

31 October 2024

Minister of Foreign Affairs
Minister of Defence

For approval by 29 November 2024
For approval by 29 November 2024

AUKUS Pillar II update and next steps

BRIEFING Decision Submission

PURPOSE To update Ministers on recent developments with AUKUS Pillar II, s9(2)
(g)(i)

Recommended referrals

Prime Minister For information by 29 November 2024

Contact details

NAME	ROLE	AGENCY	WORK PHONE
Chris Langley	Divisional Manager, International Security and Disarmament Division	Ministry of Foreign Affairs and Trade	s9(2)(a)
Bronwyn Evans-Kent	Director, Defence Policy	Ministry of Defence	

Minister's Office to complete

Approved Noted Referred
 Needs amendment Declined Withdrawn
 Overtaken by events See Minister's notes

Comments

AUKUS Pillar II update and next steps

Key points

- AUKUS Pillar II participation has the potential to support New Zealand's national security, defence, and foreign policy settings in the Indo-Pacific. [redacted] s6(a)
[redacted]
[redacted]
- [redacted] s6(a), s9(2)(g)(i)
[redacted]
[redacted]
[redacted]
- To enable Cabinet to take fully informed decisions, officials are taking a deliberate approach to assessing the long-term policy, regional, bilateral, and economic implications of potential New Zealand participation in Pillar II. This has included engagement with AUKUS counterparts informally to explore technological focal areas where New Zealand is best equipped to target initial participation in Pillar II.
- [redacted] s6(a), s9(2)(f)(iv), s9(2)(g)(i)
[redacted]
[redacted]
[redacted]
- Officials continue to assess potential domestic policy implications including alignment with current policy settings [redacted] s9(2)(g)(i); legal considerations; as well as the potential implications for New Zealand of not engaging with Pillar II. [redacted] s6(a), s9(2)(g)(i)
[redacted]
- Domestically, there remain some gaps in understanding around AUKUS. [redacted]
[redacted] s6(a), s9(2)(g)(i)
[redacted]
- [redacted] s6(a), s6(b)(i), s9(2)(g)(i)
- [redacted]

Taha Macpherson
for Secretary of Foreign Affairs and Trade

Richard Schmidt
for Secretary of Defence

AUKUS Pillar II update and next steps

Recommendations

It is recommended that you:

- | | | |
|---|--|-----------------|
| 1 | Note that officials are undertaking engagement with AUKUS members on potential New Zealand participation in Pillar II, to explore options and implications and to inform advice to Cabinet. | Yes / No |
| 2 | Note that initial analysis by officials has identified [redacted] (iv)
[redacted]
[redacted] | Yes / No |
| 3 | Agree that officials should continue technical discussions [redacted] with AUKUS members to inform the development of advice to Ministers. | Yes / No |
| 4 | Note that as New Zealand continues to engage with AUKUS members to obtain information, [redacted]
[redacted] | Yes / No |
| 5 | [redacted] s9(2)(f)(iv), s6(a)
[redacted] | Yes / No |
| 6 | Refer a copy of this submission to the Prime Minister. | Yes / No |

Rt Hon Winston Peters
Minister of Foreign Affairs

Date: / /

Hon Judith Collins KC
Minister of Defence

Date: / /

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AUKUS Pillar II update and next steps Report

The strategic imperatives of AUKUS Pillar II

1. A key objective of the AUKUS trilateral security partnership is upholding regional security and stability and buttressing the international rules-based system, s6(a)

The partnership involves two lines of effort. Pillar I focuses on supporting Australia to acquire conventionally armed, nuclear-powered submarines and will expand the US and UK's use of Australian military bases. Pillar II of AUKUS provides opportunities for additional partners to participate. It focuses on cooperation on advanced, non-nuclear military technologies s9(2)(g)(i)

2. The objectives of Pillar II are consistent with New Zealand interests and have the potential to be supportive of our national security, defence, and foreign policy settings. s6(a),

s9(2)(g)
(i)

3. s6(a), s9(2)(g)(i)

4. s6(a), s9(2)(g)(i)

5.

6.

7.

8.

