AUKUS: A Bad Job?

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It is becoming frighteningly clear that the major impact of AUKUS in Australia is to drag the country into whatever nightmare, illegal, military catastrophe that the US conjures up (see Hugh White 2026). In this article we want to concentrate on one of the many flimsy excuses that are promoted to defend AUKUS. In this instance, the illusion that it will create thousands of skilled jobs.

AUKUS is supported by both major political parties, although not the Greens, so it is not vulnerable to the political instability more generally characteristic of big, divisive issues. In the broader society, however, it has faced far from universal acclaim. On the 'cheer-squad' side, the Australian Industry Group has been effusive in its support, arguing that AUKUS is a multi-generational project that has the potential to benefit millions of Australians for decades to come (Damante 2023). But the critics have raised a wide range of concerns (for an excellent critique of the totality of the AUKUS project, see Beeson et al eds. 2026). UNSW Professor of International and Political Studies, Clinton Fernandes (2023: 23), argues that AUKUS is not an investment in Australian nation-building but in the materials, products and services that enable the warfighting capabilities of the United States (Fernandes 2023: 25).

In our recent book (Snell, Dean & Rainnie 2025), we examine the way that industry policy in Australia has increasingly become driven by, and dominated by, military considerations. We argue that this represents an unstable approach to building the country's industrial capabilities. The militarisation of the nation's history and the public service now seems to being accompanied by a militarisation of industry policy. AUKUS appears to have reinforced the centrality of militarisation to the Australian political debate. Short of questioning the substantial price to taxpayers of nuclear-powered submarines, some commentators lauded the government's "missiles and people" approach of AUKUS in conjoining foreign policy and economic policy (Crowe, 2023). But others have hinted at the likely cuts to social, health and education spending that the government will justify in paying for it (Hurst & Borger, 2023).

Writing in the Saturday Paper, Jo Tarnawsky (Feb 14 2026) argued that AUKUS is one of the most consequential defence commitments that Australia has ever entered, binding future governments to a world that is already fading. Albert Palazzo, also in the Saturday Paper (Feb 28 2026) argued that the most important point of AUKUS was not the submarine deal, which is actually a distraction (albeit a frighteningly expensive one). The main game is the base that Australia intends to give the US at HMAS Stirling in WA. Even more frightening given developments in Iran.

Of course, the question of whether AUKUS reduces or increases Australia's long-term security is fundamental. The view of The Economist (23 August 2023) that 'Australia is becoming America's

military launchpad in Asia' is hardly reassuring in this respect. Reflecting on the social as well as defence implications, the introduction to the special section on AUKUS in Arena (2023: 19) raised even broader concerns, arguing that:

> AUKUS will deliver a new regime of the everyday in Australia. What we can call, with some caution, an Australian way of life will be recomposed by the integration of our defence with the US military, with the demands of the scientific-military-industrial complex and the aggressive posture that military preparation brings. The shift to 'forward defence'; nuclear technologies; the reshaping of northern Australia as a US garrison; military-led economic and industrial policy: this cannot but reshape who we are and relations between us.

This article has a narrower focus. From here on, it examines only the job creating potential of the project. This warrants careful consideration because it is one of the local factors that politicians emphasise to make the project attractive and saleable to a local electorate. While job-creation is a national consideration, it is seen as especially important in the Port Adelaide/Osborne locality which is the proposed focal point for whatever production of submarines occurs. The area needs good quality jobs. The expectations of local people have also experienced a hit from the effects of the Morrison government's contentious and abrupt cancellation of the Naval French submarine contract. But are the currently raised local expectations likely to be matched by secure, ongoing good quality jobs, and, if so, at what cost?

High hopes or false expectations?

Projects for defence spending tend to be accompanied by dramatic claims wrapped up in rhetoric of the 'jobs, growth and regional development'. Extreme examples abound in this case. 'AUKUS alliance: New jobs potential is 'astronomical', trumpeted *The Australian* on 16th Sept 2021. Pat Conroy, Minister for Defence Industry in the Albanese government was no less hyperbolic in his claim that: 'This is the greatest industrial undertaking ever in Australia. It will be transformative for South Australian industry' (OPM 2023)

Anthony Albanese has also said, when speaking in the UK in 2023, that 'I see this as being very similar to what the car industry provided for Australia in the post war period'. It is an awkward comparison. Although employment in the Australian car industry dropped by around 80,000 between 1973 and 1980, it still employed around 45,000 in 2015. At best, AUKUS is forecast to create around 20,000 jobs over the 25-30 years of the project, with South Australia and Western Australia being the major beneficiaries (Tillett & McIlroy 2023).

