

INQUIRY QUESTION

(Question No. 03)

The Hon. Ms Zoe McKenzie MP asked the Australian Submarine Agency the following question, upon notice, on 07 October 2025:

1. What impact, if any, will the reportedly completed review by the United States of their AUKUS obligations have on the implementation of this Agreement?
2. What preparations have been undertaken in the event of the various potential outcomes of the United States review into AUKUS?
3. Does the Agreement contain provisions that allow for modification of our strategic pathway in response to changes in Pillar 1 delivery timelines or capabilities?
4. Are there any clauses that restrict our ability to pivot to alternative procurement or construction strategies if SSN-AUKUS or Virginia-class delivery is delayed or altered?
5. What contingency options are explicitly outlined in the Agreement to address delays or disruptions in SSN-AUKUS or Virginia-class submarine delivery?
6. Are there fallback provisions that enable us to maintain sovereign submarine capability in the interim period before SSN-AUKUS delivery?
7. Is there scope within the Agreement to renegotiate milestones or resource allocations if unforeseen technological or geopolitical developments arise?
8. What risk assessment frameworks are embedded in the Agreement to monitor and respond to delivery risks?
9. Are there financial or operational penalties or compensatory mechanisms if delivery targets are not met by partner nations?
10. How will the flow of workers constructing Australia's SSN-AUKUS submarines between the two nations be facilitated?
11. Will there be a specific visa class established, or will they be accommodated through an existing framework?
12. How many British citizens are expected to come to Australia to be involved in the construction of the SSN-AUKUS submarines?
13. What expansions of training capability are planned for HMAS Cerberus located in Victoria to facilitate the vast expansion in recruits needed to meet the demands of the SSN-AUKUS fleet?
14. How many Australians are expected to travel to the United Kingdom as part of this information exchange?
15. How does this Agreement overlap or differ from the Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland for Defence and Security Cooperation considered by this Committee last week?
16. Have any concerns been raised with the Australian Government about this Agreement by any of our partner nations in Asia-Pacific, particularly our friends in ASEAN or the Pacific Islands Forum?
17. What if there's an accident or a fault involving a vessel and it needs to be decommissioned sooner than the 2050s?

18. Is ASA's understanding that the United States would take custody of nuclear waste for the Virginias that we'll be transferred in the 2030s? If not, won't we need a storage facility far sooner than 2050s?

The Australian Submarine Agency provides the following answer:

1. The *Nuclear Powered Submarine Partnership and Collaboration Agreement* (the Treaty) is not linked to the US Department of War review of AUKUS. The Treaty is a bilateral agreement between Australia and the United Kingdom (UK) that focuses on cooperation between Australia and the UK for the design, build and delivery of SSN-AUKUS, as well as facilitating the UK's involvement in Submarine Rotational Force-West. The Secretary of State for Defence, the Rt Hon. John Healey MP, and the Deputy Prime Minister, the Hon. Richard Marles MP, first announced the intention to negotiate a bilateral Treaty in September 2024.
2. The Australian Government welcomes the review, and is comfortable with the process. It is natural that any incoming Administration would want to examine progress against milestones. Australian officials are in contact with the Pentagon and those who are running the review. All three countries remain committed to ensuring AUKUS meets both national and trilateral objectives. We welcome opportunities to review progress and identify where further improvements can be made.
3. All three countries remain committed to AUKUS. The Agreement contains provisions for Australian and UK senior officials and ministers to review and discuss the management and implementation of the Agreement (Article 7 of the Treaty refers), including in response to changing circumstances. The Agreement also obliges the Parties, or allows them to decide to, enter into a number of arrangements to fulfil their obligations under the Treaty. Such provisions are a standard feature in international agreements with such a long duration.
4. The Treaty does not enshrine any procurement or construction strategies between Australia and the UK. The Treaty establishes a legal framework for cooperation with the UK on AUKUS Pillar I. It enables cooperation between Australia and the UK to establish and manage sovereign procurement and construction strategies, but ultimately these are the responsibility of each nation.

