AUKUS announcement and the pathway to nuclear-powered submarines

Domestic talking points package

AUKUS – Enhanced trilateral security partnership

- Australia, the United Kingdom and the United States have established an enhanced strategic partnership – AUKUS
    - AUKUS is a step-change to our relationship that will enable deeper cooperation, including on a range of security and defence capabilities
- AUKUS complements the Australian Government's network of partnerships, including with ASEAN, our Pacific Family, Five Eyes partners and like-minded partners in the region, such as the Quad.
- The leaders of Australia, the United Kingdom and the United States share a mutual interest in maintaining security and stability in the Indo-Pacific.
- With the formation of AUKUS, our three nations recommit to protecting our shared values and promoting security and prosperity.
- Guided by a formal memorandum of understanding (MOU) agreement and our shared liberal democratic values, this momentous trilateral partnership – AUKUS – will promote security and prosperity in the Indo-Pacific for decades to come.

Additional talking points

- AUKUS is a momentous partnership in Australia's history that will significantly deepen our three countries' cooperation on a range of security and defence capabilities for decades to come.
- AUKUS will complement our collective efforts to meet the challenges posed by our strategic circumstances and ensure the Indo-Pacific remains stable, secure and prosperous, and free from coercion.
- Under AUKUS, our nations we also embark on further trilateral collaboration to enhance our joint capabilities and interoperability, focussing initially on cyber capabilities, artificial intelligence, quantum technologies and additional undersea capabilities.
- AUKUS will also enable our three countries' to better collaborate on defence science, research and education, technology, joint capabilities and industrial

bases. This will be a significant benefit to the workforces of these defence industries for generations to come.

- The first initiative under AUKUS is to support Australia to acquire nuclear-powered submarines for the Australian Defence Force.
    - Over the next 18 months, the three nations will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

AUKUS Q&A:

Q: Why the UK and US?

- Australia has a long history of defence cooperation with the United States and United Kingdom.
- We share democratic ideals and a commitment to the international rules-based order.
- We have deep defence ties, built over decades.
- For more than 70 years, Australia, the United Kingdom and the United States have worked together, along with other important allies and partners to protect our shared values and promote security and prosperity.
- With the formation of AUKUS, our three countries recommit ourselves to this vision.

Strategic environment

- Australia's strategic environment has deteriorated more rapidly than previously anticipated and the Indo-Pacific has become the centre of military competition.
- Military modernisation is occurring at an unprecedented rate. Capabilities are rapidly advancing and their reach expanding. The risk of conflict is growing.
- The technological-edge enjoyed by Australia and our allies is narrowing.
- The leaders of Australia, the United Kingdom and the United States share a mutual interest in maintaining security and stability in the Indo-Pacific.
- With the formation of AUKUS, our three nations recommit to protecting our shared values and promoting security and prosperity.

Additional talking points

- In launching the Defence Strategic Update in July 2020, the Government outlined how rapidly Australia's strategic environment was deteriorating.
    - In the Indo-Pacific, strategic competition has increased.
    - Military modernisation is occurring at an unprecedented rate.
    - Capabilities are rapidly advancing and their reach expanding.
    - The technological edge enjoyed by Australia and our partners is narrowing.
- Australia is committed to developing a more capable military force that will allow us to continue to help shape the future trajectory of the region in ways that support security and prosperity for all – Australians and our neighbours and partners, including our Pacific family.
- In recognition of our deteriorating strategic environment and the rapid militarisation of our region, Prime Minister Morrison directed the Secretary of Defence and the Chief of the Defence Force to bring forward a strategic review focused on enhancing Australia's defence capabilities.

- This review reaffirmed the need for Australia to invest in high-end capabilities that bolster our deterrence and better prepare us to respond in the event of conflict in our region.
    - In particular, the review reaffirmed that future submarine capability would be critical to our defence strategy and that Australia should explore the feasibility of acquiring nuclear-powered submarine technology.
- As a three-ocean nation dependent on seaborne international trade, Australia requires cutting-edge naval capabilities.
- We need to invest more in the security of our region so that we can continue to support peace and prosperity in Australia and the Indo-Pacific.
- The establishment of AUKUS enables Australia to leverage nuclear powered submarine expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs to greater support our allies in the Indo-Pacific.
- Nuclear-powered submarines will allow Australia to make a more significant contribution to our region's stability, security and prosperity.
- Submarines are an essential part of Australia's naval capability, providing a strategic advantage in terms of surveillance and protection of our maritime approaches.

Regional reactions

- Australia has a long history of upholding the international rules based order, and working with regional partners to support a secure, stable and peaceful Indo-Pacific.
- Our pursuit of this technology is about preserving a rule-based regional order where the sovereignty of all states—large and small—is respected.
- The decision for Australia to acquire nuclear-powered submarines is not about any other nation.
    - It is about what is best for our security and prosperity in a region undergoing rapid strategic change.
- Australia remains committed to working with all partners to achieve a stable, secure and prosperous Indo-Pacific.

- Investments in defence capabilities, such as this, help enable Australia to continue to make meaningful contributions to regional security.

Submarines are critical for defence

- Submarines are an essential part of Australia's naval capability, providing a strategic advantage in terms of surveillance and protection of our maritime approaches.
- With their stealth, range, endurance and powerful weapons, submarines are designed to operate and strike without warning. They are highly versatile and can strike a range of targets, collect intelligence, conduct mine warfare and support special operations.
- They deter aggression and deny an adversary's use of the sea by holding them at-risk far from Australia – which in turn improves our access to, and free use of, the sea.

Strategic environment Q&A:

Q: Is this announcement aimed at a specific country?

- Military modernisation is occurring at an unprecedented rate in the Indo-Pacific region.
- Defence capabilities are advancing rapidly and their reach expanding.
- Australia is acquiring nuclear-powered submarines to maintain our capability edge.
- The decision for Australia to acquire nuclear-powered submarines is not about any other nation.
    - It is about what is best for Australia's security and prosperity.
- Australia remains committed to working with all partners to achieve a stable, secure and prosperous Indo-Pacific.
- Investments in defence capabilities, such as this, help enable Australia to make meaningful contributions to regional security.

Q: Why are submarines so important to the defence of Australia?

- Submarines are an essential part of Australia's naval capability, providing a strategic advantage in terms of surveillance and protection of our maritime approaches.

- With their stealth, range, endurance and powerful weapons, submarines are designed to operate and strike without warning. They are highly versatile and can strike a range of targets, collect intelligence, conduct mine warfare and support special operations.
- They deter aggression and deny an adversary's use of the sea by holding them at-risk far from Australia – which in turn improves our access to and free use of the sea.

Q: Will Australia having a nuclear-powered submarine make a difference considering how few submarines we have compared to countries like China?

- This decision is about Australia and what is best for our security and prosperity. Australia has many friends and partners in the region.
- Australia is acquiring nuclear-powered submarines to maintain our capability edge.
- Investments in defence capability, such as this, help enable Australia make meaningful contributions to regional security.

Q: Will this exacerbate the deterioration of our strategic environment?

- No. Australia has a long history of upholding the international rules-based order, and working with regional partners to support a secure, stable and peaceful Indo-Pacific.

Q: How does the Government expect the region to react to Australia being a nuclear power?

- Australia has a long history of upholding the international rules based order, and working with regional partners to support a secure, stable and peaceful Indo-Pacific.
- Our pursuit of nuclear-powered submarine technology is about preserving a rule-based order where the sovereignty of all states—large and small—is respected.
- Australia remains a non-nuclear weapon state with an obligation under the Non-Proliferation Treaty not to acquire nuclear weapons.
- The Non-Proliferation Treaty does not prohibit naval nuclear propulsion.
- This proposal will remain consistent with Australia's longstanding commitment to nuclear non-proliferation.

