Center for Strategic and International Studies

TRANSCRIPT

Event

"The U.S.-Australia Alliance: Aligning Priorities in the Indo-Pacific with Deputy Prime Minister Richard Marles"

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INTRODUCTION

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FEATURING

Hon Richard Marles MP

Australian Deputy Prime Minister and Minister for Defence

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John J. Hamre Hello, everybody. Welcome. Delighted you're here. My name is John Hamre, and I'm the president at CSIS.

And it's such a privilege to have everybody back in person. I can't tell you how good it is to see real people sitting here, and it's wonderful that you're all here today. Thank you.

A real opportunity today for us to hear from the new defence minister, deputy prime minister, Deputy Prime Minister Marles, who's taking on remarkable responsibilities. There's been a lot of momentum that's been created, but it's going to take really – this is – now we're getting really serious. Announcing something is one thing, and really implementing it is where the hard work of government comes in. And fortunately, we have such a talented man who has accepted the assignment on behalf of Australia to lead the way in this new, crucial phase. And we just are very privileged to be able to hear you today, Deputy Prime Minister, and we are grateful that you have given us the opportunity to be part of it.

I'm going to turn to Dr. Charles Edel, who is going to get this started. And also, remotely we're going to hear from the man who's made it possible for us to have an Australia Chair here, Anthony Pratt. And so we're very pleased for that. But Charles, why don't you come up here and let's get this started for real. Thank you very much, everybody, for coming. (Applause.)

Charles Edel: Thank you very much, Dr. Hamre.

I'm Charles Edel. I am the Australia Chair and a senior fellow at the Center for Strategic and International Studies. The Australia Chair, which, as you heard, was created through the generosity of the Pratt Foundation, was undertaken in order to enhance understanding between the United States and Australia, and to serve as an independent platform to advance initiatives that can help strengthen the bilateral alliance. We're working to tackle some of the biggest questions before us in the alliance here at CSIS, including how AUKUS can move forward, what a new agenda in the Pacific region might begin to look like, how we can build those trusted supply chains, and how we make sure that the next generation of leaders are as invested in the alliance as all of us have been.

This wonderful turnout that we have here today, I'm quite convinced, is because of our honored guest that we have here, the Honorable Richard Marles, who is undertaking his first trip to the United States in his new role as deputy prime minister and defence minister. It's a great honor to host him here at CSIS. It's also great to welcome many friends back, including General Angus Campbell, the chief of the Australian Defence Forces, Greg Moriarty, the secretary of the Australian Department of Defence, and of course Ambassador Sinodinos, amongst other friends

here. But the turnout that we can see here, both here in person and online, is also a testament, I believe, to the importance that the United States places on its relationship with Australia as a trusted friend and ally whose stature in Washington and whose importance in the greater Indo-Pacific region continues to grow. One of the reasons that the American-Australian alliance is so strong is because our two countries share more than just interests. As two democracies, we share many values as well. And in both the United States and Australia, the alliance transcends politics but it also must adapt to political circumstances, which is simply a very long-winded way of saying that Australia had an election recently, there's a new government in town, and there's a lot of interest here in Washington into hearing that new government's views on the evolving security situation in the Indo-Pacific region, the future of the American-Australian alliance, and the new government's approach to its defense and national security.

Now, before we hear from the deputy prime minister, I would like to acknowledge the vision and the generosity of Anthony Pratt, the executive chairman of Visy and Pratt Industries USA, whose generosity and his founding gift enabled the creation of the Australia Chair here at CSIS. Now, despite the very early hour in Melbourne, Australia, he's joining us virtually today and I would like to invite him to introduce our guest, the deputy prime minister.

Anthony Pratt: Thank you, Charles. Good afternoon.

Ambassador Sinodinos, Ambassador Kennedy, ladies and gentlemen, it's an honor to welcome my friend and Australia's new deputy prime minister and minister for defence, Richard Marles, to the world's premier think tank, CSIS. The Pratt Foundation is honored to endow the Australia Chair at the CSIS, and I congratulate Charles Edel for the work he's doing to shine a light on the American-Australian alliance in Washington. Deputy Prime Minister and Defence Minister Marles has been a lifelong friend of the U.S. and the alliance in the mold of Kim Beazley, who was also a great deputy prime minister and defence minister, and Australian ambassador to the United States.

On the 70th anniversary of ANZUS last year, Deputy Prime Minister said the ANZUS Treaty has been an enduring – because we have shared values between our countries; the rule of law at home; a belief in of the people, by the people, for the people; and because of shared aspirations on the global stage. Deputy Prime Minister and his colleagues, led by Prime Minister Albanese, have led a renewed sense of energy, enthusiasm, engagement, and leadership, particularly in the Indo-Pacific where it's most required.

As part of that, it's to the deputy prime minister's great credit that he was recently able to break the ice between the Chinese and Australian governments, marking the highest-level, in-person dialogue between the countries in almost three years. He described it as an important meeting; an opportunity to have a very frank and full exchange in which he raised a number of issues of concern to Australia. Deputy Prime Minister and the Albanese government has done more to engage the Chinese in the past two months than anyone expected and done more to engage the Pacific Island nations in that period than any government in recent history.

And for his part, Deputy Prime Minister Marles not only served as minister for the Pacific in the Rudd government, but as he recently explained, the Pacific has been a passion of his since he first visited Papua New Guinea as a 16-year-old, home to many of his friends, a place that still amazes him.

