

AUKUS AND THE SEARCH FOR AUSTRALIA'S NEXT SUBMARINE

Hugh White
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Never in Australia's history has a decision by a government in Canberra created such an international sensation as the announcement in September 2021 that the Royal Australian Navy was to be equipped with nuclear-powered submarines in a program to be undertaken in partnership with America and Britain under a new arrangement dubbed 'AUKUS'. The initiative was seen throughout Asia and beyond, as well as in Australia itself, as both utterly surprising and immensely significant. It was surprising because no one had imagined that Australia would aspire to such an advanced, expensive and demanding military capability. Until now only nuclear-armed states had been willing to make the investments required to build and operate nuclear powered submarines. It was seen as significant because it was taken as indicating a vastly increased Australian commitment to expand its own military capabilities, and to deepen and strengthen its strategic alignment with its traditional Anglo-Saxon allies, and those allies' deepened commitment to Australia and to Asia in response to China's growing power and ambition. But to truly understand the significance of AUKUS and the plan to acquire nuclear-powered submarines, we need to look more carefully at how and why Australia reached this decision.

The story begins almost twenty years ago, in the mid-2000s, when Australian naval officers and Defence officials first began preliminary exploration of options for the eventual replacement of the *Collins*-class submarines which had been acquired over the 1990s. When the *Collins*-class was developed in the 1980s, Australia's defence policy was narrowly focused on the direct defence of the Australian continent. The *Collins*-class was designed to fit that strategy, but the vast areas and distances involved in the defence of an entire continent meant that these were among the largest, longest-range and most capable conventional submarines in the world.

However, already in the mid-2000s Australian policymakers were starting to think beyond the defence of Australia to embrace wider strategic objectives in a more contested Asia. There were already concerns that China was set to challenge US strategic primacy in East Asia and seek to take its place as the region's leading power. It was naturally assumed that Australia would want to support America in resisting such Chinese ambitions – if necessary by supporting America in a US-China war. So for the first time since the 1960s Canberra looked to develop capabilities not just to defend itself, but specifically to support US forces in coalition operations in a major regional war in Asia – in other words, in a war with China.

This new strategic focus had a big impact on initial thinking about the replacement for the *Collins*-class submarines. Australia's submarine force was seen as a key component of an Australian contribution to US operations against China, and so from the outset consideration was given to finding a *Collins* replacement that was suited to this role. That meant a submarine that was even bigger, even longer range and even more capable than the *Collins*-class. It was a tall order. No conventionally-powered submarine anywhere in the world, either in service or under development, could fulfil these requirements. As a result, it was decided to design and build a new class of submarine in Australia specifically to meet these needs.

It was obvious from the outset that this was an extremely ambitious and risky proposal. Government ministers were understandably cautious about committing to it, especially given the highly-publicized and embarrassing problems that has plagued the building of the *Collins*-class submarines in Australia. But the only alternative would have been to defy the Navy's advice and opt for a less-capable conventional submarine based on designs available from one of a number of overseas suppliers. Faced with this dilemma the issue was put aside and no decisions were taken.

In 2014, ten years after planning began, Australia was still no closer to deciding what new submarine to build. A new conservative government elected that year came to office determined to make a decision and move forward. The Prime Minister, Tony Abbott, seized on the idea of buying a variant of the Japanese *Soryu*-class submarine, built in Japan. To him this proposal had several merits. The *Soryu*-class seemed well-suited to Australia's needs because it was big – the biggest conventional submarine in the world – and there was no doubt that it was highly capable. Buying them ready-built from Japan eliminated the risks of building submarines in Australia. And, most importantly perhaps, it would deepen Australia's strategic relationship with Japan which Abbott regarded as a key objective.

But there were two problems. First, Australia's submariners were not keen. They believed that the *Soryu*-class, though a large and very capable submarine, did not meet their ambitious requirements. But the second problem was much more important. Successive governments had promised that Australia's new submarines would all be built in South Australia. Politicians from Abbott's own Liberal Party in that state were furious that he now proposed to have them built in Japan, and their anger threatened his leadership of the party. He hastily abandoned the informal agreement he had reached with Prime Minister Abe to buy Japanese-built *Soryu*-class submarines, and instead launched a three-way contest between Japan, France and Germany to select a design to be built in South Australia.