Nuclear-powered submarines (capability)

- The accelerating changes to regional security as outlined in the 2020 Defence Strategic Update mean that conventional submarines, even one as good as the Attack class would have been, will not meet Australia's operational needs in the decades ahead.
- An assessment provided to Government through a capability review process was that nuclear-powered submarines were the only option that could meet Australia's strategic and defence capability requirements over the coming decades.
- The Government has therefore decided to pursue nuclear powered submarine technology with the support of our American and British partners.
- Nuclear-powered submarines have superior characteristics of stealth, speed, manoeuvrability, survivability and endurance when compared to conventional submarines.
- They can also deploy unmanned underwater vehicles and carry more advanced and a greater number of weapons.
- Australia will not seek nuclear weapons.
- Australia remains a non-nuclear weapon state with an obligation under the Non-Proliferation Treaty not to acquire nuclear weapons.
- Over the next 18 months, Australia, UK, and US, through AUKUS, will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Additional talking points

- Submarines are an essential part of Australia's naval capability, providing a strategic advantage in terms of surveillance and protection of our maritime approaches.

- In recognition of our deteriorating strategic environment and the rapid militarisation of our region, Defence conducted a strategic review focused on enhancing Australia's strategic capabilities.
- The review reaffirmed the need for a superior submarine capability and that Australia should explore the feasibility of acquiring nuclear-powered submarines.
- Nuclear-powered submarines have superior characteristics of stealth, speed, manoeuvrability, survivability and endurance when compared to conventional submarines. They can deploy unmanned underwater vehicles and can also carry more advanced, and a greater number of, weapons.
- These abilities allow nuclear-powered submarines to operate in contested areas with a much lower risk of detection, and deter actions against Australia's interests.

How have things changed?

- Expert advice prior to 2016 was that Australia was not in a position to build and operate nuclear-powered submarines and could not provide the necessary support for nuclear-powered submarines.
- Key developments since 2016 now make the nuclear-powered submarines feasible for Australia, including:
    - the UK and the US agreeing to share this technology with us;
    - that a civil nuclear power industry is not a prerequisite for effectively operating and stewarding a nuclear powered submarine; and
    - improved international confidence in Australia's capacity to manage and sustain our submarine fleet following implementation of the Coles Review into the sustainment of the Collins class submarine fleet.
- The establishment of AUKUS will enable Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs.

Nuclear weapons

- To be clear, Australia remains committed to our international obligations as they relate to the non-proliferation of nuclear weapons.

- Australia has no intention to:
    - Develop a civil nuclear energy program; or
    - Acquire or develop nuclear weapons.
- Australia remains a non-nuclear weapon state with an obligation under the Non-Proliferation Treaty not to acquire nuclear weapons.
- The Non-Proliferation Treaty does not prohibit naval nuclear propulsion.
- This proposal remains consistent with Australia's longstanding commitment to nuclear non-proliferation.

Nuclear power generation

- Australia has no plans to develop a civil nuclear power industry.
- Australia has received advice that we can operate nuclear-powered submarines without the need for a civil nuclear power industry.
- Through AUKUS, the Australia, UK, and US trilateral effort on nuclear-powered submarines will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Interoperability with the US Navy and Royal Navy

- The Royal Australian Navy has a proud, long-standing history operating and exercising with the US and UK in the region, and beyond.
- Through AUKUS, Australia's acquisition of nuclear-powered submarines will align our strategic defence posture with the US and UK, and further enhance interoperability between our three nations.

Safety issues

- American and British nuclear-powered submarines have never experienced any reactor accident or release of radioactivity that hurt human health or had an adverse impact on marine life.

Crew size

- Over the next 18 months, the Nuclear-Powered Submarine Task Force will intensively examine the requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Nuclear-powered submarine (capability) Q&A:

Q: Why partner with the US and the UK on nuclear-powered submarines?

- American and British nuclear-powered submarines have never experienced any reactor accident or release of radioactivity that hurt human health or had an adverse impact on marine life.
- Australia is committed to meeting the same standards in our national endeavour.
- AUKUS enables Australia to leverage this expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs so that Australia can better support our allies in the Indo-Pacific.

Q: Why don't we build a French designed nuclear submarine?

- The French-designed Barracuda is an extremely capable submarine.
- AUKUS has provided the opportunity to work the US and UK to identify the best approach to delivering a nuclear-powered submarine without the need to build a civil nuclear industry.

Q: Why has the Government cancelled the Attack class program before the UK and US have agreed to support Australia's pursuit of a nuclear-powered submarine capability?

- Australia, the United Kingdom and the United States – through AUKUS – have agreed to work together during the next 18 months to identify the optimal pathway to deliver nuclear-powered submarines for the Australian Defence Force.
- The assessment provided to the Government through a capability review process was that nuclear-powered submarines were the only option that could meet Australia's strategic and defence capability requirements over the coming decades.

- This assessment meant that the Government could not in good faith continue with the Attack class submarine program as planned.

Q: How are Australians expected to believe that this time the Government won't change course again when this all becomes too hard?

- The Australia Government's highest priority is the security of our nation.
- Our rapidly changing security environment has necessitated a rethink of our future submarine strategy, which is why we are pursuing a nuclear-powered submarine capability.
- The assessment provided to the Government through a capability review process was that nuclear-powered submarines were the only option that could meet Australia's strategic and defence capability requirements over the coming decades.
- This assessment meant that the Government could not in good faith continue with the Attack class program as planned.
- The Government has therefore decided to pursue nuclear powered submarine technology with the support of our American and British partners.
- Over the next 18 months, the three nations will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Q: How will these boats improve interoperability with the US Navy and Royal Navy?

- The Royal Australian Navy has a proud, long-standing history operating and exercising with the US and UK in the region, and beyond.
- Through AUKUS, Australia's acquisition of nuclear-powered submarines will align our strategic defence posture with the US and UK, and further enhance interoperability between our three nations.

Q: Will these submarines carry nuclear weapons?

- No.
- Australia has no plans to acquire nuclear weapons.

- This proposal will remain consistent with Australia's longstanding commitment to nuclear non-proliferation.

Q: Can nuclear reactors blow up/meltdown?

- American and British nuclear-powered submarines have never experienced any reactor accidents or releases of radioactivity that has harmed human health or had an adverse impact on marine life.
- Australia is committed to meeting the same standards.

Q: Will nuclear-powered submarines require the same crew size to the Collins or Attack?

- The Australia, UK, and U.S. trilateral effort on nuclear-powered submarines over the next 18 months will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Q: Will there be a requirement to refuel nuclear-powered submarines in Australia?

- The Australia, UK, and US. trilateral effort on nuclear-powered submarines over the next 18 months will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.
- Your question on nuclear propulsion plant design will be addressed during the trilateral effort.

Q: What happens to the submarine at the end of its life?

- Over the next 18 months, the Nuclear-Powered Submarine Task Force will intensively examine the requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Q: How will fewer submarines produce an enhanced capability?

- The Australian Government intends to build at least eight nuclear-powered submarines for the Australian Defence Force.
- Nuclear-powered submarines have superior characteristics of stealth, speed, manoeuvrability, survivability and endurance when compared to conventional submarines. They can deploy unmanned underwater vehicles and can also carry more advanced, and a greater number of, weapons.
- These abilities allow nuclear-powered submarines to operate in contested areas with a much lower risk of detection, and deter actions against Australia's interests.
- Over the next 18 months, Australia, UK, and US, through the AUKUS trilateral effort on nuclear-powered submarines, will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.
    - As part of this process, the number of submarines required will be one of the many considerations examined.

Nuclear-Powered Submarine Task Force

- Australia will establish a Nuclear-Powered Submarine Task Force in the Department of Defence.
- The task force will work closely with the UK and US over the next 18 months to identify the optimal pathway to deliver at least eight nuclear-powered submarines for Australia.
- During the 18-month consultation, Australia will leverage the technology, capability, and design expertise from the UK and US
    - Costs associated with a nuclear-powered submarine capability will be determined as part of this process.
- The Australian Government intends to build these submarines in South Australia.
- In order to acquire a nuclear-powered submarine capability as soon as possible, we remain open to options such as building some, or all, of the first submarine offshore. This, among other options, will be examined during the 18 month period of work.