Under the Albanese government, Australia will become a more engaged and responsive partner to its Pacific neighbors to ensure Australia is their natural partner of choice. This is a very complementary to America, who has a long and storied history in the Pacific. In Profiles in Courage, Ambassador Kennedy wrote about her father, then Lieutenant Kennedy, swam through shark-infested waters seeking help for his crew, who had been blown out of the water until he was spotted by two Solomon Islanders who gave him a coconut. Kennedy carved a message on that coconut which the islanders took to the hideout of a nearby Australian coast watcher who arranged rescue. Lieutenant – and later, President Kennedy's bravery earned him the Navy and Marine Corps Medal for extremely heroic conduct and a Purple Heart.

As the great Labor leader, Prime Minister John Curtin, famously declared in December 1941, Australia looked to America. In the finest Labor traditions, Deputy Prime Minister Marles is a true friend of the United States and I believe he will be the greatest defence minister Australia has ever had.

Ladies and gentlemen, it's my honor to introduce the Deputy Prime Minister of Australia and Minister for Defence, Richard Marles. (Applause.)

Richard Marles: Well, thank you. And thank you, Anthony, for the wonderful introduction.

Good afternoon, everyone. It's a pleasure to be here amongst friends at the Center for Strategic and International Studies, an institution that has done so much to support clear-eyed national security decision making in a complex world.

I would like to acknowledge Ambassador Sinodinos, who is here with us today. I'm also joined – as has been said – with Secretary Greg Moriarty, the secretary of defence, and General Angus Campbell, the chief of Australia's Defence Force. I'd also like to acknowledge Ambassador Roeslani from Indonesia, and very much acknowledge Ambassador Culvahouse, who, in evidence that we live in a small world, which was given proof this morning when I ran into A.B. on my jog around Washington – literally this is true – but who has been a fantastic friend to Australia as he served his nation as the ambassador to our country, and it's great to you here today, A.B.

CSIS has also been a professional home over the years for card-carrying members of the U.S.-Australia alliance, chief among them, of course, John Hamre – not only later of this great institution, but a long-time friend and advisor to Australia over the years; and Charles Edel, CSIS Australia Chair, whose work has so perceptively chronicled alliance developments over the last decade; and of course, my good friend Anthony Pratt. As it's been said, it is 5:00 in the morning in Melbourne, so I very much appreciate his effort in joining us today. But Anthony is a huge supporter of the alliance, and whose visionary endowment of the Australia Chair at CSIS will work to shine a light in Washington on how our two nations work together. Thank you all for being here and thank you for your very kind introductions.

It's my privilege to join you today on my first visit to the United States as the deputy prime minister and minister for defence in the newly elected Australian government. In 1941, when Australian Prime Minister John Curtin looked out across a Pacific Ocean in which war breathed its bloody steam, the United States wrote itself into Australian history in indelible ink. Eighty years ago, Americans fought with their Australian allies in the green hell of the New Guinea jungle and swampland; in the beachhead battles of Gona and Buna. In hand-to-hand combat, 967 Australians and 687 Americans lost their lives, with thousands wounded. But their victory saw the threat to the Australian mainland finally recede.

It was in this crucible of war that the origins of the U.S.-Australia alliance were formed. But since the ANZUS Treaty was signed in 1951, the alliance has far surpassed its origins. It is now a unique and thriving project driven not only by our nations' geopolitical interests, but also by our profound commitment to democracy, open economies, free and just societies. Today, there is no more important partner to Australia than the United States.

The U.S.-Australian alliance has become a cornerstone of Australia's foreign and security policy. The sustained success of this great project fostered by governments on both sides of politics over decades speaks to

something I've always felt realists have never quite understood, that the treaty that codifies our alliance is less a piece of paper than it is an organic network of people – politicians, policy officers, intelligence officials, and soldiers – professionals who grow up working together, serve in each other's institutions, deploy to combat zones, and come to each other's aids; professionals whose commitment to each other depend less on a treaty's text than on a set of shared convictions.

And today I want to acknowledge that network of people, many of whom are in the audience with us now. And I want to speak about the future of our shared project – how we ensure the alliance between our countries is ready for a tougher strategic environment.

All of us here understand the challenges we face: A military buildup occurring at a rate unseen since World War II; the development and deployment of new weapons that challenge our military capability edge; expanding cyber and gray-zone capabilities which blur the line between peace and conflict; and the intensification of major-power competition in ways that both concentrate and transcend geographic confines. These trends compel an even greater Australian focus on the Indo-Pacific. For the first time in decades, we are thinking hard about the security of our own strategic geography; the viability of our trade and supply routes; and above all the preservation of an inclusive regional order founded on rules agreed by all, not the coercive capabilities of a few. In particular, we worry about the use of force or coercion to advance territorial claims, as is occurring in the South China Sea, and its implications for any number of places in the Indo-Pacific where borders or sovereignty are disputed.

But Australia knows its security and prosperity can't be achieved via a geographic focus alone. Geography can't deliver resilient supply chains or stop cyberattacks. It won't halt deglobalization and the worrying reversals of trade and investment liberalization. And it can't arrest the dangerous erosion of the global rules-based order. For all its imperfections and the cynicism that often greets this phrase, this order was put in place after the world's greatest calamity precisely so states would have a mechanism to resolve disputes via dialogue rather than conflict, and that's something that benefits us all – big states and small. And we accept its weakening at our own peril.

