

**MOD Ref: MOD-018-2023**

**MFAT Ref: INTS-47-366**

7 March 2023

Minister of Defence  
Minister of Foreign Affairs

For action by 9 March 2023  
For action by 9 March 2023

## AUKUS: Updating New Zealand's Approach

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**BRIEFING** Decision Submission

**PURPOSE** This submission updates Ministers on key developments regarding AUKUS, previews forthcoming announcements, and seeks approval of New Zealand's updated approach to AUKUS going forward.

## Tukunga tūtohua – Recommended referrals

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Prime Minister	For concurrence by	13 March 2023
Minister for Trade and Export Growth	For information by	13 March 2023
Associate Minister of Foreign Affairs	For information by	13 March 2023

## Taipitopito whakapā – Contact details

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s9(2)(g)(i)

**ROLE**  
Unit Manager (acting)  
  
Senior Analyst

**DIVISION**  
International Security and  
Disarmament Division, MFAT  
Defence Policy and Planning  
Division, MoD

**WORK PHONE**  
s9(2)(a)

## Pito matua – Key points

- Over the past eighteen months, Australia, the United Kingdom and the United States have made significant advances on the AUKUS trilateral military technology partnership.
- The three AUKUS Leaders are expected to meet in-person in the US during the week of 13 March to make a substantive announcement, likely to focus on the details of Australia's acquisition of nuclear-powered submarines – Pillar One of AUKUS. s6(a)  
[Redacted]
- [Redacted] s6(a)  
[Redacted]  
[Redacted] The AUKUS partners have also been closely engaged with the International Atomic Energy Agency to ensure that the nuclear non-proliferation implications are addressed through robust safeguards and verification measures, in line with the three partners' obligations at international law, and to set a high threshold for any other state that seeks to follow the precedent.
- Regional perceptions of and reactions to AUKUS continue to evolve. s6(a)  
[Redacted]  
[Redacted]  
[Redacted]
- Pillar Two of AUKUS - accelerated cooperation on a range of advanced military technologies and capabilities - has gained momentum. The AUKUS partners have indicated there will be some degree of opening up of Pillar Two to other key partners.  
s6(a), s9(2)(g)(i)  
[Redacted]
- New Zealand's existing approach to AUKUS, including our key messages, was developed immediately after the September 2021 announcement, s6(a), s9(2)(g)(i)  
[Redacted]  
[Redacted] Officials propose updating New Zealand's approach on two fronts:
  - Re-calibrating our key messages, s6(a), s9(2)(g)(i)  
[Redacted]
  - [Redacted] s6(a), s9(2)(g)(i)  
[Redacted]  
[Redacted]
- [Redacted] s6(a), s9(2)(g)(i)  
[Redacted]  
[Redacted]  
[Redacted]

**Andrew Bridgman**  
Secretary of Defence

**Ben King**  
for Secretary of Foreign Affairs and Trade

## Tūtohu – Recommendations

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It is recommended that you:

- |   |   |          |
|---|---|----------|
| 1 | <b>Note</b> the key developments in respect of AUKUS.   | Yes / No |
| 2 | <b>Note</b> that the AUKUS partners are expected to make a substantive announcement during the week of 13 March about next steps. | Yes / No |
| 3 | <b>Agree</b> that New Zealand should update its approach to AUKUS by recalibrating our key messages.                              | Yes / No |
| 4 | <div style="background-color: #cccccc; padding: 2px;">s6(a), s9(2)(g)(i)</div>  | Yes / No |

Hon Andrew Little  
Minister of Defence

Hon Nanaia Mahuta  
Minister of Foreign Affairs / Minita Take Aorere

Date:        /        /

Date:        /        /

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**AUKUS: military technology sharing**

s6(a)

1. Announced in September 2021, the AUKUS trilateral security partnership between Australia, the United Kingdom and the United States, is a military technology partnership, focused on advanced capabilities.
2. [redacted] s6(a)  
[redacted]  
[redacted] This assessment of the deteriorating strategic environment is shared by New Zealand, as reflected in the *Defence Assessment 2021*, [redacted] s6(a), s9(2)(f)(iv)  
[redacted]
3. [redacted] s6(a), s9(2)(g)(i)  
[redacted]  
[redacted]  
[redacted]  
[redacted]
4. The initial and highest profile initiative under AUKUS is Australia's planned acquisition of at least eight nuclear powered, conventionally armed submarines utilising US and UK nuclear propulsion technology - known as Pillar One of AUKUS. Pillar Two of AUKUS involves accelerated cooperation on a range of advanced military technologies and capabilities<sup>1</sup>.

