

Press release

## UK firm appointed to build Australian AUKUS submarines

The partnership between British firm BAE Systems and ASC Pty Ltd could be worth billions of pounds, in a major boost to the UK's defence industry

From: [Ministry of Defence \(/government/organisations/ministry-of-defence\)](#), [Submarine Delivery Agency \(/government/organisations/submarine-delivery-agency\)](#), and [The Rt Hon Grant Shapps MP \(/government/people/grant-shapps\)](#)

Published 21 March 2024



Concept image for the SSN-AUKUS submarine design

British firm BAE Systems will partner with ASC Pty Ltd to build Australia's nuclear-powered submarines, in a major moment for the AUKUS programme.

Meeting in Australia, Defence Secretary Grant Shapps, Australian Deputy Prime Minister Richard Marles, and US Ambassador to Australia, Caroline Kennedy, welcomed the partnership.

The submarine builder deal follows months of negotiations and is a monumental success for British industry. BAE Systems have been at the heart of the UK's submarine enterprise for generations and will bring their experience and excellence to deliver this important submarine for Australia.

First announced in September 2021, AUKUS is a trilateral security and defence partnership between Australia, the UK, and the US that will see our nations work together on a range of capabilities, including a conventionally armed, nuclear-powered submarine capability for Australia.

### Defence Secretary Grant Shapps said:

“ In a more dangerous world, today's announcement symbolises the huge confidence our close partner Australia has in our world-leading defence industry, including companies such as BAE Systems and Rolls-Royce.

“ Through these collaborations, British industry will grow, and thousands of jobs will be created across the country, delivering security and prosperity to our two nations.”

### Related content

Collection

[How defence contributes to the prosperity of the UK and supports the UK economy \(/government/collections/how-defence-contributes-to-the-prosperity-of-the-uk\)](#)

Opportunities through the AUKUS supply chain for British industry could be worth billions across the life of the Australian submarine programme. That includes Rolls-Royce, which will deliver the nuclear propulsion plants for the Australian programme.

As announced in March 2023, Australia has agreed to make a significant investment into the UK's submarine industrial base, including Rolls-Royce, Sheffield Forgemasters, and their supply chains, to support the delivery of the Australian SSN-AUKUS programme. This investment, alongside funding from the UK Ministry of Defence, will enable the Rolls-Royce Derby site to double in size, with a further 1,170 highly-skilled jobs created.

**CEO of BAE Systems, Charles Woodburn, said:**

“ We're extremely proud of our role in the delivery of this vitally important, tri-nation submarine programme. Our selection as a partner in Australia, alongside ASC, recognises our role as the UK's long-term submarine design and build partner and as a key player in Australia's maritime enterprise and wider defence landscape. Drawing on decades of experience in the UK and Australia, we look forward to working with ASC to develop an enduring, sovereign nuclear-powered submarine building capability for Australia.

“ We're already making good progress on the design and development of the next generation submarine in the UK where we have more than 1,000 people working on the SSN-AUKUS programme and major infrastructure investment underway.

“ This latest step will ensure an integral connection between the UK design and the build strategy development in Australia as we work together to deliver next generation military capability as well as considerable social and economic value to all three nations.”

**Rolls-Royce Submarines President, Steve Carlier, said:**

“ Last year we were proud to welcome the Hon Richard Marles MP, Australia's Deputy Prime Minister and Minister for Defence and UK Defence Secretary Grant Shapps to our Raynesway site and showcase some of the world-class manufacturing and engineering capabilities we have developed over the last 60 years.

“ This commitment of funding to our existing expansion work shows the trust Australia places on our nuclear expertise and our ability to deliver. We look forward to working with the Australian Submarine Agency to support them in building their own fleet of nuclear-powered submarines.”

These jobs are part of the 7,000 additional British jobs that the UK's and Australia's AUKUS submarine programme will generate through their life. At the peak, there will be over 21,000 people working on the SSN-AUKUS programmes in the UK – concentrated in Barrow-in-Furness and Derby.

The first UK submarines built to this design will be delivered in the late 2030s to replace the current Astute Class vessels, and the first Australian submarines will follow in the early 2040s.

The appointment of a builder by Australia comes a year after Prime Minister Rishi Sunak, Australian Prime Minister Albanese and US President Biden met in San Diego, where they announced that the first generation of AUKUS submarines would be based on the UK's world-leading design. The AUKUS partnership is a demonstration of the commitment of Australia, the UK, and the US to promote peace, stability, and prosperity in the Indo-Pacific and beyond.

The partnership has carried out extensive engagement with the International Atomic Energy Agency, with all countries committed to developing an approach which protects classified information and strengthens the global non-proliferation regime.

**Background**