None of these contestants could offer a conventionally-powered submarine that met Australia's requirements. The reality was that – as one defence minister acknowledged – those ambitions were so demanding that they could only be met by a nuclear-powered submarine, but no one seriously imagined that nuclear propulsion was an option for Australia. That may help to explain why in 2016 the contest was won by the French NAVAL Group with a proposal for a conventionally-powered version of their nuclear-powered *Suffren*-class.

This project was troubled from the start. The estimated price of \$A90 billion for 12 boats was very high by international standards. For unknown reasons, and despite the Navy's ambitious requirements, key aspects of the design were very conservative. For example, unlike other contenders there was no Air Independent Propulsion System and the batteries were to be of the traditional lead-acid type, which severely limited performance. Other designed features, such as the shrouded propellor, seemed inappropriate for a conventionally-powered submarine. Early design work proceeded slowly, raising concerns of long delays to an already slow delivery schedule, and key agreements with the French proved hard to finalize. Doubts about the French company's commitment to maximize the work done in Australia increased. By 2020 the Government's own expert advisory panel was raising real concerns about the viability of the project, concerns which were apparently shared inside government. Experts outside Government were calling for it to be reconsidered. Some of those experts argued that Australia should consider buying nuclear powered submarines.

That option had never been seriously considered by any Australian government because the arguments against nuclear propulsion always seemed so compelling. But in March or April 2021 approaches were made, first to Britain and then to America, about the possibility of acquiring nuclear powered submarines and, following discussions between the three heads of government in the margins of the G7 meeting in Cornwall in June, the AUKUS arrangement was announced in September 2021. The Australian Government has claimed that the primary reason to abandon the French-designed submarines in favour of nuclear propulsion was a new assessment that conventionally-powered submarines would not be stealthy enough to operate effectively in future decades. It was argued that the need to come close to the surface to run their diesel engines and charge batteries would make them too vulnerable to new and emerging detection technologies.

This explanation of the decision seems improbable. No evidence has been offered to explain this sudden change of assessment of the vulnerability of conventionally-powered submarines, which until just a few months before had still been deemed to be perfectly adequate. It is much more likely that the decision was driven by two rather different factors. One was the Australian Government's growing anxiety the French project was heading into deep problems which could be very embarrassing. The AUKUS initiative offered a way to dump the French project without acknowledging these problems. The other, far the more important, reason was the desire to deepen and strengthen even further Australia's alliances with America and, to a lesser extent, with Britain. My colleague Prof Bongiorno will explore the deep roots of this desire in his paper. Suffice to say here that as Australia's strategic circumstances have deteriorated with the rise of rivalries in East Asia, Australian political leaders have instinctively looked to America for protection from China's growing power and ambition, and have become more committed than ever to supporting America to resist China's challenge and perpetuate the US strategic primacy in East Asia and the Western Pacific on which Australia has for so long seen as the bedrock of its security. I think historians will come to judge that this was the primary Australian motive for AUKUS.

The AUKUS initiative was very popular in Australia when it was first announced. Public and press opinion readily accepted that nuclear powered submarines would dramatically enhance Australia's military capability, and were enthusiastic about drawing even closer to America in response to China's challenge. And AUKUS remains popular today although the costs, complexities and timescales involved in acquiring and operating nuclear-powered submarines have become somewhat clearer. Internationally, too, the AUKUS project is still widely hailed as an effective, and even decisive, move by America and its allies in the intensifying strategic contest with China over strategic leadership in East Asia. Big questions remain, however. Is a fleet of nuclear-powered submarines really the best – most cost-effective – option for Australia's future submarine force? Does the AUKUS plan really strengthen the capacity of America and its allies to deter Chinese strategic ambitions? And is closer alignment with US objectives and priorities really the best way for Australia to maximize its security in the decades ahead? I will conclude by exploring these three questions in turn.

