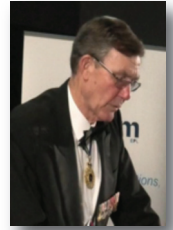


# *ANZUS, AUKUS and the forthcoming change of administration in the United States in 2025*



A paper based on a speech delivered in Canberra at the Annual Dinner of the United Services Institute of the Australian Capital Territory on 15 November 2024 by

**Air Chief Marshal Sir Angus Houston, AK, AFC (Ret'd)**

Previous Chief of the Australian Defence Force

*Sir Angus Houston reviews the ongoing vital importance and current health of the 1951 Australia, New Zealand, United States Security Treaty (ANZUS) focusing on the defence and security partnership that has developed between Australia and the United States since its inception. He then examines promising progress being made under both Pillar 1 and Pillar 2 of the 2021 Australia, United Kingdom, United States Trilateral Security Partnership (AUKUS). He concludes by considering the likely foreign policy of Donald Trump, president-elect of the United States, who will assume office on 20 January 2025.*

**Key words:** ANZUS, AUKUS, Australia, United Kingdom, United States, Donald Trump, defence policy, foreign policy.

This dinner is being held on the 15<sup>th</sup> of November, a date with special significance for me. On 15 November 1978, in the early evening, I was in Mount Hagen in the New Guinea highlands having a quiet drink and thanking my lucky stars because I had just had the most challenging day I ever experienced as a pilot in the Royal Australian Air Force. When flying my Iroquois helicopter at about 100 feet above the ground at an altitude of 11,300 feet, the engine suddenly failed. There was only one way we could go and that was down. I didn't really have much time to look for a landing spot but anyway I did, I flared the helicopter and thump we landed softly. I was incredibly lucky. We had landed just above the tree line in a peat bog and the peat bog had absorbed all the impact. When we got out and had a look, the main rotor was just over the top of a mound in front of us and, when we looked behind, we could see that we had actually landed on a little ridge, a little place where there wasn't much space for anything but the Iroquois. We gave a call to another helicopter that was in the area and were picked up straight away. So, I was a very lucky person on this day in 1978.

In November 2016, I wrote an article for the Lowy Institute *Interpreter* after the election of Donald Trump to be President of the United States. The editor titled the piece: "ANZUS, Former Defence Chief Takes on the Doubters". We were in very similar circumstances then to what we are in today. There was much speculation about the future of the alliance and suggestions that perhaps this arrangement could be recalibrated and reviewed given Trump's position on the value of alliances. So, in this paper, I

will double down on what I wrote eight years ago about ANZUS<sup>1</sup>. I will also address the implications for AUKUS<sup>2</sup>.

## **ANZUS**

So, starting with the ANZUS alliance, Australian and United States (US) military forces have worked together for over a century. It is a partnership forged under fire that has evolved into an alliance that we should work hard to preserve. We first fought together in the First World War – on 4 July 1918 under the command and trusted leadership of the great Australian general, John Monash. The combined United States and Australian force won the Battle of Hamel with minimal casualties in only 93 minutes.

Moving forward, in 1942, United States power saved Australia in the blackest period in our history. A strategic victory at the Battle of the Coral Sea and the most decisive naval victory in history by the United States Navy at Midway removed the direct threat to Australia.

<sup>1</sup>ANZUS refers to the 1951 Australia, New Zealand, and United States Security Treaty created to protect the security of the Pacific. It remains a key strategic alliance for Australia.

<sup>2</sup>AUKUS refers to the 2021 trilateral security partnership agreement between Australia, the United Kingdom and the United States to promote deeper information sharing and technology sharing; and to foster deeper integration of security and defence-related science, technology, industrial bases and supply chains. The initial foci are on assisting Australia to acquire nuclear-powered submarines for the Australian Navy; and enhancing joint capabilities and interoperability, focusing on cyber capabilities, artificial intelligence, quantum technologies and additional under-sea capabilities.

Then, after the Second World War, the ANZUS Alliance was created. It has been the cornerstone of our defence policy ever since. In the *Defence Strategic Review*<sup>3</sup> that I was involved in recently, we really emphasised its importance now and into the future. The alliance between Australia and the United States has never been more important given our current challenging strategic environment. Working together, we can ensure the partnership between our nations and people remains strong into the future.