The Treaty is a bilateral agreement between Australia and the UK. The United States is not a party to this Treaty, and the Treaty does not address Virginia class submarines.

5. The Treaty calls for establishment of governance and program management arrangements between Australia and the UK. The cooperation framework established by the Treaty will help to reduce the likelihood of delays or disruptions. As close partners, Australia and the UK will carefully monitor the delivery of nuclear-powered submarine programs in both nations to identify and mitigate potential delay or disruption.

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6. While the Treaty has a particular focus on the delivery of SSN-AUKUS under Phase 3 of the Optimal Pathway, Australia will continue to maintain a sovereign submarine capability in the period prior to the acquisition of the SSN-AUKUS through:
 - a. Phase 1, which will see increased port visits and establish a rotational presence in Australia of a UK conventionally armed, nuclear-powered submarine (which is recognised in the Treaty);
 - b. Phase 2 of the Optimal Pathway, which will see Australia acquire three Virginia class submarines from the United States which will be under the sovereign command of the Royal Australian Navy; and

- c. the continuation of the Collins class submarine capability.

7. The Treaty has a 50-year lifespan and it was drafted with flexibility in mind to respond to changing global and technological circumstances. Article 7 of the Treaty sets out a requirement for the UK's Secretary of State for Defence and Australia's Minister for Defence, or their representatives, to meet on a mutually determined basis to review and discuss the management and implementation of the Treaty. Article 23 of the Treaty also obliges the parties to review the Treaty on a decennial basis (every 10 years). The Treaty obliges the Parties, or allows them to decide to, enter into a number of arrangements to fulfil their obligations under the Treaty. Such provisions are a standard feature in international agreements with such a long duration.
8. The Treaty calls for establishment of a governance framework and program management arrangements between Australia and the UK. This includes a requirement for the UK's Secretary of State for Defence and Australia's Minister for Defence, or their representatives, to meet on a mutually determined basis to review and discuss the management and implementation of this Agreement. It also includes the appointment of a Senior Official from each nation, to meet on a regular basis, and oversee and monitor activities under the Agreement. As close partners, Australia and the UK will carefully monitor the delivery of nuclear-powered submarine programs in both nations to identify, mitigate, and respond to delivery risks.
9. There are no financial penalties in the Treaty, as is appropriate for an agreement of this nature. The Treaty makes legally binding Australia's and the UK's commitment to maintaining a strong, cooperative and enduring partnership to support Australia in acquiring a conventionally armed, nuclear-powered submarine capability and the successful delivery of the Optimal Pathway. Australia and the UK will carefully monitor the delivery of nuclear-powered submarine programs under the Treaty to identify and mitigate potential impacts to delivery targets.

10. The Australian Submarine Agency is working closely with the UK and US Governments and industry partners to place personnel in their respective shipyards and facilities, with the view to growing Australia's sovereign industrial capabilities required to deliver nuclear-powered submarines.

All Australian activities overseas are undertaken in line with our domestic and international legal obligations, including our respective non-proliferation requirements.

11. The acquisition of conventionally-armed, nuclear-powered submarines is one of the most significant industrial undertakings in Australia's history. It will require unparalleled coordination and cooperation between Government, industry, unions and academia, and between Australia and our AUKUS partners.

We are working closely with our AUKUS partners to facilitate the smooth movement and the transfer of skills and knowledge. This includes placing Australians in AUKUS partners' shipyards, facilities and program offices, and embedding Royal Australian Navy sailors on US submarines to build the skills needed to build, sustain and operate Australia's future fleet of conventionally-armed, nuclear-powered submarines.

Developing this workforce will take years, so we are leveraging training and sustainment opportunities in the UK and the US to grow technical expertise across the Australian Public Service (APS), the Australian Defence Force (ADF) and industry. Australian industry personnel are already contributing to US Virginia class sustainment and the SSN-AUKUS build program in the UK.

