

Written evidence submitted by Defence, Strategy and National Security at Australian Strategic Policy Institute (ASPI) (TIP0013)

Global Britain, the Indo Pacific and AUKUS

Thank you for the opportunity to make this submission as part of the Committee's [inquiry](#).

This submission addresses aspects of the UK's Indo Pacific Tilt described in the [2021 Integrated Review](#), as well as how the new [AUKUS partnership](#) announced on 15 September 2021 by UK prime minister Johnson, US president Biden and Australian prime minister Scott Morrison affects and relates to that Tilt.

Summary

In summary, it recommends that implementation of the Integrated Review and the new AUKUS partnership be seen as complementary courses of action.

It assesses that AUKUS is a strategic technology partnership with some initial tight focus areas: artificial intelligence, cyber, quantum technologies and undersea warfare capabilities. It is not an 'alliance' and nor is it a collection of commercial and industrial partnerships to be implemented as big international contracts and endeavours. It requires a new kind of partnership not just among our three governments, but within the triangles of government, research and corporate actors within each of our nations.

Its purpose is to increase military deterrent power in the Indo Pacific, to reduce the likelihood of conflict—and to prevail in conflict if it occurs. The risk of conflict with the Chinese state is key to understanding AUKUS' purpose and origins.

The joint UK, US, Australian nuclear submarine technology program that is central to the initial strategic impact of the AUKUS announcement is a hugely important endeavour, but it is probably the slowest moving area of cooperation within AUKUS – and may even be overshadowed in effect by success in the other technology areas. Nevertheless, progress on the nuclear submarine partnership will be a critical factor in AUKUS' success.

The UK's influence and technological and economic success in the Indo Pacific depends on AUKUS demonstrating rapid, deep results through this closest of partnerships. The stakes are similarly high for Australia, and the United States.

The assessment of China under Xi Jinping that underpins AUKUS – of China as an assertive, systemic challenge for the three AUKUS partners and for the wider grouping of open societies represented at the [G7 Plus](#) in Cornwall – is echoed in the Integrated Review. This is the essential driver that has brought AUKUS into being and that is reconfiguring the Indo Pacific and the wider international environment.

This matters to the broader aspects of the UK's Indo Pacific Tilt because so much of the UK's growing economic engagement in the region will be through the digital world. The impacts of US and others' decoupling from China's digital eco system – and from China's moves to establish greater digital and data control to reduce its vulnerability and to increase its leverage over others – will flavour all aspects of digital engagement in the Indo Pacific.

While AUKUS was negotiated in secrecy, it's success from here on requires the highest level of political and parliamentary commitment. Transparency, progress and public debate are all prerequisites for building and maintaining population level support.

Background

The Integrated Review sets out the UK government's vision for Britain's role in the world between now and 2030, and describes an ambition for a Global Britain post-Brexit as the UK emerges from the height of the continuing covid crisis.

The review's themes around sustaining advantage through science and technology, shaping the open international order for the future, strengthening security and defence at home and overseas, and building resilience at home and overseas resonate with and align with core policy directions in Australia, including the [2020 Defence Strategic Update](#).

The primary challenge for the UK in the Indo Pacific is not crafting a policy agenda – the Integrated Review does that. It is delivering tangible actions that make a difference to the region's future, economically, politically and strategically.

This seems most likely to be achieved by a ruthless focus on a small set of priority areas and lines of work than in a broad but shallow program of activities.

And a major risk to UK success in the Indo Pacific is not having sufficient resources – and leadership time, attention and commitment – to engage in the region and keep UK institutions and companies focused on the directions the Tilt and AUKUS provide.

The terms of the Integrated Review itself show the challenge: *'The precondition for Global Britain is the safety of our citizens at home and the security of the Euro-Atlantic region, where the bulk of the UK's security focus will remain.*

As we look further afield, the future success of Global Britain requires us to understand the precise nature and extent of British strengths and the integrated offer we bring in other parts of the world. It is an approach that puts diplomacy first.

