

Written Evidence: Delivering AUKUS Pillars 1 and 2

Society of Maritime Industries – Submission to the Defence Select Committee

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Executive Summary

1. AUKUS is a once-in-a-generation opportunity to strengthen UK security, sovereign capability, and advanced manufacturing. Pillar 1 is progressing through SSN-AUKUS design, workforce, and infrastructure uplift. Pillar 2 is moving from policy to delivery, with 2025 activity anchored on Maritime Big Play trials, focused Innovation Challenges, and better use of adjacent programmes.
2. Export controls have also seen a once in a generation shift to break down barriers in moving resources across the AUKUS enterprise.
3. The main risks are an unclear near-term demand signal for Pillar 2, uneven cross-government follow-through on export controls and workforce mobility, fragmented acquisition routes across the three nations and a challenge between national cultural behaviours.
4. The Committee can accelerate outcomes by pushing for: a defined Pillar 2 project or projects, a rolling and granular opportunities pipeline, a fast-lane from trials to funded spirals, and resourced fixes to visas, facility clearances, IP and third-party transfer handling.

About SMI

5. SMI is the UK's trade association for the maritime engineering, science, and technology supply chain. Members span shipyards, primes, Tier 2 and Tier 3 suppliers, marine science, autonomy, digital, ports and terminals, and defence and security. SMI convenes the AUKUS Maritime Working Group for UK suppliers and engages through the trilateral AUKUS Advanced Capabilities Industry Forum.

Recommendations

Government

6. Decide and publish one Pillar 2 project with scope, outcomes, delivery milestones, and the initial buying route.
7. Publish a rolling, quarterly opportunities pipeline for Pillars 1 and 2 that breaks work into exportable packages with points of contact, minimum accreditations, and indicative values.

8. Create a Pillar 2 fast-lane that moves successful trials into funded spiral development with joint requirements and a single contracting team that can place awards in all three nations.
9. Resource the enablers: visas, recognition of qualifications, facility clearances, cyber and security baselines, IP and third-party transfer handling, and currency controls for cross-border delivery. On the visa issue, no trilateral fast-track visa is in force. The idea of an “AUKUS visa” has been advocated since at least 2022. UK and Australian nationals going to the US typically rely on H-1B, L-1 or the Australia-only E-3. These routes have caps, processing delays or narrow eligibility, which do not always match AUKUS workforce needs. Visas remain an emotive subject for all governments.
10. Stand up clear communications: a simple web page, short fact sheets, and periodic briefings, including scoped classified sessions aligned to real programmes. Build on the success of ACIF Trade Associations working together and the inaugural AUKUS Pavilion as seen at DSEI. Task the ACIF Trade Associations and use them as the primary communications channel.

Industry

11. Engage where the work is real: Maritime Big Play windows, Innovation Challenges, adjacent national programmes, and Pillar 1 bottlenecks in forgings, castings, additive manufacturing, power and propulsion ancillaries, training systems, and through-life support.
12. Pre-form tri-nation teams and document cooperation early.
13. Use disciplined bid approaches: respond to RFIs and RFPs where requirements exist and route concise unsolicited proposals through trade associations where they do not.
14. Invest in compliance readiness: facility clearances, cyber baselines, records handling for AUKUS trade, and Authorised User Community onboarding.

Parliamentary Scrutiny

15. Require regular, public progress statements on export control follow-through, workforce mobility fixes, and the opportunities pipeline.
16. Test that UK industry can access real work packages at SME scale, not only prime-led consortia.

Context and Progress to Date

17. **Pillar 1:** SSN-AUKUS proceeds with UK design leadership, early Australian infrastructure upgrades at HMAS Stirling, and US Virginia-class transfers as the bridging capability. UK contracts and site investments at Barrow and Raynesway are building capacity.
18. **UK–Australia 50-year “Geelong Treaty”.** Locks in full life-cycle collaboration on SSN-AUKUS, including workforce, infrastructure, supply chains, and UK Astute-class rotations into HMAS Stirling under SRF-West.

19. **UK programme scale-up.** The UK's Strategic Defence Review confirms up to 12 SSN-AUKUS boats, with new investment in Barrow and Raynesway to sustain continuous build.
20. **SRF-West groundwork.** Infrastructure upgrades at HMAS Stirling are now in train to host rotational US and UK SSNs from as early as 2027; a rotational presence of one UK and up to 4 US, conventionally armed, nuclear-powered submarines.
21. **Virginia-class transfer still the bridge.** Plan remains for the US to transfer 3 to 5 Virginias to Australia in the early 2030s, while SSN-AUKUS deliveries ramp up. However, Timetables are tight. A recent US Congressional Budget Office report found CRS notes Virginia-class output has 'since 2022 [been] limited to about 1.2 boats per year,' and that to meet U.S. needs and AUKUS commitments industry must lift throughput 'to 2.33 boats per year' to execute two-per-year procurement, replace three to five Virginias for Australia, and reduce the backlog (Congressional Research Service, Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar 1) Project: Background and Issues for Congress, RL32418, 9 Jan 2025, p. 1; see also p. 8).
22. **Industrial base funding is flowing.** Australia is making further billion-dollar payments to strengthen US submarine shipyards, (part of the \$3Bn promised) alongside UK contracts such as the Rolls-Royce "Unity" reactor deal (£9Bn over 8 years) that underpin delivery.
23. **Pillar 2:** ACIF Trade Associations proposed an industry engagement plan that prioritises maximising industry involvement, breaking collaboration barriers, and improving communications through the trilateral trade association forum. Near-term delivery routes are Maritime Big Play sea trials and targeted Innovation Challenges.
24. **Workforce signals to 2040:** United States about 100,000 additional hires across the submarine enterprise through the 2030s, United Kingdom approximately 21,000 jobs at peak for SSN-AUKUS and supporting programmes, Australia about 20,000 direct jobs over the programme life with up to 8,500 direct at peak. These figures underline the need for secondments, mutual recognition of qualifications and also a concerted whole of government approach to attract people into the sector to meet the workforce requirements.

