

# **POLICY BRIEF**

# **Deciphering AUKUS**

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Australian Prime Minister Anthony Albanese, US President Joe Biden and UK Prime Minister Rishi Sunak at San Diego on March 13, 2023. Source: Anthony Albanese Twitter

USS Asheville at HMAS Stirling in Australia, March 14/15, 2023. Source: Australian Government Defence Images Australian Deputy Prime Minister and Minister for Defence Richard Marles and Premier of South Australia Peter Malinauskus Sign the AUKUS Nuclear Submarine Announcement at the Osborne Naval Shipyard in Adelaide, March 15, 2023. Source: Australian Defence Images

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# Deciphering AUKUS

by Lalit Kapur

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# Deciphering AUKUS by Lalit Kapur

### Introduction

On September 15, 2021, US President Joe Biden, UK Prime Minister Boris Johnson and Australian Prime Minister Scott Morrison announced the creation of the AUKUS security partnership to deepen their diplomatic, defence and security cooperation in the Indo-Pacific region¹. Their objective was an 18-month effort to determine the optimal path to share nuclear propelled submarine (SSN) construction technology with Australia. On its part, Australia cancelled the contract awarded to France's Naval Group in 2016 to design 12 Attack Class conventional submarines to be built at the Australian Submarine Corporation facility in Osborne, Adelaide. The cancellation led to a ninemonth freeze in Australia-France relations, with a reset happening only after Australia agreed to pay Naval Group € 555 million (about \$ 830 million) as part of "a fair and equitable settlement"².

On March 13, 2023, two days before completing the target of 18 months, US President Joe Biden, UK Prime Minister Rishi Sunak and Australian Prime Minister Anthony Albanese came together at San Diego, USA, to jointly announce the path they had determined to provide Australia with SSN capability<sup>3</sup>. Unlike in 2021, the Australian government briefed its international partners about the deal in advance.

#### The AUKUS Path

The planned way ahead comprises four distinct phases. In the first, which is intended to familiarise Australian personnel with SSN operations, Australian submariners will embed with the US Navy and the Royal Navy, while its civilian personnel will embed with the submarine industrial bases in UK and the US for training purposes. Also, the US and UK will commence regular port visits by their SSNs to Darwin.

<sup>&</sup>lt;sup>1</sup> Joint Leaders Statement on AUKUS, September 15, 2021, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/">https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/</a>

<sup>&</sup>lt;sup>2</sup> Naval Group Settlement, https://www.pm.gov.au/media/naval-group-settlement

<sup>&</sup>lt;sup>3</sup> Joint Leaders' Statement on AUKUS, March 13, 2023, <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aukus-2/">https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/joint-leaders-statement-on-aukus-2/</a>



Although these have been announced now, both elements of this first phase are already underway. Two Australian submariners were on the SSN USS Key West on September 16, 2021, when the AUKUS announcement was made<sup>4</sup>. Section 1048 of the US National Defense Authorization Act 2023 formally authorised a minimum of two Australian Submarine officers to participate in US training programmes for nuclear powered submarines and to be assigned duties on operational US submarines thereafter<sup>5</sup>. The UK announced that Australian submariners would start training with RN submarines during the visit by Defence Minister Richard Marles to witness the commissioning of HMS Anson at Barrow-in-Furness in August 2022<sup>6</sup>. SSNs from both the UK and US have been visiting Perth: USS Mississippi was there in November 2022, while USS Ashville visited in March 2023<sup>7</sup>. HMS Astute called at Perth in end October 2021<sup>8</sup>. The difference is that the USN will increase the number of port visits from 2023, while the RN will do so from 2026.

In Phase II, the RN and USN will, as part of an initiative named 'Submarine Rotational Force West', establish a rotational presence of one Astute-class and up to four Virginia-Class submarines at HMAS Stirling, near Perth. Rotational presence technically enables Australia to maintain that it does not host foreign bases on its territory. A similar rotational presence already sees up to 2500 USMC personnel deploy to Darwin<sup>9</sup> for a period of about six months each year, to train with Australian military personnel.