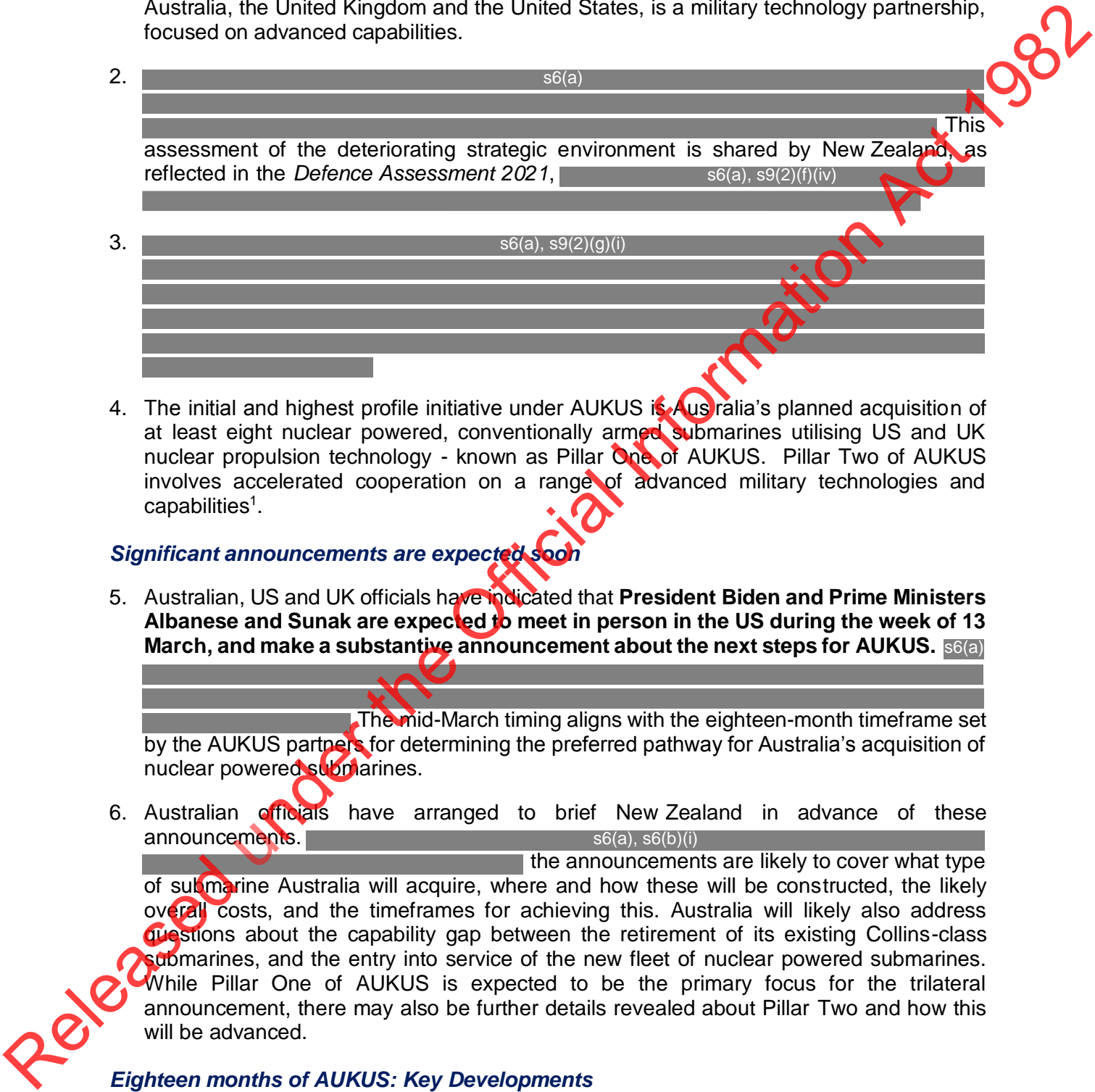
**Significant announcements are expected soon**