The United States has long played a leadership role in the stability and security of the Indo-Pacific. Australia should strive to strengthen the co-operation between our two nations and the region. The United States-Australia alliance is critical to the security and prosperity of both nations and the region. We have strong co-operation across a broad range of areas, including defence, foreign policy, development, trade and investment, and also cultural ties. Indeed, the other night at the Canberra Symphony Orchestra, the French horn player was from the Los Angeles Symphony, and he is the horn player that plays Star Wars and a lot of other movie themes for John Williams, the great American conductor.

The United States is Australia's largest economic partner, with total two-way goods and services trade between our countries, valued at just under \$100 billion a year. And that provides a trade surplus for the United States, which I might add, should really please Donald Trump. The United States is also our largest source of inwards foreign investment, at the extraordinary figure of 1.2 trillion Australian dollars.

I also note the extent of our military spending. We plan to spend \$100 billion on defence by 2034. The alliance, including through AUKUS, increases Australia's defence capability and it provides access to world-leading defence capabilities and technology, training and combined exercises. It gives us a great ability to inter-operate with our US ally and, of course, we have an increasing number of United States rotations through northern Australia, which is a very important part of our deterrence posture.

So, the alliance with the United States has never been more important in our current highly challenging strategic circumstances. We have a strong working relationship, we had a strong working relationship with the previous Trump administration, and I see some challenges, but no reason why we cannot return to that same relationship when Donald Trump is confirmed as United States President in Washington on 20 January 2025.

### **AUKUS Pillar 1**

In AUKUS Pillar 1, the Australian government has decided that we should have eight nuclear submarines. Currently, the Australian Submarine Agency led by Vice Admiral Jonathan Mead has 600 staff. They are working very hard. They are on track and they are on time to deliver AUKUS Pillar 1. AUKUS Pillar 1 is confirmed in the National Defence Strategy as our highest priority on manpower and funding. We have also contributed \$3 billion to the US submarine industrial base. We have also contributed substantial funding in the United Kingdom to Rolls-Royce. People (skilled workers) are the big challenge in the project at the moment. If we have a look at what is required in the future, we need to increase the size of our submarine workforce from 800 to 3000, we need to double the size of the South Australian industrial workforce to 30,000 and we also need to ensure that we train and prepare our people for service on the Virginia-class submarines and later on the AUKUS submarines.

This year we have 100 Australians in training in the United States, with 440 Australians on 25 nuclear attack submarines. In 2027, the Submarine Rotational Force West will commence in Western Australia, and eventually four US submarines and one UK submarine, all nuclear-powered, will rotate annually through that location. In 2032, we will receive the first of our three Virginia-class submarines.

In the early 2040s, we will start manufacturing the SSN AUKUS at Osborne in Adelaide. That involves the construction of five submarines. I don't see a problem with those submarines. They are a 10,000-tonne boat, the design of which has commenced in the United Kingdom already. We will get a sealed modular reactor from Rolls-Royce. There will be no need to open it up at any stage as it will be sealed to last 30 years in the submarine. We also will have a US combat system. We have already produced six Collins-class submarines and what we have to do now is construct another five submarines in Adelaide which we have done before. It is going to be bigger submarine, but as the modular reactor is sealed, we will not have to fiddle with it. We will just place it into the submarine in the appropriate place. And, of course, it will have a US combat system, which has been a feature of the Collins-class submarine.

I have to take issue with some of the negative views of some retired politicians and other commentators. They state that we will be unlikely to get the Virginia-class submarines because the Americans are not building them fast enough. Yet, our rather large down payment of \$3 billion is already helping the United States efforts to build submarines in the United States. There are others who cast doubt

<sup>3</sup>Defence (2023). *National defence: defence strategic review 2023* (Department of Defence: Canberra).

on our ability to build submarines in Adelaide. Well, I have already told you what is involved there and I have absolutely no doubt we can do that in Australia.