Phase III, which is subject to congressional approval, will begin in the early 2030s. The US will sell Australia three Virginia class submarines, with option to sell up to two more if needed. Whether the submarines to be sold will be new or used has not been specified. The underlying intent is threefold: to grow Australia's ability to operate (and maintain) a fleet of SSNs, to provide Australia with a sovereign capability at the earliest possible date, and to ensure Australia can sustain its underwater capability as the Collin's class, commissioned

https://news.defence.gov.au/international/relationships-are-key-submarine-success

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<sup>&</sup>lt;sup>4</sup> Relationships are the key to submarine success,

<sup>&</sup>lt;sup>5</sup> James M Inhofe National Defense Authorisation Act for fiscal Year 2023, https://www.congress.gov/117/bills/hr7776/BILLS-117hr7776enr.pdf

<sup>&</sup>lt;sup>6</sup> Australian submariners to joint Royal Navy crews as UK and Australia deepen defence ties through AUKUS pact, <a href="https://www.gov.uk/government/news/australian-submariners-to-join-royal-navy-crews-as-uk-and-australia-deepen-defence-ties-through-aukus-pact">https://www.gov.uk/government/news/australian-submariners-to-join-royal-navy-crews-as-uk-and-australia-deepen-defence-ties-through-aukus-pact</a>

<sup>&</sup>lt;sup>7</sup> US Navy Submarine Visits Perth, Western Australia, March 1, 2023, https://au.usembassy.gov/u-s-navy-submarine-visits-perth-western-australia/

<sup>&</sup>lt;sup>8</sup> Royal Navy Nuclear-Powered Submarine Astute Calls In Australia, <a href="https://www.navalnews.com/naval-news/2021/10/royal-navy-nuclear-powered-submarine-astute-calls-in-australia/">https://www.navalnews.com/naval-news/2021/10/royal-navy-nuclear-powered-submarine-astute-calls-in-australia/</a>

<sup>&</sup>lt;sup>9</sup> Marine Rotational Force – Darwin, <a href="https://defence.gov.au/Initiatives/USFPI/Home/MRF-D.asp">https://defence.gov.au/Initiatives/USFPI/Home/MRF-D.asp</a>



between 1996-2003 with an anticipated 30-year life, are phased out (Australia has already decided to give them one life-extension of about seven years).

In the final phase, Australia will acquire a new British designed SSN incorporating Virginia class technologies, including the S9G nuclear reactor and vertical launch tubes for cruise missiles (the British Astute-class SSN does not have such tubes yet). The new submarine will incorporate US technology to upgrade the Astute-Class replacement presently being designed in the UK. It will be called SSN AUKUS and will equip both the British and Australian navies. The first Australian boat will be built by the UK and delivered in the late 2030s. At least four more will subsequently be built in dedicated facilities to be established at Adelaide, Southern Australia. Three more may be built there to replace the Virginia class submarines procured from the US, once they come to the end of their life in the 2060s. The South Australia state government and the Australian Commonwealth have entered into a Submarine Cooperation on March 15, 2023, for this purpose<sup>10</sup>.

The home base for all future Australian submarines will be HMAS Stirling, at Garden Island, near Perth. This base will be provided with infrastructure required to host visiting submarines from the US/UK initially, and then Australia's own submarines. The Australian Government has committed to investing A\$ 8 billion over the next decade for this purpose<sup>11</sup>. To reinvigorate their submarine industrial base, the US and UK will invest in expanding their infrastructure, with Australia paying a proportionate part of the cost so as to accelerate delivery of the Virginia class and the AUKUS SSNs. Peter Dutton, Australia's Leader of the Opposition, has said that this investment will be A\$ 3 billion over the next four years<sup>12</sup>.

The US and UK will provide Australia nuclear material in complete welded power units that will not require refuelling during their lifetime. The fuel Australia receives cannot be used in nuclear weapons without further chemical processing, which requires facilities that Australia does not have and will not seek. Once the submarines complete their life, Australia will manage all radioactive waste as they are dismantled, with the UK and the US assisting Australia to develop the requisite capability. The Director General of IAEA has,

<sup>&</sup>lt;sup>10</sup> Commonwealth and South Australia sign Submarine Cooperation Agreement, https://www.minister.defence.gov.au/media-releases/2023-03-15/commonwealth-and-south-australia-sign-submarine-cooperation-agreement

<sup>&</sup>lt;sup>11</sup> Western Australia home for Australia's first nuclear submarines, <a href="https://www.minister.defence.gov.au/media-releases/2023-03-14/western-australia-home-australias-first-nuclear-powered-submarines">https://www.minister.defence.gov.au/media-releases/2023-03-14/western-australia-home-australias-first-nuclear-powered-submarines</a>

<sup>&</sup>lt;sup>12</sup> Dutton, Birmingham, Hastie Statement on AUKUS, March 14, 2023, https://www.peterdutton.com.au/dutton-birmingham-hastie-statement-on-aukus/



on March 14, 2023, reported that Australia has formally invited the IAEA to commence negotiations on an arrangement to ensure nuclear materials used in the Australian SSNs are safeguarded, and that he will ensure a transparent process solely guided by the IAEA's statutory mandate while negotiating this arrangement<sup>13</sup>.