Additional talking points

- Vice Admiral Jonathan Mead, AO, RAN will lead a Nuclear-Powered Submarine Task Force in the Department of Defence, which will work closely with the US and the UK.
- Over the next 18 months, Australia, UK, and US, through the AUKUS trilateral effort on nuclear-powered submarines, will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.
- The Government will always ensure that the Australian Defence Force has the capability it needs to defend Australia and our national and strategic interests.
- Through AUKUS, Australia is now commencing a period of consultation with the US and UK to determine the optimal pathway to achieve this capability.

    - As part of this process cost will be one of the many considerations examined.
- The Australian Government will make the necessary investments required to ensure they have the best capability available to deliver on its mission to defend Australia and its national interests.

Q: If you couldn't manage the schedule and cost of a conventional submarine program, what makes you think that Australia is ready to take on a nuclear-powered submarine program?

- It's not accurate to suggest that the Government was not able to deliver the Attack Class Submarine Program.
    - This decision was driven by the need to meet the demands of our changing strategic environment.
- The Government is confident that the Attack class submarine would have been the most capable conventional submarine ever built.

Q: Why is Australia now ready to proceed with a nuclear-powered submarine program?

- Expert advice prior to 2016 was that Australia was not in a position to build and operate nuclear-powered submarines and could not provide the necessary support for nuclear-powered submarines.
- Key developments since 2016 now make the nuclear-powered submarines feasible for Australia, including:
    - the UK and the US agreeing to share this technology with us;
    - that a civil nuclear power industry is not a prerequisite for effectively operating and stewarding a nuclear powered submarine; and
    - improved international confidence in Australia's capacity to manage and sustain our submarine fleet following implementation of the Coles Review into the sustainment of the Collins class submarine fleet.
- The establishment of AUKUS will enable Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs.

Q: How much is this going to cost?

- This will be a significant, but necessary, investment.

- The Australian Government will spend what it needs to spend to keep Australians safe and to protect our national interests.
- The Government will always ensure that Defence has the capability it needs to defend Australia and our national and strategic interests.
- We are now commencing a period of consultation with the US and UK to determine the optimal pathway to achieve this capability.
    - As part of this process the cost will be one of the many considerations examined.

Attack class Submarine Program

- Our pursuit of nuclear-powered submarines means the Australian Government is no longer proceeding with the Attack class Submarine Program.
- The rapid deterioration of our strategic environment since the announcement of the Attack class submarine program in 2016 has required the Government to reconsider the construction of conventionally-powered submarines.
- The accelerating changes to regional security as outlined in the 2020 Defence Strategic Update will make conventional submarines, even one as good as the Attack class would have been, less suited to our operational needs.
- As a three ocean nation, it is necessary for Australia to have access to the most capable submarine technology available.
- This decision was not taken lightly, but it is necessary to ensure that we have access to a submarine capability that will defend Australia and our national interests for decades to come.

Additional talking points

- The ability to operate conventional submarines in high threat environments is closing much faster than previously anticipated.
- The decision to not to proceed with the Attack Class Submarine Program was driven by a consideration of the strategic circumstances and the impact this has on Australia's submarine capability requirements.
- It was not related to the performance of Naval Group.
- The Government commends the contribution the Attack class Submarine Program has made to strengthening Australia's shipbuilding industry.
- Modern nuclear technology also means Australia is able to operate nuclear-powered submarines without the need for a civil nuclear power industry.

Attack workforce:

- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- Over the next 18 months, we will work with the UK and the US to determine the optimal pathway to deliver a nuclear-powered submarine capability for Australia.
- The Government is committed to finding a role for each and every skilled shipbuilding worker currently impacted by this announcement.
- Through the Government's investments in the Naval Shipbuilding Enterprise, we will see the total number of shipbuilding jobs in South Australia continue to grow.

What does this decision mean for Lockheed Martin Australia and its workers?

- Lockheed Martin Australia's Attack class submarine contract will be terminated.
- I acknowledge the uncertainty this announcement will generate for those employed in the naval shipbuilding industry.
- I want to be clear that the Government is committed to finding a role for each and every skilled shipbuilding worker currently impacted by this announcement.

Q: Given the heightened tensions in the region, should Australia proceed with both submarine programs?

- The level of complexity behind the simultaneous build of Attack class and nuclear-powered submarines would not be viable.
- It would also be inefficient and challenging for our Navy to operate three different classes of submarines that require different basing, crewing, and sustainment needs.

Q: Did Government make the wrong decision five years ago?

- No. The 2016 decision was the correct decision at the time.
- Expert advice prior to 2016 was that Australia was not in a position to build and operate nuclear-powered submarines and could not provide the necessary support for nuclear-powered submarines.
- Key developments since 2016 now make the nuclear-powered submarines feasible for Australia, including:
    - the UK and the US agreeing to share this technology with us;

    - that a civil nuclear power industry is not a prerequisite for effectively operating and stewarding a nuclear powered submarine; and
    - improved international confidence in Australia's capacity to manage and sustain our submarine fleet following implementation of the Coles Review into the sustainment of the Collins class submarine fleet.
- The establishment of AUKUS will enable Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs.
- The accelerating changes to regional security as outlined in the 2020 Defence Strategic Update will make conventional submarines, even one as good as the Attack would have been, less suited to our operational needs.
- This meant we had to rethink our future submarine strategy, and is why we are now pursuing a nuclear-powered submarine capability.

Q: Why didn't Australia make the decision to pursue nuclear-powered submarines back in 2016?

- Since 2016, our strategic environment has deteriorated faster than anticipated.
- The Indo-Pacific is now the centre of strategic competition and we are seeing technological disruption and military modernisation at an unprecedented rate.
- This meant we had to rethink our future submarine strategy, and is why we are now pursuing a nuclear-powered submarine capability.
- Expert advice supporting the 2016 decision to proceed with the Attack class submarine program was that Australia was not in a position to build and operate nuclear-powered submarines.
- Modern nuclear technology also means Australia is able to operate nuclear-powered submarines without the need for a civil nuclear power industry.
- The establishment of AUKUS will also enable Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective submarine programs.

Q: How can the Australian people trust that there will not be cost blowouts given the cost blowouts we have seen on the Attack class program?

- Firstly, the Attack class submarine has remained within its 2016 cost projections. There hasn't been any cost blowout.

- As the Government has said before, and been very clear about this with the Secretary of Defence, Chief of Defence Force and the Prime Industry partners, the Government expects these procurements to be delivered on time and on budget.

Q: Is this decision to pursue a nuclear-powered submarine capability acknowledgement that the Attack class program was a failure?

- This decision is not a criticism of Naval Group.
- Our partnership with the Naval Group would have seen the construction of the most capable and lethal conventional submarine ever built.
- This decision was made on the grounds of what is best for Australia's national security.

Q: How much have you spent on the Attack class program to date?

- $2.4 billion and the Government commends the contribution the Attack Class Submarine Program has made to strengthening Australia's shipbuilding industry.
- The Attack class submarine program was envisioned as a multi-stage design and build project with multiple returns to Government to approve each stage.
- Over the course of the five years since Government selected Naval Group as our international partner for the delivery of the Attack class submarines, and Lockheed Marin Australia for their combat system, over 500 Australians have been employed on most complex design and integration activity ever undertaken for the Australian Defence Force.
- These Australians have actively participated in submarine design and integration activities, complex project management, financial and commercial support, logistics planning and detailed scheduling activities, using modern computer aided design and planning tools.
- The highly valuable and transferrable skills and experience these Australians have developed will underpin the knowledge-base needed to deliver the new nuclear-powered submarines for Australia.
- A core group of Australians have also been exposed to a range of submarine design considerations that dictate the shape and workflow though submarine construction yards – this will be invaluable as we expand the facility at Osborne North to cater for the new nuclear powered submarine program.

