Center for Strategic and International Studies

TRANSCRIPT

Event

"A Conversation with Ambassador Kevin Rudd, Australia's New Ambassador to the United States"

DATE

Tuesday, June 6, 2023 at 1:30 p.m. ET

FEATURING

The Hon. Dr. Kevin Rudd AC
Australia's Ambassador to the United States of America

Anthony Pratt
Chairman of Visy and Pratt Industries

CSIS EXPERTS

Charles Edel
Senior Adviser and Australia Chair, CSIS

Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

Charles Edel: Hello and good afternoon to our distinguished guests, who are joining us here at CSIS and for all of those of you who are tuning in online. I'm Charles Edel, a senior advisor in the Australia Chair here at the Center for Strategic and International Studies. And I'm thrilled to welcome all of you to today's conversation with the new Australian ambassador to the United States, Kevin Rudd.

Over the last several years, Australia has emerged as a critical ally of the United States in and beyond the Indo-Pacific region. At the March AUKUS announcement, coupled together with President Biden's meeting with Prime Minister Albanese on the sidelines of the G-7 summit, have reaffirmed the strength of U.S.-Australian bilateral ties. In fact, saying that we've reaffirmed the strength is something of a vast understatement, as the relationship has significantly grown, both broadening in scope and deepening in significance over the past several years.

To that end, we are very lucky to have Ambassador Rudd here today, giving his first public comments on Australia's expanding role in the Indo-Pacific region. And I think we have the unique opportunity to hear what his priorities are as ambassador, now that he is here in Washington. To introduce Ambassador Rudd, I'm honored to welcome Anthony Pratt, chairman of Visy and Pratt Industries, who's joining us from Melbourne. In addition to thanking Anthony for waking up at 3:30 a.m. to be here with us today, I'd like to recognize his generosity in establishing the Australia Chair here at CSIS, and for demonstrating his continued support to strengthening the Australian-American relationship.

Mr. Pratt, over to you.

Anthony Pratt: Good afternoon. It's my great honor to introduce my friend and Australia's new ambassador to the United States, the tireless Kevin Rudd, for his first public speech as ambassador at the world's premier think tank, the CSIS. The Pratt Foundation's honored to endow the Australia Chair at the CSIS. And I congratulate Charles Edel, Jim Carouso, and John Hamre for the work they're doing to shine a light on the American-Australian alliance in Washington.

Time and again, Ambassador Rudd has been on the right side of history. Be it his laser-focus and leadership on climate change, signing the Kyoto Protocol, his recognition and apology to indigenous Australians, successfully navigating the global financial crisis, or establishing Australia's national broadband network, Ambassador Rudd has always been a visionary leader who's never let process get in the way of outcomes that make a difference in people's lives. Ambassador, you find a way to get the big things done. Prime Minister Albanese and Minister Wong's decision to appoint Ambassador Rudd is a diplomatic master stroke.

He's not only been Australia's prime minister twice, but also been Australia's foreign minister, a diplomat in Beijing, a senior public servant in Queensland, and the head of the Asia Society in New York. Ambassador Rudd is the world's preeminent expert on China, and last year received his Ph.D. from Oxford. Ambassador Rudd's appointment as American ambassador is the single greatest diplomatic appointment in Australian history. There's never been anyone better equipped.

And in only a few months, he's taken the Australian-American relationship to a new level. His energy is boundless, as demonstrated by his prolific Twitter accounts. And that's only half of it. He also met with President Biden, Chuck Schumer, Anthony Blinken, Janet Yellen, Joe Manchin, Gavin Newsom, and Henry Kissinger all in a week's work.

He understands the importance of the bilateral and of the Pacific. Prime Minister Rudd hosted the Pacific Island Forum in Australia in 2009. He established the Millennial Development Goals framework to bring development and aid across the Pacific, came up with a visionary seasonal-worker scheme for Pacific Islanders to support Australia's horticulture industry.

And later this year, fittingly, Australia will open its new embassy in Washington. Our countries have never been closer. And under Ambassadors Rudd and Kennedy, through the leadership of President Biden and Prime Minister Albanese, the alliance will continue to blossom.

Ladies and gentlemen, it's my honor to introduce Australia's ambassador to the United States, Kevin Rudd. (Applause.)

Ambassador Kevin Rudd: In Australia we'd call that laying it on with a trowel – (laughter) – which is overstatement. We'll send Anthony the check later on.

Dr. Edel: Well, thank you very much for joining us today, trowel or no. And I'd like to jump right into it and begin with an apology that we don't have more than 60 or indeed two hours or three hours, because there really is a lot to get into. If we think about the state of U.S.-Australian relations, if we think about the new defense budget, if we think about Australia's new engagement across the Pacific, if we think about the new climate policy, if we think about the voice, there's a lot to talk about here.

So let me just hop right in, if I may.

Amb. Rudd: I see these folks up the back. Why don't you come forward? There's two, four, six seats up here. So if you're about to collapse, come and sit any old time you'd like.

Dr. Edel: Thank you.

Amb. Rudd: Yeah.

Dr. Edel: You've been foreign minister. You were prime minister again. So as you transition into your new role as ambassador, has anything surprised you thus far about this new job?

Amd. Rudd: Yeah. I'm getting ready for my next job, which will be first secretary in our embassy in Beijing. (Laughter.) That's where I started 40 years ago. So I'm in a permanent career evolution.

