

Center for Strategic and International Studies

TRANSCRIPT

Event

“Toward a Clean and Secure Energy Future in the Indo-Pacific: A Conversation with Australian Minister for Climate Change and Energy Chris Bowen”

DATE

Friday, September 23, 2022 at 2:00 p.m. ET

FEATURING

The Hon Chris Bowen MP

Australian Minister for Climate Change and Energy

CSIS EXPERTS

Charles Edel

Australia Chair and Senior Adviser, CSIS

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Charles Edel:

Good afternoon to our audience who is tuning in online to watch this, as well to those who are here today at CSIS. I'm Charles Edel, the Australia Chair and senior advisor here at the Center for Strategic and International Studies. The Australia Chair, which was generously endowed by Pratt Industries, is dedicated to increasing mutual understanding between the United States and Australia and serving as an independent platform to pursue policies that help advance, deepen, and broaden the bilateral alliance.

Today we were lucky enough to host here at CSIS our first American Australian Indo-Pacific Strategic Dialogue. The conference brought together key stakeholders, decisionmakers, and strategic thinkers from both countries as we pursued ideas to advance both how Washington and Canberra can work together to facilitate a more prosperous and more secure future for both of us. I want to sincerely thank all of our conference participants for participating, many of whom are in the room with us. And your thoughtful comments really helped us in thinking about what are the future moves that we need to pursue together.

Now I'm very excited to say that concluding this conference it's my great pleasure to welcome the honorable Christopher Bowen, who is making his first trip to the United States in his new role as minister for climate change and energy. Minister Bowen is here, having just flown in from Pittsburgh, where he participated on the Global Clean Energy Action Forum. The timing for today's conversation on securing a clean and secure energy future for the Indo-Pacific is auspicious, as both Australia and the United States have recently passed major climate legislation.

But if the timing is auspicious, it's also critical given what's at stake for both of our countries, for the region and, indeed, for our entire planet. To that end, Australia's new government is moving climate policy to center stage in both how it approaches its domestic and its foreign policies. We're delighted to host Mr. Bowen here at CSIS today, who will lay out how the new Australian government plans on doing just that.

The Honorable Chris Bowen is, as I said, minister for climate change and energy. He is also the federal member for McMahan and New South Wales. Mr. Bowen grew up in Smithfield in western Sydney, and after serving as mayor of Fairfield, entered the federal parliament in 2004. He's held a wide range of portfolios, including serving as treasurer, minister for human services, minister for immigration, and minister for small businesses.

He lives in Smithfield, excuse me, with his wife Rebecca, with his children Grace and Max and, of course, last but not least, with your Labradors, Ollie and Toby. It's a great honor to have him here with us today. And I'd like to invite him to discuss opportunities for a U.S.-Australian collaboration to deliver a clean and secure energy future for the Indo-Pacific region. Minister Bowen. (Applause.)

Minister
Christopher
Bowen:

Well, thank you, Charles, for that welcome. And thank you for the honor of addressing a body as distinguished as the CSIS this afternoon.

Of course, in Australia we had developed in recent years the practice of recognizing and honoring the traditional owners of the lands on which we gather, as an act of inclusion and respect. I live in Western Sydney, as Charles said, which is the land of the Gandangara people, the Darug nation. And I pay my respects to them, and pay my respects to all indigenous Australian people, wherever they are. And of course, pay my respects, in that vein, to the Piscataway and the Nacotchtank people, the first nations people, traditional owners of Washington, D.C.

I also want to acknowledge you, Charles, and the creation of your important role as Australia Chair and acknowledge Anthony Pratt's generosity. And of course, acknowledge the ambassador, Arthur Sinodinos, here today. The appointment of the chair is, I think, a very important and positive step, recognizing the importance of the Indo-Pacific, of course, and the importance of the relationship between the United States and Australia within the Indo-Pacific. And I'm sure Charles will give you plenty of content to work with over the next few years.

Well, today's function is the last of my trip to the United States, which began with the United Nations General Assembly in New York, and included, as Charles said, the productive clean energy ministerial in Pittsburgh. And there has been a real sense of productive urgency in the air this week in all the forums I've been involved in, as indeed they should be. It's that urgency that I want to focus my remarks on today. The urgent need to reduce emissions this decade, and the urgent need to secure our supply chains as we do so. This is in keeping with your theme today of your conference, a clean and secure energy future in the Indo-Pacific.