- Q: Will the cancellation of the Attack class program result in a capability gap? / Doesn't the longer timeframe exacerbate the capability gap threatened by the previous program?
- The Australian Government is already investing in advanced capabilities to ensure Australia has a potent and networked force that is responsive to the evolving strategic environment.
- We will extend the life of all six of our Collins class submarines.
    - The Collins class submarine to this day remains one of the most capable conventional submarines in the world.
    - The planned life-of-type extension, through the replacement of key systems, will help avoid a capability gap and deliver on Defence's strategic objectives.
- The Government is pursuing advanced long-range strike capabilities to increase our ability to deliver military power, with greater precision and range. The capabilities include:
    - Tomahawk Cruise Missiles, which will be fielded on our Hobart-Class Destroyers.
    - Long Range Anti-Ship Missiles
    - Joint Air to Surface Standoff Missiles for our Air Force.
        - This will be an improved version of the long-range precision guided air to surface missile currently in use by the Air Force.
- At the same time the Government is ensuring Australia has the flexibility to deal with grey-zone challenges, to share information reliably and securely and to deny or defeat cyber threats as they arise, through enhanced offensive cyber capabilities.
        - hypersonic systems, autonomous systems, and space capabilities,[to add detail on each]
- We are confident that these additional capabilities, along with those already announced as part of the *2020 Force Structure Plan*, will address the potential security challenges in the coming decades – and during the time we are focused on developing and building nuclear-powered submarines.
- Through AUKUS we will significantly deepen cooperation with the US and the UK on a range of security and defence capabilities, focusing initially on cyber

capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities.

Q: What is a life-of-type extension (LOTE)?

- A life-of-type extension, or LOTE, is the process through which military equipment is maintained in order for it to remain in service for longer.
- The Collins class life-of-type extension program will update key equipment on the submarine, including diesel generators, power management systems and the main motor.
- The Collins class submarine life-of-type extension will commence with HMAS Farncombfrom 2026.
- The Government is investing $4.3 – 6.4 billion in the life-of-type-extension to allow each boat to operate safely for an additional 10-years.

Q: What does this decision mean for Naval Group and Lockheed Martin Australia workers?

- We are not continuing with Naval Group or Lockheed Martin Australia in the delivery of the Attack class submarine program.
- I acknowledge the uncertainty this announcement will generate for those employed in the naval shipbuilding industry.
- I want to be clear that the Government is committed to finding a role for each and every skilled shipbuilding worker impacted by this announcement.

Q: What does this announcement mean for the Attack class program workforce including staff from Naval Group and Lockheed Martin Australia?

- I acknowledge the uncertainty this announcement will generate for those employed in the naval shipbuilding industry.
- I want to be clear that the Government is committed to finding a role for each and every skilled shipbuilding worker impacted by this announcement.
- Their skills are, and will continue to be, in unprecedented demand because of the Government’s ambitious ongoing shipbuilding program in Australia.

Q: What does this decision mean for ASC and its workers?

- The workers at ASC in South Australia have ensured the Collins class submarines are well maintained and exceeds international availability benchmarks.
- ASC will continue as our source of sovereign submarine industrial expertise, training and growing the workforce who we intend will build our nuclear-powered submarines.
- ASC and its workers will remain an integral partner to the Collins class submarine full cycle docking, which will remain in Adelaide.

Q: What does this decision mean for ANI and its workers?

- Over the next 18 months, the Nuclear-Powered Submarine Task Force will intensively examine the requirements that underpin nuclear stewardship, including infrastructure.
- We will work with ANI over this period to determine the impact of this decision on the works at Osborne North and reduce the impact to construction workers.
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Q: What do you have to say to people already in training for the Attack class jobs?

- Your skills are, and will continue to be, in unprecedented demand because of the Government's investment in the Naval Shipbuilding Enterprise.
- Our program of concurrent naval design, construction and maintenance is unparalleled in Australia's post-war history, supported by billions of dollars of investment in naval shipbuilding and sustainment.
- In total, the Enterprise still encompasses the construction and upgrade of around 70 ships and submarines, in Australia, by Australian workers.
- The Government's investment in naval shipbuilding and sustainment over the coming decades will provide employment for thousands of Australians and unprecedented opportunities for small and medium businesses in every state and territory.

Workforce impacts

- The Government is committed to finding a role for every skilled shipbuilding worker impacted by this announcement.
- The Attack class submarine workforce are prime candidates for the unprecedented work that needs to be performed across the Naval Shipbuilding Enterprise over the coming decades, where we will rely on their expertise more than ever.
- The acquisition of nuclear-powered submarines will support thousands of jobs in the Australian shipbuilding and sustainment industry.
- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- Over the next 18 months, Australia, UK, and US, through the AUKUS trilateral effort on nuclear-powered submarines, will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Additional talking points

- This national endeavour will see thousands of jobs created over the next few decades in shipbuilding and sustainment roles, from welding to advanced manufacturing and hi-tech design.
- The shipbuilding workforce is at the forefront of this modern naval ship design and construction activity, driving digital transformation and underpinning our advanced manufacturing sector.
- The Government is working with employers, universities, and the vocational education and training sector to ensure we have the right people with the right skills to fill the thousands of new jobs.
- As we determine the optimum pathway to a nuclear-powered submarine capability, we will need to build upon our existing nuclear and shipbuilding skilled,

qualified and experienced workers as new opportunities emerge for Australian industry.

- AUKUS will also enable our three countries' to better collaborate on defence science, research and education, technology, joint capabilities and industrial bases.
- This will be a significant benefit to the workforces of these defence industries for generations to come.

South Australian workforce

- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- The core of our submarine workforce is in South Australia. This decision will retain the skills in South Australia as we prepare to build Australia's nuclear-powered submarines.
- Over the next 18 months, we will work with the UK and the US to determine an optimal pathway to deliver a nuclear-powered submarine capability for Australia.
- The Government is committed to finding a role for each and every skilled shipbuilding worker currently impacted by this announcement.
- Through the Government's investments in the Naval Shipbuilding Enterprise, we will see the total number of shipbuilding jobs in South Australia continue to grow.
- The significant investments this Government has made in fostering a sovereign Naval Shipbuilding Enterprise will support 15,000 Australian jobs by the end of the decade.
    - Including the creation of 2000 jobs for skilled industry workers in South Australia by 2030.
- The Enterprise will support over 4000 defence industry jobs in South Australia by the end of the decade, facilitating the delivery of:
    - Nuclear-powered submarines;
    - 9 Hunter class frigates at a cost of $45.1 billion with a projection of 1500 jobs at peak;
    - 2 Arafura class offshore patrol vessels at a cost of approximately $800 million and a projection of 430 jobs at its peak;
    - Life-of-type extension to 6 Collins class submarines; and

    - Combat management system upgrades to 3 Hobart class air warfare destroyers.
- The Government continues to work closely with the industry and education sectors to fill the thousands of career opportunities the Enterprise will create.
- Finding enough people to satisfy the demand for skilled workers over the coming decade remains a priority of the Government.

Western Australian workforce

- The Henderson Maritime Precinct is one of Australia's two principal shipbuilding hubs.
- WA workers will have job security and local businesses will be able to invest with confidence, in the full knowledge that naval shipbuilding in this country will continue at a steady pace for decades to come.
- The significant investments this Government has made in fostering a sovereign Naval Shipbuilding Enterprise will support 15,000 Australian jobs by the end of the decade.
- The Enterprise will support over 2000 defence industry jobs in Western Australia by the end of the decade, facilitating the delivery of more than a dozen major sustainment projects, including (but not limited to):
    - Construction of 10 Arafura class offshore patrol vessels – at a cost of approximately $3.9 billion and a projection of 400 jobs;
    - Construction of 21 Guardian class patrol boats at a cost of $510 million;
    - Construction of 6 Evolved Cape class patrol boats at a cost of $343 million;
    - Sustainment of 8 Anzac class frigates; and
    - Sustainment of 6 Collins class submarine - at a cost of approximately $671 million and approximately 500 jobs.
- The Government continues to work closely with the industry and education sectors to fill the thousands of career opportunities the Enterprise will create.
- Finding enough people to satisfy the demand for skilled workers over the coming decade remains a priority of the Government.
- This continues to be an exciting time for naval shipbuilding in Western Australia.