What surprised me about this town. I've been in Washington a lot since I've been living in the United States. I came here more or less straight away after losing office in 2013, end of 2013. So I started at the Harvard Kennedy School the year after to

work on U.S.-China relations, and then to the Asia Society in New York the year after that.

So throughout that period of time, the last eight or nine years, I've been in and out of D.C. virtually every month or so. So I'm very familiar with this town and all of its color and movement on Capitol Hill and within administrations of various hues.

I think, on the surprise factor, the only thing I would say is that in the corridors of power here in Washington, D.C., and in the legislative branch, Senate and the House of Representatives, what surprises me is how deep and broad the positive sentiment towards Australia is across the board. I knew that the relationship is in a good state of repair, for which I fully acknowledge the contributions of my predecessors as ambassador in this position, but also the role of previous Australian governments as well. But what has surprised me is just how strong and positive and across the board the sentiment is in this town. That's been surprising.

Dr. Edel: So you come in. You're surprised, in a pleasant way, I take it, by that –

Amb. Rudd: I'd rather have that problem than the other problems.

Dr. Edel: When you come in, as you come in now, what do you really see? I do want to take advantage of this as your primary focus. There are many contact points in the alliance at this point. But what – how would you describe, when you're describing it to the mission here, when you're describing it back home, as your primary goal, set of objectives here?

Amb. Rudd: Well, before coming, I had long conversations with both Prime Minister Albanese and Foreign Minister Wong and Deputy Prime Minister, Defense Minister Marles. So I'm not freewheeling here. So it's – these are a series of reflections based on conversations with them and, of course, with the department of foreign affairs and trade.

I suppose it's a bit like this. Number one is geopolitics, which is how do we preserve the peace between the United States and China and what is the role of allies in the process of that, and that breaks down, of course, into what do we do, as the prime minister said just recently at Shangri-La, to build more effective guardrails in the relationship between Beijing and Washington, given the how many near misses there are out there on the high seas and up there in the air right now, which could trigger crisis, conflict, and war by accident.

Then there is the complex question of what is effective deterrence of China in any aspiration China has to resort to unilateral force to take Taiwan. That's a complex equation. It's not just a simple military equation. It's a broader equation than that.

And then beyond that and beyond these questions concerning strategic stability and working closely with the administration and with the legislative branch on that, on the economic front it's working with and in close partnership with Australian industry.

We have a dynamic private sector. We have a dynamic biotechnology sector. I've just come from BIO 23 in Boston on Sunday. Two hundred and fifty Australian businesses represented at BIO 23. Market cap of our listed companies in the bio sector is about 250 billion (dollars), employs already a quarter of a million Australians. Eleven percent of the world's clinical trials, period, are done in Australia. We represent 0.3 percent of the world's population. So in bio there's a huge and new dynamic industry.

Our renewable energy sector, what we're going to be doing with critical minerals and batteries in the future, is huge for the future and we're optimistic that under the AUKUS arrangements between our two countries that we're going to move to create a seamless defense, science, and technology industry and so that these emerging Australian defense and technology firms will become not just boutique businesses but very big businesses in the future.

So all of these are part and parcel of the diversification of the Australian economy, which, of course, is also part of the mission statement of the Australian government.

Dr. Edel: OK. So when I draw back I hear at least three different things across the defense and security, progressing the economic and trade, and really building up the climate agenda, and I'm really curious about that because when Prime Minister Albanese just met with the president up in Hiroshima he made good on what he had campaigned on about building out climate as a third pillar of the alliance, behind security and the economy, and, in fact, signed up there was this new compact on critical minerals, on climate, and on clean energy. Can you talk a little bit about those efforts, what you expect to come from that -- both from the two countries but then also working together?

Amb. Rudd: Yeah. Well, critical minerals is not just a term we kick around in the international relations literature these days. It's a real and living reality for firms and businesses and countries seeking to secure their own supply lines for the future.

So if you simply took out a map from Geoscience Australia you discover that we in our part of the world, given the giant size of our continent, hold most of those critical minerals from one coast to the other. Just take one off the top, lithium. We are 51 percent of the world's production as of today. But if you go to the other 85 or so of the listed 86 categories of critical minerals we've got practically all of them and in considerable quantity.

We also have a world-class mining industry. We have among the most efficient mining companies in the world and at scale. So but here's the critical piece of engineering, which is to map out with our partners here and across the Quad partners and across, more broadly, other countries in the region: What is needed where per category of critical mineral? What currently are the constraints in terms of upping our supply over time? What is the cost of so doing against what markets currently bear? What therefore constitutes the financial gap which then needs to be filled in order to turn the concept into reality? And on top of all that, to move simply from critical minerals extraction, most importantly, to processing. So this is a giant slab of work, which the prime minister and the president have jointly commissioned through this compact.

I think the other thing to say about climate, which both President Biden and Prime Minister Albanese agreed would become the third pillar of our relationship – security, economic engagement, plus climate being the third – is how do we return our renewable energy sectors both here in the U.S. and in Australia as critical long-term suppliers of renewable energy to the world in the future? So in Australia we have a dynamic emerging green hydrogen sector. What do we do in order to become the critical supplier of green hydrogen, for example, into the dynamic economies of Northeast Asia and elsewhere across the Indo-Pacific?

That also involves chunks of real-time work. So we're now in the business with American Cabinet secretary counterparts and the relevant Australian ministers – Minister Bowen and Minister Madeleine King, and others – to turn that vision into a reality as well. So it's not just a pretty piece of paper kicking around off the back of a press release in Hiroshima. It's actually a bunch of concrete work in order to turn it into an industrial reality. That's where the rubber hits the road.

