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MEDIA RELEASE

AUKUS BUILD AND SUSTAINMENT PARTNERS ANNOUNCED

The Albanese Government is ensuring local jobs and Australian industry are at the heart of our next generation submarines with the announcement today of Australia's Sovereign Submarine Build Partner and Sovereign Submarine Sustainment Partner.

Today's announcement is a critical step towards the construction of Australia's SSN-AUKUS submarines at Osborne, South Australia, and sustainment of our nuclear-powered submarines, including through Submarine Rotational Force-West, in Western Australia.

These partnerships mark the start of further extensive opportunities for Australian industry and workers, underpinning the single biggest capability acquisition in our nation's history and creating around 20,000 direct jobs over the next 30 years, supporting the Government's vision for a Future Made in Australia.

Working with our AUKUS partners, Australia is not just acquiring world-leading submarine technology, but building a new production line, supply chain and sustainment capability for conventionally-armed, nuclear-powered submarines in Australia

Sovereign Submarine Build Partner

The Government has selected ASC Pty Ltd and BAE Systems to build Australia's SSN-AUKUS submarines. These world-leading companies will work closely together to establish the foundations of the complex project and will initially form a collaborative arrangement, which will lead to the establishment of a long-term incorporated Joint Venture within Australia.

This Joint Venture establishes an enduring partnership between ASC and BAE Systems to bring together and leverage the unique and complementary capabilities, skills, expertise and resources of the two partners to deliver Australia's SSN-AUKUS submarines. ASC has been at the centre of Australia's sovereign submarine program for decades as Australia's prime sovereign submarine sustainment partner, and the builder of our Collins class submarines.

Its experience in submarine construction, testing, commissioning and certification, including physical integration of US combat systems, make ASC a reliable, tested and capable partner.

BAE Systems is the United Kingdom's long-term submarine build partner and brings over 60 years of nuclear-powered submarine building experience, world-class industrial capability and intellectual property to this partnership.

BAE's involvement ensures an integral connection between the SSN-AUKUS design led by BAE Systems in the UK, where Australian experts are already working alongside their peers, and the SSN-AUKUS build strategy in Australia.

ASC and BAE - and once established, the Joint Venture – will operate collaboratively within a wider enterprise and be accountable and responsible for the delivery of our SSN-AUKUS submarines, as well as ensuring safety, security, and regulatory compliance throughout the build program.

The Commonwealth will hold sovereign protection rights in relation to the governance of the Joint Venture to preserve our national interest in the build program.

By bringing ASC and BAE together, the Albanese Government has determined the best structure for the build of our SSN-AUKUS submarines. Importantly, it enables Australia's Sovereign Submarine Build Partners to develop and expand an Australian industrial base and supply chain for long-term submarine construction in Osborne, South Australia.

Sovereign Submarine Sustainment Partner

The Government has selected ASC Pty Ltd for the sustainment of nuclear-powered submarines, commencing with the Virginia class and followed by the SSN-AUKUS.

This decision recognises ASC's long history and expertise in the sustainment of submarines in Australia, in addition to its established workforce and supply chain network.

Building on ASC's current role and capability in sustaining Australia's Collins class submarines, ASC's sustainment capability for nuclear-powered submarines will be uplifted in the lead up to Australia acquiring its first Virginia class submarine from the United States in the early 2030s. It will include significant workforce growth and the development of skills, knowledge and experience required to sustain Virginia class submarines.

The passage of the *National Defense Authorization Act* (NDAA) in December 2023 through the United States Congress represented important progress toward enabling the next steps in realising Australia's conventionally-armed, nuclear-powered submarine capability. With the passage of this Act, exemptions were established that will authorise Australian workers to sustain US submarines – an activity never before enabled under US legislation.

With the NDAA passed, there will be opportunities to embed Australian workers from ASC in the Pearl Harbor Naval Shipyard to train on sustainment of US conventionally-armed, nuclear-powered submarines. ASC will also provide sustainment support to visiting US and UK submarines at HMAS *Stirling*, in the lead up to the establishment of Submarine Rotational Force-West from 2027.

Importantly, ASC's growing role in nuclear-powered submarine sustainment will be integrated with the existing Collins class submarine enterprise and sustainment arrangements, providing the opportunity to strengthen our sovereign capability while

Australian workers learn new skills for the future. This plan secures our current and future submarine capabilities.

The task ahead is significant and will require ASC's deep engagement with Australian industry. ASC and the Australian Submarine Agency will further refine upcoming opportunities for Australian industry to become involved in the sustainment program as planning matures. ASC will also develop robust industry partnerships with UK and US businesses to gain the technical skills, know-how and capacity to sustain nuclear-powered submarines.

Delivering on AUKUS

The work to deliver Australia's conventionally-armed, nuclear-powered submarines is already well underway, and key land acquisition and infrastructure upgrades have already commenced, all to ensure we are able to begin construction of Australia's first SSN-AUKUS before the end of this decade.

Additionally, work has already begun to develop the skills to maintain our nuclear-powered submarines with increased visits of US and UK SSNs ahead of the arrival of Australia's own sovereign Virginia class submarines.

Australia's commitment to meeting the highest safety, security and nuclear non-proliferation standards in supporting our acquisition of conventionally-armed, nuclear-powered submarine capability will be a central element of the work undertaken by both our build and sustainment partners.

The establishment of the Australian Naval Nuclear Power Safety Regulator, with legislation currently before the Australian Parliament, will be another important step in building and ensuring an environment of nuclear safety and security.

The new strategic partnerships announced today will deliver and sustain Australia's nuclear-powered submarines, making Australia a more capable security partner and better able to respond to our changing strategic environment.

AUKUS is the single biggest investment in the history of Australia's defence capability, with record investment in defence, skills, jobs and infrastructure – a vital part of the Government's vision of a Future Made in Australia.

Quotes attributable to Deputy Prime Minister, the Hon Richard Marles MP:

"We have made significant progress in the past 12 months under AUKUS, and today's announcement is another step forward by the Albanese Government to deliver Australia's conventionally-armed, nuclear-powered submarines.

"At the heart of today's announcement are Australian jobs and a pipeline of work for local Australian industry as we deliver on the commitment to build and sustain submarines here in Australia – and create a sovereign industry and workforce."

Quotes attributable to the Minister for Defence Industry, the Hon Pat Conroy MP:

"The construction of conventionally-armed, nuclear-powered submarines will be the greatest industrial endeavor Australia has ever attempted, both in scale and technical complexity. We are now closer to realizing this generational undertaking.

“This announcement today is further evidence that the AUKUS agreement continues to be implemented at pace by all three partners, paving the way for the creation of more than 20,000 highly skilled jobs for decades to come.”

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