We have less than a decade to ensure we keep the world as close as possible to 1.5 degrees of warming. Every one-tenth of one degree above 1.5 degrees has serious implications for our health and the health of our planet. And of course, has serious implications for the

security of our region as well. Whether we look at the world's largest archipelago in Indonesia or the impact on our Pacific Island family, there are real implications for every small degree of warming over 1.5 degrees.

And of course, the other element of urgency is supply chains. When I think about the possible impediments to achieving Australia's ambition to reduce emissions by 43 percent and move our electricity grid to 82 percent renewables by 2030, there are two things which spring to mind: Labor shortages and supply chain constraints. And cooperation between likeminded countries on supply chains will be key to achieving our respective ambitions. And this has been a very large focus of all my discussions this week with Secretary Granholm, with Secretary Kerry, with energy ministers from around the world.

In both our countries, years and indeed decades have been wasted – wasted arguing about whether climate change is real; wasted scaring workers that action on climate change would come at the cost of their jobs – when, all the while, the sooner we started the transition, the smoother the journey would have been. But that is what it is. That's the path behind us.

It took us decades to get here. But now the task can be broken down to months. Twenty thirty is 87 months away. Next week it will be 86 months away. The United States has 87 months to reduce its emissions by 50 percent on 2005 levels. Australia has 87 months to move its electricity system to 82 percent renewables and to meet our economywide target. The world has 87 months to take the actions to hold our temperature rise to as close as possible to 1.5 degrees.

Friends, 87 months isn't long. We need to unleash billions of dollars of public and private investment necessary to achieve this task in this timeline. Now, the passage of the Inflation Reduction Act in the United States and the Climate Change Act in Australia within weeks of each other show how closely our countries are now aligned.

Both the Biden administration and the Albanese government are of one mind. This is not the end of the task. It is barely the end of the beginning. Environmental success must mean economic success as well. The climate policies of our government in Australia have been modeled to create 604,000 jobs in Australia over the next decade. Carmichael Roberts from the Breakthrough Energy Ventures has said that up to a thousand companies will be created by the Inflation Reduction Act for the unleashing of the entrepreneurial spirit and

venture capital which has been crying out for leadership like that we have seen from the Biden administration.

As big as the economic dividend is, and it is enormous, we should also be honest about the size of the task confronting us and the possible impediments, allowing us to focus our efforts to deal with our impediments in a very honest way, which brings me to the issue of energy security and supply chains.

Now, the COVID-19 pandemic and the impacts of Russia's illegal and immoral invasion of Ukraine exposed deep vulnerabilities in the global supply chains. The war in Ukraine has had devastating impacts on energy security, with much of Europe held captive over the supply of oil and gas from Russia. We've seen how this European energy-supply crisis has cascaded across the world, even to some degree reaching the shores of Australia.

The current challenges highlight the flaws in energy security of overly reliant – of being overly reliant on a concentrated fossil-fuel supply chain. By contrast, renewable energy has inbuilt security advantages, if properly managed. The one supply chain that no global geopolitical crisis can disrupt is the supply of sunlight to our land and the supply of wind to our countries' coasts and hills, as long as we have the infrastructure established to capture, convert and store that energy.

That's why we will have to support the global phasedown of fossil fuels with investment in clean-energy technologies and diverse supply chains. This is the best way to protect our economies from the shocks of the next crisis. Good climate policy is good economic policy is good energy-security policy.

As I said, let's be straight about the task that we all face. We face a collective endeavor that is almost of unprecedented scale. We need to mine, move, and manufacture immense volumes of material, energy, and equipment. We need to train and mobilize hundreds of thousands of skilled blue- and white-collar workers to fill new, good-quality jobs.

For example, to achieve Australia's emission-reduction target of 43 percent by 2030, it's been estimated that we will need to install about 40 seven-megawatt turbines every month until 2030. For solar, while Australia is already a global leader in deployment, we will need to install more than 22,000 500-watt panels every day and over 60 million by 2030.

Now, I know other countries in our region have similar ambitions. India, for example, expects to double its installed capacity by 2030 to

over 800 gigawatts, with a target of 50 percent of that capacity coming from renewable energy sources. By one estimate, Australia will require 34 times the current amount of utility-scale, variable-renewable energy in our national electricity market to meet our green hydrogen export ambitions.

We're under no illusion that meeting our 43 percent target in the next 87 months will require dogged efforts. We'll do it, but it's a big task and calls for an industrializing drive that takes in value-adding capabilities.