Dr. Edel: A question on that. As there's partisanship also surrounding climate change, in both the United States and in Australia.

Amb. Rudd: I'm shocked. (Laughter.) I thought that was just a problem here in America.

Dr. Edel: Well, you know, you had laid out for us at the beginning that when you arrived here you were very pleasantly surprised, as opposed to the alternative, about just how high the level of support was for the relationship. Given the partisanship around climate change in both of our countries, does adding a third pillar to the alliance – what do you see as the likely implications on that – to that what is, as you described already – widespread support for the alliance?

Amb. Rudd: I think our view is that climate and climate action is also the flipside to energy security. I mean, these are two sides of the one coin, when you conceive it as such, conceptualize it as such, and then operationalize it accordingly. So when I look at this country, there is a longstanding, legitimate, fundamental national interest in American energy security. We get that. And that's our view in Australia as well. We also get that in terms of other countries around the region and around the world.

So what I see in America is the desire not just to engage in the great transformation, the great transition to a much smaller carbon footprint over time, but simultaneously to secure the emergence of long-term, reliable sources of renewable energy to the American electricity grid. And I think that prism of energy security is what brings Republicans and Democrats together. Now, there are obviously going to be differences in terms of time and – time and sequencing. I get that. That's a normal part of the political process in every country. Same in ours. But the prism here is not is it green and renewable versus hydrocarbons and not. It is about the evolution of energy security within both of our countries.

And here is the important point: Renewables, when properly done onshore, represent a fundamental piece of energy security, for the simple reason they don't involve as much, you know, import and export. And so if you're looking at this question from the renewables prism, it therefore is an investment in national

security as well. So, yeah, there's going to be the usual political debate around transition detail. And let's celebrate the fact that we've got democracies which sustain that debate actively, robustly, and sometimes dramatically. But I think what the organizing principle is here is how do we best obtain long-term energy security as the fundamental for long-term growth. And not just for ourselves, but for our friends and partners across the Indo-Pacific as well.

Dr. Edel: Well, now that we're into security with the adjective being energy security, we'll broaden the security conversation a little bit, too. Just the other week, we had Sir Angus Houston here at CSIS talking about the recently released Defense Strategic Review and the government's response to it. Many in Australia have commented that this Defense Strategic Review represents the greatest fundamental rethink of defense strategy on Australia's part since at least 1986. And I'm curious, first, if you agree with that assessment that this is really a radical shift and a transformation about how Australia is engaging with the region, what its defense policy looks like, or if this is really just a natural evolution from what has already been taking place.

Amb. Rudd: Well, the answer to this question will win you a lot of friends or win you a lot of enemies, but – so let me be delicate in the way in which I seek to answer.

The truth is the evolution of Australian defense strategy and policy and doctrine in the post-Second World War era has gone through several phases. We went through a period of extended what we used to call forward defense, which was largely in partnership with the United States but others in the region, through the '50s and the '60s through – and '70s of different organizing principles. But, essentially, that was the principle and therefore a great emphasis on naval capabilities, of air capabilities capable of reaching deep into the region, but also over time let's call it expeditionary forces on land to partner with the United States in multiple theaters. And the post-'45 history reflects how that worked.

Then, beginning in the mid-'80s, we began to transition towards what's called in our part of the world a DOA doctrine, Defense of Australia. And starting probably with the Dibb Report of 1986, I think –

Dr. Edel: That's right.

Amb. Rudd: Back in the Mesolithic period when I was a mere cadet diplomat learning which way the photocopying room was arranged. And the DOA doctrine was about sort of defense in depth of, frankly, the Australian mainland and reaching out to what we call the air-sea gap to the northeast, the northwest, and the immediate north of the continent.

So we're now entering into a third phase, which is one which is essentially brought about by a radical change in our strategic circumstances with the rise of China. And that, of course, has created not just dynamics for Australia to deal with, but all U.S. allies, friends, and partners across the wider Indo-Pacific region.

And so, therefore, what you see in the organizing principles laid out in the DSR – the Defense Strategic Review – is a proposal by way of doctrine and force structure which has us reaching out further into the region, into the southwest Pacific more

broadly, into Southeast Asia more broadly, and into the wider Indian Ocean more broadly, and beyond where necessary, and that will dictate its own force structure. One part of the emerging force structure you're well familiar with, which is what we're now proposing to do under AUKUS Pillar I, which is a significant departure in Australian defense acquisitions since World War II with the development of an SSN fleet, firstly with Virginia-class vessels and then with AUKUS-class vessels designed and built in Adelaide in South Australia. And this is a significant departure, but it's a doctrinal, as it were, and force structure reflection of the change in emphasis that you see in the body of the DSR.

And the final point is you begin to see already in the defense budget outlays the curve edging up north of 2 percent of GDP and rising over time.

So it is a significant shift and it has evolved according to our strategic circumstances in the postwar period.

Dr. Edel: Two points to pick up on a little bit on what you just said. So, one, AUKUS came out in March. We had the Defense Strategic Review out in May. And then, of course, the budget followed that. There are many voices, as you said, in a robust and sometimes very rowdy democratic debate about that budget, but one line of critique has been that the rhetoric of the DSR is not matched by the government's outlays that it puts forward, particularly on defense procurement. You're welcome to take on whether that's a fair or unfair critique. But I think the broader question that I'd like to ask is, for outside observers here in the U.S. and elsewhere, what is the right metric that we should be looking at as Australia enters into a new era that you've just laid out for their defense strategy?