### What Led Australia to Opt For AUKUS?

The Collins class submarines currently operated by the Australian Navy were commissioned between 1996 and 2003. Consideration of their replacement began under the Kevin Rudd Government in December 2007. Australia's 2009 Defence White Paper<sup>14</sup> recorded that Australia had decided to acquire 12 new submarines, to be assembled in South Australia, in what would be Australia's largest ever single defence project. The boat would have greater range, longer endurance on patrol and expanded capabilities as compared to the Collins class. It also noted, "The Government has ruled out nuclear propulsion for these submarines"<sup>15</sup>.

The 2016 Defence White Paper specified "a range and endurance similar to the Collins Class submarine" and "sensor performance and stealth characteristics which are superior to the Collins Class" Foreign partners considered were Germany (ThyssenKrupp Marine Systems offered a new Type 216 design), Spain (S-80), Japan (Soryu), France (Scorpene) and Sweden (A26). France brought the Shortfin Barracuda into play in November 2015. This design was chosen as Australia's future submarine by the Turnbull Government in April 2016. The projected cost was A\$ 50 billion, which would escalate to nearly A\$ 90 billion by the time the project was cancelled.

Prime Minister Scott Morrison conceived the idea of AUKUS and commenced the development process in 2020<sup>17</sup>. The proposal was reportedly taken to the Biden team by Andrew Shearer, Australia's Director General of the Office of National Intelligence through Kurt Campbell, Biden's Indo-Pacific adviser, in April 2021<sup>18</sup>. Marise Payne, then Australia's Foreign Minister, followed up

<sup>&</sup>lt;sup>13</sup> Director General Statement in Relation to AUKUS Announcement, <a href="https://www.iaea.org/newscenter/pressreleases/director-general-statement-in-relation-to-aukus-announcement">https://www.iaea.org/newscenter/pressreleases/director-general-statement-in-relation-to-aukus-announcement</a>

 $<sup>^{14}</sup>$  Defending Australia the Asia-Pacific Century: Force 2030, Defence White Paper 2009, P 70

<sup>&</sup>lt;sup>16</sup> 2016 Defence White Paper, Section 4.27, P 91.

<sup>&</sup>lt;sup>17</sup> Dutton, Birmingham, Hastie – Statement on AUKUS, March 14, 2023,

https://www.peterdutton.com.au/dutton-birmingham-hastie-statement-on-aukus/

<sup>&</sup>lt;sup>18</sup> Under the radar: the Australian intelligence chief in the shadows of the Aukus deal, <a href="https://www.theguardian.com/australia-news/2021/oct/25/under-the-radar-the-australian-intelligence-chief-in-the-shadows-of-the-aukus-deal">https://www.theguardian.com/australia-news/2021/oct/25/under-the-radar-the-australian-intelligence-chief-in-the-shadows-of-the-aukus-deal</a>



during her visit to Washington DC in May 2021, meeting Kurt Campbell, Jake Sullivan and Anthony Blinken<sup>19</sup>. Scott Morrison himself followed up further during the G7 Cornwall Summit in June 2021<sup>20</sup>. President Macron, who was present at this Summit, remained in the dark till September 2021, when all associated negotiations were completed and the deal announced.

What changed between February 2016, when Australia published its eighth Defence White Paper ruling out nuclear propulsion and 2020, when Scott Morrison began exploring US willingness to transfer SSN technology? Chinese assertions in the Indo-Pacific had, after all, been visible since the Scarborough Shoal incident in 2012 and China's refusal to abide by the ruling of the Permanent Court of Arbitration in 2016. Differences with China were played down keeping the economic relationship in mind even as Australia adopted foreign interference laws in 2018 to curtail China's influence in domestic politics.

Morrison was the first to acknowledge that while China could not invade Australia at present, this could not be ruled out in the future, when China completed its military modernisation. He would also have been aware of negotiations between the Biden and Boris Johnson Administrations to renew the Atlantic Alliance. Locking the US and UK into a global alliance and the induction of SSNs to strengthen Australia's deterrent was his solution to the long-term China challenge.