Right now the stark reality is that we have an urgent need for action, a significant amount of investment, global competition for finite manufacturing components, coupled with clear vulnerabilities in the supply chain. Today more than 80 percent of our solar PV production is concentrated in one country. This is expected to reach over 95 percent in a very short time frame. I reckon that meets any definition of a monopoly, and in the context of a global energy system that needs to decarbonize, the potential risk to energy security the world over is significant. It's a similar story with lithium batteries, with electrolyzers used to produce hydrogen, and the list goes on. The simple truth is that no one country can produce enough clean energy imports to meet global need. Even if we were comfortable with the level of concentration in the supply chain, the stark fact is that current production won't be enough to meet future demands on the path to net zero. To achieve net zero we all need to be producing the components to get us there, more reliable supply chains, and more supply chains in total.

I know you heard this morning from Amanda Lacaze about the instrumental role her company has played in diversifying rare earth supply chains, key ingredients for the magnets in EV motors and wind turbines. Japan, the United States, and Australia have played an important role in supporting this change. But we need to diversify the clean energy supply chain even more for energy transition.

I think there are two important principles underpinning the need for Australia, the United States, and other like-minded countries to focus on renewable energy supply chains. Firstly: reliability. It's in America's best interest for Australia to be developing renewable manufacturing capacity, and vice versa, because we represent a reliable and secure supply chain for each other. Our minerals will be essential but I want to be very clear: Australia must be more than a

quarry. We need to add value, make things, and expand our place in global value chains. Secondly, these must be ethical supply chains.

Moving to renewable economy is a moral imperative, as well as an economic opportunity, but we have to ensure that this transition itself is conducted in as ethical way as possible. It's much easier to assert and verify, for example, that there's no child labor or unethical labor practices used in the value add of Australian lithium or cobalt than it would be other potential sources from around the world. The rapid scale-up of production required should not be used to mask unethical labor practices, and this is a shared responsibility for all of us.

Now, while this task is enormous, of course, so are the opportunities. I'm fond of saying that the world's climate emergency is Australia's jobs opportunity, because I know that while concepts like GDP and billions of dollars invested are important, what really makes a difference to ordinary people's lives is their standard of living, and particularly good, well-paying, secure jobs. Addressing climate change is not only an opportunity for more jobs, it represents an obligation to ensure that those jobs pay decent wages, have good conditions, and deliver better lives for ordinary workers. The best way to counter the naysayers who still call for delay and denial is to demonstrate that working people stand to benefit from action. That's why our government takes the view that the economy needs to work for people and not the other way around. And that's true of the transformation of our economies to address climate change as much as it is for any other area.

Now, of course, already Australia and the U.S. share a deep commitment to addressing these issues. In July Secretary Granholm and I signed the Australia-U.S. Net-Zero Technology Acceleration Partnership. The partnership will accelerate the development and deployment of zero-emissions technology, including long-duration energy storage, digital electricity grids, and technology to integrate variable renewable energy, hydrogen, and direct air capture. And just this week, Secretary Granholm and I have met to map out the current situation and the future steps to implement that very important partnership. The partnership is a commitment to make climate change a centerpiece of our alliance with the U.S., as Prime Minister Albanese suggested in the days after his election. But it also recognizes the need to work together to overcome the immediate energy security and supply chain challenges, and build resiliency into the future. This week I also signed a letter of intent on the Clean Energy Demand Initiative, with John Kerry in Pittsburgh, in recognition that the public and private sectors must work together to achieve shared climate- and

energy-related goals. The Clean Energy Demand Initiative to increase transparency for investors and link companies with countries, sending a message that Australia's open for business and a reliable investment

partner. And I'm very pleased that Apple, Johnson & Johnson, Google, and Amazon are some of the U.S. companies that have expressed interest in investing in Australia's clean energy-generation infrastructure, and it's estimated they could invest up to \$2.9 billion to increase renewable deployment.

Supply chain discussions did also dominate the first-ever meeting of the Quad energy ministers that I had the honor of chairing in July in Sydney, and will no doubt figure heavily in further Quad energy ministers discussions.

Now, allow me just to finish with some observations on the Indo-Pacific, which you've spent so much time talking about over the last hour or so. As you've pointed out, there's a growing need for technological expertise in the Indo-Pacific countries to support the transition.