Amb. Rudd: Well, this is where fools rush in and angels fear to tread, so let me try to be occupying a species between the two.

Having had a little bit to do with how defense budgets have been constructed in the past, when I was in office, and having looked carefully at what was needed, for example, to fund the 2009 Defense White Paper, which I was engaged in the drafting thereof, which began to outline the changing natures of our strategic region way back then, it was, for example, the first Defense White Paper to name specifically the rise of China and its military outlays as representing a new dynamic in the geopolitics of the Indo-Pacific.

That – we could not see then an ability to fund our future defense needs unless you began to entrench defense outlays as a percentage of GDP with a number with a two in front of it. It had to be 2 percent of GDP plus. And I think, in response to whatever the critics may say, I cannot see our governments moving to the left of that. I can only see them moving to the right of that in terms of where it lies on the scale, moving from 2-point-something to 2.1 to 2.2 and up the scale as the acquisition program unfolds.

And furthermore, to look at the proposed acquisition of the SSNs, as you know, the curve is very much like that. And that curve will lie much more towards beyond the out years of the current four-year funding cycle. So if you're currently in financial

year ’23, you’re projecting through to ’27. You’re not going to see the larger numbers emerging until beyond this four-year funding cycle.

So – and knowing the ministers well and cabinet sentiment on this well, and Australian public sentiment well, there is a strong resolve across the country to get this right and do it sustainably. And I think, given all the other constraints which exist in terms of constructing a national budget, this is certainly heading in the right direction.

Dr. Edel: The other big thing that jumped out to me, at least, on my read from DSR – and this is before we get to August, which we will get to – was the call for the buildout across the north as a hub. One of the things that I noted when the AUSMIN statement was put out in December was there are three full paragraphs in there about what U.S. force posture with Australian collaboration might begin to look like. It’s no longer just the Navy. It’s the Air Force. It’s the Army. The Marines are already there.

I’d also note that the AUSMIN statement in December of this past year is much more granular than the previous years and the years before that. But it also hasn’t happened yet in terms of laying out the infrastructure that’s needed to build up and then have the potential for a much larger U.S. footprint there.

What should we be looking for in that space? Is that something that we should expect to see happening soon? Will that take a long time to build out the infrastructure first? Should we expect to see a larger U.S. footprint in Australia anytime soon beyond the SSNs?

Amb. Rudd: Well, as you know, laying our defense infrastructure and all of its attendant parts is not just, you know, waving a magic wand. You know more about that in the United States than even we do in Australia. In the high north of our country, it’s got some pretty formidable real estate attached with it as well. Our first line of defense is the crocodile population up there. If you encounter those crocs, these are mean-looking primordial beasts.

But my recollection from when the process began, which is when our government back in 2009-’10-’11, as part of the Obama administration’s pivot, negotiated with the Obama administration for the extension of the presence of and the number of Marines deployed in Darwin. From the time of the announcement thereof, which from memory was about 2011, I remember working on this in the period we were in office, through until it was fully operationalized, you’re really looking at several years. So these things can’t just be, as it were, waved into reality the next morning. It just ain’t like that, particularly up there.

So fortunately also, because of earlier defense doctrines around the defense of Australia, you now have a whole ring of what we used to call bare bases for the Royal Australian Air Force across the northwest, including, of course, one of the huge assets we’ve got on the territory itself, at Tindal. But there are other – there are bare bases both in northwestern Australia and on the tip of Cape York. So there is a way in which these assets can be, as it were, developed more quickly.

I'm not privy to the Department of Defense's precise infrastructure build timetable, either ours or your Department of Defense's. But I know it will take some time. But there is clearly a construction plan in hand to make sure this is accommodated thoroughly. And if you look back, frankly, on what we did a decade or so ago, and go to the city of Darwin and ask is it working in terms of, frankly, a very significant rotational presence of U.S. Marines in and out of the town, and all of the support services necessary for them, it's being done pretty well and thoroughly, and to the satisfaction of both sides.

Dr. Edel: Shifting to AUKUS a little bit. I was last down in Australia in March, right after the leaders level announcement on March 13th. I went down, and I was struck by – this should come as no surprise to any Australians, but for Americans who maybe are not as into the big – the amount of churn in the Australian system about what is a national endeavor. For Americans who aren't maybe watching the politics of this in Australia quite as closely as you are, what should Americans be paying attention to as AUKUS begins to move forward in Australia?

Amb. Rudd: I think there's a couple of things. One, and it's paying attention to as much as what happens here as what happens down under, which is – our critical task in the course of 2023 is to work with our friends in the administration and the United States Congress to support the passage of the key elements of the enabling legislation. This is not just a piece of admin detail. As a former legislator myself, a former member of Parliament, I understand and respect the role of the legislature. And in this country, in the legislative branch of government, if you're looking at four or five pieces of legislation, and each with attendant congressional committee oversight, this is a complex process. And that's where we are all seriously engaged, both in Canberra, and here, and with our friends in the administration, the Congress.

So why do I start by saying that? Is that, again, we just can't wave that away. It's actually real, and it's fundamental, both to the submarine components of the AUKUS project plus what we call within the vernacular of AUKUS-speak, which is – now it's a new dialect of the English language by the way – pillar two. And pillar two means, beyond the submarine project, how do we move towards the creation soon of a seamless Australia-U.S.-U.K. defense science and technology industry? That, if I was going to be bold and predictive about it, if we land it in a way which satisfies the requirements of the Congress, the administration, and the Australia and the U.K. governments, is potentially even more revolutionary than the submarine project in itself. And so progress therefore on both the submarine components and the non-submarine components of what much happens through the legislature here is vital.