A government press release in March 2023 claimed that the South Australia based jobs arising from the AUKUS deal would be fairly evenly divided between 4,000 workers employed to design and build

the infrastructure at Osborne (Port Adelaide) and a further 4,000 to 5,500 to build the actual submarines. The AMWU sees around 5,000 workers needed to build, maintain and repair the submarines when the build is scheduled to start in the 2040s. Spread over more than a quarter of a century, this is not hugely impressive.

Furthermore, as John Quiggin (2023) pointed out, at current estimates, that works out at roughly $18 million per job, given the $368 billion price tag of the project.

Hoskins (2023) reported for the BBC that the announcement of the contract confirmed the participation of BAE Systems, Rolls Royce and Babcock International. Furthermore 'Other major UK defence contractors are also getting a boost from the AUKUS deal'. However, as Seidel (2023) pointed out, Australia was nowhere to be seen in the crucial design and development phase. It is worth noting that for all its faults there was a 70 percent local content clause in the Naval agreement. The AUKUS deal is silent.

The UK Royal United Services Institute has reinforced our general suspicions, arguing in a recent report that:

> Framing defence spending as a path to prosperity ignores its poor economic returns, limited job creation and the opportunity costs of not making alternative public investments (Sylvia & Rogaly 2025)

A Barrow-load of jobs?

Further consideration of the job-creating potential of the AUKUS contract can also usefully take account of the experience of Barrow-in-Furness, the UK base for the AUKUS operations, in northwest England. Barrow has been a major base for submarine construction in the UK, on and off, for 60 years or more. BAE Submarines, part of the major British-based arms, security and aerospace multinational, has a large operation already in place in the town. Just like in South Australia, local hopes have been raised that the AUKUS contract will generate lots of local jobs.

It was when visiting Barrow in 2023, that Albanese drew the parallel with the Australian car industry, saying that it not only provided jobs and security for communities for decades, but that there were indirect spin offs in other industries as well. At the same event in Barrow, Pat Conroy also talked about the significant opportunities in the supply chains, not only of Australia, but also the UK and the US. However, examination of the history of submarine production in Barrow and its effects on the locality raises some troubling questions.

In 2023, the *Financial Times* claimed that AUKUS would provide a jobs bonanza for both Osborne and Barrow-in-Furness (Pfeffer & Sevastopulo 2023). However, in reporting the Barrow case, the

article provided the first hint that building submarines has not been an unalloyed positive for the Cumbrian town. The prospect of steady long-term investment promised a 'reprieve from the "feast or famine" cycle that has historically dogged submarine manufacturing in the UK'. The town itself has experienced long term steady population decline, mostly due to negative net migration. Barrow in 2020 was the 146th non-metropolitan district in England (of 181 total) when ordered by GDP.

Furthermore, as former senior Labor politician Bob Carr has reported (Carr 2023), Barrow has struggled to deliver both the Astute and Dreadnought class submarines, before the Virginia transpires. On top of this, Carr argues, there is no precedent for building a submarine hull in one country, installing another country's technology and assembling it in a third that has no nuclear expertise.

Former Director of the Australian Strategic Policy Institute, Michael Shoebridge (2023), argues that, in Barrow, the nuclear subs programme provides very steady employment for a small number of people, but: 'While it's a lovely town, Barrow-in-Furness shows that the nuclear subs do not build a vibrant high-technology economy outside the walls of the defence industry … Those spin-offs the Prime Minister hopes for are not much in evidence.'.

In 2014, investment in the yard by BAE Systems, in anticipation of submarine contracts, was expected to generate thousands of jobs. Jobs have appeared but numbers and knock-on effects have not been earth shattering. BAE Systems Submarines produced an extensive Social Impact report for 2020-21 covering education and skills and community investment, supporting 198 community projects as well as COVID support activities. However, the Cumbrian Local Enterprise Partnership Report for 2022 pointed to strong islands of very innovative firms operating in competitive global sectors but often with few links to other Cumbrian firms (CLEP 2022: 12).