It makes good economic and climate sense for us all to support our countries on this journey. The fastest growing region in the world – 60 percent of global energy supply and more than half of the world's energy consumption and emissions. Failure to engage in the Indo-Pacific will lead to failure to achieve global net zero.

These are some of the countries, of course, also most impacted by climate change and the increasing frequency of natural disasters as we've seen all too often in recent times. And these are also some of the countries that have shown the most leadership in fighting for more global action on climate change because they're seeing the real-world impacts on their communities and their livelihoods.

Now, we're already working closely with our Pacific family to build their technological capability and support their energy transformation, and we'll continue to do so. And again, options to improve that have been on the agenda this week.

We're also working with regional partners like Japan, Korea, and Singapore to canalize and scale up new energy trade in renewable energy. And in this discussion about the path forward on energy security, I reiterate once again that the Indo-Pacific needs to be at the heart of any global conversations.

It was earlier this month when I was in Bali to attend the G-20 Energy Transitions Ministerial Meeting. It was an opportunity for us to support the Indonesian G-20 presidency, which secured some important outcomes for the Bali statement on sustainable energy transitions.

I held bilateral meetings, of course, with my Indonesian counterpart, which was the first of what we've agreed will be an annual Indonesia-Australia energy dialogue, and we'll increase our support for our Pacific partners, including through a new Pacific climate infrastructure financing partnership to back climate-related infrastructure and energy projects in Pacific countries and Timor-Leste. And I think there's scope for Australia and the United States to partner in this endeavor as well going forward. Australia sees this not only as opportunity, but as a responsibility as a key member in the Pacific and as a trusted partner to build up and build new, resilient global supply chains.

So, friends, during the last century Australians and Americans saw the need to collaborate, militarily and commercially. They came together to build some of Australia's first oil and gas supply chains. It was the right thing to do for the times. Those have powered industry and transport in Australia and other states for decades. And today, our two nations are working together to develop the 21st century's equivalent, the equivalent in energy industries, by tapping the sun, the wind, and other renewable and clean energy sources to power our economies and help achieve our climate ambitions, to deliver new job opportunities and improve the lives of working people, to ensure energy security for the Indo-Pacific region. Because supply, policy, and investment will only go so far if we don't have a secure, reliable supply chain underpinning their transformation.

The climate emergency is an economic opportunity waiting to be seized, and we look forward to working in partnership with the United States to accelerate the greatest economic transformation in modern history in any of our countries – not just for individual nations but for our region and for the benefit of the world.

Thank you. (Applause.)

Dr. Edel:

Well, thank you very much, Minister Bowen. You said urgency was the watchword for your speech, but I think we can all say that ambition is another one, too, for Australia, but also for our partnership together.

So, here's how we're going to do it. There are a lot of questions now that we have about recent legislation that you've passed in Australia – about potential collaborations, about what this means for the region, and from an economic perspective what this means as we work together and with our own businesses.

So, I'll put you through your paces as best I as I can, but I want to get off the stage as quickly as possible to open the conversation up to our distinguished guests who are here, too.

So, if you don't mind, I'd like to just start with what you had alluded to – the fact that we had dual legislation passed in the United States and just weeks ago in Australia – and I was hoping for an American audience you could give us a little bit of a scope for what is in the scale – how large is the scale and the scope of what the government has just passed? What does it require from government, and what are the next steps to implementing it?

Min. Bowen:

So, it is important and symbolic and ideal that we both pass legislation within weeks of each other, but they are actually quite different pieces of legislation, suitable for our own needs. In our case, ours is the framework. It's not the big investment that's in the Inflation Reduction Act. It's setting a framework. Really, our legislation is about the message it sends to the private sector rather than what it does for government. Although, there are things for government in it.

So just briefly, Charles, what it does is enshrine in law our targets – 43 percent emission reduction and net zero. That's important, because it sends the message that those are the targets which are here to stay. The prime minister and I had already notified the UNFCCC of the new targets, but we've now enshrined them in law. That's really important. Everywhere I go, every business tells me: We want certainty. And we provided that certainty by changing the law. And it's hard to legislate, but it's even harder to repeal, in both countries I think it's fair to say.

Secondly, we bring the Climate Change Authority in as the independent advice mechanism for government. Governments will make – Cabinets will make decisions on future targets but will be advised by the Climate Change Authority. And if the Climate Change Authority gives me as the minister of the day or future ministers' advice which we don't accept, we have to explain why. That's a really transparent process. I and future ministers have to report annually to parliament on progress in achieving the targets. So it's really about that framework and that message it sends. We're open for business. We

got one set of policies. We got one change. We had too much chopping and changing of energy policies. Now we have one framework.