As we engage more in the Indo-Pacific, for example, we will adapt to the regional balance of power and respect the interests of others – and seek to work with existing structures such as the Association of Southeast Asian Nations (ASEAN) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).'

So, the UK will tilt to the Indo Pacific, keep its security focus in the Euro-Atlantic and become Global Britain (well beyond the Euro-Atlantic and the Indo Pacific). Making sense of this mysterious Holy Trinity is going to be difficult work.

What the Tilt means for Australian and the region

The UK's Indo Pacific Tilt is a profoundly welcome development for Australia and for all nations who are pursuing the objective of a [free, open and inclusive Indo Pacific](#).

The directions set out in the Integrated Review, now augmented and accelerated in the security and technology space by the AUKUS partnership, position the UK to make an enormously positive contribution the development of the region economically, politically, technologically and in strategic terms.

But the tensions in overall UK policy and attention that are evident in the broader, global focus of the review need to be understood and managed if regional expectations of about the UK are to be met, and even exceeded.

It is unlikely that all the streams of activity in the wider Review can be pursued as might be desired by various national and international stakeholders within the national and governmental resources the UK has available.

The joint initiatives of the Indo Pacific Tilt and AUKUS allow the UK to combine the strategic, technological and economic elements of UK national power in ways that work with the now blurred boundaries between these domains.

But success also requires UK policy and decision makers to recognise an uncomfortable but inescapable truth: China is now predominantly a systemic challenge to open societies and democratic states whether in Europe, North America or the Indo Pacific or elsewhere.

The grounds for positive and reciprocated engagement have narrowed sharply, with further narrowing more likely than any reversal of this trend. The language of public diplomacy that provides room for positive engagement and cooperation is essential, as is openness to changed structural directions from the Chinese state. Hard edged realism is a wiser foundation, though, than the more optimistic hopes for inevitable political opening and reform many nations used as a basis for national China policies in recent decades.

UK Indo Pacific policy has many moving parts, many of which are canvassed in the Review. Two central pillars are set out that can be used to keep implementation focused and cohesive: UK membership of the CP TPP and the joint rapid implementation of the AUKUS partnership, with the clear agenda set out by our respective national leaders in September 2021. These pillars provide a tight economic, technological and strategic agenda for the UK.

Working with the 11 current CP TPP members to integrate UK digital and physical trade with some of the fastest growing economies in the world, all of whom share the UK vision of an open and inclusive Indo Pacific, provides real leverage for the UK to advance its models for new digital interactions, baking in UK values and norms and shaping standards of openness and transparency.

Leading CP TPP members including Japan, Singapore and Australia are partners for the UK with shared values and interests with the UK in these areas. This positive rule-making agenda enables the UK's broader commitments to human rights and political freedom, and its contribution to development goals around education and public health to be pursued with these partners.

What'll AUKUS ever do for us?

The United States

The Afghanistan withdrawal, rebuilding the US economy and infrastructure, and facing the systemic challenge of China were big campaign commitments Joe Biden made on his path to the Presidency. He is now delivering on these. So, for the US and the Biden Administration, AUKUS is a big part of 'what happens next' after the turmoil around the withdrawal from Afghanistan. It is a strategic statement that Biden and America are serious in facing the China challenge, and that they seek the deepest of partnerships with trusted allies in doing so. Delivering on the initial agenda of AUKUS with early results will give momentum to Biden's larger strategic agenda.

Australia

The Australian Government's 2020 Defence Strategic Update made a major shift to defence planning assumptions, by recognising that the strategic environment had deteriorated to the point where a longstanding planning assumption that Australia had at least ten years' warning time before it was likely that the military could be used in major conflict. The guidance now is that such conflict involving Australian forces could occur within this next decade. This provides the context for Australia seeking early capability gains through AUKUS.

As for the US, for Australia AUKUS is a fundamental deepening of key partnerships in light of the rise of an assertive China. In narrower defence terms, it is also a defining change to decades of defence capability thinking and investment. The nuclear-powered submarines are a step into a new world of deterrent military power that was unthinkable only 6 years ago, but is now required given the rise of a powerful and aggressive China.

