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UK and Australia Strengthen Defence Pact Amid US Uncertainty

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Australia and the United Kingdom have taken decisive steps to deepen their strategic partnership through a strengthened defence pact, even as the United States reassesses its role in the AUKUS security alliance. With Washington scrutinising its own shipbuilding capacity and military commitments, Canberra and London are demonstrating clear intent to press forward with long-term submarine cooperation.

The AUKUS agreement, established in 2021 by Australia, the United Kingdom, and the United States, aims to deliver nuclear-powered submarines (SSNs) to Australia and foster

collaboration on emerging defence technologies. While the US is now reviewing its commitments under the agreement, Australia has transferred an \$800 million payment as part of its 2025 obligations for submarine development. In parallel, Australian and British regulators have renewed a Memorandum of Cooperation to enhance coordination in the nuclear submarine sector.

A significant move came during the 15th Australia-UK Ministerial Consultations (AUKMIN), held in Geelong, where the two nations signed a 50-year partnership focused on submarine capability. The agreement reinforces a shared goal of building resilient submarine industries across both countries, looking beyond current AUKUS timelines. It also aligns with the UK's recent Strategic Defence Review, which outlines the goal of delivering one SSN every 18 months and producing up to 12 submarines in total.

Australian Trade Minister Don Farrell dismissed concerns that this deeper bilateral arrangement might cause friction with Washington. "The message that the Americans will get out of this is that the other two parties to AUKUS are very, very supportive of the continuation of the project," he said.

While the UK and Australia display growing alignment, the US faces internal questions over whether its industrial base can support its naval goals and the AUKUS schedule.

During a Senate confirmation hearing, Admiral Daryl Caudle, nominated as the next Chief of Naval Operations, stated that the US Navy's delivery pace must improve significantly. He warned that current U.S. submarine output, at approximately 1.13 per year, must nearly double to a rate of 2.33 subs/year to satisfy both national needs and AUKUS commitments. "The delivery pace is not where it needs to be to make good on the Pillar 1 of the AUKUS agreement, which is currently under review by our Defense Department," Caudle told senators.

The review led by US Under Secretary of Defense for Policy Elbridge Colby introduced further uncertainty. Colby, a known sceptic of the agreement's feasibility, has publicly questioned Australia's willingness to support the US in a conflict scenario involving China and Taiwan. He has also pushed for a significant increase in Australia's defence spending, calling for it to rise from 2.33 percent to 3.5 percent of GDP by 2033. The Australian government, however, has not indicated any intention to adjust its current defence budget.

Despite Australia's ongoing payments, updated bilateral agreements, and active involvement in Pillar 2 of AUKUS, Washington's concerns about its industrial limitations and its allies' defence posture remain unresolved.

Meanwhile, China is keeping a watchful eye. Although not formally raised during Prime Minister Anthony Albanese's recent visit to Chengdu, Chinese officials quietly posed AUKUS-related questions. Sydney-based Consul General Wang Yu reportedly asked Newcastle's mayor about possible docking sites for AUKUS submarines. This led to renewed warnings from Australian officials about local-level diplomacy veering into sensitive national security issues.

China has also taken a diplomatic step by announcing its plan to sign the Protocol to the Southeast Asian Nuclear Weapon-Free Zone Treaty. This longstanding ASEAN initiative bars the stationing or development of nuclear weapons in the region. While largely symbolic, the move allows Beijing to present itself as a stabilising force in the Indo-Pacific, subtly opposing AUKUS without direct confrontation.

Elsewhere, France is repositioning itself in the evolving security dynamic. During President Emmanuel Macron's visit to the UK in July, both governments expanded defence collaboration through the Lancaster House 2.0 accords and the Northwood Declaration. These agreements bolster nuclear coordination and increase maritime operations in the Indo-Pacific.

Following the diplomatic fallout over the original AUKUS announcement, which ended Australia's contract with French shipbuilder Naval Group, relations are now on the mend. A \$585 million settlement was made shortly after the Albanese government took office in 2022, and a new bilateral roadmap has since been implemented.

French Ambassador Pierre-André Imbert hinted that France remains open to future cooperation. "Australia has chosen AUKUS... If that changes – if they ask, we will see," he said, pointing to existing military exercises and defence engagement as signs of strong ongoing ties.