Now, within that, of course, we have a range of policies which we're getting on with which the legislation, if you like, requires us, because we've got to achieve the emissions reduction. So there we have Rewire

the Nation, which is our policy to build 10,000 kilometers of transmission wires across our country, because renewable energy is spread across the country unlike coal and gas which tend to be clustered in geographic locations. Renewable energy is everywhere, which means you do need to upgrade the grid. It's a massive task, and opportunity. Safeguards Mechanism, which is our mechanism to reduce safeguard emissions from our 215 biggest emitters. And a whole bunch of others – community batteries, electric vehicle strategy, a whole bunch of others. But they're the policies that we've already laid out and are getting on with.

Dr. Edel: Terrific. You know, you talked about this as an economic opportunity for Australia. But traditionally Australia has fueled its economic growth based on mining, based on energy sectors. And we're talking about, as you characterize it, a fairly radical transition to a new source or sources of energy. And as we grapple with this challenge ourselves as well, I'm hoping you can talk a little bit about steps that the government is thinking about to mitigate and cushion that transition for workers themselves.

Min. Bowen: Well, I mean, as you said, these are – this is massive challenge, but it's not the end of mining. We'll be mining more. We'll be mining more things. We need to do that. They're in different places. It's the transition that you referred to. I guess a couple of things, Charles. Firstly, our policy has created a lot of jobs. And they create them in the regions. Five out of six of those 604,000 jobs I referred to are in the regions. And by and large, they're in the regions which are energy regions. Because the regions that have powered Australia for so long will continue to power us because they have a number of advantages.

They have the room. One thing that renewable energy needs is space. Apart from solar panels on the roof, you can't do it in the cities. You got to do it in the regions. They have the grid. That's where the grid is strongest, although we got to upgrade the grid. Where the grid is strongest, where there's the most transmission infrastructure is the areas where there had been coal and gas plants, because the infrastructure had been built to transfer the energy. So that makes sense to put more renewable energy there. That creates jobs.

And, importantly, they have the skills. You know, if you're an energy worker, you have the skills we need. And we're going to need a lot more of them. Even if you're a traditional energy work in a coal and gas-fired power station, those skills are quite necessary. Of course, with some additions and some training, et cetera, in the news jobs. It's a myth that there's no jobs in renewable energy. There are, a lot. They're not all at the source, where the energy is created. They come

in the management, in the storage, in the transmission – hence, the 604,000 jobs.

And then the jobs created by lower energy prices, because renewable energy is the cheapest form of energy. And then that helps us lead that renaissance of manufacturing we want to see in Australia, with a particular focus on manufacturing of renewables themselves. Then in addition, you know, there can be infrastructure around – you know, architectural infrastructure in terms of government design around assisting those communities. And we'll continue to work on that as well.

Dr. Edel: Well, and you just said that there are many more things to mine and dig. And part of those, as you discussed in your talk, was critical and rare earth materials. In fact, the minister for resources in northern Australia, Madeleine King, just said: Australia has the potential to become a major global supplier of critical minerals and rare earths, which will be essential to help Australia and the world transition to low-emissions technology and achieve net-zero emissions by 2050. Can you talk a little bit about the development plan of critical minerals, how this is going to be pursued and extracted in a climate-friendly way?

Min. Bowen: Well, I mean, obviously, this is where the private sector comes in its own. The government isn't going to do this, but we will provide – what we're doing is providing a certain policy framework and stability for it to do so. And we'll – we will work very closely with any minerals – you know, critical-minerals and rare-earths company wanting to develop more in Australia, and we will ensure a smoother passage with all the necessary, you know, environmental protections and safeguards in place. We would seek to smooth the passage as much as possible.

And as I said before, also I think the economy changes. I think the economy of a rare-earths and critical-minerals development phase means that it encourages extraction and encourages more value adding in Australia, which in turn encourages more extraction. And so, therefore, we have the National Reconstruction Fund, \$15 billion, of

which up to \$3 billion is for renewable-related investments, the Powering the Regions Fund. All this can go to assist in that development.

So, I mean, really what Madeleine and I and Ed Husic, the three most relevant ministers, with Don Farrell, the trade minister, would say is come and talk to us and let's get cracking.