But AUKUS's wider agenda is forcing an [equally profound shift](#) in defence policy, concepts and force structure. That's because it is bringing forward the timeline for a very new type of defence force that Australia has had been looking to acquire into the 2030s and 2040s.

Aside from the nuclear submarine partnership, AUKUS's focus areas of AI, cyber, quantum and the undersea domain are all about much faster moving technology areas where there is real advantage to be gained for our military. Bringing the realised promise of these technology areas that is already apparent in the commercial world and in intelligence realms into our defence force at scale, with a philosophy of 'the small, the cheap, the many' instead of the complex, the integrated and the few'. is the promise of AUKUS outside nuclear submarines. And AUKUS is about closing the development-adoption gap in these technology areas, in the knowledge that potential adversaries are moving faster than we are.

For Australia, the now even [longer timeline](#) for obtaining nuclear submarines compared to the cancelled diesel electric French Attack class submarines means that the Australian Defence Force needs to adopt new capabilities that provide offensive and deterrent power well within the current decade. This is to complement the existing platforms and systems which now must operate in a more dangerous environment for longer than planned.

That gives [urgency](#) to the AUKUS agenda beyond the submarines.

So, nuclear submarines are heartland territory for Australia in AUKUS, but the consequences of the submarine timeline and the other elements in AUKUS are essential to understand.

AUKUS is also a new 'minilateral' that joins a small set of other Indo Pacific-focused minilateral partnerships Australia works within. The Quad and the Australia-Japan-US trilateral are key examples. These minilaterals have different purposes and agendas but, managed well, are mutually reinforcing. They allow the particular groupings in each to pursue specific agendas where the partners have strong common interests and are willing to apply resources to advance these. This means that the minilaterals can move faster and do more than wider multilateral groups. The UK's deeper engagement and presence in the Indo Pacific makes it a welcome partner for these other non-AUKUS groupings.

Both [Japan](#) and [India](#) have welcomed AUKUS, because both assess that the stronger military capabilities it will bring to the AUKUS partners are a net positive for security in the region.

The United Kingdom

For the UK, AUKUS is an extension and deepening of the Indo Pacific Tilt, as well as an initiative that takes advantage of the UK's science and technology strengths and the directions for these set out in the Integrated Review.

While the economic and commercial digital pillar for the UK centres on the CP TPP, AUKUS brings a mutually supportive security and technological agenda to the UK's Indo Pacific Tilt. Since its announcement in September 2021, the overriding focus of analysis and reporting has been on two things: the effect on US and Australian relations with France, and the incredibly dense and long-term joint work required to realise the ambition for Australia to acquire and operate 8 nuclear submarines, in deep partnership with the UK and US.

Nuclear submarines

The symbolic effect from the US and UK governments each deciding to share nuclear submarine technology with Australia, given that neither has done this with any other partner since [1958](#) makes this focus absolutely understandable, as does the sheer deterrent military power of nuclear submarines as weapons.

We know the objective is for Australia to operate 8 nuclear submarines as part of strengthened military deterrence of conflict in the Indo Pacific. But myriad [details and complexities](#) have to be worked through to deliver this result, even just over the initial 18 month timeframe the leaders set to establish core direction for this work.

Building a nuclear submarine enterprise partnership with Australia comes at a time when the UK nuclear design and industrial base is already heavily committed to delivering the last of the Astute class submarines, beginning the work on the new Dreadnought ballistic missile submarines, and is at the start of the design and mobilisation effort for the successor to the Astute class. The US nuclear submarine enterprise is already engaged with the UK and is also working to expand to meet US needs. The US is going through similar concurrent and new design efforts to the UK with its own submarines, albeit with a larger scale of capability.

So, there are defining decisions of the UK government and its nuclear industrial base partners about the depth and directions they pursue with establishing this new Australian capability. And there are risks to the Australians and to the UK in not properly appreciating the demands that an expanded submarine program bring.

The good news, of course, is that Australia brings billions of dollars of investment as well as considerable relevant skills and industrial capability that can be used to grow the joint submarine enterprise among our nations. But the risks are obvious and must not just be understood, but managed and mitigated by us all.