Nuclear powered submarines have some important operational advantages over conventionally-powered submarines, but they are much more expensive to build and operate, much more complex to maintain, and take much longer to bring into service, especially for a country like Australia with very little nuclear engineering expertise to build on. Whether these disadvantages outweigh their advantages depends a great deal on what the submarines are intended to do. Nuclear propulsion might make sense if the primary task of Australia's

submarines is to join US nuclear-powered submarines in hunting Chinese submarines close to their home bases in the South and East China Seas. But if their primary role is to defend Australia by preventing the projection of hostile maritime forces towards its shores, which makes a lot more sense as a long-term priority - then conventionally-powered submarines are almost certainly more cost-effective. It is first and foremost a matter of numbers. At a conservative estimate, Australia could build and operate between 30 and 40 large, highly-capable conventional submarines for the currently estimated cost of eight nuclear-powered submarines under AUKUS, and there is no doubt that this larger fleet would be far more operationally effective. When we add to that the questions nuclear proliferation, nuclear safety, the delays involved in taking the nuclear path, and the risks entailed in depending on other countries for the day to day operations of nuclear-powered submarines, then the arguments in favour of conventionally-powered submarines become overwhelming.

One countervailing argument is the unique contribution that AUKUS is said to make to deterring Chinese military aggression by adding such a formidable capability to the forces arrayed against it. A glance at the timeframes involved shows that that is surely an illusion. Under the plan announced in March 2023, AUKUS will provide no *additional* submarines to America and its allies until the late 2040s, some 25 years away. But America's contest with China is already well underway, and if deterrence is to influence that contest it needs to be achieved now. If anything the slow schedule of the AUKUS project weakens rather than strengthens deterrence against China, by conveying a clear message that America and its allies are not willing to take the urgent and major steps that would be required to counteract China's fast-growing military advantages in the Western Pacific. The stark reality is that by the time AUKUS delivers additional submarines, China's maritime forces – including its own submarines forces – will have expanded far faster than anything AUKUS envisages. Far from signaling the strength and effectiveness of the partners' determination and resolve to confront and contain China, the AUKUS program instead demonstrates their unrealistic complacency about the nature and scale of the challenge it poses.

That brings us, finally, to the issue that underlies the whole AUKUS program. Fundamentally AUKUS is all about aligning Australia even more completely with American policy in responding to China's challenge to the US-led order in Asia. So ultimately the value and success of AUKUS for Australia depends on whether those US policies are going to serve Australia's long-term security objectives and interests. That raises two questions.

First, do US and Australian objectives in Asia today coincide? Foreign Minister Penny Wong has made it clear that in her view, anyway, Australia's interests are best served by the emergence of a new multipolar order in Asia. In that order, she suggests, America would play a continuing but different (and necessarily smaller) strategic role as a balancing rather than primary power. This suggests that Australia's objectives at the vital juncture in Asia's history are very different from America's. No US officials seem to share Wong's views. The clear presumption in Washington is that the only acceptable outcome for America is the preservation of US primacy.

The second question is how far is Australia prepared to go in supporting America against China? Wong's often-repeated warning that any US-China war would be 'catastrophic' suggests she thinks that such a war must be avoided at all costs, whereas Washington is evidently willing to fight such a war of necessary to defeat China's challenge and preserve the US-led order in East Asia. America's commitment to AUKUS is undoubtedly based on a firm expectation that Australia will unstintingly commit its military, including its submarines,

to join US forces in any war with China. If Wong is right, then it would be a mistake for Australia to make that commitment but unless it does so, the future of AUKUS is very uncertain indeed. No one in Washington would be willing to see super-sensitive US technology – let alone US Virginia class submarines – passed to Australia without that commitment. Through AUKUS Australia has locked itself into support for US policy towards China no matter where that leads, and that might well prove a bad bet.

Ultimately the question for Australia, and for other US allies in East Asia and the Western Pacific, is whether America's approach to China's challenge is going to work. Does it have a credible and achievable objective, and does it have the means and the will to achieve it? If, as I reluctantly believe, the answers to these questions is 'no', then AUKUS is a big mistake, and Australia has to think again. Like countries throughout our region, we have to ask how we can best contribute to the peaceful emergence of a new, stable, just international order in Asia, and how we can best prepare ourselves to work and flourish and prosper in that new regional order. That is an urgent, vital and historic task which we have so far hardly begun to tackle.

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