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AUKUS Pillar II update and next steps

s6(a), s9(2)(g)(i)

Officials continue to step through the exploratory process

9. Whether, and how, New Zealand participates in Pillar II represents a significant strategic decision for the Government. s9(2)(f)(iv)

10. Since our last submission to Ministers in May, officials have continued engaging AUKUS counterparts (on a no-commitments basis). This engagement has focused on understanding AUKUS members' processes and exploring technological areas New Zealand would be best equipped to target for initial participation in Pillar II.

s6(a), s6(b)(i)

s6(a), s9(2)(f)(iv)

12. s6(a), s9(2)(f)(iv)

s6(a), s6(b)(i), s9(2)(g)(i)


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s6(a), s6(b)(i)



We continue to develop assessments across a range of policy areas

14. In addition to these specific technology areas, officials continue to assess related policy areas to support advice to Cabinet. 

s6(a), s9(2)(g)(i), s9(2)(f)(iv)





s6(a), s9(2)(g)(i)



18. Other issues on which officials are undertaking assessments include:

18.5. Benefits to New Zealand in terms of interoperability, cost participation, and the potential for related economic growth.

AUKUS Pillar II update and next steps

- 18.6. [Redacted] s6(a), s9(2)(g)(i)
- 18.7. [Redacted] s6(a), s9(2)(g)(i)
- 18.8. The extent to which Pillar II capabilities are consistent with New Zealand's other disarmament and arms control policy settings, as well as how we engage in the multilateral disarmament context [Redacted] s6(a), s9(2)(g)(i)
- 18.9. A more detailed analysis on the potential risks of non-participation with Pillar II, including to our relationships with close partners, interoperability, access to important capabilities, ability to contribute credibly to regional defence and security, and economic impact (including supply chain access). [Redacted] s6(a), s9(2)(g)(i)

Public engagement and communication

19. Industry representatives from AUKUS member nations have created the 'AUKUS Industry Forum' to identify opportunities for industry to participate in Pillar II. The Forum has engaged with New Zealand industry, through its 'Industry Trailblazer' programme. This included a visit to Auckland and Christchurch in May by the Forum Chief Executive to meet circuit-board manufacturers, heavy engineering firms, and aerospace companies. [Redacted] s9(2)(g)(i)
20. A recent Curia poll on public support in New Zealand for engaging with Pillar II talks with AUKUS members revealed that twice as many New Zealanders supported the Government's exploration of Pillar II as opposed it (44% to 22%, with 34% unsure). That said, a large number of those polled indicated that they had not heard of AUKUS or were unsure if they had heard about it (45% and 11% respectively).

21. [Redacted] s6(a), s9(2)(g)(i)

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s6(a), s9(2)(g)(i)

s9(2)(g)(i)

s9(2)(g)(i), s6(a)

24. There remain varied views on AUKUS across the Indo-Pacific region s6(a), s9(2)(g)(i)

s6(a), s9(2)(g)(i)

Timelines and next steps

s6(a), s6(b)(i)

s6(a), s9(2)(g)(i)

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31. Consistent with our approach to date, officials propose to continue technical discussions and policy assessments over the next months. [REDACTED] s9(2)(g)(i)

Resourcing

32. Any participation in AUKUS Pillar II would require considerable and ongoing investment.

[REDACTED] s9(2)(g)(i), s9(2)(f)(iv)

[REDACTED] s9(2)(g)(i), s9(2)(f)(iv)

[REDACTED] s6(a), s9(2)(g)(i)

34. There are no additional people or prioritisation requirements that stem from this submission, however, [REDACTED] s9(2)(f)(iv). Officials will provide further analysis for Cabinet to consider.

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AUKUS Pillar II update and next steps

Annex 1: Areas of possible collaboration

Annex is attached.

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s6(a), s9(2)(g)(i), s9(2)(f)(iv)

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s6(a), s9(2)(g)(i), s9(2)(f)(iv)

Released by the Minister of Defence

s6(a), s9(2)(g)(i), s9(2)(f)(iv)

Released by the Minister of Defence

s6(a), s9(2)(g)(i), s9(2)(f)(iv)

Released by the Minister of Defence

s6(a), s9(2)(g)(i), s9(2)(f)(iv)

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