Subsequent Australian calls for an investigation into the origins of COVID-19 in April 2020 led Beijing's Ambassador in Canberra to threaten a (deniable) boycott of Australia by China's students and tourists, as well as of popular Australian exports like beef and wine<sup>21</sup>. The silent boycott was indeed implemented, leading to stoppage of exports of Australian barley, wine, beef, rock lobster and coal, among others. China put in place a freeze on relations with Australia. A report in China's State-owned Global Times hinted at Australia becoming the "poor white trash of Asia" if it did not continue welcoming the rise of China<sup>22</sup>. China's Embassy in Canberra followed up by releasing a 14-point list of disputes to the media in an obvious effort to build

<sup>&</sup>lt;sup>19</sup> Joint Leaders Statement on AUKUS, September 15, 2021, https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/15/joint-leaders-statement-on-aukus/

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> China consumer backlash looms over Morrison's coronavirus probe, https://www.afr.com/politics/federal/china-consumer-backlash-looms-over-morrison-s-coronavirus-probe-20200423-p54mpl

<sup>&</sup>lt;sup>22</sup> Australia risks backsliding into a poor country in Asia Pacific, August 31, 2020, https://www.globaltimes.cn/content/1199471.shtml



public pressure on the Australian government<sup>23</sup>. These actions would only have added further resolve to the Australian public's determination to stand up to China's coercion at all costs.

### What is AUKUS Really About?

Laying emphasis on security as the fountainhead of prosperity, President Xi Jinping has reiterated his intention to comprehensively promote the modernisation of China's national defence and armed forces and to "build the people's military into a great wall of steel that can effectively safeguard our nation's sovereignty, security and the interests of our development"<sup>24</sup>. Since 2016, he has established the goals of completing the modernisation of the military by 2035 and transforming the PLA into a world-class force on par with the US by 2049. Waypoints to these goals are mechanisation and the integration of information and communications technology by 2020; army building and professionalisation by 2027; full mechanisation and the integration of Artificial Intelligence and autonomy by 2035; and the ability to fight and win wars by the mid-21st century<sup>25</sup>.

AUKUS is ostensibly designed to bolster a "shared commitment to a free and open Indo-Pacific and an international order that respects the rule of law, sovereignty, human rights, and the peaceful resolution of disputes free from coercion"<sup>26</sup>. Its purpose is to enhance deterrence against China's destabilising activities in the East China Sea, Taiwan and the South China Sea. As has been pointed out by this author earlier<sup>27</sup>, SSNs are of no conceivable use in responding to China's current grey zone salami-slicing strategy. Besides, neither China nor North Korea are going to put their activities on hold till the submarines are delivered two decades hence. The projected timeline for China to bring its actions in Taiwan to a head is far in advance of even the most optimistic timeline for delivery of the submarines.

<sup>&</sup>lt;sup>23</sup> If you make China the enemy, China will be the enemy: Beijing's fresh threat to Australia, November 18, 2020, <a href="https://www.smh.com.au/world/asia/if-you-make-china-the-enemy-china-will-be-the-enemy-beijing-s-fresh-threat-to-australia-20201118-p56fgs.html">https://www.smh.com.au/world/asia/if-you-make-china-the-enemy-china-will-be-the-enemy-beijing-s-fresh-threat-to-australia-20201118-p56fgs.html</a>

<sup>&</sup>lt;sup>24</sup> Full Text of Xi Jinping's Speech at first session of 14<sup>th</sup> NPC, http://eng.mod.gov.cn/xb/News\_213114/TopStories/16209361.html

<sup>&</sup>lt;sup>25</sup> Meia Nouwens, China's Military Modernisation: Will the People's Liberation Army complete its reforms? <a href="https://www.iiss.org/blogs/analysis/2022/12/strategic-survey-2022-chinas-military-modernisation">https://www.iiss.org/blogs/analysis/2022/12/strategic-survey-2022-chinas-military-modernisation</a>

<sup>&</sup>lt;sup>26</sup> Fact Sheet: Trilateral Australia-UK-US Partnership on Nuclear-Powered Submarines, https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/13/fact-sheet-trilateral-australia-uk-us-partnership-on-nuclear-powered-submarines/

<sup>&</sup>lt;sup>27</sup> Lalit Kapur, "The AUKUS Alliance: Return to the Past?