The global nature of security explains why Australia is standing with Europe at this crucial time. Russia's war against Ukraine is not just a brutal attempt to subjugate a sovereign state, it's a calculated application of violence intended to roll back the post-Soviet order from one founded on sovereignty and self-determination to ungoverned by the rule of might and force – where only great powers are truly sovereign and where the choice of smaller states is to be either a vessel or an enemy.

This can't be allowed to succeed. Only by ensuring sure tactics fail can we deter their future employment in Europe, in the Indo-Pacific, or elsewhere. That's why Prime Minister Albanese visited Kyiv earlier this month, not only to honor the extraordinary valor of the Ukrainian people, but to nail our flag to a European and global order of sovereign states and free peoples.

And in this I want to commend the leadership of President Biden. Once again, the United States is proving the pivotal power, and it's worth considering where Europe would be today without the deterrent inherent in NATO's collective security. And yet, the return of multi-polarity has brought with it the argument by some that alliances are out of date.

Those people say that alliances are Cold War relics and suited to contemporary statecraft, that they lead to irrational decision-making – where smaller states ignore their own interests in deference to the interests of larger partners. But to be honest, that sounds less like the alliances we know and more like the regional order of a great power seeking to shape the world around it – where harmony depends on acceptance of regional hierarchy, where access to favorable trade and investment depends on voluntary limits to political sovereignty.

In such circumstances, critics of alliances need to answer why countries like Australia would be better served going it alone – why doing so would not, in fact, constrain national sovereignty rather than enhance it. Because in reality, the alliance with the United States affords Australia capability, technology, and intelligence advantages we could not acquire or develop on our own. And I really want to acknowledge the comments of my counterpart, Secretary Lloyd Austin, who has underlined that it's not just the fact of our alliances that gives us an advantage; it's our ability to operationalize them in ways that transcend sovereign boundaries that's truly unique.

In a more contested world, those countries that are able to pool their resources and combine their strengths will not only have a competitive advantage; they'll be less vulnerable to coercive statecraft. Notwithstanding our strong foundations, we can't afford to stand still. Because in the years ahead, the U.S.-Australia alliance will not only have to operate in a much more challenging strategic environment in the Indo-Pacific, it will need to contribute to a more effective balance of military power aimed at avoiding a catastrophic failure of deterrence.

Events in Europe underline the risk we face when one country's determined military build-up convinced its leader that the potential benefit of conflict was worth the risk. So I want to underline, first and

foremost, that Australia will do its share. The government is resolved that Australia will take greater responsibility for its own security.

We will make the investment necessary to increase the range and lethality of the Australian Defence Force so that it is able to hold a potential adversary – forces and infrastructure – at risk further from Australia. And this will include capabilities such as long-range strike weapons, cyber capabilities, and area-denial systems tailored to a broader range of threats, including preventing coercive or gray-zone activities from escalating into conventional conflict. We will invest in the logistics, sustainment, and depth required for high-intensity and high-end warfighting, including guided munitions. And this will, in turn, require deeper engagement with industry to accelerate capability development and strengthen our supply chains. The Albanese government has committed to ensuring funding certainty for this pathway, and I have commissioned a force posture review for delivery early next year which will determine how best to structure the ADF assets and personnel for this goal as well as how we best integrate and operate with the United States and other key partners.

Throughout, I will be applying a rigorous focus on improving alliance cooperation. And my first priority will be our trilateral partnership with the United States and the United Kingdom under AUKUS. For a three-ocean nation, the heart of deterrence is undersea capability. AUKUS will not only make Australia safer; it will make Australia a more potent and capable partner. That the United States and the United Kingdom have agreed to work with Australia to meet our needs is not only a game-changer; it illustrates why alliances help reinforce, not undermine, our country's national sovereignty. And I want to recognize both the Biden administration and the strong support in Congress for helping bring this agreement to life.

In determining the optimal pathway forward, the Australian government is acutely aware of the obligations of nuclear stewardship. We are focused on the whole enterprise – safely stewarding sensitive technology, building the workforce and industrial capacity to support the capability, and ensuring this initiative sets the strongest possible nonproliferation standards.

Of course, AUKUS is more than just a capability program for nuclear-powered submarines. We have made good progress on AUKUS advanced capabilities, and I intend to keep that momentum going.

In addition to AUKUS, we need to continue the ambitious trajectory of our force posture cooperation, drawing on Australia's strategic geography and our industrial base to maximize deterrence and reduce the risk of

conflict. Since President Obama and Prime Minister Gillard first announced the rotational U.S. presence in northern Australia in 2011, the scale of our cooperation has increased significantly across the air, maritime, land, and logistics domains. We now engage in increasingly sophisticated exercises bilaterally and with regional partners, including Exercise Talisman Saber. And we are making big investments in defense capital infrastructure to support, maintain, and sustain the growing number of Australian and American forces. We will operationalize a regular presence and an increased exercise tempo. We will move beyond interoperability to interchangeability. And we will ensure we have all the enablers in place to operate seamlessly together at speed.

Another key objective will be improving our ability to integrate our technology and industrial bases in ways that make a difference. Australia's inclusion in the U.S. National Technology and Industrial Base was a vital first step but implementing it will require change. During my engagements this week, I will be proposing specific measures that both sides could adopt to streamline processes and overcome barriers to procurement, investment, information and data sharing systems, and export requirements. In recommending these steps, we will recognize that integration cannot come at the expense of robust security which protects sensitive information and technology.