### **AUKUS Pillar 2**

AUKUS Pillar 2, involves adoption of advanced technologies at a pace accelerated by the capabilities of the three member nations to either close a capability gap or to drive the partner nations to an advantage. The initial areas chosen for advanced capabilities – undersea warfare capabilities, electronic warfare, hypersonic and counter-hypersonic, advanced cyber, quantum technologies, artificial intelligence and autonomy – are those that will make the most significant contribution to future war fighting. And as we develop the capabilities, we need to get them into the hands of a war-fighter as quickly as possible, as we emphasised in the Defence Strategic Review.

The Defence Science Technology Group (DSTG) is contributing specialised knowledge to the AUKUS Pillar 2 working groups and directly supports the mission through its focus on Defence's six innovation science and technology priorities. The strategy that they have come up with details a more streamlined and integrated innovation science and technology ecosystem to deliver the next generation of advanced capabilities at the speed of relevance for our sailors, soldiers and aviators.

It has never been clearer that innovation, science and technology is central to defence capability. It is the backbone of asymmetric advantage for the war-fighter and for accelerating innovation into capability.

To achieve national defence, the government has transformed the defence innovation, science and technology ecosystem via significant investments in the Advanced Strategic Capabilities Accelerator, (ASCA). ASCA is not a DSTG organisation. It is a one-defence capability and a highly-capable vice chief is the chair of the committee that oversees what they do and what they produce. In terms of the AUKUS partners, they are adjusting their domestic innovation frameworks to better accelerate capability development. ASCA is working with the Defence and Security Accelerator in the United Kingdom, and the Defence Advanced Research Projects Agency (DARPA), in the United States, and Defence Innovation United States, to enable and accelerate discrete AUKUS advanced capability efforts.

While I could go through a lot of different capabilities, I will go with undersea capabilities just to demonstrate how things are progressing across the board in the innovation area.

Right now, AUKUS partners are conducting trials of robotic and autonomous underwater vehicles and will conduct additional experiments on methods and

technologies that will increase interoperability among the three nations' undersea systems. DSTG developed an artificial-intelligence machine-learning capability to identify maritime platforms, and this has been deployed into the AUKUS partners' P8 Posidonion platforms.

The development of unmanned underwater vessels technologies is progressing through the ASCA Mission Zero Ghost Shark project. A few words about Ghost Shark. To accelerate the production and readiness of this sovereign autonomous undersea capability, Defence and Anduril Industries entered into a co-funded early works contract for the Ghost Shark programme in August. The collaboration combines DSTG's scientific smarts, Navy expertise, ASCA's speed to delivery, and Anduril Australia's experience in agile innovation. Ten companies have partnered with Anduril to manufacture the extra-light autonomous undersea vehicle and more than 42 Australian companies are in the Ghost Shark supply chain. The Ghost Shark programme will provide Navy with a long-range autonomous undersea capability. Uncrewed systems like this will provide a range of asymmetric options to complement our existing crewed force.

### **The 2025 Change of Administration in the United States**

I will finish with a few comments about President Trump. There is a lot of speculation at the moment about how things are going to go when Trump returns to the presidency. I think we just need to be a little bit guarded and a little bit careful before we jump to conclusions. There is no doubt that he will surprise us from time to time, but perhaps if I start talking a little bit about his foreign policy.

Based on what we observed last time, we can expect his diplomacy to be transactional. It will also be very personal. It will be one-on-one. He favours bilateral arrangements over multilateral arrangements, and in the past, he has cast doubt about the alliances that are around the globe, particularly NATO.

If we consider climate change, he has indicated that he is going to withdraw from the Paris Agreement on climate change. He has also indicated he is going to exploit the huge resources of oil and gas they have in the United States. Who could forget his call during the election campaign: "Drill, baby, drill"? He thinks climate change is a hoax, and he has actually said that on numerous occasions. That has created great dismay in the South Pacific, where they face a severe challenge with rising sea levels as a consequence of global warming.

Trump is bitterly opposed to free trade and we can anticipate that he will have an extensive 10-20 per



cent tariff on imports to America. In terms of Chinese imports to America, there will be a 60 per cent tariff. I think that's going to be inflationary and it is really going to affect us in a negative sense given our reliance on our trading relationship with China. I think you can see China will be faced with a more confrontational United States, certainly in the economic area. I think there will be a trade war and to a certain extent economic decoupling.