If I was to look for one other thing, maybe quickly just two in reference, I know the government of South Australia and the government of Western Australia, together with the federal government, are focused with pretty razor-sharp vision on what must now happen at HMAS Stirling off west Australia, which is currently Fleet Base West. Because that will be where we're going to start having rotated U.S. and U.K. SSNs. And then, in addition to that, the tooling up of what must occur in South Australia over time. In fact, I've just come from lunch with the South Australian minister responsible for this.

So the infrastructure bits are critical, and if there's a final bit I'd look for movement on it's if we secure this seamless industry objective in the way in which I think all of us wish to move because we've got to be much better at getting concepts from the planning table to the deployment point for critical defense acquisitions not 15 years but five years, four years, and three years to remain competitive and therefore deterrent.

Then I'll be looking for getting early Australian innovations out into the marketplace in this country, whether it's unmanned aerial vehicles or unmanned undersea vehicles or in missile technology, in the actual deployment phase in this country soon. That, again, would represent a marked and physical sign of progress.

Dr. Edel: So I want to key off of your brand new addition to the English lexicon of AUKUS vocabulary and ask a slightly more pointed question, which is whether or not you see progress being made on ITAR exemptions for AUKUS.

What actually is needed to get this over the line so that we can begin to realize some of the ambition, some of the potential, that's been announced for that pillar two but, really, the pillar one collaboration as well?

Amb. Rudd: Yeah. For those of you in this room, and I assume many of you are familiar with the wonderful world of ITARs, it, too, is another galaxy of the universe and I understand full well why this galaxy was created, because it was designed to prevent the proliferation of U.S. weapons, technologies, and systems to undesirable countries in the world, particularly during the Cold War but also beyond Cold War dictates as well.

And so the originators of this system were seeking to defend, legitimately, the United States' national security interest. I get that. That's exactly the way it should be.

Certain countries since then but only one that I can come to mind, namely Canada, have secured for themselves an effective national exemption from that regime and that's because, obviously, you don't have to look far beyond how NORAD operates to understand that the North American continent, including the – including Canada represent a single, as it were, strategic concept. So I understand full well the logic underpinning that.

So what we need to do is to ensure that in working with our friends in the State Department and the Pentagon but also the relevant legislative committees that we satisfy any new requirements that are emerging on the U.S. side or old requirements to be met in new ways in terms of the proper protection of sensitive defense technologies which would flow in both directions.

But to add to one point, this is not just from the U.S. side the flow of sensitive defense technology systems or technologies into the Australian system by way of purchase or by way of further development. It's the reverse as well.

There's a whole bunch of leading-edge Australian defense technologies at the moment, again, in undersea – unmanned undersea vehicles, in unmanned aerial

vehicles, as well as in missile technologies, which the United States armed services want very much. But these trained developers are seeking to navigate the shoals of the ITAR system.

So it's a two-way street here. I think we can find a landing point, and I've been around now most of the Senate and House committees. We are working respectfully with the concerns of senators and members and their staffs on finding this landing point and I see a great will on the part of the folks that I've spoken to including in the administration to get this done.

Dr. Edel: I do want to take advantage of your knowledge of China in addition to of the United States, in addition to Australia, before I broaden this out and open up to questions.

One of the things that you talked about as a primary responsibility is talking about navigating that great-power competition. And as you make the rounds of committees/members on the Hill, how is that conversation about China, about strategic competition going? Do you think that U.S. China policy is on the right track? Is there advice that you would offer? Is there a danger of U.S. and Australia China policy diverging at some point? I'd be very curious how you think about this.

Amb. Rudd: Well, I think both the prime minister and the foreign minister back home have been fairly clear in articulating the parameters of our own China strategy. If I was to characterize what the PM and the FM have said in recent times, it's along these lines. Let's think about it in two or three categories.

One, which is let's work like hell to build guardrails in the relationship between the U.S. and China, particularly over Taiwan but also in relation to South China Sea, East China Sea, cyber and space, to reduce the risk of crisis, conflict, and war by accident. That's pillar number one, if you like, of our strategy.

Pillar number two is: What do we do in our alliance relationship with the United States and with strategic partnerships around the rest of the Indo-Pacific to enhance deterrence to cause the Central Military Commission in China to think twice and to say there are real doubts about China's ability to militarily succeed in any unilateral military action against China by design – not by accident, by design? As I said before, Charles, the deterrence equation is a very complex one. So the PM and the foreign minster have been very clear that we see part of our mission as an ally of the United States in working with the administration on sustaining strategic equilibrium in the region, because if we don't we are, frankly, not contributing to long-term stability.

And there's – a third element to the government's strategy is what I would characterize as strategic reassurance, that our policy towards Beijing is one which doesn't seek to change the status quo across the Taiwan Straits, is one which doesn't seek to support any form of independence for Taiwan, that we are in support of what the communiques in varying ways describe what is broadly termed the one-China policy. That is strategic reassurance of Beijing as opposed to the Chinese critique that the U.S. and others are somehow salami-slicing that approach.

So our strategy, as I have seen it articulated by defense minister, foreign minister, and the prime minister, is in these three principal areas, each of which generates its own large slabs of real-world activity and work.