A starting point has to be to not view Australian nuclear submarines as just an attractive and enormous set of contracts for UK industry. Instead, the government trilateral needs to be joined by a government-research-corporate trilateral within and among our nations, with the end result being a truly strategic, joint submarine enterprise that meets the three nations' needs.

It's naive to not recognise the interests in each of our countries that will seek to maximise narrow employment, economic and commercial benefits from the program. However, the strategic ambition is about a larger total fleet of powerful nuclear submarines in the hands of UK, US and

Australian sailors. Jobs and profits are by-products, not central features in this agenda. They will be maximised and sustained by the success of the submarine capability and its positive effects on the security environments of our three nations.

This mindset will not define the nuclear submarine partnership without explicit and deep leadership at the highest political level of our three nations over the defining crucial early years of AUKUS. Australia has lost over a decade in defining the path for its submarine capability, involving first the Japanese and then the French. Establishing a clear direction for the submarine program and getting it underway is essential to the credibility of the broader AUKUS partnership.

The Parliaments of the UK and Australia and the US Congress have roles here, in addition to our Executive leaders and government institutions. So, while AUKUS was appropriately negotiated in the greatest secrecy, its success requires considerable transparency and continued cultivation of political and public support across the partnership. This is a lesson Australia has learnt in quite painful ways over the last 6 years of the now cancelled Attack class program with the French.

AUKUS beyond the nuclear submarines:

AUKUS is perhaps more important when it comes to strategic deterrence and security for everything in the AUKUS partnership beyond nuclear submarines. The leaders' statement sets out a clear agenda here focused on artificial intelligence, cyber, quantum technologies and underseas technologies other than nuclear submarines.

So, AUKUS is not a military 'alliance' and is not some substitute for the hugely effective 5 Eyes intelligence partnership involving the UK, US, Canada, New Zealand and Australia. It is really a technology accelerator in defined core areas that is designed to lift the offensive capabilities of our three militaries and broader national security communities in ways that deliver tangible capabilities effective deterrents into the hands of our service men and women well before the first Australian nuclear submarine starts patrolling.

AI, cyber and quantum are already areas of close cooperation among our 5 Eyes intelligence agencies. AUKUS is a recognition that while this cooperation is essential and deep, these technology areas, and the concepts for applying them, are now essential for military success and must be broadened out beyond the boundaries of the intelligence community. Doing this also enables defence agencies to take up hugely effective commercial technologies in these areas and work rapidly with capable researchers and corporate actors outside the restrictions of the highly classified world.

Alignment on the systemic challenge of China

The Integrated Review, along with the AUKUS partnership demonstrates an underlying assessment that China under Xi Jinping poses a systemic challenge to open societies like the UK, to liberal international rules and norms including transparent and free trade and human rights, as well as core international laws such as the law of the sea. As the Review states:

'China: we will do more to adapt to China's growing impact on many aspects of our lives as it becomes more powerful in the world. We will invest in enhanced China-facing capabilities, through which we will develop a better understanding of China and its people, improving our ability to respond to the systemic challenge that China poses to our security, prosperity and

values - and those of our allies and partners. We will continue to pursue a positive trade and investment relationship with China, while ensuring our national security and values are protected.

However, the review also states a positive ambition for engagement with China on a limited set of issues:

We will also cooperate with China in tackling transnational challenges such as climate change.'

It is an open question to what extent the Chinese government wishes to cooperate with partners on transnational challenges, whether climate change or global health issues. But indications are bad. It seems more likely that Beijing sees its actions on climate change as driven almost exclusively by national interests, not global ones, but also as a source of [concessions](#) from others on unrelated areas as the price of engaging with China on climate change. As others have [observed](#), the ground to engage the Chinese state in actual joint work involving reciprocity and compromise is shrinking.

Overall, though, the UK approach for dealing with this increasingly sharp systemic challenge of China gives it enormous opportunities in the Indo Pacific.