Where the Gaps are

25. **Visibility of whole of AUKUS enterprise:** We understand there is work occurring in Pillar 1 on skills and security accreditation, but this is not being shared across to the Pillar 2 teams. There is an element of "we don't know what we don't know". The 2 pillars of AUKUS activity should be cohered / aligned closer together.
26. **Demand signal:** Pillar 2 problem statements have not consistently translated into named, funded projects with clear buying routes. Primes and SMEs will not invest without this clarity.
27. **Acquisition friction:** Routes differ across the three nations. Without a joint contracting mechanism, successful trials risk stalling before procurement.
28. **Enablers lag policy:** Although export control reforms have been significantly streamlined work needs to continue on follow through, especially on excluded technologies lists and cross-border handling of classified material. Workforce mobility still faces issues on visas, facility

clearances, and recognition of qualifications. Currency handling and IP or third-party transfer constraints slow teaming.

29. **Perception problem:** Many firms still hear that “there are no AUKUS contracts.” ACIF and the UK Government used DESI for briefings and to showcase outcomes on the AUKUS Pavilion. This needs to be replicated at other US and AUS shows. The narrative needs tangible examples and plain-English guidance that points suppliers to funded routes.

Detailed Proposals for Government

A. Decide and Publish One Novel Pillar 2 Project (Near-Term)

30. Select a problem where experimentation is already maturing, for example undersea C3 or multi-domain electronic warfare. Publish scope, target outcomes, an indicative schedule, and the primary buying route. Name the receiving office for unsolicited proposals and set simple intake criteria and response timelines.

B. Create a Pillar 2 Fast-Lane from Trials to Orders

31. Stand up a tri-nation contracting cell with authority to place awards in any of the three jurisdictions. Use spiral development with short, funded sprints that move prototypes from Maritime Big Play and Innovation Challenges into service evaluation.

C. Publish a “Rolling Opportunities” Pipeline

32. Quarterly, list exportable work packages for Pillars 1 and 2 with points of contact, schedule windows, minimum accreditations, and indicative values. Include adjacent national programmes where AUKUS outcomes are likely to be fielded first.

D. Resource the Enabling “Plumbing”

33. Commit measurable milestones for: visa fixes and secondment schemes, recognition of qualifications for nuclear quality regimes, mutual recognition of facility clearances, baseline cyber requirements, and a standard approach to IP and third-party transfers for tri-nation teams.

E. Improve Communications and Cadence

34. Launch a simple public page and factsheets that explain routes to market. Run short, scoped classified briefings tied to named programmes. Use the 2026 exhibition spine for meet-the-partner and contracting clinics and publish sanitised readouts where possible.

What UK Industry Will Do

35. **Focus effort where outcomes are most likely:** Maritime Big Play periods, Innovation Challenges, and adjacent programmes that can buy now.
36. **Build tri-nation teams early:** show how UK capabilities complement US and Australian needs and document cooperation and workshare up front.

- 37. **Maintain bid discipline:** minimal-cost expressions of interest and short unsolicited proposals until requirements and funding routes are clear.
- 38. **Raise readiness:** invest in compliance, facility clearances, cyber baselines, and Authorised User Community onboarding so awards can be placed quickly.

What the Committee should test in oral evidence with government officials

- 39. **On demand signal:** Which Pillar 2 project will serve as the proof of concept 2026 to 2027, and what is the buying route.
- 40. **On fast-lane procurement:** What authority can move successful trials into funded spiral development, and how cross-jurisdiction awards will be handled.
- 41. **On workforce mobility:** When will mutual recognition of qualifications and facility clearances be in place, and how many secondments will be funded in each direction.
- 42. **On export controls:** What is the timetable for the next update to excluded technology lists, and how industry input will be gathered and published.
- 43. **On SME access:** What percentage of packages will be sized for SMEs and mid-tiers and what the debrief standard will be to reduce protest risk.

Measures of Success the Committee can monitor

- 44. Time from trial success to contract award for Pillar 2 projects.
- 45. Number and value of exportable work packages published each quarter.
- 46. Volume of cross-border secondments and mutual recognition decisions achieved.
- 47. Reduction in licence requirements and processing time for AUKUS-eligible items.
- 48. Share of awards going to SMEs and mid-tier suppliers, by nation, and distribution of workshare.

Declaration of Interest

- 49. SMI represents UK suppliers that may benefit from AUKUS contracts. SMI also participates in the trilateral trade association forum to support government and industry engagement on AUKUS.