Our ultimate goal is to supplement and strengthen U.S. industry and supply chains, not compete with them. A good example is Australia's guided weapons and explosive ordnance enterprise. This project will not only build Australia's guided-weapons stores; it will establish a trusted second source of critical munitions supply to the United States. But doing this efficiently and quickly will require the alliance to work across both government and industry. In tandem with other initiatives and other partners, such as our Loyal Wingman program, hypersonics cooperation, and through AUKUS, we have the ability to build a technological coalition that can maintain our competitive edge.

Of course, an alliance between two countries, no matter how resolute, has limits. Collaboration with other partners will need to be central to our efforts and we want to expand exercises and operational deployments in the region, drawing on the success of exercises like Talisman-Sabre, RIMPAC, and Malabar. We look to trilateralize cooperation with Japan following the signing of the Australian-Japan Reciprocal Access Agreement, through joint training and testing in Australia, and we will look for more defense cooperation with other key regional partners like India, the Republic of Korea, and our Southeast Asian neighbors. We already have a strong base from which to build, but the Australian government is committed to further strengthening these relationships and for finding where we can do so jointly with our U.S. ally.

In order to develop effective, genuine partnerships, we need to be attuned to the concerns of the Indo-Pacific region. The Biden administration has recognized this. As Secretary of State Blinken said recently, at every step we're consulting with our partners, listening to them, taking their concerns to heart, building solutions that address the unique challenges and priorities.

One of the biggest concerns we hear is the threat of climate change. It's a threat from which no one and no country is immune, and it is a threat that demands action. The Albanese government wants to make climate change a pillar of the alliance because it is clear climate change is a national security issue. When you stand on the shores of our Pacific neighbors, as I have, you understand the intense vulnerability felt by those living on small islands. The Pacific Islands Forum, of which Australia is a member, has been consistent in declaring climate change as the single greatest threat to livelihoods in our neighborhood. It is an existential threat. The Forum also has been consistent in calling for the countries of the Pacific, including Australia, to work together in response. Under Prime Minister Albanese, Australia will lift its weight.

The connections and relationships between Americans and Australians describes an affinity which also characterizes Australia and the Pacific. Australia is of the Pacific and part of the Pacific family. It is part of the world where we must be most engaged, ever-present, and responsive. The Pacific defines Australia as a global citizen. The Pacific is where Australia must invest in effective regionalism by reinforcing the Pacific Islands Forum and other regional institutions that are so key to regional resilience and agency, and we must do this not only because of our unique connections to the Pacific but because Pacific security so directly impacts on our own security. Given this reality, the Pacific is the part of the world where the United States rightly looks to Australia to lead, and we will. We will not take our status for granted. Pacific Island countries have choices about their partners, and under this government, we will work to earn their trust. The Pacific has been clear in saying that geopolitical competition is of less a concern to them than the threat of rising sea levels, economic insecurity, and transnational crime. Australia respects and understands this, and we are listening. And while we will not ask our partners to pick a side, I am confident that an Australia which collaborates and invests in shared priorities with the Pacific is an Australia which will be the natural partner of choice for the Pacific.

The United States also has a lot to offer. You share the region's interest in the rules-based order, freedom of navigation, and the law of the sea, in climate change, biodiversity, and oceans, and you maintain a commitment to working with the region, to building consensus, to patient

engagement. This characterizes the spirit and intent of the partners of the Blue Pacific, an initiative that will deliver real benefits to the people of the Pacific.

Australia will also ensure our relationships in Southeast Asia are underpinned by respect and genuine partnership. We will reinforce a regional order with ASEAN at the center and we will prioritize cooperation in areas of shared interests like combating climate change, building health security, and advancing the ASEAN outlook on the Indo-Pacific.

Friends, in front of my office, in the headquarters of the Australian department of defense in Canberra, there is the Australian-American Memorial, a stone column topped with an eagle and sphere. It reflects the gratitude of our nation for the service and sacrifice of United States forces in Australia during World War II and symbolizes, at its core, the profound friendship between Australia and the United States. The Albanese government will ensure that Australia plays its part in the success of the alliance in the years ahead, which matches the legacy left to us by the custodians of the alliance in the past. We will make the alliance even stronger, as we all work together for a more secure, peaceful, and prosperous Indo-Pacific and a safer world.

Thank you. (Applause.)

Dr. Edel: I'm going to give a slow-roll introduction. We don't have coffee for you here – (laughter) – and I'm conscious of the fact that you took the double redeye to get over here. But thank you so much for that talk, for that robust defense of alliances in general, and of the American-Australian alliance in particular. We have a lot of territory to cover. I'm watching the time and I know that there are a lot of people online who also have questions, so we'll see how many we can get through between defense posture, AUKUS, Quad, the Pacific.

You've been traveling a lot lately. You were in India recently and while you were there you said – I'm going to read off this to make sure I got it right – that it was your primary responsibility to ensure Australia has the capability necessary to defend itself in the toughest strategic environment we've encountered in over 70 years. Now, as you just laid out in the speech, you're conducting one, if not two, reviews simultaneously by your government, the defense posture review and the force structure review. I'm hoping that you can give all of us a little bit of insight into why those reviews are needed and what timeline they're going to deliver results on.

Min. Marles

Well, thanks for that, the question. It is – I suppose the starting point is to say – is to reiterate what I said in those comments, that we really do face the most complex set of strategic circumstances that we have since the end of the Second World War. And, you know, there's some analysis – it's a big thing to say – and it kind of rolls off the tongue pretty easily. I mean, since the Second World War, we've gone through the Cold War, and whilst this moment may not be as existentially fraught as then, the choices for Australia during that period were simple. We've fought in Vietnam with America, and, you know, we're not engaged in the conflict of that kind right now with those – that loss of life and casualties, but again, from a strategic point of view, it was a question of being with America or not, and we were with America. But right now, given the way that China is seeking to shape the world around us in a way that we've not seen before, we are presented with challenges from our largest trading partner which make the path forward far from obvious. And, you know, we're also experiencing considerable strategic competition from China in our nearest neighborhood. So all of that really is asking of us questions about where we're at and what we need to do that we really haven't seen for a long time.