Barrow-in Furness is hardly a model to seek to replicate in Australia. Immediately before the onset of COVID, Barrow's unemployment rate stood above the UK national average. The proportion of the workforce who had a degree level qualification or higher was nearly 50% below the national average. Twelve per cent had no qualifications at all. In the period 2021-22, average salary growth in the area had gone negative. According to official UK NOMIS data, in 2022, the numbers economically active in Barrow were again well below the national average (65.1% compared to 78.5 %). While the proportion of jobs in manufacturing industry (30.0%) was well above the national average (7.6%), as was the numbers in skilled trades, the other side of the coin is that the proportion in professional occupations was below the national average. To the extent that there is any evidence of spin-offs, it is very localised.

‘Cathedral in the desert’ or Jobs for Life?

Regional development analysts use the term ‘Cathedral in the Desert’ to describe islands of advanced development that have little connection with their surrounding region (Stilwell 1989). Submarine production in Barrow would appear to be a case in point. Setting aside the awkward question of whether it is appropriate to describe nuclear submarine production yards as ‘cathedrals’, the metaphor points to the isolation as well as the lack of reliable flow-on effects to other parts of the economy and society.

For Port Adelaide/Osborne, the lesson is that it would be wise to treat all claims regarding job growth and related local economic development with a large pinch of salt. South Australia, like the rest of the country, is facing a massive skills shortage. A 2023 report from Jobs and Skills Australia (JSA 2023) argued that Australia would need more than two million workers in building and engineering trades by 2050 and more than 32,000 more electricians by 2030. A development focussed entirely on producing nuclear submarines to reinforce a growing Cold War is going to suck skilled workers from other vital sectors.

Given Australia’s poor record on policies to deal with climate change, and the urgent need to develop more ‘green’ manufacturing industries focussed on products like recycling lithium batteries, solar panels and wind turbine blades, we could and should be investing in Jobs for Life – in all senses of the word. As Alison Broinowski (2023: 26) concludes:

> Upgrading our universities and TAFE colleges to produce graduates with the skills to do things and produce goods that Australia needs now, and to fill employment vacancies, would make more sense than training people to make lethal weapon.

SA Election

A State election was called in SA for the end of March 2026, and the AUKUS PR machine in the local and national press has gone into overdrive. In Port Adelaide Enfield, the Greens and Socialist Alliance oppose AUKUS, whilst the Labor Party is an uncritical and enthusiastic cheer leader.

Perhaps unsurprisingly then, Terry Plane, again writing in the Saturday Paper (Feb 21 2026) reported that locals on the Lefevre Peninsula in Port Adelaide-Enfield are largely optimistic about the nuclear endeavour, talking about ‘jobs for our kids’. Taperoo, the area right beside the massive white sheds (elephants?) that might house the subs is one of the most disadvantaged areas in SA. Furthermore, the barrage of claims regarding potential work for the community has reached tsunami proportions.

In February, the Prime Minister announced a $3.9 billion down payment on the $30billion that the site will cost. Of the 9,500 jobs promised, 4,000 would be in construction, which will be ongoing until

2040! So the jobs will be spread out over the next 13 years. There will also be a Skills and Training Academy, but will the skills be transferable to where they are **really** needed?

It is stating the blindingly obvious to point out that we are facing a multitude of crises (a polycrisis?) beyond simply the New Cold War. We want to look briefly at a few examples.

- **Housing –** We know that we have a crisis of affordable housing, never mind homelessness itself. However, the Master Builders Association has forecast a shortage of 130,000 workers across building and construction in 2024 alone (Elmes 2024). A significant number of these desperately needed skilled workers are currently employed constructing the huge site in Osborne. We need these workers elsewhere, right now.
- **Electricity Workforce –** The Australian Energy Market Operator has argued that Australia will need a 33,000 addition to the electricity workforce by 2029. The vast majority of these jobs would be in renewable industries. We are already falling behind our woefully inadequate emissions reduction targets. We need these skilled workers focussed on rewiring the nation, and electrifying Australia (Rutovitz et al 2024).
- **Green Steel –** Whyalla is currently facing the latest in a series of crises around the steelworks. However, the current crises could be alleviated by significant investment in an Electric Arc Furnace and Direct Reduction Iron facilities alongside a Hydrogen Hub. This would enable a significant and strategically vital Green Iron/Steel operation.