The Australian Government's AUKUS Submarine Industry Strategy, released in March 2025, provides a framework to prioritise critical sovereign industrial capabilities and enable

Australian industry to have the confidence to invest in its own capability, personnel and supply chains. Given the scale and pace of the industrial uplift required, the Government will continue to implement targeted initiatives and programs and build partnerships with industry in the UK and the US to support, guide and grow Australia's defence industry.

All Australian activities overseas are undertaken in line with our domestic and international legal obligations, including non-proliferation and nuclear security requirements.

12. The future forecast for international placements is being developed in line with planning activities for the building of Australian SSN-AUKUS submarines. This plan will indicate both inbound (to Australia) and outbound (UK/US) placements. The Australian Shipbuilder currently has a small group of UK citizens in its Australian operation.

13. SSN training of Australia's submarine workforce is currently predominantly occurring in the United States, with only Recruit School and some foundation Technical Training occurring at HMAS Cerberus prior to departure. Current training requirements can be absorbed within current facility capacity.

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The Australian Submarine Agency is working closely with the UK Government and industry partners to place personnel in UK shipyards and facilities, with the view to growing Australia's sovereign industrial capabilities required to deliver nuclear-powered submarines to support the Australian SSN-AUKUS build.

15. The Treaty and the Agreement between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland for Defence and Security Cooperation (DSCA) serve different purposes, have distinct scopes, and operate within separate legal frameworks. Importantly, the Treaty was drafted to recognise and work alongside the DSCA.

The DSCA is a bilateral agreement for enhanced defence cooperation activities between our two nations across a broad range of areas of cooperation, whereas the Treaty provides the legal framework to enable the breadth of bilateral cooperation between Australia and the United Kingdom under Pillar I of AUKUS. Given the DSCA covers broad defence cooperation between Australia and the UK, our respective nations may mutually determine where the DSCA may be relevant to aspects of Australia-UK cooperation under AUKUS.

References to the DSCA in the Treaty include:

- a. Under Article 3 (Areas of Cooperation) of the DSCA, Australia and the UK commit to cooperate and share information related to the AUKUS partnership.
- b. Article 4 (Sovereignty) of the Treaty specifically requires Australia and the UK to carry out activities under the Treaty in accordance with Article 5 (consultation) of the DSCA.

16. The Australian Government provided a range of briefings to partners in the region. Countries expressed their appreciation for our transparency and openness.

We will continue to keep these countries updated of any developments.

17. The Australian Government has committed to maintain the highest levels of nuclear safety and stewardship, including a robust purpose-built regulatory framework.

Contingency planning is part of any project of this scale and complexity. Plans to manage through remediation or decommissioning are critical and part of Australia's requirements to be sovereign ready to acquire nuclear-powered submarines. Any plans to decommission a submarine before the end of its planned life would need to be considered at that time.

18. The Australian Government has committed, and the AUKUS Naval Nuclear Propulsion Agreement makes clear, that Australia will be responsible for the management of all radioactive waste resulting from Australia's sovereign Virginia class submarines.

Through the life of an Australian VCS, low-level radioactive waste will be generated as a result of routine nuclear-powered submarine operations and maintenance activities. The low-level radioactive waste will include items such as gloves, wipes, plastic bags, tape, personal protective equipment, pipes and valve caps. This work will be undertaken at HMAS *Stirling*, where the low-level radioactive waste will be managed safely and securely at a Controlled Industrial Facility before it is transported for longer term storage and permanent disposal.

At Henderson, a purpose built radiological facility will manage radioactive waste, such as changing a filter or replacing a part during deeper maintenance periods. No high-level radioactive waste (spent nuclear fuel) will be generated or stored during maintenance activities at Henderson.

Australia will also manage high-level radioactive waste, including spent nuclear fuel, from our own Virginia class and SSN-AUKUS nuclear-powered submarines. A storage and/or disposal solution for high-level radioactive waste (spent nuclear fuel) will not be required until Australia's first Virginia class submarine reaches end-of-life in the 2050s. The Government is committed to maintaining the highest levels of nuclear stewardship to protect the health and safety of people and the environment.

No intermediate-level or high-level radioactive waste (including spent nuclear fuel) will be received in Australia from any other country.