<a href="https://www.delhipolicygroup.org/uploads\_dpg/publication\_file/the-aukus-alliance-return-to-the-past-2886.pdf">https://www.delhipolicygroup.org/uploads\_dpg/publication\_file/the-aukus-alliance-return-to-the-past-2886.pdf</a>



AUKUS is about maintaining US primacy during the period when China completes its military modernisation and changes its strategic approach. The anticipation is that around when China integrates Artificial Intelligence driven autonomous platforms into its military around 2035, it will begin testing its military machine and shift from its present salami-slicing grey zone strategy to a more overt military approach. In the interim, China's continuing pressure on Taiwan, consolidation of its control over the South China Sea, and pressure on Japan in the East China Sea will probably increase, with actions like the China Coast Guard's expulsion of Japanese fishing vessels from the vicinity of the Senkaku Islands on March 16, 2023 becoming more frequent<sup>28</sup>. It will not, however, easily escalate into war: China is not prepared for that as yet.

AUKUS enlists the UK and Australia into a US-dominated security partnership that will become a core component of a future global alliance that can militarily stand up to China from a position of strength. It is about harnessing and integrating the military industrial base of Australia and the UK into that of the US. It is about transforming Australia into a US forward operating base, just as the UK was during the post-World War II period, one that can hold the fort till larger force levels available in the US and perhaps NATO can be brought to bear. NATO's 2022 Strategic Concept has already described China's stated ambitions and coercive policies as a challenge to "our interests, security and values" and expressed concern about the deepening strategic partnership between China and Russia and their mutually reinforcing attempts to undercut the rules-based international order<sup>29</sup>. AUKUS thus builds the foundations for a future Western global military grouping. Notably, in preparing these foundations and sharing its highest levels of technology, the US has chosen to bank on its Anglophone ally rather than Asian allies and partners. What such plans imply for Asia's postcolonial states, and whether the UK has a role in Asia's security balance, are open questions. NATO's ignominious withdrawal from Afghanistan will not be forgotten in Asia anytime soon.

AUKUS also serves an Australian purpose in that it incentivises the US to remain engaged in the region and prevents isolationist trends from gaining ground; pulls the UK into the Indo-Pacific, and provides the highest levels of underwater technology. The resolve underlying its SSN decision is strong and its leaders seem willing to pay a high price to bandwagon with the US and in

<sup>&</sup>lt;sup>28</sup> Coast Guard explains Diaoyu Islands Expulsion,

http://eng.mod.gov.cn/xb/News\_213114/TopStories/16209659.html

NATO 2022 Strategic Concept, https://www.nato.int/nato\_static\_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf



the process acquire 'sovereign capability' to defend themselves against China's coercion. But what is the price?

#### **Associated Costs**

The most obvious costs are financial. The SSN project (like the Attack class and the Collins Class submarine projects before it) is described as Australia's largest ever defence project. The quantum of expenditure expected is anticipated to be between A\$ 268 and 368 billion (USD 180-247 billion) spread over 30 years, much higher than the A\$ 90 billion Australia was expecting to spend to acquire 12 Attack-class submarines. To put this amount in perspective, the current per unit procurement cost of a Virginia class submarine is about USD 3.6 billion (A\$ 5.4 billion)<sup>30</sup>, while the estimated average cost of US Columbia-class SSBNs is \$7.4 billion per boat (about A\$ 11 billion)<sup>31</sup>. Acquisition of the related industrial and maintenance capability will evidently cost many times the cost of the boats themselves.

As explained by Defence Minister Richard Marles, "the way to think about this is 0.15% of GDP being spent on the submarines against the defence budget, which right now is at 2% of GDP and is going to grow to 2.2% of GDP. But for that 0.15% we completely transform the capability of the ADF"<sup>32</sup>. Moreover, Minister for Defence Industry Pat Conroy has pointed out that AUKUS will have no impact on the budget over the next four years: of the expected outgo of A\$ 9 billion, A\$ 6 billion will come from the cancelled Attack-class submarine programme, while the balance will come from reprioritising investments within the Defence Integrated Investment Programme<sup>33</sup>. Besides, much of the anticipated investment will be ploughed back into the Australian economy, creating jobs and making the costs politically acceptable.