Two years ago, to the credit of the former government, they undertook the defense – the strategic update, which observed pretty significantly, for the first time, that Australia was within a 10-year threat window. So to explain that, there had always been an assumption in strategic planning in Australia that we would be given 10 years' notice if anybody wished to do us any harm. For the first time, in 2020, it was observed that we are within that 10-year window. That's a really big thing to say.

Having made that observation, what next? You know, what are we actually going to do about it? And to us, that's the question which is – has been left unresolved by the former government and in a sense is the question that faces us as a new incoming government. So the first point to make is that the force posture review, which will really be more than that – it'll be a force structure review, but really a kind of – an answer to the question of what do we do given the very significant observations that we have made is, I think, a really critical piece of work, a piece of work that we probably haven't seen done in an Australian context since Paul Dibb did his review back in 1997. It's of that order of magnitude that we are really looking for this review to be undertaken. Not granular – it's not a white paper – but you know, a high-level assessment of what we need to be doing.

And the timeframe for that is that we really want an answer from that review in the early part of next year. And to do that, then, we'll be in tandem with the other big piece of work that we're doing at the moment, which is the work through AUKUS with the U.K. and the U.S. about determining what is the optimal pathway, is the way we are describing it.

What is the actual submarine – nuclear-powered submarine that we'll run with? And how do we get from where we're at now in 2022 to that moment? And again, we're looking for an answer to that in the first part of next year.

Both of those pieces of work, I think, are seminal and foundational for this government in terms of putting us on – answering the question about the complexity of the strategic circumstance that we face and really giving us a direction about how we take our nation forward.

Dr. Edel: Thank you.

You know, one of the things that's easily observable in the region is the fact that there has been a multidecade arms race underway but only one country has really been pouring their efforts into that. So I guess you spoke to this in your speech about Australia having an intent to acquire new types of capabilities. I'm hoping in broad stroke you might tell us not only what some of those capabilities are, but to what effect they will be put.

Min. Marles Greater projection. Greater lethality. Greater ability to engage in area denial. I mean, that's probably at its highest level what we – what we seek.

Now, I mean, the specifics of that, obviously, a long-range capable submarine is the most – is the single most important platform that we can have. Collins, which is the existing submarine platform that Australia operates, is a conventional long-range submarine, has done a fantastic job and continues to do a fantastic job, but it was originally imagined that it would end its service in the middle of this decade. And so, you know, the very first thing that we're thinking about is successor to Collins, and that's obviously what AUKUS is about. And if we want a long-range-capable submarine, then it needs to be nuclear-powered.

But you know, we're also looking at greater missile capability and looking at new technologies – hypersonic, cyber, and as I said area-denial capabilities.

Dr. Edel: So – my words not yours – turning China's anti-access area denial on its head and making it much more tough environment for them to operate and having to operate further off.

Min. Marles: Well, I mean, I think we see this evolution in Australia's military, we see this modernization of our capability, well, as, obviously, fundamental to our national security, but as a prudent response to the changing landscape around us. I mean, the thing that we – I mean, China is engaging in the

biggest military buildup that we've seen since the end of the Second World War. Like, it is massive. It is completely changing the strategic circumstances of the Indo-Pacific and, I think, beyond that the world.

We completely accept the right of any country to modernize its military, and China has that right as well. But a buildup of that scale needs to happen in a way that is transparent, and what we're seeing with China now is opaque. And it has to be accompanied by a reassuring statecraft which gives neighbors a sense of confidence about what's happening. Now we seek to do that in terms of what we are engaging in. We want to be transparent about what we are doing, and we want to provide that sense of reassurance to the neighbors around us in the Pacific and in Southeast Asia. But the circumstances at this moment demand that we take these steps.

Dr. Edel: You know, switching to the alliance for a second – the Australian-American alliance, President Biden released the declassified version – at least to us out here on the outside – of the U.S.'s Global Posture Review. And it called for – I'm going to quote again – "seeking greater regional access for military partnership activities in the Indo-Pacific region, and new U.S. rotational aircraft deployments and logistics cooperation with Australia."

Now overnight we've seen news that B-2 Stealth Bombers flew from Missouri to Australia – a very long flight indeed – in support of enhanced cooperation under the Force Posture Agreement between Australia and the U.S. Can you discuss the logic between that increasing cooperation and maybe preview for everyone here about whether or not we should expect to see more actions in this vein?

Min. Marles: Well, firstly, we – I mean, obviously, we really welcome these developments, and we think that – as I said in my remarks – that the strategic location of Australia, and our geography, our space, and the opportunity to engage in a whole range of activities is a real opportunity for cooperation between Australia and America. It's actually a really big opportunity for the U.S.

I mean, obviously, I answer this question from an Australian perspective. Our interests lie in retaining an American engagement in the East Asian time zone, in the Indo-Pacific. We want to see more of the U.S. And that has very much been, I think, really a bipartisan view in Australia; it has obviously, though, been very much a Labor view in Australia, and Prime Minister Gillard was really that which underpinned the decision to establish, with President Obama, the Marine Rotation in Darwin to begin with.