Dr. Edel: Let's get cracking means let's get going, just to translate that into American.

Min. Bowen: OK.

Dr. Edel: You know, when we're talking about transitioning too, one of the reasons this has been front and center in Australian politics – I take your words at the outset that there's been a decade of debate and now the page has seemingly turned. And the page, at least for my mind, when we were living in Australia, seemed to turn with the bushfires starting in 2019, changing the national conversation there. And we've now seen a consensus building politically for that.

And when we think about preventing extreme climate events, that has effect both in Australia but also beyond Australia too. And I'd be a little bit curious, as we begin to transition to the broader region in our conversation too, what lessons for other countries who are still struggling to make this transition have those events made in Australia? How did that reverberate through the body politic, and how has that changed the debate moving forward?

Min. Bowen: The bushfires?

Dr. Edel: Yes, absolutely.

Min. Bowen: Obviously those were terrible, terrible events – huge swaths of natural Australia destroyed, a billion animals killed, far too many Australians killed, three Americans, tragically, killed in our bushfires. And, of course, that reverberated right throughout the country. I was in the middle of the bushfires when they were occurring. We were evacuated. And I can tell you, it left its – a big mark on those communities, which is still there now.

And, of course, now I think it's acceptable in Australia to point to the link – I hope everywhere to point to the link. And there was a time, not that long ago, where you were told, oh, it's the wrong time to draw the

link between bushfires and climate or floods and climate. Well, when is the right time? When is the right time? And that link has been drawn.

And it is correct to say every natural disaster – you know, with the exception, I guess, of earthquakes and volcanoes – but every other natural disaster is going to occur more often and be more intense due to climate change – whether it be floods, which has equally impacted

on Australia recently, and we're seeing around the world, or drought, or bushfires/wildfires.

Now, in terms of what impact it had in Australia, Charles, material, indeed significant, but I think not necessarily determinative. I think the key in the change in Australia has been change, frankly, that the now government conducted in the lead-up to the election to change the climate-change debate from a moral one to an economic one. We ran the case to the Australian people that, sure, climate change is a moral imperative. Action on climate change is a moral imperative for future generations and internationally to our partners and friends around the world. But even if it wasn't, it's good economic policy. Even if no other country was acting on climate change, we should because it creates jobs.

So for too long people were able to say, ah, action on climate change might be necessary, but it'll come at the cost of your job. Australia is only 1 percent of emissions, so we shouldn't worry. I mean, that argument worked for the best part of 20 years. What we did is model our policies, come up with the policies, have them independently modeled. Everywhere we went, we talked about 604,000 jobs created, five out of six in the – in the regions, the more than \$70 billion worth of private investment credit, the fact that renewable energy's the cheapest form of energy so it puts downward pressure on power prices. All that was all we talked about. And that was the most effective foil to the argument that action on climate change might be OK, but not if it costs you your job or your children their job or your community's economic future. That was the change. Sure, accompanied with the terrible impact of the bushfires and the floods, but I think that could have occurred and we still wouldn't have had a proper discussion about climate change if we weren't making the economic case.

Just as President Biden did, you know. He says: I see climate change; I see jobs. We say: The world's climate emergency is Australia's jobs

opportunity. We're saying the same thing. He won election, we won election, both with ambitious climate-change policies.

Dr. Edel:

OK. So we have the moral argument. We have the economic argument. But we haven't yet really dug into the foreign policy argument and dimensions of this as well. And I'm hoping that you could talk a little bit more about collaboration, with the Pacific Island communities specifically. What actions can Australia take, should Australia be taking along with the United States, to convince the Pacific Island community, who consistently says that their number-one fear –

probably their number-one, -two, and -three fears – are the existential effects of climate change on their habitations? So where do you see opportunities for us becoming and showing that we are there for the long term and willing to listen to what is an existential risk for this community?

Min. Bowen:

Well, I think, Charles, a couple things. And they might sound basic because they are, but sometimes the basic things are really important things.

One, the engagement. It has been a priority of the new government. Better and deeper engagement in the Pacific has been absolutely essential not only to our foreign policy, but to all of us. All of us in the Cabinet wherever possible have engaged with the Pacific, including, you know, here in New York. You know, there's Pacific leaders that I'm spending a fair bit of time with, including in the city energy forum in July, you know, inviting the energy minister of Samoa, for example, and putting him on the top table with, you know, Jennifer Granholm and the Indian minister and the Japanese minister, et cetera. That goes a long way. It's only basic. It's just respect and engagement. But showing them that we care and get it is the essential first step.