  Green steel is reliant on a steady supply of scrap steel for its operation. There is no ready supply currently in Australia. However, off the NW coast of WA, and in the Bass Strait, we have the equivalent of 110 Sydney Harbour Bridges of steel, currently in the form of offshore oil and gas rigs, that have to be decommissioned, reshored and recycled in the next few years (see Snell & Rainnie 2024). There is no site in Australia that currently could deal with the scale of that task. The Centre of Decommissioning Australia (CODA) has identified a possible site south of Perth. Here we could decommission rigs that would otherwise further pollute the ocean and then float the scrap steel round to Whyalla to be processed into green steel.

  But, in an already crowded coastline in southern WA the government has announced that the Henderson Shipyard will house a $127m defence precinct for servicing AUKUS submarines. It is claimed that this will employ around 10,000 skilled workers and ‘rival the resources industry in WA’. This is presumably in the same way that AUKUS in Osborne has been claimed to replace the motor industry? (Perpitch 2024). Can we develop a vitally important decommissioning site right now in the face of the demands of AUKUS?

- **Childcare** – SA like nearly every region in Australia, needs an increase in its share of Early Childhood Care Workers. Nationally, we need around 20,000 more. A tiny fraction of the AUKUS budget would go a long way to alleviating the crisis.
- **Recycling solar panels –** Currently, around four million homes have installed solar amounting to around 150 million panels, with the vast majority of those panels destined for stockpile, landfill or are sent overseas at the end of use! Around four million panels a year are decommissioned and that is expected to rise to around eight million. We have no significant recycling industry capable of dealing with this problem. Up to 85 percent of raw materials inside solar panels could be recycled. The government recently announced a $25million pilot programme to establish up to 100 collection sites. A drop in the ocean compared to the AUKUS budget. Our hopelessly inadequate recycling infrastructure certainly won't be able to cope with the wave of batteries being installed alongside these solar panel systems.

All of these initiatives would demand huge amounts of skilled, well paid jobs, now and well into the future.

Skill Shortages

The uncritical trumpeting of the skilled jobs coming to Port Adelaide ignores the growing likelihood that the submarines never will. Just as important, the sound and fury totally ignores the chronic skill shortages plaguing the construction industry and the broader renewable sector. Infrastructure Partnerships Australia reports the sector is facing a shortfall of 300,000 workers by mid 2027.

In SA alone, at its peak the construction of the new Women and Children's Hospital Project will require around 500 electricians, the Northern Water project 150-200 and the Torrens to Darlington motorway will require around 600 electricians by the end of 2027.

Contentiously, the Australian Strategic Policy Institute (Wright & Harris 2026) is arguing that the skill shortages will require a special 'AUKUS Visa' to speedily import skilled workers from 'partner countries'. According to the authors, AUKUS is creating skill shortages that partners must help each other fill. There is however no evidence that 'partner countries' are any more capable of coping with chronic skill shortages than Australia is.

SA Premier Malinauskas made a dubious contribution to the immigration debate, suggesting that migrant workers would be needed to wipe Australian bottoms in aged care facilities because the sons and daughters of SA folk would be pouring into skilled jobs on nuclear submarines. (Pestrin 2026)

More broadly, AUKUS in particular and defence industries in general are engaged in a process of institutional capture of large swathes of the education sector, not just the training infrastructure in SA and beyond (see Troath 2026)

Building an Alternative

We need concrete practical examples of alternatives to AUKUS and the desperate need for recycling and repurposing industries are a case in point.

In the late 20th century, workers in defence and related industries at Lucas Aerospace and Vickers in the UK, produced Alternative Plans for socially useful alternative production for their workplaces.

Faced with job cuts, the Lucas Aerospace Joint Shop Stewards Combine Committee asked shop floor workers for their ideas for socially useful production. The Alternative Plan that emerged attracted worldwide attention and was nominated for the Nobel Peace Prize in 1979. Unfortunately, the Labour Party and some trade union leaders failed to take action to support the Plan (see Wainwright & Elliott 2018).

On the 40th anniversary of the Plan, a conference launched a New Plan, designed to confront the challenges of emerging new technologies and climate change. Khem Rogaly (2024) writing for the Common Wealth, produced a Lucas Plan for the Twenty First Century.

Drawing inspiration from the original Plan, in the summer of 2021, workers in the GKN auto parts factory near Florence in Italy, occupied their factory, protesting the plant closure with the loss of 400 jobs. Early in 2026, they were still there, having formed a cooperative with the aim of producing solar panels and electric bikes.

We need to follow their example.

Jobs for Life, not Jobs for Death

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