Workforce Q&A:

Q: Where will these submarines be built?

- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- Building the submarines in Australia is the best way to also develop a strong and effective sustainment industry, which will enable us to meet every requirement to safely operate and maintain nuclear-powered submarines.
- Over the next 18 months, we will work with the UK and the US to determine an optimal pathway to deliver a nuclear-powered submarine capability for Australia.
- The Government will continue to invest more than ever before in our sovereign Naval Shipbuilding Enterprise, which will support thousands of jobs for generations of Australians across the nation.

Q: Can you guarantee the submarines will be built in Australia?

- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- Over the next 18 months, we will work with the UK and the US to determine an optimal pathway to deliver a nuclear-powered submarine capability for Australia.
- Building the submarines in Australia is the best way to also develop a strong and effective sustainment industry, which will enable us to meet every requirement to safely operate and maintain nuclear-powered submarines.
- However, to acquire a nuclear-powered submarine capability as soon as possible, we remain open to options such as building some, or all, of the first submarine offshore. This, among other options, will be examined during the 18 month period of work.
- The Government will continue to invest more than ever before in our sovereign shipbuilding industry, which will support thousands of jobs for generations of Australians across the nation.

Q: Will this decision create another shipbuilding valley of death (cause delay)?

- No. This announcement will create opportunities for those skilled in shipbuilding design, construction or maintenance.
- The significant investments this Government has made in fostering a sovereign Naval Shipbuilding Enterprise will support 15,000 Australian jobs by the end of the decade.

- Including the creation of 2000 jobs for skilled industry workers in South Australia by 2030.
- While South Australia and Western Australia are a large part of this, every state and territory stands to benefit from a sovereign shipbuilding industry.
- The Government continues to work closely with the industry and education sectors to fill the thousands of career opportunities the Enterprise will create.
- Finding enough people to satisfy the demand for skilled workers over the coming decade remains a priority of the Government.

The Government will continue to invest more than ever before in our sovereign shipbuilding industry, which will support thousands of jobs for generations of Australians across the nation.

Q: What will the impact of this decision have on jobs in South Australia?

- I want to be clear that the Government is committed to finding a role for each and every skilled shipbuilding worker impacted by this announcement.
- Through the Government's investments in the Naval Shipbuilding Enterprise, we will see the total number of shipbuilding jobs in South Australia continue to grow.

Q: Why full-cycle dockings in South Australia?

- Collins class submarines have always completed full-cycle dockings in South Australia.
- The workers at ASC in South Australia have ensured this critical capability is well maintained and exceeds international availability benchmarks.
- South Australia will continue to complete full-cycle dockings for Collins and, in 2026, will commence the life-of-type extension of HMAS Farncomb; the first of all six Collins class submarines to be extended.
    - The Government is investing $4.3 – 6.4 billion in the life-of-type extension of all six Collins class submarines.
    - Collins class sustainment activities, including full-cycle docking and life-of-type-extension, will this decade support over 1800 jobs in both South Australia and Western Australia.

Q: What is the difference between full-cycle docking and life-of-type extension?

- A full-cycle docking is a routine maintenance and upgrade refit program required on a submarine every 10 years. The process usually takes around two years to complete.
- Life-of-type extension, or LOTE, is the process through which military equipment is maintained in order for it to remain in service for longer.
- The Collins class life-of-type extension program will update key equipment on the submarine, including diesel generators, power management systems and the main motor.
    - The Government is investing $4.3 – 6.4 billion in the life-of-type extension of all six Collins class submarines.
    - Collins class submarine sustainment activities, including full-cycle docking and life-of-type-extension, will this decade support over 1800 jobs in both South Australia and Western Australia.

Q: Why not full-cycle dockings in Western Australia?

- The Government remains resolutely committed to maximising local industry involvement in our Naval Shipbuilding Enterprise, especially in Western Australia.
- The core of our submarine workforce is in South Australia. Keeping full-cycle docking for Collins class submarines in South Australia will retain the skills in South Australia as we prepare to build Australia's nuclear-powered submarines.
- Western Australia will continue to play a key role is sustaining Navy's fleet, with Collins class submarine intermediate and mid-cycle dockings continuing at Henderson through until the mid-2040s and a further capability assurance program for the ANZAC class frigates also to be conducted in the west on all eight ships.
- The Henderson Maritime Precinct is one of Australia's two principal shipbuilding hubs.
- WA workers will have job security and local businesses will be able to invest with confidence, in the full knowledge that naval shipbuilding in this country will continue at a steady pace for decades to come.

  - The Arafura Class Offshore Patrol Vessel build has commenced and will continue at Henderson.
  - Work is already underway to bring the mine counter measures and military hydrographic project back to Government next year for decision - this $3.5-$5 billion project will see up to another eight Arafura derivatives built in Western Australia.
  - Austal continues to deliver on the Guardian and Cape Class patrol boats programs.
  - The replacement for Navy's Ocean Protector (and potentially Border Force's Ocean Shield) will be constructed at Henderson from late this decade, and a new large forward support vessel will be constructed at Henderson.
  - Collins class submarine intermediate and mid-cycle dockings will continue to be performed at Henderson through until the mid-2040s.
  - Defence will continue to work with the Western Australian Government on delivering the large-vessel dry berth infrastructure identified in the 2020 Force Structure Plan.
- This continues to be an exciting time for naval shipbuilding in Western Australia.

Q: What other shipbuilding programs will take place in South Australia?

- Now in prototyping, nine Hunter class frigates will be constructed in South Australia at a cost of $45.1 billion.
  - Projection of 1,500 South Australian jobs at peak.
- Two Arafura class offshore patrol vessels are already under construction in South Australia at a cost of approximately $800 million.
  - Projection of 430 South Australian jobs at peak.
- South Australia will continue to complete full-cycle dockings for Collins class submarines.
  - Approximately 900 South Australian jobs
- Starting in 2026, Defence will commence the life-of-type extension of the Collins class submarine fleet in South Australia at a cost of $4.3 – 6.4 billion.
  - Projection of 1,300 South Australian jobs at peak.

- Upgrades to Hobart class air warfare destroyer combat management system (Aegis baseline) will be conducted in South Australia at a cost of $3.4 – 5.1 billion.
    - Projection of 300 South Australian jobs at peak.

Q: What other shipbuilding programs will take place in Western Australia?

- Collins class submarine intermediate and mid-cycle dockings will continue to be performed at Henderson through until the mid-2040s at a cost of approximately $671 million.[NB: Once FCD costs are confirmed they will be deducted from this figure]
    - Approximately 500 Western Australian jobs
- The Arafura Class Offshore Patrol Vessel build has commenced and will continue at Henderson at a cost of approximately $3.9 billion.
    - Projection of 265 Western Australian jobs at peak.
- Work is already underway to bring the mine counter measures and military hydrographic project back to Government next year for decision - this $3.5-$5 billion project will see up to another eight Arafura derivatives built in Western Australia at a cost of $4.3 – 6.4 billion.
    - Projection of 250 Western Australian jobs at peak.
- Austal continues to deliver on the Guardian and Evolved Cape Class patrol boats programs at a cost of $510 million and $343 million, respectively.
    - Projection of 630 Western Australian jobs at peak.
- The replacement for Navy's Ocean Protector ($450 – 650 million) will be constructed at Henderson from late this decade, and a new large salvage and repair vessel ($500 – 750 million) will be constructed at Henderson.
    - Projection of 150 Western Australian jobs at peak.
- Defence will continue to work with the Western Australian Government on delivering the large-vessel dry berth infrastructure identified in the 2020 Force Structure Plan.

Industry impacts

- The Government is committed to maximising local industry involvement in the construction of a nuclear-powered submarine capability for Australia.
- Our future nuclear-powered submarines will be constructed at Osborne in South Australia with the backing of a strong, sovereign defence industry.
- Building the submarines in Australia is the best way to also develop a strong and effective sustainment industry, which will enable us to meet every requirement to safely operate and maintain nuclear-powered submarines.
- This decision will increase the future opportunities for Australian defence industry to participate in the Naval Shipbuilding Enterprise.
- The AUKUS partnership will foster new opportunities for Australian industry to participate in international supply chains.