And with due respect to the previous government who conducted a Pacific step-up which I welcome and endorse and praise, there's no Pacific step-up without that action on climate. Nothing else matters. You can step up all you like, but unless you're stepping up on climate the Pacific's not going to take it seriously. So there's that.

Then you – then you can interact with them and have discussions with them about the two other things.

What we're doing about our own emissions – and I've had all those discussions, including with former presidents from the Pacific last week, and explained to them what we're doing. And it's fair to say, you

know, they will always say, well, let's do more. They will always say let's do – but they very much warmly endorse what we are doing.

We can talk to them about their own emissions. They are very small emitters in the greater scheme of things, but nevertheless every ton of carbon dioxide counts. We've had discussions with New Zealand, with the United States, and with them about, well, what would – and with IRENA – what would a Pacific-wide emissions reductions scheme look like if we wanted to go down that road, and involved in those conversations at a, you know, very respectful, equal level.

And then there's the process about adaptation and helping them prepare, which is an ongoing conversation.

But the first point is you've got to recognize the problem. As basic as that sounds, we haven't been doing that up until this point.

Dr. Edel: Can I go a little bit further than that and say when we're recognizing the problem, which your government is doing – as you said, you are engaging – are there initiatives forthcoming about resourcing green climate infrastructure for the Pacific?

Min. Bowen: Well, we did go to – yes, we went to the election with policies in relation to that, about repurposing money for that, and we are going through the process of implementing that. And we'll continue to have further conversations with them about the future.

Dr. Edel: Got you.

All right. I'd also like to open this up to our audience members. We've had a lot of conversations today about supply chains, about strategic competition, about climate change and energy policies and where they fit. And this is such a robust group that if you don't stand up to the microphones I'm going to cold call. I'm joking; I won't cold call on anyone. (Laughter.) But would you please identify yourself, too, and ask the question of the minister? Thank you.

Q: Hi, Minister. My name's Patty O'Brien. I, too, come from Sydney and I also have a Labrador.

Min. Bowen: (Laughs.)

Q: So we have so much in common.

Min. Bowen: I've got two. (Laughter.)

Q: Yeah.

So, you know, welcome to Washington. And you know, I just want to say how absolutely thrilling it is to have a representative of the Australian government presenting these policies on climate change. I can't tell you how refreshing it is to have that international profile radically changed. So, you know, thank you very much for that. And also, you know, congratulations on your climate legislation. You know, thank God, right? (Laughs.)

But the thing that I wanted to ask you about, you mentioned meeting with former Presidents Tong and Remengesau last week. One thing that they talk about, one thing that a lot of people talk about, the thing that people don't really – the piece of your policy that doesn't really fit is coal. Like, what is the – what is the road ahead for coal? And, you know, how does that – what would you say to the Pacific islands who have a lot of reservations about Australia's coal policies?

Min. Bowen:

Sure. I'll tell you what I have seen in the Pacific islands, which is what we need to do is prepare for the future where coal is playing a lesser role. That's what we need to do. And that doesn't require a government decision to come in and say: You know, we are not going to export this coal, because 80 percent of our trading partners are committed to net zero. So the important thing is to be honest with communities, as I've done from – literally from my first day, when I was shadow minister for climate change and went on "The 7:30 Report" that night, on my first day on the portfolio, and said: We have to be honest with communities, coal communities. The world is changing and we have to prepare for the future.

And that means diversifying jobs in coal regions, preparing for the time when there's less demand for Australian coal. There will be no new coal fired power stations built in Australia. As coal fired power stations close, as they inevitably will, they will not be replaced with new ones. That's our position. It's not the position of the Australian government. We got to be honest about that. And those coal fired power stations will continue to close. And they're closing at an increasingly rapid rate. That's just a statement of empirical fact. And so, again we got to prepare Australia for the alternative energy. Otherwise, we're going to have an energy supply crunch. We got to prepare the workers for new jobs, which we're doing, and create those new jobs. So it's about managing that change.

And that's what I said to President Tong and the other former president. And they – you know, they were very understanding of that. They sat there and said, oh, that's the plan. All right. So of course – of course, you know, there will be a range of views. There are those in the opposition who say, well, we should be building new coal-fired power stations and we should be, you know, encouraging coal exports. There'll be those who say, oh, we should close it all down tomorrow. We have a very pragmatic, realistic, and ambitious approach of preparing Australia, and coal communities in particular, for the future. Which means preparing for those alternative jobs.

