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— **Exclusive**

# ‘Trust us’: Government seeks US nod for Aussie firms to work on subs

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Dec 9, 2021 - 4.03pm

The Morrison government is seeking to harmonise security clearance requirements with the United States under the AUKUS agreement, so that Australian workers and businesses can freely access a raft of America’s most sensitive military technologies.

Amid concerns from homegrown defence companies they could be frozen out, Finance Minister Simon Birmingham likened the ambition of mutual recognition of security clearances for defence contractors to the level of absolute trust the US, the UK and Australia have to share top secret intelligence under the Five Eyes arrangements.



Finance Minister Simon Birmingham says the government wants to align security clearances with the US under the AUKUS agreement. **Alex Ellinghausen**

Two former Trump administration officials also flagged the need for the US to overhaul its arms controls to ensure Australian companies can fully participate in AUKUS projects.

The comments were made during a webinar hosted on Thursday by the American Chamber of Commerce in Australia, the Australia-US Parliamentary Friendship Group and strategic advisory firm Bondi Partners.

The US embassy's Charges d'Affaires to Australia and acting ambassador, Mike Goldman, told the webinar that while AUKUS was a response to the changing security environment, "at the same time it is fundamentally an agreement born of confidence".

"It is not born of insecurity. It's born of confidence in the technology but more than that it's born of confidence in Australia as a key security partner," Mr Goldman said.

While AUKUS is a defence technology-sharing agreement between the three countries, headlined by Australia's acquisition of nuclear submarines, there are questions over how it will operate with America's strict weapons regime, known as the International Traffic in Arms Regulations.

## Agreement founded on trust

ITAR covers both America's import and export of military technology. It requires that certain weapon technologies can only be accessed by US citizens, unless the US government gives permission to share them. While Australia does enjoy some exemptions, the rules can be burdensome to comply with.

Senator Birmingham told the webinar that AUKUS was founded on trust, and this needed to apply to all aspects of the agreement, including facilitating labour mobility between the three countries.

"There I think is where we need to build systems of appropriate mutual recognition when it comes to security screening," he said.

"It shouldn't be that hard for us to break through some of those barriers that I know have been bureaucratic obstacles for different companies to move personnel between countries, or to be able to get fast enough clearances and approvals for individuals to take on new roles that are allied with operations across countries."

Former US secretary of the navy Richard Spencer, now global chairman of Bondi Partners, told the webinar that AUKUS "was not a one-way transfer from the US to Australia at all".

Mr Spencer said the time was ripe for the US to restructure its arms control regime in light of AUKUS and exclude more Australian firms from ITAR rules.

"The way that we're going to compete against China, we are going to rely on our larger industries but we have to be agile, we have to be urgent, and we have to be

expeditious in what we do. It is the smaller companies that provide us with that agility,” he said.

Northrop Grumman vice-president for international programs Andrea Thompson, who had experience with ITAR while serving as undersecretary in the State Department, said AUKUS “has opened the door for export policy reform”.

Co-chair of the parliamentary friendship group, Lindsay MP Melissa McIntosh, said AUKUS was the most significant defence, security and foreign policy agreement with the US in 70 years, and would reach well beyond the acquisition of nuclear-powered submarines.

“This is where our communities come in – business, industry, people,” she said.

“Industry must match the ambition, vision and determination embodied by AUKUS, through the development of cyber capabilities, artificial intelligence and quantum technologies, in addition to advancements in manufacturing, and opportunities in jobs.”

Australian Industry and Defence Network chief executive Brent Clark said for local defence contractors to get tangible benefits out of the AUKUS agreement, a solution needed to be found to ensure they could access confidential information.

“[All three governments] need to ensure that there is an agreement put in place to ensure that the security clearances of all three countries are both recognised and accepted. We can’t afford to have Australian industry unable to be involved under the guise of national security considerations,” Mr Clark told *The Australian Financial Review*.

“Equally AIDN believes that the rules around ITAR need to take into account the AUKUS commitment. Australian industry will find itself subjected to ITAR considerations going forward under this agreement, if we are not careful ITAR could have serious consequences for Australian companies in other markets.

“Industry will need to adapt to this changing environment but equally, as a trusted partner in this arrangement, we need to ensure that Australian companies are not disadvantaged.”

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