5. Australian, US and UK officials have indicated that **President Biden and Prime Ministers Albanese and Sunak are expected to meet in person in the US during the week of 13 March, and make a substantive announcement about the next steps for AUKUS.** s6(a)  
[redacted]  
[redacted] The mid-March timing aligns with the eighteen-month timeframe set by the AUKUS partners for determining the preferred pathway for Australia's acquisition of nuclear powered submarines.
6. Australian officials have arranged to brief New Zealand in advance of these announcements. [redacted] s6(a), s6(b)(i)  
[redacted] the announcements are likely to cover what type of submarine Australia will acquire, where and how these will be constructed, the likely overall costs, and the timeframes for achieving this. Australia will likely also address questions about the capability gap between the retirement of its existing Collins-class submarines, and the entry into service of the new fleet of nuclear powered submarines. While Pillar One of AUKUS is expected to be the primary focus for the trilateral announcement, there may also be further details revealed about Pillar Two and how this will be advanced.

**Eighteen months of AUKUS: Key Developments**

7. [redacted] s6(a)  
[redacted] Prime Minister Albanese has described AUKUS as “the single biggest leap in our defence capability”, and that it further

<sup>1</sup> These technologies and advanced capabilities are: undersea warfare; quantum; artificial intelligence; advanced cyber; hypersonics; electronic warfare; innovation; and information sharing.



formalised “the three partners’ common values and shared interest in preserving peace and upholding the rules and institutions that secure our region and our world”.

8. For Australia, AUKUS sits alongside the broader Defence Strategic Review, [REDACTED]  
[REDACTED] s6(a), s6(b)(i), s9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

9. **The AUKUS partners have focused significant effort on engagement with the International Atomic Energy Agency (IAEA) on the non-proliferation implications of AUKUS.** The central focus is determining robust safeguards and verification measures to ensure the highly enriched uranium used as submarine fuel cannot be diverted to other military uses, in order to meet obligations at international law and to set a high threshold for any other state that seeks to follow the precedent set by AUKUS. The IAEA’s first report noted satisfaction with the engagement and transparency shown by the AUKUS partners – a second report is expected later in 2023. [REDACTED] s6(a), s9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED]

10. **Regional perceptions of and reactions to AUKUS continue to evolve.** [REDACTED] s6(a), s9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

11. [REDACTED] s6(a), s9(2)(g)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

12. **There has been growing momentum on Pillar Two of AUKUS,** [REDACTED] s6(a), s6(b)(i), s9(2)(g)(i)  
[REDACTED] Pillar Two concentrates on accelerating technologies and capabilities [REDACTED] s6(a), s9(2)(g)(i), s6(b)(i)  
[REDACTED] The AUKUS partners have indicated to New Zealand that **there is in-principle agreement that there will be some degree of opening up of Pillar Two to other key partners.** [REDACTED] s6(a)  
[REDACTED]

13. [REDACTED] s6(a), s6(b)(i)  
[REDACTED]  
[REDACTED]  
[REDACTED] Japan and Canada have publicly expressed keen interest in participating in Pillar Two; [REDACTED] s6(a), s6(b)(i)  
[REDACTED]

***New Zealand’s existing approach to AUKUS***

14. New Zealand’s existing approach to AUKUS was determined by Ministers based on advice from officials in October 2021, and informed by subsequent public comments by the

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Prime Minister and Ministers, and direct engagement with the AUKUS partners and other partners. [redacted] s6(a), s9(2)(g)(i)

15. [redacted] s6(a), s9(2)(g)(i)

16. Eighteen months on, we know considerably more detail about AUKUS, [redacted] s6(a), s9(2)(g)(i)

17. Officials consider it timely to update New Zealand's key messages on AUKUS, [redacted] s6(a), s9(2)(g)(i)

- 17.1. [redacted] s6(a), s9(2)(g)(i)
- 17.2. [redacted]
- 17.3. [redacted]
- 17.4. [redacted]

***New Zealand's approach going forward***

18. The updated approach proposes changes on two interrelated fronts: (1) re-calibrating our key message on AUKUS; [redacted] s6(a), s9(2)(g)(i)

***Re-calibrated key messages***

19. Re-calibrated key messages would build on and expand New Zealand's existing core messages in order to:

19.1. [redacted] s6(a), s9(2)(f)(iv) and its overarching objective of bolstering regional security and stability – while maintaining our clear stance on nuclear issues, and our commitment to non-proliferation;

19.2. Acknowledge that New Zealand understands the strategic rationale for AUKUS, and that we share our partners' assessment of the deteriorating strategic outlook, [redacted] s6(a), s9(2)(g)(i)

19.3.

s6(a), s9(2)(g)(i)

19.4.

