

What is the biggest challenge facing AUKUS?

Two years on from the birth of AUKUS, the Council on Geostrategy asks nine strategic experts to outline the biggest challenge facing the partnership as it evolves as a pillar of Indo-Pacific security.

<https://www.geostrategy.org.uk/britains-world/what-is-the-biggest-challenge-facing-aucus/>

Alex Caples, Australian Strategic Policy Institute

- [Twitter](#)

The [2021 AUKUS announcement](#) was driven by the three nations' joint recognition of the need for a more integrated approach to Indo-Pacific security and their shared resolve to modernise established alliance conventions to deliver it.

Almost exactly two years on, an ambitious, decades-long programme of strategic and industrial alignment has created a range of complex challenges: political, technical and bureaucratic. With significant planning and effort, these are surmountable – provided that long-term support for AUKUS persists between and beyond successive governments.

Dwindling American interest has always been the biggest challenge to realising the AUKUS agenda, which has already outlasted one Australian and two British prime ministers. Should Donald Trump (or someone of a similar brand of politics) win the 2024 United States (US) election, there are few guarantees that AUKUS will survive in its current form. Congressional support for AUKUS has been [strong](#) but [recent efforts](#) to prevent the supply of Virginia-class submarines to Australia – whether prompted by genuine concerns around the capability of the US Navy or a desire to secure further funding for the American domestic submarine programme – shows the potential for short-term domestic interests to derail international commitments.

Building out the AUKUS arrangement, both by progressing key common objectives and deepening defence interdependencies, will be essential to keeping the US engaged in the longer-term.

Michael Clarke, University of Technology Sydney

- [Twitter](#)

An outstanding problem of AUKUS two years after its announcement concerns its relationship to deterrence. Australia's April 2023 [Defence Strategic Review](#) has placed the concept of 'deterrence by denial' at the fulcrum of Australian defence policy. While the agenda for Pillar II of AUKUS

could serve deterrence goals, Australia's acquisition of nuclear-propelled attack submarines (SSNs) under Pillar I of the agreement does not appear to be well aligned with such a posture.

This is due to two key issues:

1. The question of how SSNs contribute directly to a strategy of denial is under-specified. A strategy of denial is focused on deterring an action by making it infeasible or unlikely to succeed. This begs the question as to what type of behaviour, and in which geographical contexts, the government of Anthony Albanese, Australian Prime Minister, envisage SSNs playing such a deterrence function?
2. Given the operational benefits of SSNs (e.g. greater range and capacity to stay at sea longer than conventional submarines), they appear more suited to a strategy of deterrence by punishment. Punishment works by [cost imposition](#) – i.e. convincing an adversary that any military action will be met by retaliation severe enough to outweigh the benefits from such action. The focus of deterrence by [punishment](#) is therefore not the direct defence of a contested commitment – say Australia's northern approaches – but 'threats of *wider* punishment that would raise the cost of an attack'.

But is this really the primary deterrence mission which the Albanese government believes SSN acquisitions will fulfil?

Di Cooke, Centre for Strategic and International Studies

- [Twitter](#)

Bureaucratic barriers preventing the ability of member states and industry to collaborate on the critical technologies included under AUKUS' remit is the partnership's most significant impediment. To better facilitate essential information sharing and technology transfer as well as enable cooperative development and deployment, three key measures should be pursued.

The first is revisions to the International Traffic in Arms Regulations (ITAR) and Foreign Military Sales (FMS) US export and controls legislation. This legislation places significant regulatory burdens on the other AUKUS states as well as industry partners, hindering joint projects and incentivising the exclusion of the US in technological innovation.

Secondly, there needs to be a degree of relief for AUKUS partners under the US' 'Not Releasable to Foreign Nationals' (NOFORN) classification, behind which a great deal of technological information relevant to AUKUS

technologies are placed and therefore become inaccessible to British and Australian personnel.

Finally, steps should be taken to produce specialised industry and academic 'AUKUS passports' to enable civilian expert movement more easily between partner states, encouraging a cross-border exchange of information. While these current barriers all exist for understandable security reasons, they nonetheless should be modified to optimise both security and innovation to ensure a competitive advantage in these critical technologies is maintained.

Richard Dunley, University of New South Wales

- [Twitter](#)

Australian naval shipbuilding has a chequered history. There are the major successes, from the construction of over 60 Bathurst Class corvettes in the Second World War, to the completion of ten Anzac Class frigates [on time and on budget](#). However, there have been a number of occasions where the Australian Government has been overly ambitious resulting in problematic, or even cancelled projects.

AUKUS has the potential to take Australian naval shipbuilding to new levels, with the development of maintenance facilities for SSNs, followed by the construction of AUKUS-SSNs at Osborne from the 2030s onwards. This will, however, be a dramatic step up in scale and complexity from anything which has been built in Australia before, and the country has a very limited engineering and industrial base to draw from.

Politicians and officials from the Australian Submarine Agency have already [highlighted](#) this challenge, and also the one cutting across education and academia. This is all also coming at a time when Australia is embarking on a range of other naval construction projects and significant wider defence procurement, placing immense demands on limited resources. The risk of Australia seeking to run before it can walk is real, and needs to be managed carefully.