On U.S. strategy, we, fortunately, have a very close relationship with the administration. And what I see evolving through a combination of speeches and actions by the national security adviser, by the secretary of state and secretary of defense, as well as secretary of the treasury, secretary of commerce, are a series of measures which we see comfortably falling within that framework. We will always have discussions with the United States about elements of detail. That's just normal. Allies are like that. We believe in having intelligent, grownup, adult conversations with each other in private about how these things are being done in practice on the ground. But the frameworks are compatible, and that's why we work comfortably with the administration on this.

Dr. Edel: Final question for you. On the frameworks that you're talking about, I know that you've thought a lot about this. You've written a lot about this. I didn't bring "The Avoidable War" up, although it's worth a read for those of you who have not, particularly on the framework that's laid out in the final chapter of it. I'm going to do something wholly unfair and quote your own work back at you. (Laughter.) This is –

Amb. Rudd: Why am I now anxious? (Laughter.)

Dr. Edel: In a 2021 Foreign Affairs article, "Short of War," you explained that as China becomes more powerful, quote, "the United States will soon require the combined heft of its allies to maintain an overall balance of power against an adversary. And China will keep trying to peel countries away from the United States – such as Australia, Canada, France, Germany, Japan, South Korea, and the United Kingdom – using a combination of economic carrots and sticks." I'd just be curious if you think that's still Beijing's strategy and how you think about balancing engagement with China and ensuring that we're not falling victim to a divide-and-conquer strategy from Beijing.

Amb. Rudd: I think among the United States and its principal allies, we are capable of walking and chewing gum on this. I mean, we've been at it for a while. This is not terra nova for us. It's familiar terrain. And so, therefore, getting this rolling balance right is not just understandable. It's also capable of being operational as well.

I think as I look, for example, at the United States and the recent statements by the secretary of the treasury, Janet Yellen, on the future of the U.S.-China economic relationship, where she explicitly says its objective is not economic decoupling; its objective, and I paraphrase here, it is economic de-risking. And in the de-risking process, it's against a series of fixed national-security criteria. And it's a framework which the Australian government is entirely comfortable with.

There's a reason for that, and that is that we don't support decoupling either. We do accept the principle of de-risking. And furthermore, to our friends in Beijing, China has been de-risking itself from the United States and its allies over a long period of time in a whole bunch of critical technology areas and beyond. And you don't have

to be a Rhodes scholar to work out, from reading the internal literature of the Chinese Communist Party system, that that's, in fact, where they're going and why they're going.

So that framework, again, is something with which we are not just familiar, but comfortable working within, though again there'll be discussions about the operational reality.

What's China's strategy now? Xi Jinping said some time ago that China's global economic strategic ultimately relied upon the gravitational pull of the Chinese economy; not my phrase. That's Xi Jinping's phrase. And so if you look at the second-largest economy in the world, even though growth has now slowed in China, the Chinese strategy is fairly clear, which is to make China the indispensable market that it had begun to become prior to COVID, and to make it that way again.

But I think that has a power of logic to me from the Chinese perspective. But the countervailing power of logic is de-risking while not decoupling. And so that certainly still is the Chinese strategy. It's directed at countries around the world in the global south and in Europe and beyond.

But among U.S. friends, partners and allies, de-risking is now axiomatic. If you look carefully at President von der Leyen's speech recently, delivered, I think, in Berlin or Brussels, on her own concept of de-risking, look carefully at what Chancellor Scholz is now saying in Berlin, look at what British government ministers are saying, certainly look at what other governments are saying, including our own, I think there's a recognition of what China's strategy is. There's a parallel recognition of what our response to it should be – de-risking, not decoupling.

Dr. Edel: There are many questions, but let me pause and make sure that I reach out to our audience for questions. If you could please raise your hand, we have mics, I believe, that are roving. If you could please identify yourself and keep it a rather succinct question, that would be great.

Right back here.

Q: Hi, Ambassador. How are you? I just wanted to ask you about a –

Dr. Edel: And would you identify yourself please?

Q: Oh, sorry. Farrah Tomazin, Sydney Morning Herald and the Melbourne Age.

I just wanted to ask you about a somewhat different topic but one that's of significance to our folks back home in Australia. Last week, as you'd be aware, a landmark judgment was handed down against Australia's most decorated soldier, Ben Roberts-Smith, with Justice Anthony Besanko finding he was directly involved in the murders of four prisoners between 2009 to 2012. As one of the people who was in office during part of the period in which Roberts-Smith served in Afghanistan, I'd be interested to know what your thoughts are on that verdict. And I guess, with your current hat on, what implications, if any, do you think the findings could have for Australia both here in the U.S. and more broadly?

Amb. Rudd: I think the first thing to say is that any human being and any Australian, and certainly those of us who have come from the Australian political process, are shocked and dismayed – shocked and dismayed about what has been found to be matters of fact in this case. That's the first point. Now, the second is, in my own experience as a prime minister and a foreign minister, and now as an ambassador working with the women and men of the Australian defense force here in the United States, I know that that behavior is not symptomatic of the Australian defense forces. Our men and women in uniform are highly professional. They're well-trained and they are well-disciplined. And what we've seen here is a regrettable exception to that.