But, you know, we want an ongoing American engagement in the Pacific, and so from our point of view, the logic of this is simple. The more that we are doing to engage the U.S., the more that we can encourage the U.S. to be there, the better. And I think that these force posture initiatives are part of it – like a really key part of it. I think part of it also needs to be Australia stepping up and being a more active partner in the alliance in terms of what we do with the commitment to our own defense, and I talked about that in my remarks; that we mean to take more responsibility for our own defense, but also so that we share the burden of strategic thought, you know. We feel that – particularly in areas like the Pacific there's a real role for Australia to provide strategic thought to the United States about how it can best engage in that area.

And so, to me, you know, sharing the burden of strategic thought along with these force posture initiatives help, from an Australian point of view, in keeping America engaged.

Dr. Edel: Well, staying right on the strategic geography of the Pacific, I'd like to talk a little bit – not only about the Pacific, but about the Solomon Islands. So in April, in the midst of your election campaign, we had news that China and the Solomon Islands had signed a security agreement. And we had news about this, I say, because the Solomon Islands did not announce this. It was later confirmed by their foreign minister.

I'm hoping – especially for an American audience here – you can walk through some of your thinking about what that security agreement might mean for Australian interests, for American-Australian engagement, and for the future of what looks like – as you said – increasing security competition between China, Australia, and the United States in the Pacific.

Min. Marles: So let's start with the last point. I mean, we've seen – I mean, there has been a Chinese presence in the Pacific for a long time, and that's fine. And we've seen strategic competition from China in the Pacific for a long time. But this agreement really represents a much bigger step in terms of Chinese presence in the Pacific, and I think that's the way to really understand its meaning and its significance.

It is does not make inevitable a Chinese base in the Pacific – and it's important to make that observation. And in that breadth, it's important to acknowledge that both China and Solomon Islands have made clear that Solomon's won't be hosting a Chinese base, and we welcome those comments from both Solomon Islands and from China.

But it is an agreement of a different character to what we have seen before, and I suppose we can make the observation that were there to be a

Chinese base in the Pacific, that would obviously completely change the national security landscape for Australia, and I might say, for the Pacific.

Where I go from there is to then really think about what are the lessons to be learned for Australia, for the United States, for the Pacific in all of this? Firstly, you know, we need to – we, Australia, need to remind ourselves the Pacific matters – like it deeply matters – and we cannot take our engagement in the Pacific for granted.

We don't have some exclusive right to their friendship. The Pacific, quite evidently, and the countries within it, can choose to have whatever relations they want to with any other country, and that is legitimate. If we want to be the natural partner of choice, we need to earn the right to be there, and that means we have to put in the effort.

I think it is fair to observe that in many ways that ball had been dropped over the last decade. Certainly, from the new government's point of view, we are completely focused on rebuilding our relationship with Pacific Island countries and our standing in the Pacific.

We don't get a better example of that than Penny Wong, our foreign minister, who was literally sworn into the job on a Monday, and she was in Fiji on a Thursday. And she's since been, repeatedly, to a very many of the countries in the Pacific, which is just, you know, I've got to say, from somebody's who had a long-term interest in the Pacific and a passion for it – it is wonderful for me to see an Australian foreign minister who is engaged in that way with the Pacific.

But I think we've also got a role, and as I was saying before, in working with the U.S. – leading really – in the way in which the United States can engage in the Pacific – and not just the U.S.; countries like Japan, like France, like New Zealand – to help support the Pacific.

And this is really, then, the final point. You know, we've got to be there for the Pacific. The Pacific's got to know that even if other countries didn't exist, we would still be there for them, and that our focus is on their development. This is one the least developed parts of the world. It's where development is going the slowest.

At the current rate, this will be the least developed part of the world within a decade unless we can do something to change that, and that's really got to be our call to action – I mean, we, Australia, but we, Australia and the U.S. – in terms of working with the Pacific to try and deal with that. And I really genuinely believe that if we do focus on those challenges and deal with those challenges, then, you know, the rest will take care of

itself. And we will be the natural partner of choice for the countries of the Pacific.

Dr. Edel: Thank you. I'll ask one more question, and then, I'd like to turn it over to our audience. So, tee up your questions, please. We have a microphone over here you can queue behind us.

But before we leave off, because you did spend so much of your talk discussing AUKUS, I really am curious to hear how AUKUS itself fits into that larger deterrence picture? And perhaps more pressing for those of us in the room who track this so carefully, what are some of the challenges to making sure that it's implemented as quickly and as robustly as possible?

Min. Marles: Well – (laughs) –

Dr. Edel: Sorry, we only have 10 minutes for you to answer that one. (Laughter.)

Min. Marles: Lots of challenges. I mean – I mean, firstly, you know, I said this in the remarks: We're incredibly grateful for, really, the confidence that we feel has been shown in us by both the United States and the United Kingdom through entering this agreement, and we mean to repay that confidence with a very serious sense about our commitment to nuclear stewardship and everything that that entails. Now, this is a big deal.

In terms of challenges, we really have seen a situation where, I guess to put it sort of politely, repeated false starts over the last 10 years in respect of what will be the successor submarine capability to Collins has really put us behind the eight ball. And now we find ourselves really facing, you know, a significant potential capability gap. So I think that's challenge number one: How do we get this – how do we get the new capability as soon as possible to minimize any capability gap? And then what are we going to do to plug whatever gap exists?