Next come sovereignty costs. All alliances inevitably necessitate some compromise on national sovereignty. The Australian calculation is that insufficient action would result in greater loss of sovereignty in the years ahead, as China's coercive ability grows, including in the military realm. Australia's population base is too small and its territory too large to enable

<sup>&</sup>lt;sup>30</sup> Congressional Research Service Report RL 32418, December 21, 2022, https://crsreports.congress.gov/product/pdf/RL/RL32418

<sup>31</sup> Congressional Research Service Report R41129, January 25, 2023, https://crsreports.congress.gov/product/pdf/R/R41129

Richard Marles, Television Interview, Sky News First Edition, March 15, 2023, <a href="https://www.minister.defence.gov.au/transcripts/2023-03-15/television-interview-sky-news-first-edition">https://www.minister.defence.gov.au/transcripts/2023-03-15/television-interview-sky-news-first-edition</a>

<sup>&</sup>lt;sup>33</sup> Interview with Glen Bartholomew, ABC News Radio, March 15, 2023, https://www.minister.defence.gov.au/transcripts/2023-03-15/interview-glen-bartholomew-abc-news-radio



independent action, so dependence on others is inescapable. Sovereignty costs will likely remain tolerable so long as they can be projected as ensuring Australia's national security.

Third come commercial costs, particularly if China re-imposes its boycott on the export dependent Australian economy. However, Australia's exports to China have actually increased by over A\$ 5 billion over the previous year in 2021-22<sup>34</sup>. Moreover, it has diversified its markets: exports to India have increased by over A\$ 15 billion during the same period<sup>35</sup>. In concluding the Economic Trade and Cooperation Agreement (ECTA) with India, Australia has found a new partner that could rival China as a market in the years ahead. Since Australia has effectively weathered the Chinese boycott and been able to diversify, commercial costs are unlikely to be a consideration.

Finally, there are costs to Australia's regional relationships, particularly in view of China's propaganda offensive regarding AUKUS violating the NPT. The Albanese government's outreach to other regional partners and its having briefed them in advance appears to have effectively countered China in this regard.

### **Pitfalls**

Australian resolve to pay associated costs is visible. The Australian opposition led by Peter Dutton has gone on record to state that it "will provide bipartisan support for the acquisition of nuclear submarines, which will radically transform Australia's ability to defend ourselves"<sup>36</sup>. So, what are the pitfalls that will have to be overcome? These could be political, temporal, financial or technological.

Political plans announced by democratic leaders on the international stage tend to be highly optimistic. They have to be executed over time. The immediate task will be to get AUKUS approved by parliaments, which holds the financial purse strings, in all three partner nations. More so in the US, where a strong political effort to overcome International Traffic in Arms (ITAR) Regulations will be required. Given that a bipartisan consensus appears to exist in all three nations, this also may not prove difficult. However, unlike in China, where Xi has effectively anointed himself President for life, the leadership in Australia, UK and the US will change several times during a long

<sup>&</sup>lt;sup>34</sup> Australia's Merchandise Trade Exports by Selected Region, data as of December 2022, https://www.dfat.gov.au/sites/default/files/monthly-trade-data.pdf

<sup>35</sup> Ibid

<sup>&</sup>lt;sup>36</sup> Dutton Birmingham Hastie Statement on AUKUS 14 March 2023, https://www.peterdutton.com.au/dutton-birmingham-hastie-statement-on-aukus/



implementation phase. Whether such future leaderships will continue to support the agreement, especially as China pulls out all the stops to undermine it, remains to be seen.

Next come temporal and financial costs. The UK industry does not have a great record of delivering submarines speedily. The time from laying the keel to commissioning of each Astute class boat has averaged nearly 10.5 years so far, as compared to build times of 2-3 years in US and Russian shipyards. Neither does Australian industry: the construction time for each Collins class submarine averaged 82 months, as against the planned time of 56-57 months. Extended delivery schedules will inevitably lead to escalation of labour costs, among others. The financial and temporal projections in the AUKUS deal are aspirational and will be tested. This may lead to political grumbling, but is unlikely to impact the resolve.

Technologically, the present investment in the AUKUS SSN is based on their remaining the apex predators of the deep over the anticipated life of the boats. This may not necessarily remain true. Substantial investment is going into improving the efficacy of satellite-based sensors that could make the oceans transparent in the years ahead, with some assessing that this may happen within the next 2-3 decades. How autonomous underwater vehicles<sup>37</sup>, such future evolutions of the underwater gliders already in use by China will impact the operation and survivability of high-cost underwater assets is an unknown. This, however, is a risk that will have to be taken.