In terms of the steps beyond, I leave that entirely to the government in Canberra. The minister of defense ultimately is responsible for taking into account these findings, together with other relevant findings by other inquiries in Australia. But the last thing I'd say is this: It speaks so much to the power of an independent judicial system. There are many, many countries in the world which would happily just sweep all this sort of stuff under a rug. In our country, in our own robust democracy, where the separation of powers is real – as it is in this country – and where the courts are independent, they make findings unapologetically based on the facts. And so it says something to the maturity of the country and its systems and it's institutions that we can confront hard and ugly truths like this, and seek to absorb them as a country and then to act appropriately.

Dr. Edel: Back there. Sir.

Q: Alex Willemyns with Radio Free Asia.

Picking up on your last point about part of China's strategy being to become one of the world's biggest economies and provide a big market to many nations, when Penny Wong was here a few months ago, she made the point that U.S. strategy couldn't only be about security in the Indo-Pacific, but also the U.S. had to return to its traditional kind of role as, like, a champion of free trade in the region. It seems like both parties here are moving away from that. What hope do you have that there could be a reversal in that? And does Australia want the United States to join the CPTPP?

Amb. Rudd: Well, my answer to that is kind of is the pope a Catholic. Of course, we want the United States to join the CPTPP – or, as I still call it, the TPP, because I find the other bit unpronounceable. But that's just me. And that's because we think free trade is good for the democracies of the world. And we think open economic systems, open political systems, open social systems is a good direction for us all. And it is the collective aspiration of free peoples.

Secondly, we're also political realists in Australia. We know the debate in this country has gone in a different direction. We understand what's happened in the Democratic Party and the Republican Party. And we understand the rise of industrial policy in this country. So we look at that, and we understand it. And we understand the domestic rationales for it, and some of the international policy

rationales advanced for it, as reflected recently in this speech by Jake Sullivan, the national security advisor.

So our job is to work within the grain of U.S. strategic policy settings, and to maximize openness where we can. And so within the framework offered by the administration, which is IPEF, the Indo-Pacific Economic Framework, and looking at the – at the work programs which lie within that – including, for example, in digital commerce – there are many great openings there for us to begin advancing a real agenda of economic liberalization still. And I think that's where the focus of the Australian government now is, together with America's IPEF partners across the wider region. So we'll continue to chip away at this with the United States, and to address that set of concerns that Foreign Minister Wong raised in this building not long ago.

Dr. Edel: I think we got a little confused because had two hands go up from the exact same direction. So there's a second question over there.

Q: Thank you. Robbie Gramer with Foreign Policy magazine.

It seems everyone in D.C. in power – left, right, and center – is for taking a tougher line on China, even with Biden's stated attempts to cause a thaw in the relationship, that failed at Shangri-La. I'm wondering, do you see this consensus in Washington as positive? Or do you see a negative side, a dangerous echo chamber that could make an avoidable war, as you call it, maybe less avoidable? Thanks.

Amb. Rudd: Well, I think – look, all of us around the world, including the United States, are confronting a new reality which has been unfolding over the last decade, and decade-plus. Which is not just the rise of China, but the rise of Xi Jinping's China. It's different. We saw some early signs of this, as I alluded to before, back in second term Hu Jintao, when we framed the Australian defense white paper in 2009. But our strategic circumstances, as allies and as democracies, have changed because China has changed. So we all need to accept that as the analytical underpinnings for why both the political and military leaderships, and foreign policy leaderships of our various countries have now chosen to response in a different way. That's the first point.

Second is, in dealing with that changed reality, again, in our democracies you're going to have a cacophony of voices. That's the case in Europe. It's the case in Australia. It's the case in Japan. It's the case in the Republic of Korea. It's the case in Indonesia. It's the case in India. And it's the case here. And, by the way, there's always a temptation in this business to think that we are Robinson Caruso. It's only happening here on our island, where we happen to be. Guess what? If we had a record today of the debates in the National Assembly of the Republic of Korea, you would find it remarkably similar in terms of voices.

Thirdly, if I look carefully at the debate here in the United States, what it's saying in its essence is that we need to build a more effective deterrence over time. Maybe articulated in different ways in terms of the intensity of the rhetoric or the language used in different committees and on different occasions, et cetera. But essentially, it's: How do we build an effective deterrence together over Taiwan in particular, but

against other scenarios as well? And so beneath the surface, there is a huge amount of hard work being done by the folks who work on the Senate committees, both Republican and Democrat, and similarly in the House, and in the administration, in putting flesh on the bones of this.

Sometimes I think we mistake the noise for the reality underneath. And the reality I see underneath in this country that's unfolding is a fairly mature debate about how to make a deterrence resilient into the future. And I think that speaks well of where the country is now seeking to go.

Dr. Edel: We have time for maybe one or two more questions. Right over here, please. Here.

Q: Good afternoon, Ambassador Rudd. My name is Senkai. I'm an undergraduate at Stanford, currently interning at Secretary Buttigieg's office at the Department of Transportation.

I also wanted to thank you for the shoutout you gave my friend and I when you visited the Hoover Institution not too long ago, because we were wearing some special campaign t-shirts from the year 2007. The question I wanted – always wanted to ask you is, particularly given the campaign for the Indigenous Voice to Parliament, and it being 15 years since the national apology, I wanted to ask how did you viscerally feel when delivering the apology, watching the reactions of the stolen generations on that balcony? And do you think the United States has anything to learn from your national experience?

Amb. Rudd: Well, both of our countries are settler societies. That is, in this country, the United States, you have about 400 years of experience of that. In our country, we've got 200 to 250 years' experience of that. And our national experiences are similar, but with differences. In Australia's case, the European settlers arrived in a country where our indigenous peoples had arrived 60(,000) to 70,000 years before. The Native Americans, a long time before. Where the similarities lie is the way in which indigenous peoples have been treated.