Secondly, to move to operating a nuclear-powered submarine fleet is – well, it's as big a national challenge, not just in defense but in terms of really the whole breadth of government that our country has been presented with. And almost at every level, not just in terms of developing the capability but building the industrial base, building the regulation, building the governance structures around it, I mean, it is – it will be a huge national project to pull this off. And you know – and that is very significant.

And I guess the final point amidst the highlights of the challenges – there are a lot more than these – is, obviously, cost. I mean, none of this is going to come cheaply. And so we're going to need to work out how we build

this into a budget which, you know, after COVID has a significant debt associated with it. So, you know, at every level there are challenges.

That said, we mean to meet those challenges. This is a huge national challenge for the country, but it's one we're going to meet and succeed at.

Dr. Edel: Thank you.

So footing the bill, making sure there's the necessary infrastructure in Australia to run this, and making sure that our system in the U.S. and together with yours moves faster than it has been moving – because I'll be less diplomatic than you.

Min. Marles: (Laughs.)

Dr. Edel: At this point I'm going to turn it over to questions. I'm going to ask you to identify yourself. Josh Rogin from The Washington Post, please identify yourself. (Laughter.)

Q: Hello. I'm Josh Rogin from The Washington Post. Thank you so much for your time today.

In your remarks, you seemed to be talking about Taiwan. You didn't say the word "Taiwan," but you talked about bolstering deterrence in light of Ukraine so that aggressor countries don't seek to try to attack smaller democracies. Would, under your government, Australia join the United States in a scenario where we were defending Taiwan? And do you plan to engage Taiwan as part of your efforts to engage the region? Thank you.

Min. Marles: Well, let me – a lot of these are things you will expect me to say, but it's important to say them in answer to this question.

We do not support Taiwanese independence. We have a one-China policy. That has been bipartisan and has been in place since we recognized the PRC in the early '70s under the Whitlam government. None of that changes.

We want to ensure that there are no changes to the status quo in respect of Taiwan from either side of the Taiwan Straits. It's very important that there isn't a change to the status quo. And in that sense, it's important that the global rules-based order as it exists – well, as it exists everywhere but as it specifically exists in that part of the world, is hugely important to be upheld and maintained.

And that's, ultimately, where Australia's interest lies. You know, our interest lies in the maintenance of the global rules-based order in the

Indo-Pacific, in the East Asian Time Zone, in the South China Sea. And in respect to the last, it's worth observing that most of Australia's trade traverses the South China Sea. This is not an esoteric issue for us. This goes to the core of our economic engagement with the world. And while it's true that a fair amount of that trade goes to China itself, all of our trade to Japan and Korea – two of our top five trading partners – goes through that body of water.

Now, we're not about to engage in hypotheticals about what happens if, but you know, our posture is very much about robustly defending the global rules-based order everywhere. And that's, ultimately, why we see Ukraine as – albeit a long way from Australia, as engaging issues which are significant to our national interest. But, obviously, maintaining the global rules-based order in the Indo-Pacific, as well, and that will be our focus.

And our, you know, position in respect of Taiwan is really consistent and unchanged.

Dr. Edel: Bridi.

Q: Bridi Rice of the Development Intelligence Lab in Canberra, also a Fulbright visitor here at CSIS.

My question is on U.S.-Australian cooperation, in particular in the Pacific islands. And picking up on what you were saying about how critical it is that Australia and the U.S. meet the Pacific island leaders where they're at on their security threats – things like climate change, things like underdevelopment as well – it can't help but strike me that the U.S.-Australian alliance is very mature on lots of fronts, be it development cooperation, intelligence exchange, and those organic people linkages, but when it comes to that development bucket of security issues we perhaps have a little less interoperability. We see less joint programming. We see less people exchange. With the U.S. moving into the Pacific islands and the opportunity and allyship that the defense sector has shown to the development fraternity in the U.S., I guess I was wondering what scope you see for increasing the development interoperability between these two countries and if this is a part of the alliance that perhaps, over time, you see could be deepened?

Min. Marles: Yeah. Great question. And completely agree with the tenet of the question that you've asked. I think you're right. I think this is an area that's been underdone within the alliance, and it's an area where there's not the same kind of deep organic interoperability as there is in other areas such as – such as defense. And therefore, to be glass half-full, there's huge opportunity to develop this and do more.

And I really think that, you know, it is for Australia to lead here. And in my experience in dealing with the United States, there is an ask of us to lead – you know, to give the U.S. a sense of where they could help and what they could do. And there's lots. You know, there really is lots.

I think sometimes the U.S. doesn't appreciate the extent to which it is – it has its own Pacific constituency. It is its own Pacific country, if I can put it that way, by which I mean, you know, in American Samoa, in CNMI, in Guam, but in Hawaii. You know, you've got a deep Pacific constituency within the American system. And all – you know, there are so many opportunities just in analyzing and thinking deeply about that where we can get really good U.S. engagement.

You know, one thing when we were last in government that we worked with the United States on was around really just leveraging its Coast Guard presence in the Pacific, and it's a – it's a practical story which is worth telling which gives an example of how we can do so much more when you start walking down this thought path. The U.S. Coast Guard in – I think they're cutters, but they are big – they'll have frigates; like, there are big boats – based in Hawaii do a triangle where they go Hawaii, American Samoa, Guam, Hawaii. In the process of that, they traverse a whole lot of exclusive economic zones. What we worked with the United States on was putting onboard a ship rider from the countries whose exclusive economic zones were being traversed when that normal activity was happening. So no extra U.S. activity was being undertaken, just the normal trips that were being done, but the simple step of putting a ship rider from each of those countries immediately transformed that frigate into a vessel which was able to – or, deal with illegal fishing. And those vessels has helicopters on the back, which gave them sight. It dramatically increased the ability of those countries to police their own exclusive economic zones, and it was the simplest thing in the world to do. And all it involved was really just – it was the idea; you know, it's almost an audit of presence, and thinking about how you can leverage that to help these countries.