Additional talking points

- Since the release of the *2017 Naval Shipbuilding Plan*, the Government has made significant progress towards delivering advanced new naval capabilities to protect Australia and its national interests, while supporting a sovereign and continuous naval shipbuilding industry in Australia.
- The Naval Shipbuilding Enterprise is a major national undertaking, as bold and ambitious as anything in our history.
- Our program of concurrent naval design, construction and maintenance is unparalleled in Australia's post-war history, with the Government planning to invest over $200 billion in naval shipbuilding out to the 2060s.
- The overall program will still encompass around 70 ships and submarines, built in Australia, by Australian workers, with Australian steel.
- The Government's investment in naval shipbuilding and sustainment will provide intergenerational employment for thousands of Australians and unprecedented opportunities for small and medium businesses in every state and territory.
- Fifteen thousand jobs will be created across shipbuilding and sustainment, from welding to advanced manufacturing and hi-tech design.

- The shipbuilding workforce is at the forefront of this modern naval ship design and construction activity, driving digital transformation and underpinning our advanced manufacturing sector.
- The Government's intention is that the nuclear-powered submarines will be built in Adelaide with the backing of a strong, sovereign defence industry.
- ASC will continue as our source of sovereign submarine industrial expertise, training and growing the workforce who will build our nuclear-powered submarines through a contemporary Submarine Design House, located in South Australia.
- The Government is committed to working with employers, universities, and the vocational education and training sector to ensure we have the right people with the right skills to fill the thousands of new jobs.
- The Government's vision is to build a robust, resilient and internationally competitive Australian defence industry base that is better able to help meet defence capability requirements, advance Australia's economy, and create and sustain Australian jobs.

Industry Q&A:

Q: What does this announcement mean for Australia's defence industry?

- The Government is committed to maximising local industry involvement in the construction of our nuclear-powered submarine capability.
- We will work with our American and British partners over the next 18 months to develop a detailed planned to ensure we maximise Australian industry involvement in this program
- This program will provide the opportunity for Australian industry to contribute to domestic and global supply chains, and support workforce development and skilling initiatives.
- The Government remains committed to building a sovereign shipbuilding industry and will continue to support the development of a skilled workforce by collaborating across governments, industry and academia.
- Australian workers will also operate and sustain these submarines in Australia over their lifetime.
- And building the submarines in Australia is the best way to develop a strong and effective sustainment industry in the longer term.

Q: Can the Government guarantee that it will achieve the minimum of 60 per cent Australian industry content promised under the Attack class program for a nuclear-powered submarine?

- The Government is committed to maximising local industry involvement in the construction of our nuclear-powered submarine capability.
- We will work with our American and British partners over the next 18 months to develop a detailed planned to ensure we maximise Australian industry content in this program.
- The Australian Government intends to build these nuclear-powered submarines in South Australia.
- This program will provide opportunities for Australian industry to contribute to domestic and global supply chains, and support workforce development and skilling initiatives.
- The Government remains committed to building a sovereign shipbuilding program and will continue to support the development of a skilled workforce by collaborating across governments, industry and academia.
- Through our partnerships with the United Kingdom and the United States, we will develop and implement technology transfer which will ensure critical capability knowledge is transferred and retained within the Australian industrial base.
- Australian workers will also operate and sustain these submarines in Australia over their lifetime.
- And building the submarines in Australia is the best way to develop a strong and effective sustainment industry in the longer term.

Q: What do you have to say to the hundreds of small businesses who were ramping up to work on the Attack class program?

- The Government's commitment to Australian industry remains.
- Already across Australia, we are seeing our Naval Shipbuilding Enterprise grow as a direct result of the billions of dollars of investment by the Government in naval capabilities.
- The Government's unprecedented investment in naval shipbuilding will continue to generate opportunities for Australia's defence industry to win work on acquisition, upgrade, and sustainment programs, including unlocking opportunities to introduce technologies never before seen on our shores.

Naval Shipbuilding Enterprise

- The Naval Shipbuilding Enterprise is a major national undertaking, as bold and ambitious as anything in our history.
- Our program of concurrent naval design, construction and maintenance is unparalleled in Australia's post-war history, supported by billions of dollars of investment in naval shipbuilding and sustainment.
- In total, the Enterprise still encompasses the construction and upgrade of around 70 ships and submarines, in Australia, by Australian workers.
- The Government's investment in naval shipbuilding and sustainment will provide employment for thousands of Australians and unprecedented opportunities for small and medium businesses in every state and territory.

Enterprise Q&A:

Q: How is the Government enhancing Australia's capabilities?

- Nuclear-powered submarines will form part of a suite of capabilities that will ensure Australia is prepared to confront and respond to the security challenges we face as a nation, and as a region.
- This will support the Australian Defence Force to deliver on our strategy—to shape Australia's strategic environment; deter actions against Australia's interests; and respond with credible military force, when required.
- In addition to the capability acquisitions announced as part of the 2020 Force Structure Plan, the Government, through AUKUS, will also collaborate with the UK and US on cyber capabilities, artificial intelligence, quantum technologies and additional undersea capabilities.
- These capabilities—coupled with our planned life-of-type extension of the Collins class submarine fleet, which remains one of the most capable conventional submarines in the world—will enhance our ability to deter and respond to potential security challenges during the transition to a fleet of nuclear-powered submarines.

Addressing capability gaps

- The Australian Government will progress a number of actions to ensure Australia remains secure. We will:
- Extend the life of all six of our Collins class submarines.
    - The Collins class submarine to this day remains one of the most capable conventional submarines in the world.
    - The planned life-of-type extension, through the replacement of key systems, will help avoid a capability gap and deliver on Defence's strategic objectives.
- The Government will also acquire additional capabilities including:
    - Tomahawk Cruise Missiles, which will be fielded on our Hobart-Class Destroyers.
    - Joint Air to Surface Standoff Missiles for our Air Force.
        - This will be an improved version of the long-range precision guided air to surface missile currently in use by the Air Force.
    - Offensive cyber capabilities, hypersonic systems, undersea capabilities, autonomous systems, and space capabilities, among others.
- We are confident that these additional capabilities, along with those already announced as part of the *2020 Force Structure Plan*, will address the potential security challenges in the coming decades – and during the time we are focused on developing and building nuclear-powered submarines.

Enterprise Q&A:

Q: How will the Government pay for this? Including on explanation on how the Attack class forward funding will be repurposed/utilised?

- Funding for the acquisition of nuclear-powered submarines (including the re-purposing of unspent Attack class funding) will be identified as part of Commonwealth and Defence budgeting processes.

Q: Does this mean the Government is moving towards 3 per cent of GDP spent on Defence?

- The Australian Government will spend what it needs to spend to keep Australians safe and to protect our national interests.

- Under the 2016 Defence White Paper, Defence's funding was decoupled from GDP to avoid the need to regularly adjust Defence's plans in response to GDP fluctuations and to provide long term funding stability for Defence and Defence industry. This is underpinned by the 10 year funding model which provides the funding certainty to support the long term planning required to deliver defence capability.
- This decision will see record investment in Australian industry and its workforce.
- This Government has delivered on our commitment for Defence funding to reach 2 per cent of GDP in 2020-21 with substantial funding growth planned over the next decade.
- The *2021 Cost of Defence* report by the Australian Strategic Policy Institute acknowledges that funding under the 10 year Defence funding model will exceed 2 per cent of GDP over the decade to 2029-30.

Nuclear stewardship

- The 'nuclear' in nuclear-powered submarines refers only to the propulsion power source of the vessel.
- Australia will not seek to develop or acquire nuclear weapons.
- Australia's commitment to nuclear non-proliferation remains unchanged.
- We will ensure that Australia is a responsible and reliable steward of nuclear-powered submarine technology.
- AUKUS enables Australia to leverage expertise from the United States and the United Kingdom, building on decades of experience in their respective nuclear-powered submarines programs.