Benjamin Herscovitch, Australian National University

- [Twitter](#)

Despite bipartisan political support in Canberra, winning over the Australian public is likely to emerge as AUKUS' biggest long-term challenge. As the most expensive defence procurement in Australia's history, the colossal cost of AUKUS alone will prompt sustained doubts about the benefits for the Australian people of spending as much as [AUS\\$368 billion](#) (£189 billion) on SSNs. AUKUS' stretched timeline will also exacerbate this challenge. With the delivery of the final submarine not

expected until sometime in the [2050s](#), AUKUS will need to win over generations of Australians who have not yet been born. But the factor most likely to undermine Australian public support is the Albanese government's failure to make the case for AUKUS persuasively. No Australian minister has articulated clearly why SSNs are necessary. With the Albanese government offering little more than [claims](#) about changing the 'calculus for any potential aggressor', Australians are left wondering how specifically AUKUS submarines will be used and how that will help secure Australia and the Indo-Pacific. Opinion polling suggests that public support for AUKUS is already [softening](#). In fact, the Australian leg of this trilateral security partnership could fall off entirely unless future governments make a more compelling case for the strategic logic behind AUKUS.

James Rogers, Council on Geostrategy

- [Twitter](#)

The biggest challenge to AUKUS is the strategic rival it is designed to deter: the People's Republic of China (PRC). For starters, the speed of the modernisation and expansion of the People's Liberation Army Navy (PLAN) is startling. As James Cleverly, the Foreign Secretary, [explained](#) in April 2023:

At this moment, China is carrying out the biggest military build-up in peacetime history. In a period of just four years – between 2014 and 2018 – China launched new warships exceeding the combined tonnage of the Royal Navy's entire active fleet.

Although British, Australian and American warships and particularly SSNs remain qualitatively superior to their Chinese counterparts, the PLAN will begin to close the gap over the next 15–20 years (when the first SSN-AUKUS should be commissioned). If more SSN-AUKUS are needed to meet a significantly more potent PLAN, the marine industrial base of the three AUKUS partners will need further resources and support.

Moreover, the PRC already has put the United Front and other [mouthpieces](#) to work to spin hostile narratives in an attempt to delegitimise AUKUS. We can expect this work to become more subtle and expansive; 'middle ground' countries in Southeast Asia and other parts of the Indo-Pacific will be particularly targeted, as will domestic political constituencies within AUKUS members.

The North Atlantic Treaty Organisation (NATO) has its own Public Diplomacy Division to promote the alliance. AUKUS should have a public relations division of its own. This will allow Australia, the United Kingdom (UK) and the US to push back against United Front discourse and promote AUKUS – and its benefits – across the Indo-Pacific.

Emma Salisbury, Council on Geostrategy

- [Twitter](#)

AUKUS is not just about building new submarines, but also involves a substantial amount of technology transfer. The agreement is intended to facilitate the sharing of military innovation between the UK, US and Australia in order to develop advanced technologies in areas like cyber, hypersonics, artificial intelligence, and so on.

The big problem here is the US, which puts a potentially huge spanner in the works with its onerous ITAR legislation. These cover both military and dual-use technologies, as well as the information and skills needed to produce them. Both the UK and Australia are currently expected to abide by them, even for AUKUS-related transfers.

While the regulations are an important measure through which the United States protects its military secrets and counters proliferation, they are simply not necessary when working with such close allies. American red tape has caused significant problems and delays with other joint military programmes, [such as the F-35](#), and compliance costs millions of wasted dollars and work hours.

Both Britain and Australia should be given exemptions from these regulations swiftly – otherwise the technology pillar of AUKUS will be at risk of crumbling.

Bec Strating, La Trobe Asia

- [Twitter](#)

Australia's plan to acquire SSNs has been the focus of discussion around AUKUS. This has multiple phases, but the final stage, developing the new SSN-AUKUS class, faces many hurdles, with one of the biggest being ensuring consistent political support and investment within the UK, US and Australia across three decades. Others have already noted concerns about domestic American politics. Yet, the chequered history of Australia's own submarine programme – including the failed program with France that precipitated AUKUS – may not bode well for its capacity to pull off this audacious plan in its entirety.

But it is more than SSNs: the technology sharing aspect will increase research and collaboration on advanced defence capabilities, possibly even providing a framework for future groupings between aligned countries.

Perhaps the real question is: what does success for AUKUS look like? If Australia receives second-hand Virginia-class submarines from the US, but not SSN-AUKUS, will it have fulfilled its function? Or is the lowering of barriers to bilateral or multilateral defence cooperation alone enough for AUKUS to be successful?

Mann Virdee, Council on Geostrategy

- [Twitter](#)

AUKUS has a skills shortage problem. The UK, US and Australia are struggling to train, recruit, and retain skilled workers in science and advanced technologies in the defence sector. This challenge is particularly acute in areas such as nuclear, quantum, cybersecurity, and artificial intelligence.

The pool of skilled scientists, engineers, and technicians is not big enough. The changing nature of the labour market has contributed to the challenge; for many young people, the defence sector is simply not an attractive field to work in. Workers can also be put off by a lack of investment in infrastructure and housing in regions where the defence industry has a significant presence, as is the case in Barrow-in-Furness. These are obstacles to progress across both Pillar I and Pillar II of AUKUS.

Joined-up thinking across government and partnerships between government, higher education institutions, and industry will help nurture and develop skills. But these are long-term solutions to an immediate problem.

An 'AUKUS passport' could be devised to improve the movement of workers between the triumvirate – but this also risks creating an imbalance in the flow of talent. Visas for critical areas could also be used to attract talent from other countries. If AUKUS governments are worried about security risks associated with these measures, overseas talent could be employed in adjacent industries, allowing leaders in those sectors a flexible move into defence.

If the partnership is to develop a range of advanced capabilities, share technology smoothly, and increase interoperability, members will need to use all the levers available to them to attract talent and grow their workforce.