20.

s6(a), s9(2)(g)(i)

21.

s6(a), s9(2)(g)(i)

22.

s6(a), s6(b)(i), s9(2)(g)(i)

23.

24. Pillar Two initially encompassed four advanced technologies, and now covers eight areas of focus:

<b>Advanced Capability</b>	s6(a), s9(2)(g)(i)
Undersea capabilities	
Quantum technologies	
Artificial Intelligence and autonomy	
Advanced cyber	
Hypersonic and counter-hypersonic capabilities	

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Electronic warfare	s6(a), s9(2)(g)(i)
Innovation	
Information sharing	

25. s6(a), s9(2)(g)(i)

26.

27.

28.

29.

29.1. s6(a), s9(2)(g)(i)

29.2.

29.3.

30. s6(a), s9(2)(g)(i)

30.1. s6(a), s9(2)(g)(i)

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s6(a), s9(2)(g)(i)

30.2.

30.3.

30.4.



31. Officials will keep Ministers informed as we gain more clarity around the questions and issues outlined above.

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## **Annex: updated key messages on AUKUS**

Black text = existing talking points

Blue text = new content

### **General points**

- The announcement of AUKUS was a significant development for the wider region. The peace and stability of the region, and upholding the international rules-based order, are objectives we share with the AUKUS members.
- New Zealand understands the strategic drivers for AUKUS. As the *Defence Assessment 2021* makes clear, our own assessment of the deteriorating strategic environment aligns closely with that of key partners.
- For New Zealand as a Pacific nation, we welcome security architecture that contributes to regional security and stability, and reflects the interests of the countries of the region. s9(2)(g)(i)
- New Zealand has close and important relationships with Australia, the US and the UK, including on security and defence matters. We welcome these partners lifting their engagement in our region. s9(2)(g)(i)
- s9(2)(g)(i)
- New Zealand is engaged in our own review of defence policy settings and capability needs – the Defence Policy Review.
- New Zealand has long standing engagements with Australia, the US and the UK on military capability and interoperability issues, including areas which feature in AUKUS – such as cyber. We will continue to engage closely with the AUKUS partners on how we can cooperate to mutual benefit in such areas.
- We are pleased that the AUKUS partners continue to share information about how the initiative is progressing.

### ***If raised – does New Zealand have concerns about nuclear-powered submarines or nuclear proliferation risks?***

- We recognise that the AUKUS submarine initiative presents challenges for the global nuclear non-proliferation regime, which need to be carefully considered. We welcome the AUKUS partners' reiterations of commitments to non-proliferation.
- We welcome the AUKUS partners' ongoing engagement with the International Atomic Energy Agency to address these challenges. **We note the IAEA's report on the constructive and transparent engagement to date with the AUKUS partners.**

***If raised – will New Zealand join any of the non-nuclear aspects of AUKUS?***

- Whether New Zealand potentially engages with non-nuclear aspects of AUKUS would be a future decision for Ministers, taking account of any invitation on the part of the AUKUS partners and an assessment of our national interests.
- New Zealand is a Pacific nation. Reflecting our region’s legacy of nuclear testing, we remain committed to nuclear disarmament and non-proliferation.

s6(a)

- Pacific countries face a complex and growing array of challenges, including the impacts of climate change and an increasingly contested strategic environment.
- As a region, we have agreed that security responses within the Pacific should come first and foremost from within our Pacific family. As a member of the Pacific Islands Forum, Australia is part of the Pacific family.
- Aotearoa New Zealand and Australia will continue to work closely together to lift our engagement in the region and scale up our response to all these challenges, including through deepening our partnerships with Pacific Island countries.
- Our responses are developed through ongoing engagement with our Pacific partners and respond to their priorities.

s6(a), s9(2)(g)(i)

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