

The Hon Bob Carr — Sydney Public Hearing

AUKUS Public Inquiry | 10 August 2026

Former Premier of New South Wales and former Minister for Foreign Affairs

Note: This document is drawn from the Sydney hearing transcript. Please excuse errors.

Thank you, Peter. Former Premier Lawrence, it's a delight to see you again after many years. And to your fellow commissioners, congratulations on the job you're doing.

I'll make some brisk comments and then focus on what is a challenge I know you'll want to tackle, and that is, how can Australia get out of this? What are some diplomatic approaches to the challenge of disengagement? Is it possible to do it without a rupture in the Australia-China...the Australia-US alliance relationship? And I'm happy to talk about some of the things that you touched on with Malcolm Turnbull, and that is how it fits into our relations in Asia and the sort of nature that is emerging before our eyes. When I became Foreign Minister, I had a visitor in my office, and he had the demeanour of an Old Testament prophet. None of the Old Testament prophets that had their prophecies confirmed as spectacularly as those made in my presence by former Prime Minister Malcolm Fraser.

Fraser had asked to see me. Bear in mind this is way back in 2012, a long time ago. And he had one urgent message, and that was the loss of Australian sovereignty and the likelihood, no, the certainty, that Australia would be more likely dragged into war because of our US alliance than be protected from war by the alliance.

And just think about it. Here was a figure in the Cold War. Here was a Prime Minister who said in 1980 that he would lead a world movement to boycott the Moscow Olympics that year in response to the Soviet invasion of Afghanistan.

And he took on a world role because he was so alarmed by that Soviet fascism. Bear in mind he was an Australian Prime Minister who in the first months of his Prime Ministership made clear that he would build a relationship with China, even the China emerging from the Cultural Revolution, because he wanted to recruit them and

strengthen them as allies against Soviet fascism. He was very much a figure of the Cold War.

But he reached this position from careful observation of American behaviour and, we're entitled to use this word after a term and a half of Donald Trump, American pathologies. He reached the view back in 2012, speaking to me in my office around the corner, as the new Foreign Minister, that we should be deeply conscious of the capacity of America to drag Australia into war. I think, that would be the major, a major thing, if not the major thing of this inquiry.

And I would encourage you to take this direction if you're not there already, and that is the loss of sovereignty. It was woven through everything I heard Malcolm (Turnbull) say in the presentation he just concluded. The prospect that we might end up in the 2030's without a sovereign submarine capacity that we've had since 1963 and the arrival of the Oberon class.

But a miscalculation, a huge miscalculation by Canberra would leave us in that position and at the same time having made - as Malcolm said without any public debate, without any debate in the Parliament - a concession for a base on Australian soil of nuclear power and nuclear arms, for US and British sides. No debate in the Australian Parliament. In 1962 and 63, we had a big debate in Australia about North West Cape.

The Labor Party did itself enormous damage from the way it handled that debate. But there was a debate, there was a debate in the Parliament and in public about our decision to have what Sir Malcolm Mendy said is only a communications base on North West Cape. Why can't there be a debate with the Australian people about the implications of B-52s in the north, about a militarisation of Australia's north? I think Australians are rather attached to the landscapes and the ecologies and the pre-1778 history, the indigenous history of northern Australia, the deep histories, the history of deep time on our continent.

And we've suddenly made this a target, perhaps an attractive surrogate target, perhaps a target of the utmost urgency for the Chinese if there are B-52s directed at

taking out China's second-strike capacity by destroying its nuclear bases from Australian soil. B-52s are there.

Does anyone here recall the candid presentation in the Australian Parliament by our Prime Minister that we were making a decision about militarisation of our north, about stationing American B-52s, no longer like the Marines, training and exercises in and out of our base? Now, this truly is my explaining definition. Again, the work of this commission is so valuable because it is raising these issues and opening them up to what we have got in terms of a parliamentary committee investigation.

Just very quickly, before I address the big challenge of how we get out of it, I use the expression that the biggest enemy of AUKUS is not public resistance within my party, but it's AUKUS's own over-engineered grandiosity, the naivety of AUKUS, the childlike ambition that Morrison signed up to for an amount that is incomprehensible, and I believe, already crowding out investment in other more urgent defence platforms. How do we get out of it? That's the crux of what I want to address. There have been two opportunities.

One was the election of the Albanese government. And there was a clear opening for a prime minister elected with such goodwill to have said a couple of days after they'd sworn in that having looked at the material, the available material, and taken advice from senior defence officials, he and his colleagues harbour real doubts about the deliverability of something struck by the Morrison government. The public would have accepted the new prime minister's argument that the opposition had not been fully informed, and that if they had been fully informed, the fact that they didn't ask for more information since is not relevant here, they were given information, and had reason to point that out.