How did I feel? I felt as if I was 250 years late. And that – and that is, I always ask myself the question: And what if that was me? So if you're an indigenous person in Australia and had your land stolen without compensation, if you had your children stolen without your approval – which is what happened with the stolen generations of indigenous Australians over nearly a hundred years – and if that had happened to me, I'd feel pretty angry about it and I'd want the beginning of a process of effective reconciliation for wrongs done in the past.

So that's the lens that I brought to bear in office in terms of the national apology. And some of my predecessors, through Australian land rights legislation, and now my successors through the legislation proposed for national referendum, the Australian Voice.

Here in the United States, given all of the imperfections of our system in Australia, far be it from me to come in here in Washington, D.C., and tell you all what to do about your history. It's a complex one with Native Americans and African Americans. You are deeply familiar with it. We have a few things that could be

gleaned from our own experience which may be applicable, but I'm not about to stand here as the ambassador of Australia to the United States and say: Guys, you should be doing X, Y, and Z; A, B, and C. Not my place. But happy to work with anybody who wishes to draw on our counsel and experience.

Dr. Edel: One final question before we conclude. Undoubtedly –

Amb. Rudd: See those two folks there? They're Australian journalists and they – (laughter) –

Dr. Edel: Does that mean you want me to call on them or you want me to shy away from them?

Amb. Rudd: It means half of me would prefer not for you to ask them questions. (Laughter.) In fact, there's – three of them are Australian journalists. So why don't you take the three of them in quick order and I'll give a quick burst in response, and I will – and I will forever regret asking that you do this. (Laughter.)

Dr. Edel: All right. Why don't we go Annelise, Matt, and – there we go. One, two, three. Keep them concise, and you'll pick and choose which ones you want to answer, then.

Amb. Rudd: And I'll duck and weave accordingly, yes. Yeah.

Q: Thank you. Annelise Nielsen from Sky News Australia.

I thought that was interesting at the beginning when you said that you were surprised by what a warm welcome you've received in Washington; it's great. I think perhaps not all too surprising given how we are a strong ally. We've followed the U.S. into every major conflict. We're very strategically aligned now with AUKUS. Do you see any part of your role as ensuring that our loyalty isn't taken for granted? And I think in particular I was thinking about trade. Could the U.S. be doing more to support us there?

Q: Matt Cranston from the Financial Review.

Emanuel Macron said a couple of months ago that AUKUS will never deliver. I just want to check whether or not you think he's wrong – (laughter) – and why you think he said it.

And just as a sort of a related question on energy and national security, nuclear energy is still big in America, lots of investment. Only a couple of years ago, Nashville – I mean, sorry, Tennessee built two new reactors, and Tennessee is sort of a bit like Australia in terms of population spread and its – and its transmission lines. Why do you think Australia hasn't caught on the same way as America has to nuclear energy? And if you think about it in somewhat sort of flippant terms, $360 billion investment in nuclear submarines as a national security investment or $360 billion in nuclear reactors for energy security in Australia, which one's better?

Q: Thank you, Ambassador. Jade Macmillan, Australian Broadcasting Corporation.

I just wanted to follow up on this gentleman's question and ask you for your assessment of how the referendum process for a Voice to Parliament has been handled so far and how you feel about the prospects at this stage of the "yes" campaign succeeding.

Amb. Rudd: Right. You know, I knew I'd – (laughter) – I'd regret asking for these questions to be put, but that's all fine. All's fair in love and war.

On the first question about sentiment here in the United States, yeah, I was personally surprised, as I said, about the breadth and depth of it, because I've lived in this country for a long time. But I've not been on the inside of the administration, nor have I been on the inside of the legislature in the manner in which I now have been. So it has been a surprise to me, a pleasant surprise, and a tribute to my predecessors, both in government and here diplomatically.

In terms of taking things for granted, look, this is an old relationship. We've been knocking around with each other for the last hundred years or more. And in any relationship there are going to be times when you agree or disagree. But you decide to make the relationship work, and not with gritted teeth, because it's still animated by common and fundamental values of freedom.

So I don't sense that our American cousins are taking Australia for granted at all. And we have robust disagreements within the family. That's as it should be. But we also know what brings us together. You've heard me say this perhaps in speeches elsewhere since I first came to D.C., but freedom actually matters. It really does matter – political freedom, economic freedom, freedom to choose what sort of country you're going to have and how you're going to craft your national futures. That's what animates us. For all of our faults in Australia and the United States, that's what animates us.

On the question of Monsieur Macron, Monsieur le Président, I respectfully disagree with the observation that he put.

And in terms of Voice, that would go so far beyond what I'm responsible for at the moment in terms of me as an ambassador saying how's the process going back home and what are the prospects of the "yes" case. All I would say as an independent Australian public servant is that the process of reconciliation between indigenous and non-indigenous Australians, as Martin Luther King reminded us some time ago, is a bit like this. The arc of history bends slowly towards justice. Filling in the bits on the way is the hard bit. This is one part of that arc of history. And I hope that the referendum process is conducted with civility and respect. But it is a contested referendum, and therefore it would be inappropriate for me to articulate a personal view.

Dr. Edel: I'd just really like to thank you for being so willing to take such a very broad range of questions, for being with us here at CSIS in your first really robust public comments.

And I hope everyone can join with me in thanking the ambassador for his time. (Applause.)

(END)