Additional talking points

- To be clear, Australia remains committed to our international obligations as they relate to the non-proliferation of nuclear weapons.
- Australia has no intention to develop a civil nuclear energy program.
- Australia will not seek to develop or acquire nuclear weapons.
- Australia remains a non-nuclear weapon state with an obligation under the Non-Proliferation Treaty not to acquire nuclear weapons.
- The Non-Proliferation Treaty does not prohibit naval nuclear propulsion
- This proposal will remain consistent with Australia's longstanding commitment to nuclear non-proliferation.
- The United Kingdom and the United States have set and maintained an exemplary safety record operating their submarine nuclear reactors.
- Australia will look to replicate that safety record by leveraging both countries' decades of experience as stewards of this technology.

- The number one priority of the Australian Government is to keep Australians safe while protecting our country's national interests in the changing strategic environment.
- Over the next 18 months, Australia, UK, and US, through the AUKUS trilateral effort on nuclear-powered submarines, will intensively examine the full suite of requirements that underpin nuclear stewardship, with a specific focus on: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.
- Australia will continue to meet our obligations under the Treaty on the Non-Proliferation of Nuclear Weapons and other relevant agreements, including with the International Atomic Energy Agency (IAEA).

Stewardship Q&A:

Q: Is this cooperation consistent with the Non-Proliferation Treaty?

- Australia remains fully committed to the Non-Proliferation Treaty and will comply with our respective obligations under it.
- Australia is not seeking, and the United States and the United Kingdom are not assisting any acquisition of nuclear weapons.
- The Non-Proliferation Treaty does not prohibit naval nuclear propulsion.

Q: Will a land-based reactor be built in Australia to support nuclear-powered submarines?

- Current advice is that safely acquiring, operating and sustaining nuclear-powered submarines does not require the establishment of an Australian civil nuclear power industry.

- Over the next 18 months, the Nuclear-Powered Submarine Task Force will examine the full suite of requirements that underpin nuclear stewardship, including: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce and force structure.

Q: Does Australia have the technical expertise to safely manage this program?

- For more than 60 years, Australia has operated nuclear facilities and conducted nuclear science and technology activities, giving us experience in stewardship of nuclear facilities.
- Australia has a long history of safely and reliably operating nuclear reactors at Lucas Heights in NSW through the Australian Nuclear Science and Technology Organisation (ANSTO).Australia has built a high level of nuclear safety and regulatory capability, as well as an exemplary record in safe operation of our current nuclear facilities and in meeting our nuclear non-proliferation requirements.
- Australia has a range of agencies organisations that have experience in nuclear technology and regulation. The Nuclear-Powered Submarine Task Force is committed to working with these agencies throughout this capability process.
- Over the next 18 months, the Nuclear-Powered Submarine Task Force will intensively examine the requirements that underpin nuclear stewardship, with a specific focus on safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce, and force structure.

Q: Will this program change Australia's view of itself as a non-nuclear state?

- No.
- Australia has a long history of working with nuclear technology through the Australian Nuclear Science and Technology Organisation.
- This announcement does not change Australia's strong commitment to global nuclear non-proliferation efforts and our strong commitment to nuclear safety.
- The Non-Proliferation Treaty does not prohibit naval nuclear propulsion.

Q: Won't this encourage the broader proliferation of nuclear naval propulsion technology? Does this mean that the United States is reversing its previous stance that such proliferation should be prevented and that Australia and the UK are changing their position on military use?

- This technology is extremely sensitive, and – consistent with our past positions – we are only pursuing this cooperation given the unique historical relationships between three close partners and Australia's impeccable non-proliferation credentials and history.

Legal

- The Australian Government anticipates that new international agreements will be required between the three countries.
- The Australian Government also anticipates that the regulatory framework for the safe management of this technology will need to be developed.
- The Nuclear-Powered Submarine Task Force will examine the full suite of requirements that underpin nuclear stewardship, including: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce and force structure.

Q: Do any laws need to be changed to facilitate the cooperative submarine program?

- The Nuclear-Powered Submarine Task Force will examine the full suite of requirements that underpin nuclear stewardship, including: safety, design, construction, operation, maintenance, disposal, regulation, training, environmental protection, installations and infrastructure, industrial base capacity, workforce and force structure.
- The Australian Government anticipates that new international agreements and arrangements will be required between our countries.
- The Australian Government also understands that the regulatory framework for the safe management of this technology in a naval context will need to be developed.

Q: Will you compensate Australian businesses that are now out-of-pocket as a result of this decision?

- Arrangements associated with the termination of contracts are necessarily confidential by nature and will be agreed on a case-by-case basis according to their terms.

Q: Will the operation of Nuclear-Powered Submarines be permitted under State and Territory laws?

- The Australian Government anticipates that the management of this technology and the operation of Nuclear-Powered Submarines would be authorised and regulated under appropriate Commonwealth laws.
- Relevant consultation would occur with the States and Territories where appropriate.

Q: Will the Navy operate Nuclear-Powered Submarines in Nuclear Free Zones, such as the City of Sydney?

- The Australian Government anticipates that the operation of Nuclear-Powered Submarines would be authorised and regulated under appropriate Commonwealth laws.
- Relevant consultation would occur with the States and Territories where appropriate.

Q: Won't the use of Nuclear-Powered Submarines breach State, Territory and Commonwealth environmental and nuclear waste laws?

- The Australian Government anticipates that the management of this technology and the operation of Nuclear-Powered Submarines would be authorised and regulated under appropriate Commonwealth laws.
- Relevant consultation would occur with the States and Territories where appropriate.

Q: Will the acquisition and operation of Nuclear-Powered Submarines be consistent with Australia's non-proliferation obligations?

- Yes, as a country with a strong nuclear non-proliferation track record, the acquisition and operation of Nuclear-Powered Submarines is, and will be, consistent with Australia's non-proliferation obligations.

Q: Isn't Australia's acquisition of Nuclear-Powered Submarines exploiting a loop hole in the Non-Proliferation of Nuclear Weapons Treaty?

- No, Australia has been and remains a non-nuclear weapons state.
- Non-nuclear weapons states are not prohibited from using naval nuclear propulsion under the Treaty.

- As a country with a strong nuclear non-proliferation track record, the acquisition and operation of Nuclear-Powered Submarines is, and will be, consistent with Australia's non-proliferation obligations.

Q: What is the IAEA's position on Australia's acquisition and operation of Nuclear-Powered Submarines?

- The Australian Government has and will continue to closely engage with the IAEA on any matters of relevance.
- Naval nuclear propulsion is not prohibited under the non-proliferation regime.

Q: Do the regional Nuclear Free Zone Treaties, such as the Treaties of Rarotonga and Bangkok, prohibited the presence of Nuclear-Powered Submarines?

- No.
- The regional Nuclear Free Zone Treaties are primarily focused on the explosive use of nuclear energy, not naval nuclear propulsion.
- As a country with a strong nuclear non-proliferation track record, the acquisition and operation of Nuclear-Powered Submarines is, and will be, consistent with Australia's legal obligations, including applicable regional Nuclear Free Zone Treaties.

Decision-making

- The decision to establish an enhanced trilateral security partnership was made through existing decision-making mechanisms, including approval through the National Security Committee of Cabinet.

Q: What has been the process of consultation within Government and the opposition to date?

- This decision has been made through existing government decision-making mechanisms.
- NSC considered this issue and full Cabinet was briefed on those considerations and has endorsed the outcome.
- The Opposition was briefed ahead of the announcement.

s22

From: s47E(d)
Sent: Friday, 10 September 2021 11:31 AM
To: s47E(d)
Cc: Tesch, Peter s47E(d)
Subject: RE: For Action: Electronic copy of Op-ed [SEC=SECRET]
Attachments: 210800 Draft Op Ed rev2 (split).docx

SECRET

Hi s47E(d),

Attached. Flagging this has been through DEPSEC SP&I as a contingency product, but I don't think has gone higher in our system.

