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Australia's AUKUS Gamble

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SYNOPSIS

The AUKUS pact responds to perceptions of new threats while remaining faithful to Australia's two foundational defence preoccupations: anxiety about defending its mainland with a small population, and the need to cleave to an alliance partner. This commentary examines the motivations and debate in Australia over AUKUS and shows that they are driven by long-standing elements of Australian strategic thought.

COMMENTARY

For over a century, Australia's evolving defence strategies have been driven by two preoccupations. The first is that the country lacks the population size and industrial base to defend the vast continental island that is Australia. The second follows: Australia must therefore build the most intimate and dependable alliance possible with the dominant maritime power: from 1788, Britain, and from 1951, the United States.

The AUKUS pact, announced on 15 September 2021, responds to perceptions of new threats while remaining faithful to Australia's two foundational defence preoccupations. The AUKUS plan outlines the close collaboration between Australia, Britain, and the United States to provide Australia with access to nuclear-powered submarines, and to establish close triangular collaboration on research and development of a range of next-generation defence technologies, including cyber, AI, quantum, and hypersonic capabilities.

The idea for AUKUS was an Australian one, born from a rising perception that the Indo-Pacific region is becoming more strategically volatile. It reflects a changed Australian understanding of China's rise, from a vision that economic engagement

would moderate China's behaviour, to an understanding that China seeks to reshape the Indo-Pacific to be more aligned with its own interests.

China's development and militarisation of islands in the South China Sea, concerns over espionage and influence operations in Australia, and more recently Beijing's leveraging of economic coercion against Australia have decisively raised Australians' threat perceptions. A recent [poll](#) showed Australians' threat perceptions of China rose from 15 per cent in 2015 to 63 per cent in 2022.

The AUKUS plan draws on several traditions in Australian strategic thinking. Most basically, it shows the urge to draw great power allies closer when threat perceptions increase. During the three decades between 1972 and 2001 which saw the Cold War's tensions recede and then end, Australia adopted the posture of "self-reliance within the alliance", seeking to decouple its alliance commitments from its increasingly close relations with China and other Asian neighbours. The 9/11 attacks and the deepening of the US-China rivalry saw a reversal, as Australia sought to integrate with American strategic, defence, and intelligence capabilities ever more deeply.

AUKUS also confirms Australia's perception that its greatest strategic assets are its maritime surrounds and its distances from other continents, and that its strategic liability is the Indonesian and Melanesian archipelagos on its northern and eastern approaches. This means that the defence of continental Australia depends on denying sea and island approaches to any potential attacker.

The colossal cost of AUKUS to Australia – conservatively estimated at AU\$368 billion (US\$245.7 billion) – is justified according to the range and speed of nuclear propulsion technology. This means that a Royal Australian Navy armed with SSN (nuclear-powered attack) capabilities could threaten an attacker's forces as far north as the northern Pacific.

At the heart of AUKUS is an audacious military technology play, and this draws on a third strategic tradition: a reliance on technology to make up for the modest size of Australia's armed forces. The pact will potentially make Australia one of just seven countries to deploy nuclear-propelled submarines.

"Pillar II", the development of next-generation defence technologies, could raise Australia to the level of co-producer of some of the world's most advanced defence technologies. The supporters of AUKUS point to its potential to transform Australia's economy and industry sectors and point to the deterrent effect it will have as a display of alliance resolve.

The pact has also attracted a growing chorus of critics, many of whom also draw on long traditions of Australian thinking about defence. Former Prime Ministers Paul [Keating](#) and Malcolm [Turnbull](#) have argued that by increasing its dependence on US defence technology, AUKUS removes Australia's sovereignty by effectively giving control over Australia's defence decisions to Washington.

Others have argued that in the possible scenario of a China-US war over Taiwan, Australia will have no option but to join the war against its major trading partner. Such critiques draw on long-held worries in Australian society that its alliances make

Australia less, rather than more safe. Reflecting the logic of “entrapment”, these critiques argue that Australia risks being drawn into a conflict of its ally’s making, in which Canberra has no interest.

Most telling perhaps are criticisms that AUKUS has little prospect of being delivered. Strategist Hugh White has delivered a withering critique of the three allies’ capacities to implement their grand plan. He points to the complexities of developing and servicing nuclear-propelled submarines – a technology more complex than a modern fighter jet – in Australia, a country with currently no nuclear sector and a miniscule industrial base.

Then there is the fact that Australia’s AUKUS partners are struggling to produce enough nuclear-propelled submarines for their own needs. White and critics who make similar points are drawing on long-held Australian doubts about Australia’s ability to defend itself from its own resources and population.

Other critics question the wisdom of committing to a technology that will take so long to deliver, at a time of rising tensions now. White argues that in the entirely possible scenario of delays, disagreements or even failure to deliver on parts of the plan could see Australia left without any submarine capabilities, leaving it perilously undefended in its northern approaches. There are echoes here of what Allan Gyngell memorably called Australia’s “fear of abandonment”.

Perhaps the greatest questions over AUKUS are not technical, operational, or economic, but political. While the commitment to the pact is bipartisan in Australia – AUKUS was announced by a Coalition Prime Minister and adopted by his opponent in opposition and in government – public opinion is starting to [soften](#). Concerns have been raised at the enormous price of the project, and the opportunity cost of policies not funded in its wake.

While the government at every turn talks up the economic benefits and employment consequences of AUKUS, the plan also involves investing Australian taxpayers’ money in British and American industry, a commitment that may become increasingly controversial in the context of high national debt, a slowing economy, and increasing international trade competition.

Political uncertainty extends to Britain and the United States also. Later this year both countries go to the polls. A change of government is almost certain in Britain, where the Labour Party has been out of power for a decade and will need to grapple with post-Brexit pressures and a slowing economy. The United States may re-elect Donald Trump, whose America-First alliance scepticism could end the whole deal.

These are very large uncertainties, putting Australia’s alliance relationships at the greatest risk they have ever faced. Whether ANZUS can survive the failure of AUKUS appears to be a question that few within the Australian government, or outside it, have thought to ask.

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