That's because the review recognises the increasingly close connections among security, economics and technology. The core here is cooperation with Indo Pacific partners on economics and trade—centred on the UK's application to join the CP TPP regional trade agreement—underpinned by the security and technological partnership of AUKUS.

The UK and ASEAN

Where does this leave UK political and diplomatic engagement with the wider Indo Pacific, beyond the AUKUS partners and China? The UK approach to engage with ASEAN as a dialogue partner and work with the existing diplomatic architecture of the region will enable implementation of these economic and security directions to take account of individual country and ASEAN-wide perspectives and sensitivities.

That's important for ensuring that UK policy and action is well understood by ASEAN states. It will also be useful for calibrating aspects of UK strategic policy and presence. And this diplomatic engagement with individual ASEAN members and with ASEAN bodies will contribute to growth in UK political and economic relations with these Indo Pacific actors – the UK's digital strategy and also UK trade in services have more positive futures if they connect to initiatives like [ASEAN's connectivity](#) agenda.

Individual ASEAN states have different positions on AUKUS, however, these fit with the 'two track' approach ASEAN members have been taking to security issues more broadly as China's assertiveness grows. So, there are public expressions of concern about AUKUS sparking an arms race, with silence about China's continuing military expansion. But these public words are accompanied by quiet support for AUKUS and its strengthening of the military balance in the Indo Pacific.

ASEAN has worked over decades to mitigate concerns among its members, and uses dialogue to reduce the pace and heat of various challenges. The expression of concern about arms racing is also a way of recognising the deteriorating security environment they face, driven by China's trajectory. A measure of the acceptance of UK (and Australian and New Zealand) security partnership post-AUKUS is continued positive momentum in regional arrangements like the Five Power Defence Arrangement (FPDA) – which has just celebrated its 50th [anniversary](#).

Decoupling in the digital, high technology realm is real

The UK's digital engagement in the Indo Pacific will be shaped by the now obvious and deepening [decoupling](#) between China and major democratic economies, notably the US. 5G technology and the position of Chinese suppliers in national digital networks is an early example.

Strategic and economic power flow from the digital world now, and the decoupling between the US and Chinese economy centred on high technology that began during the 2nd term of Xi Jinping and the Trump Administration has continued under the Biden Presidency for this reason. The discussion on decoupling has moved markedly from its beginnings.

Back then it was impossible and unthinkable that the US and Chinese economies would or could decouple in any real way. Now, in late 2021, twin trends are making this happen, at least in digital technologies and key inputs to these like critical minerals and design and production of semiconductors. The Chinese state is pursuing increased independence in high technology from US and other democratic state inputs, not just through the ongoing 'Made in China 2025' program but also under Xi's new economic strategy of 'Dual Circulation, and a major initiative to support creation of a more successful indigenous Chinese semiconductor industry. The Chinese government is also seeking control of [digital data](#) originating in China, with this push for data sovereignty creating growing tensions around digital connectivity. Digital engagement with China is being shaped and constrained by its data controls and policies, and China is using these policies in efforts to shape global standards and norms.

The Biden Administration is also seeking to reduce the interdependence of the US economy and technology sectors with the Chinese economy, to reduce the vulnerabilities the US has to Chinese policy directions and to reduce the leakage of US research and development in high technologies to Chinese security institutions and firms. It [seeks structural change](#) to Chinese policies and practices *'specifically related to its state-centred and non-market trade practices including Beijing's non-market policies and practices that distort competition by propping up state-owned enterprises, limiting market access, and other coercive and predatory practices in trade and technology.'* In the absence of change, decoupling will strengthen.

This factor is key to UK digital engagement in the Indo Pacific, just as advantage from digital technologies is central to AUKUS.

Conclusion

The UK's Indo Pacific Tilt and AUKUS are profoundly welcome and positive developments for Australia and for all nations who are pursuing the objective of a [free, open and inclusive Indo Pacific](#). The hard work of implementation can bring the UK new partners and opportunities, as well as deepening core partnerships link that between with the US and Australia. Timely results and ruthless focus will establish early momentum.

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