# Regional Impact

AUKUS remains focused primarily on the Western Pacific, even though HMAS Stirling, the planned base, lies in the Indian Ocean. If the SSNs are used in the land attack role, their primary targets will be in the Western Pacific. In the predatory role, however, they will have a role in disrupting China's SLOCs in both the Western Pacific and the Indian Ocean.

India's security interests, as also those of Southeast Asia, South Korea and Japan, lie in a regional balance to check China's unilateral imposition of a "community with a shared benefit for mankind". This indicates that AUKUS could be acceptable to much of SE Asia, South Korea, Japan and India. That said, it is highly unlikely that the US will be amenable to sharing SSN technology with any other regional ally or partner.

<sup>&</sup>lt;sup>37</sup> As described in "Gliders With Ears: A New Tool in China's Quest for Undersea Security", <a href="https://cimsec.org/gliders-with-ears-a-new-tool-in-chinas-quest-for-undersea-security/">https://cimsec.org/gliders-with-ears-a-new-tool-in-chinas-quest-for-undersea-security/</a>



There is already talk of an anti-AUKUS coalition<sup>38</sup>, involving China, Russia and perhaps Iran. Such a coalition could impact India, particularly if it also delivers advanced technology to Pakistan. The trend of increasing military expenditures across Asia will continue.

As geopolitical competition rises in the Indo-Pacific, great powers will seek to establish primacy or dictate their vision of 'world order'. The Indian Ocean will not remain isolated, given that China's resource areas for energy and raw materials, as also markets, lie along this littoral. The China-Russia axis, along with regional camp followers, will rise as a counter to AUKUS.

### Conclusion

AUKUS is not merely about policing the Free and Open Indo-Pacific or containing China, or deterring its activities in Taiwan, SCS or ECS. It is a global coalition aimed at preservation of the security and economic interests of the three Anglophone nations who have banded together to secure their vision of an American led world order as China undertakes its military modernisation. It is about ensuring that China does not get into position to repeat what Japan did in 1941. However, China will come up with countervailing efforts, and India along with other regional nations will have to deal with these as they emerge.

The AUKUS SSN is merely the first pillar of a long-term plan to counter China's assertions. The other pillar is collaboration on cyber capabilities, artificial intelligence, quantum computing technologies and additional undersea capabilities as the allies seek to integrate their security and defence-related science, technology, industrial bases, supply chains and operational coordination. It is also by no means the only strategic approach being developed to counter a more militaristic China in the years ahead. It is at present a fallback option in case other approaches fail, though it could metamorphose into something else in the years ahead.

Many questions still remain. Is AUKUS SSN Australia's best option? Paul Keating, a former Australian Prime Minister, has gone on record as describing AUKUS as the worst decision by a Labor Government since World War I conscription<sup>39</sup>. Will the plan remain affordable? Does the Biden administration

<sup>39</sup> Paul Keating calls nuclear submarines deal worst decision by Labor government since WWI conscription, <a href="https://www.smh.com.au/politics/federal/paul-keating-calls-nuclear-submarines-worst-decision-by-labor-government-since-wwi-conscription-20230315-p5csba.html">https://www.smh.com.au/politics/federal/paul-keating-calls-nuclear-submarines-worst-decision-by-labor-government-since-wwi-conscription-20230315-p5csba.html</a>

<sup>&</sup>lt;sup>38</sup> Buckle UP! China May Propose New Anti-AUKUS Military Alliance Very Soon, https://www.forbes.com/sites/craighooper/2023/03/14/buckle-up-china-may-propose-new-anti-aukus-military-alliance-very-soon/?sh=1b2ccdb73d0e



possess the political capital required to shepherd the deal through Congress and to modify ITAR regulations? Will the small Australian Navy be able to manage a near doubling of the number of personnel involved in its submarine programme without adversely impacting other elements? Will AUKUS provide the desired levels of security? Can future US and UK administrations be relied on to honour their alliance commitments? These questions will continue to demand answers in the years ahead.

What should India learn from the decision? The obvious lesson is the benefits of a long-term vision. Geography is a blessing that India shares with Australia. While building mutually beneficial cooperative relations with nations of its extended neighbourhood as well as with its Quad partners remains India's preferred path towards a multipolar order, there will be an increasing need for building the necessary hard power capabilities that measure up to future challenges in the Indian Ocean maritime.

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