And the exclusive economic zones of these countries is the single-biggest economic asset that they have. And that said so much, because what it was in that moment was the United States being there to protect that economic asset for those countries where others are out there pillaging it. And, you know, the contrast about what that – you know, in relationship terms that it represented compared to others was huge. Now, there's a whole lot of gray vessels that also traverse the Pacific. You know, I wonder whether we could do stuff there.

But there's a whole lot of other presence in different areas that the United States has – and not just the U.S; France, obviously. France go back and forth amongst their territories, and they traverse other exclusive economic zones when they do it. Japan has a presence here; obviously, we do, in New Zealand. You know, I kind of think we sit down, we audit what we do, and we look at ways in which we can leverage that activity to help the countries of the Pacific, you know, wow.

But to your point, we haven't really done that. And that's before you even start throwing in new resources and look at ways in which we can do new things in there. I think it is underdone, but – glass half full – it so exciting when you think about what we could do to help, and that's really what we have to – you know, pursue now.

Dr. Edel: I'm going to be really – I'm going to press upon because I know the time – we're drawing near to an end, and you don't even look like you are tired – (laughter) – and I'm not sure how you are doing that, but I want to leave every satisfied customer here.

Min. Marles: Sure.

Dr. Edel: So we have two more questions, and I'm going to bundle them. Patrick and Anne-Marie, if you could ask concise questions, and then you can choose your own adventure in terms of answers, OK?

Q: Patrick Cronin, Hudson Institute. And Deputy Prime Minister, thank you so much for all of your – what you are doing and your remarks today.

How can Australia safeguard against strategic malign influence, especially as you expand R&D? And how can you retain that open, innovative culture and education system while you are also protecting security? Thank you.

Q: Thank you, Richard. It's Anne-Marie Brady from the University of Canterbury in Christchurch, New Zealand.

I wanted to make a comment and a question. So you said that the Chinese have been present in the Pacific for a very long time. That is correct, but we're talking about the CCP. So I would urge everybody in this room to please very clearly distinguish between the Chinese people in our own countries and in mainland China, as well as the CCP government and the People's Republic of China.

So the question I have – goes on what Patrick was saying actually – it's my observation that certainly Australia and New Zealand didn't drop the ball on the Pacific; in fact, both our countries have reflected in recent years

and have upgraded our policies on the Pacific significantly. And we're always there.

But I think the problem that is really acute is elite capture. And the Solomons has an extremely bad case of it. And it's actually unfair to completely blame the CCP for that. Taiwan was also involved in that.

So my question for you is, what is Australia and your greatest partner in the world – the US – going to do about elite capture in the Pacific?

Thank you.

Min. Marles: Well, both really good questions to which I don't obviously have all the answers. To go to the first, yeah, I mean, it's a dilemma is probably the only way to honestly answer the question.

You know, we need to be an innovative, open economy, and not just with an innovative, open, university research sector. International collaboration – you speak to any scientist, and they will talk about the fact that international collaboration is at the heart of doing good science. And, you know, we can't – looking inward is a guarantee that we will not maintain pace with the world. At the same time, you know, foreign interference is a genuine threat, and we've got to somehow address it. And I think there have been – you know, it has taken us awhile to come to terms with that.

I don't have an easy answer to the question other than to say that if that dilemma highlights anything for me, it is how important is the collaboration that we do with a country like the United States. And not just the U.S., but you know, the scientific relationship between our two countries is deep. It's – if you – I mean, it's a huge part of the alliance NASA has been in Australia for 60-plus years now. You know, NASA not a non-significant employer in Canberra, actually, with the Tidbinbilla Deep Space Network Center.

And so, I guess it just speaks to the fact that – that doesn't answer the question – well, it doesn't answer the dilemma, but it does say that there's probably never been a more important time to be engaging with the U.S. in terms of science innovation.

In respect to the Pacific, I think – you're right, that Australia has presence. I think New Zealand has presence and intent in a way that we've not always had, and I do think in the last decade we have dropped the ball in terms of our intent in the Pacific – I mean, our, Australia's, intent.

We need to be robust supporters of democratic institutions in the Pacific. I mean, the Pacific's got its issues, but it fundamentally is a democratic place, and what you describe comes at a cost to people in those countries themselves. And it's important that we are making that clear as well.

You know, it's – put it this way, when we have been engaged – when I've personally had the experience of being engaged to promote democratic institutions within the Pacific, that has always been really well received and really well supported at a public level within the Pacific. So, you know, there is ground on which we can engage, in this sense, where we can make good headway, and I think it's really important that we not throw our hands up around the question of a late capture and say that means we can't, you know – that there's nothing for us to do. That's not right.

Actually, being there and promoting democratic institutions is obviously the right thing to do, but it is a well-supported and popular thing to do within the Pacific. It is a part of the world where freedom of speech is deeply cultural, and which is fundamentally democratic.

Dr. Edel: Well, thank you, and thank you for staying on and letting us kind of push you beyond the hour. So, I hope everyone here could please join me in thanking the Deputy Prime Minister for his comments (applause).

(END)