

Australia begins its nuclear age as AUKUS overcomes years of submarine struggles

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Anthony Albanese says 20,000 jobs will be created in Australia to support AUKUS deal.

From a dalliance with Japan, to an extended French flirt, Australia's now firmly back in the bosom of its Anglosphere allies during a meandering and disjointed journey to find its next generation submarine fleet.

After [navigating Tokyo's disappointment](#) and [enduring the French President's fury](#), there are now reasons to believe [Australia has landed a deal with the Brits and Americans](#) that will withstand the decades.

That's because each member nation of the three-phase tripartite AUKUS agreement gets a prize.



Anthony Albanese, Joe Biden and Rishi Sunak met in San Diego to finalise the AUKUS agreement. *(Reuters: Leah Millis)*

Australia secures rotations of US and British nuclear subs from 2027, at least three conventionally-armed Virginia class American subs in the early 2030s and in the 2040s an Australian-built nuclear-powered submarine, SSN-AUKUS, based on the British Astute class boat.

The United Kingdom, which has benefited from America's sharing of its nuclear propulsion technology since 1958, secures long-term certainty for its submarine shipbuilding industry and a US weapons system for the new AUKUS sub.

The US will receive billions of dollars in Australian investment in its stretched submarine industrial base to hasten production, while being able to extend its strategic influence in the Indo-Pacific.

Combined, the US, British and Australian components of the AUKUS deal form a potent deterrence in the face of a vast Chinese military build-up.



Why is the AUKUS submarine pact such a big deal?

In this regard, Prime Minister Anthony Albanese has delivered on Scott Morrison's determination to encourage greater British and American naval presence to our region – aided by the Biden administration's vested interest in doing so, and the reinvigoration of the strategic security dialogue with India, Japan and the US.

"AUKUS and the Quad pulls a North Atlantic focus on to an Indo-Pacific focus," Morrison told the ABC. "That is what changes the calculus for any potential aggressors in our region, that is what makes them think twice.

"Not just the fact that we will have nuclear-powered submarines 15 years from now, but there is an alignment, an alliance of some very big players very focused on this part of the world."



US to sell three nuclear powered submarines to Australia

The hostility with which China and Russia have reacted to AUKUS highlights the strategic significance of the security partnership.

And Australia, which according to a senior Biden administration official, "has been the subject of virtually undeclared economic and commercial boycott now for almost five years", will undoubtedly feel more of Beijing's rhetorical wrath, notwithstanding recent improvements to the trading relationship.

Beijing has been offered a briefing on AUKUS, Defence Minister Richard Marles said, but that offer's not been taken up. China already knows AUKUS is about them: no briefing required.

Australia may have changed government but its abhorrence at China's growing militarism, its regional assertiveness, its debt diplomacy and state-sanctioned cyberbullying under Xi Jinping remains constant.



UK and Australian submarines will share same components and equipment

The Chinese President views AUKUS as the next step in what he calls the "containment, encirclement and suppression of China" but this will not deter Australia.

Consider how Xi has changed domestic politics in Australia: the rise of a more aggressive China now sees a prime minister from Labor's Left faction now in enthusiastic embrace of nuclear-powered propulsion.

As Morrison told the ABC: "The strategic situation altered so drastically from when the French submarines were contracted (in 2016), it made them pretty much obsolete the second they got wet."

But AUKUS presents enormous long-term challenges on economic and industrial fronts.

It will be monumentally expensive to buy the Virginia class subs, redevelop ports on the west (and eventually east) coast to allow sustained US and British submarine rotations and then establish a domestic nuclear-powered submarine industry base.

Early estimates are that the 30-year cost is between \$268 billion and \$368 billion. Marles says this will equate to an increase of 0.15 per cent of national income over three decades.

But that's not the full story: there will be a steep ramping up of spending towards the end of the period and various experts, including former defence secretary Dennis Richardson, believe Defence spending will inevitably increase to 2.5 per cent of GDP — or higher.

In the context of a sizeable structural budget deficit and huge pressures in aged care, health and the National Disability Insurance Scheme, something's got to give.

The sort of "conversation" that Treasurer Jim Chalmers asked the nation to have about superannuation concessions – a conversation brought abruptly to an end when it became a swirl of dangerous speculation – will have to be held on many other aspects of the tax base. Negative gearing, anyone?

Accommodating another \$9 or \$10 billion in annual defence spend is not insignificant, nor are the consequential costs of economic and technological development.

Australia will build UK-designed boats that feature US combat technology. (*Reuters: Leah Millis*)

To support hi-tech manufacturing and industry, AUKUS will require big investment and a reprioritising of the education and training sectors — and not just in producing more than 100 PhD-level researchers in nuclear science, but a bevy of electronic engineers, machinists, metalworkers and welders.

It is certainly not beyond Australia playing an important role in the manufacture of Virginia or SSN-AUKUS class submarines – BAE Systems Australia, for example, is embedded in the manufacture of F-35 Joint Strike Fighters, making fuselage and vertical and horizontal tails for the military jet.

But a response to the changing defence circumstance will have to be devised decades before the delivery of the first Australian-built nuclear-powered submarine.

Anthony Albanese travelled to the US to meet with Joe Biden and Rishi Sunak.

(Reuters: Leah Millis)

And what about nuclear waste?

Under the AUKUS agreement, Australia will receive "sealed nuclear reactors" for the AUKUS subs from the US, but be responsible for their disposal – which means digging a giant hole somewhere in a geologically stable part of the country and leaving the reactors there for potentially thousands of years.

Marles says this would be on defence land, "current or future", which means the nuclear dump could be on land bought by the Commonwealth and not necessarily in South Australia's Woomera Prohibited Area, where the British conducted nuclear testing.

Identifying a long-term repository for spent nuclear reactors will be a prickly political issue.

For Australia, the nuclear age has begun.