, which is made clear when we look at the issue of jobs.

WHAT ABOUT JOBS?

The AUKUS subs deal has been sold as promising Australian local manufacturing content and skilled work, creating jobs and a large contribution to the economy over the next 30 years. But there is so much more that the federal government won't be honest with Australian workers about.

THE DESIGN OF THE SUBMARINES AND AUSTRALIA'S PARTICIPATION

We don't know if Australia's nuclear subs will be based on an existing UK (Astute-class) or USA (Virginia-class) design. This represents a huge step backwards in the planning of this project, especially as the French submarine deal had been under development for several years and a design was known to workers and industry.

UK Prime Minister Boris Johnson has already claimed the AUKUS deal will create hundreds of jobs in the UK's Midlands and Northern regions, suggesting that the design sharing agreement will lead to construction of Australian submarines overseas, not in Australia's shipbuilding facilities.

THE SENSITIVE NATURE OF NUCLEAR SUBMARINE DESIGN

This will limit Australian workers' and industry involvement in the project. The AUKUS deal has the potential to lead to the offshoring of more jobs to build subs, using taxpayer money but returning little or no benefit to workers and their communities.

"...it won't be long before someone argues it looks much simpler to have the first submarine built in the US or the UK, and then the second, third..."

— former PM Malcolm Turnbull

INDUSTRY, SKILLS AND TRAINING

There has been talk about "leasing" subs from the US or UK navy to bridge the gap between when the Collins-class subs will be retired and when the new nuclear subs will be built and ready. But experts say it would be difficult to find skilled Australian crews to operate leased subs. It would likely also require crews of mixed nationality and create other problems relating to training and knowledge transfer when Australia finally gets its own fleet.

The sensitive nature of nuclear submarine design will also limit Australian workers' and industry involvement in the project. The AUKUS deal has the potential to lead to the offshoring of more jobs to build subs, using taxpayer money but returning little or no benefit to workers and their communities.

The actual benefits of Australian industry participation are unknown. The announcement already comes with huge cost blow-outs from building nuclear subs, meaning the benefits to workers, industries and the communities that depend on them are unknown.

THE AUKUS SUBS DEAL DOESN'T MAKE SENSE FOR AUSTRALIAN WORKERS, INDUSTRY OR FOREIGN POLICY.

Based on what we do and don't know about the nuclear submarines deal, it is impossible to tell if this huge investment of taxpayer money will be made in the best interests of workers, industry, citizens and the nation's long-term security — even Murdoch's The Australian thinks the deal just does not stack up (see Greg Sheridan: 'Bitter truth is we will likely never get any nuclear subs', 30 September 2021).

The lack of certainty around the employment impacts of this new deal is another sign that the federal government's defence procurement practices have not effectively addressed the need to leverage these purchases into advanced manufacturing opportunities that will benefit Australian workers and communities.

Australia's capability to produce sophisticated manufactured products, including for defence purposes, has been eroding for decades. A purchase of this magnitude should form the basis for a lasting and ambitious industrial strategy. Instead, we are faced with a sudden and politically motivated switch in direction that — in addition to squandering economic opportunity — also raises new environmental and strategic risks (including the potential introduction of nuclear weapons).

Australia needs a far more consistent, strategic, and internationally cooperative approach to defence procurement.



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