He could have said that, and his goodwill would have been accepted by the people who just voted for him. And he could have said that and, subject to a quick, efficient, desktop reanalysis, he would have been furnished with enough substantive doubts to have said, 'we're returning to the French'. The French deal, seen as expensive at the time, with that figure of \$55 billion placed on it. I remember a conversation with a

journalist where I said, it's expensive, and the journalist, who was sympathetic to the sovereign case said, well, you don't understand, it's a life of a contract.

Well, compared with what replaced it, it was a bargain, and the subs would have been available and in service. Most of them in operation, would provide – affordably - a lethal protection for this contract. Rendering this problem safe beyond argument.

Lethally effective at protecting our shores and, indeed, our sea lanes. Why, did we enter the more ambitious, the more fragile, the grandiosely conceited alternative at that price? Inconceivable. Inconceivable. This is the biggest transfer of wealth out of this country in its history. Don't forget that, that \$368 million.

So that was the first opportunity for an Australian Prime Minister to have said, carrying the public support of voters and the goodwill extended to a new PM with a mandate, and an electorate that was ready, I believe, to be sceptical about anything that Scott Morrison had advanced.

One of the major reasons for the election of a Labor government was the electorate's exhaustion and contempt for Prime Minister Scott Morrison. This being a signature policy, they would have been prepared to accept an argument which deserves another view. I think the major reason the new government didn't move is very likely to have been the tactical, short-term consideration that the Prime Minister was obligated to go to a meeting with heads of government of the Quad in Tokyo.

And it would have been perhaps controversial, certainly touchy in a diplomatic sense, to have arrived at his first meeting so early in his term with the US President, President Biden, to open up for debate something that Biden had committed to so occasionally. Even if at the time he couldn't recall the name of the Australian Prime Minister, when he said 'that fella from Down Under'.

Nonetheless, there was an opportunity, and one the Australian people would have accepted, and with good diplomacy, would have left Biden with nothing else to do but to accept the reality because his alliance with Australia is so important to him. Especially in the context of the challenge of the rise of China. The second

opportunity was when Elbridge Colby initiated, initiated his own review, the Pentagon's own review of AUKUS.

Colby, as I recall, was having reservations about AUKUS. Well, that was an opportunity for Australia to say to him, '*well, Eldridge, you've got reservations about AUKUS. We've got reservations about AUKUS. Let's talk about yours, and we'll talk about our reservations. And our big reservation is a sense that by the time we get to the early 2030s, you'll be embarrassed about how far you've fallen behind the Chinese, and you won't be able to part with the nuclear subs as promised.*

Isn't this what we're talking about? Isn't this what you've been saying behind the closed door of the Pentagon? Well, therefore, can we have a sensible talk about alternatives that will meet our needs, about an off-the-shelf purchase and about a return to the French?

Can we have the conventional subs and are there other technologies that we might start to look at too that gives us a long-range strike capability? And there might be opportunities for defence cooperation with you, with Americans, with American companies, and with American agencies. Can we present this as an opportunity for both of us? Because we think you're not going to be able to deliver. You know it. That's why you've got this review. Can we make something out of this? And not disturb the tenor of the Australia-US relationship.

I believe, with the impressive diplomacy we've shown, with the challenges of a Trump administration, in this term, Trump, we could have pulled it off. Our diplomacy has been pretty impressive at managing the unpredictability of Trump. I've been able to say, with partners in Asia and elsewhere in the world, we've got a fine working relationship with our alliance partner, the United States.

There are advantages in the alliance. Good diplomacy could have protected the alliance, as we negotiated a US-Australian position that argued, on review, there are better ways of managing Australia's submarine needs. I believe it is, it was,

diplomatically manageable. And given that this will be a decision for a President after Trump, no one can say that it is beyond doing this.

No one can say what the attitude of the Marko Rubio regime advance would be. But we could have explored options that will not cost us our submarine sovereignty, and will not leave us with what I think is a frightening and ugly prospect of this being a base for US nuclear power, and very possibly nuclear-armed submarines.

What we're left with, perhaps by the early 2030s, America is almost certainly not going to be in a position to transfer the boats as originally planned.

It can be done with good Australian diplomacy. We've shown in recent years, with challenges with Trump, we are capable of such diplomacy. And it can be presented very credibly to one of the Presidents after Trump as something in America's interest.

As it clearly is. As Elbridge Colby seems to reckon, as well as being in our interest. And let's look at other ways beyond that, of retrieving what we can of Australian sovereignty.