Regards

s47E(d)

From: s47E(d)
Sent: Friday, 10 September 2021 11:12 AM
To: s47E(d)
Cc: s47E(d)
Subject: For Action: Electronic copy of Op-ed [SEC=SECRET]

SECRET

Hi s47E(d)

The PMO has indicated they are interested in reviewing the op-ed that you previously provided in hard copy. I was wondering if you had an electronic copy you could send through this morning? s47E(d) is meeting with them at 1pm today and we'll need to provide two hard copies for the meeting.

Many thanks,

s47E(d)

s47E(d)

s22

From: s47E(d)
Sent: Wednesday, 25 August 2021 9:38 AM
To: s47E(d) Tesch, Peter
Cc:
Subject: RE: Shipbuilding and Sustainment Draft [SEC=SECRET, CAVEAT=SH:CABINET, CAVEAT=RI:AUSTEO]
Attachments: 210825 S&S Plan 2021 - s47E(d) comments.docx

SECRET CABINET AUSTEO

Hi s47E(d)

I have a made a few changes in the attached, mostly to align the nuclear-powered submarine program language with the language we intend to use for the announcement. I have also had our resident stewardship guru check over the language.

s33(a)(iii)

s47C

Contestability will have comments to me by the end of the week.

Cheers

s47E(d)

From: s47E(d)
Sent: Sunday, 22 August 2021 4:00 PM
To: s47E(d) Tesch, Peter s47E(d)
s47E(d)
Cc: s47E(d)
Subject: Shipbuilding and Sustainment Draft [SEC=SECRET, CAVEAT=SH:CABINET, CAVEAT=RI:AUSTEO]

Noting how close we are getting to a decision, and suspecting that we might be asked to accelerate release of the updated Plan, the team and I have been working on it in our spare time. I have removed the graphics (we're updating them in parallel), and not all of the language is there yet, but it is getting close enough to circulate. Feedback welcome, especially on how the new project has been incorporated into the narrative

s47E(d)

s22

From: s47E(d)
Sent: Monday, 13 September 2021 7:35 PM
To: s47E(d) Tesch, Peter
Cc:
Subject: FW: TF products - current version of Schedule and Talking points to support pre and post notification calls [SEC=SECRET]
Attachments: IMS Final V1.xlsx; 20210913 - International TPs v8.docx; Joint media release Both CURRENT.DOCX; Ministers TPs - AUKUS Current.docx; Fact Sheet CURRENT PMO.PPTX; Domestic TPs clean CURRENT.DOCX; PM AUKUS speech.docx; Trilateral Leaders Statement.docx

SECRET

Colleagues,

To prepare for an announcement at 0700 AEST, Thursday 16 September, and ensure everyone is up to date, please find attached the documents listed below. Note that the Integrated Master Schedule and International TPs are final versions. There is still some refinement of Domestic TPs and Public Communications Products underway with PMO.

- Integrated Master Schedule: This outlines the interconnected series of pre and post announcement calls
- International TPs: To support calls by seniors to international counterparts
- SEC/CDF TPs: to support SEC/CDF engagements
- Domestic TPs: to support Domestic engagement
- Public Communications Products – joint media release, factsheets, Ministers Public TPs on AUKUS, PM AUKUS speech(Note: PMO is redrafting the PM's speech)
- Trilateral Leaders' Statement

s47E(d) – Grateful if you can please push to FMO as needed.

Regards,

s47E(d)

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Australian Government

International Engagement – Key Messages

WORKING DRAFT

Contents

KEY MESSAGES – GENERAL

[Handling Note: General points are intended to be used post-announcement and classified at OFFICIAL level once PM announcement has occurred]

- In launching the Defence Strategic Update in July 2020, the Government outlined how Australia's strategic environment was rapidly deteriorating.
    - In the Indo-Pacific, strategic competition has increased.
    - Military modernisation is occurring at an unprecedented rate.
    - Capabilities are rapidly advancing and their reach expanding.
    - The technological edge enjoyed by Australia and our partners is narrowing.
- The Defence Strategic Update committed for Australia to develop a more capable military force that would allow us to continue to help shape the future trajectory of the region in ways that support security and prosperity.
- This remains our strategy.
    - But it has become increasingly clear that the capabilities we need to implement this strategy have changed.
- As a three-ocean nation dependent on seaborne international trade, Australia requires cutting edge naval capabilities.
- **We have determined that Australia will build a nuclear-powered submarine fleet leveraging expertise from the United States and the United Kingdom.**
    - We will use the next 18 months to determine the best path forward.
- We had intended to pursue the Attack class conventional submarine, but we now assess that a higher level of capability is required to meet the requirements of our Defence Strategic Update, consistent with the changing threat environment.
- Australia's commitment to nuclear non-proliferation is unchanged – we stand by our record.
    - Australia does not and will not seek nuclear weapons.
        - Australia remains a non-nuclear weapon state with an obligation under the NPT not to acquire nuclear weapons.
    - This is purely about a power source for the propulsion system.
        - Australia is also not/not seeking to develop technologies associated with nuclear propulsion.
- Australia, the UK, and the United States remain steadfast in our support of the nuclear non-proliferation regime and its cornerstone, the Non-Proliferation Treaty.
    - In undertaking this cooperation, Australia will comply with our respective non-proliferation obligations and commitments.
    - Australia intends to implement the strongest possible non-proliferation standards in order to maintain the strength of the nuclear non-proliferation regime.
- Australia will ensure that it is a responsible steward of this sensitive technology.

    - Australia is committed to adhering to the highest standards for safeguards, transparency, verification, and accountancy measures to ensure the non-proliferation, safety, and security of nuclear material and technology.
    - Australia remains committed to fulfilling all of its obligations as a non-nuclear weapons state, including with the International Atomic Energy Agency.
- This decision was arrived at after deep consideration by Government based on a sober assessment of the capability required to meet a more challenging strategic environment.
- As a three-ocean nation, nuclear-powered submarines provide Australia with the capability it needs for its own defence.
    - They can travel at longer range, faster speed, and have greater power and endurance.
- They allow Australia to make a contribution to shaping our region's strategic trajectory in line with our shared regional security interests.
- By virtue of our uniquely trusted relationships with the United Kingdom and the United States, Australia will be able to access the most advanced and safest nuclear powered submarine technology.
    - Australia will retain a strong relationship with France
- This trilateral cooperation demonstrates a shared interest to deepen diplomatic, security, and defence cooperation in the Indo-Pacific region to meet the challenges of the twenty-first century.
    - It is guided by our enduring ideals and shared commitment to the international rules-based order.
    - And a commitment to ensure that the nations of the region have the strategic space to make decisions in their sovereign interests.
- This submarine project is the first Australia will take forward under a new enhanced partnership with the United Kingdom and the United States, "AUKUS".
    - This partnership will strengthen the ability of each country to support our security and defence interests, building on our longstanding and ongoing bilateral ties.
    - It will promote deeper information and technology sharing and foster deeper integration of security and defence-related science, technology, industrial bases, and supply chains.
    - In particular, we will significantly deepen cooperation on a range of security and defence capabilities.
- AUKUS is a step-change that will complement Australia's efforts to build a network of partnerships as a bulwark against deteriorating strategic circumstances.
    - Including ASEAN, the EU, NATO, as well as through the Pacific Step-Up and the Quad.
    - These partnerships reinforce existing regional architecture, including our shared commitment to ASEAN centrality.

- Strengthening Australia's defence capabilities, including through nuclear-powered submarines, will form part of Australia's contribution to a secure and prosperous Indo-Pacific.
    - This capability will increase Australia's strategic weight and allow us to more effectively shape our region's future trajectory.
- This is a decision we have only taken after deep and serious consideration.
- It is a response to Australia's changing strategic circumstances and to keep pace with the capabilities that others are developing.
- It is a necessary step to ensure Australia's security and to support the security of the region.
- Australia will continue to pursue our objectives while working with all our partners to ensure we forge a positive future Indo-Pacific.