I think Trump will maintain the strategic competition framework. I would be surprised if he does not strengthen it to some extent. But don't forget that many times he has shown that he is sceptical about using the United States military in any foreign endeavours. And in the past, he has questioned the need to defend Taiwan.

Considering the people around him, it looks likely that the people around him are a different grade of people from the people he had last time. You might remember Jim Mattis became the Defence Secretary. And at this stage in the appointment proposed for Defence he has gone for somebody who has nothing like the background that Jim Mattis had. Mike Pompeo was what the Americans called the China hawk. He is not part of the administration, nor likely to be. There are some isolationists around President Trump, so it will be interesting to see where Trump lands on China. But I think there will be a stress on the need for military readiness in the Pacific, and I think there will be an emphasis on finding basing in the Indo-Pacific region. Of course, our geography suggests that in any crisis between China and the United States, our bases in the north of Australia will be very valuable to our ally.

In the Middle East, I think you will see Trump adopt a hardline approach. He will provide military support to Israel, and I think the United States Navy will continue to provide that crucial air and missile defence that their destroyers have been providing from the Red Sea. I think he will go all out to prevent Iran gaining a nuclear weapons capability and of course he will promote the Abraham Accords that were negotiated on his watch last time. The Abraham Accords provide for a normalisation of the relationship between Israel and the Arab states like Saudi Arabia, the United Arab Emirates, Jordan, and Egypt.

Ukraine, I think, is the area where there is probably the greatest uncertainty. Trump has, on occasion, signalled a sort of isolationist approach in Europe. He has said he could solve the Ukraine problem in one day. He wants to negotiate a peace deal between Ukraine and Russia. And what that actually means remains to be seen. So, I think there is great uncertainty about what will happen in Ukraine. If you think back to the 2014 Minsk agreements after Russia annexed Crimea and its proxies

occupied parts of the Donbas, it was agreed that there would be a ceasefire, but the peace broke down very quickly because a line was drawn between Ukraine and Russia through the middle of the Donbas.

So, Donald Trump is unpredictable and that creates a fair bit of uncertainty, particularly in the situation with Ukraine. But he has learned from his mistakes last time, and I think he will be more effective this time in turning his ideas into policy. He will be transactional, he will be highly personal, and I think, as my colleague at the Lowy Institute, Michael Fullilove, said, the best approach to President Trump will be to be pragmatic and stand up for our interests.

### The Author

Air Chief Marshal Sir Angus Houston, AK, AFC (Ret'd), was created a Knight of the Order of Australia in January 2015 for extraordinary and pre-eminent achievement and merit in service to Australia through distinguished service in the Australian Defence Force, his continued commitment to serve the nation in leadership roles, particularly the national response to the MH370 and MH17 air disasters, and in a variety of roles in the community.

Sir Angus was the Chief of the Australian Defence Force from 2005 to 2011 after having served as the Chief of the Australian Air Force from 2001 to 2005. In 2011, after 41 years of service, Sir Angus retired from the military. In 2022, Sir Angus was appointed by the Commonwealth Government to co-lead the Australian Defence Strategic Review.

Sir Angus is now the Chair of the Murray-Darling Basin Authority, Chancellor of the University of the Sunshine Coast, Chair of the University of New South Wales Advisory Board, and Chair of the Canberra Symphony Orchestra. He is a board member of the Lowy Institute for the International Policy and the Australian Cancer Foundation. He is a visiting fellow at the Australian National University's National Security College. Sir Angus is also a senior counsellor for the Cohen Group, a business advisory head group led by William Cohen, a former Secretary of Defence of the United States.

In addition to his many board roles, he is the ambassador and patron of numerous charitable and mental health organisations. He has been awarded Doctor *Honoris Causa* degrees by the University of South Australia, the Australian National University, the University of New South Wales and Griffith University. [Photo of Sir Angus: Lieutenant Colonel John Howells OAM RFD (Ret'd).]