Q: Minister Bowen, thank you for your remarks. My name is Jennifer Jackett and I'm from the National Security College at ANU and also the United States Studies Center.

My question's about the intersection of climate change and geopolitics. So we often hear about climate change as one area of potential cooperation with countries like China. But last week in the U.S. we saw green technologies added to some of the export control restrictions. And the National Security Advisor Jake Sullivan also identified leadership in green tech as a national security imperative. So I'm interested in your view on how you see Australia navigating the need to reduce dependency on countries like China in green tech areas, but also to cooperate on this hugely global problem.

Min. Bowen: Thanks, Jennifer. I think that's a great question, but I don't think they're mutually exclusive. I think, you know, we need to be preparing better supply chains, more diverse supply chains, as I said in my remarks. We need to be working with United States on all those issues. But let me be very, very clear, it will be better too if China and the United States resume their climate discussions. That is – that would be very welcome.

They were recently suspended, OK? We are where we are. When I went to school and somebody got suspended, they came back eventually. Not that I was ever suspended, for the record. (Laughter.) But I saw it happen to other people.

If you were expelled, you were gone forever. A suspension meant you were coming back. The climate talks were suspended. It would be a very good thing if they resume because unless we have the world's two biggest emitters – as proud as I am of the action in Australia, unless the world's two biggest emitters are at least talking, then we are holding one hand behind our back in terms of the effort to get to net zero.

So nothing in what I've said or ever would say would indicate that China shouldn't have a role in these discussions. On the contrary, I hope they come to COP ready to engage, ready to work together because the COP will be much more successful. I hope that John Kerry and his counterpart can meet in the lead-up to COP. That would lead to a much better outcome. And so, you know, I'm not going to, you know, dwell on how we got here with the suspension; that is what it is. But we in Australia would very much welcome China back to the table. We don't expect to be at the table in those discussions. That's United States-Australia matter. We would be at the table with them at COP and G-20 and all the other forums, and we would welcome them back to those discussions.

Dr. Edel: So I know we have a couple questions. I would just ask, if you have a question, please, to queue up right behind the microphone.

Sir.

Q: Good afternoon. My name is Steven McGann and I spent quite a bit of time in the region during my State Department career, although as an American, I still consider Mossman my second home.

You mentioned earlier the relationship with Pacific Island countries and others in the region, and I think that we often, when we think of Pacific Island countries and climate change, we think of sea level rise. But in actuality, two of the biggest problems in the region happen to be – (background noise) – I thought I turned this off, but I didn't. Two of the biggest problems in the region happen to be workforce engagement and the fact that labor remittances take up about 33 percent of the GNP of Pacific Island countries; also the fact that dependence on fossil fuels takes up about 50 percent of their GDPs. And so I was wondering if you could talk a little bit more about workforce plans. You already have mechanisms in place to attract Pacific Islanders, but it's not just the Pacific Islanders. Just looking to your north, you have Indonesia, which is under severe climate change stress. We know that Jakarta's sinking. So migration's going to play an important part of the climate change scenario in the region. So really what I'm trying to get to is, as Australia's economy grows, becomes much more efficient but it still has engagement in the region, particularly with Pacific Island countries, and to the north relations with Indonesia. So I was wondering if you can touch upon that just briefly.

Min. Bowen: Well, thank you. I think that's a very fair question. We recently held an Australia jobs and skills summit you may or may not be aware of; it

was a big deal. And migration played a big part, and clean energy jobs played an equally big part in those discussions, and we've said things about immigration both permanent and made announcements about permanent immigration which is obviously across the board and an appropriate place for temporary programs, and that engagement will continue. I do note that we've had programs – particularly you refer to Indonesia, a country very dear to my heart. We've had programs with Indonesia which have often been undersubscribed for the ability of Indonesians to come and work in Australia on a limited basis. Often we've had, you know, we've agreed with the Indonesian government X spots will be available, and I remember when I was immigration

minister I would check and say, how's that Indonesian program going and they'd say, Minister, it's massively undersubscribed. Now, we can all sort of discuss what the reasons for that might be and how that might be dealt with, but it's not just a matter of negotiating agreements and saying let's get X spots here for Indonesia or Malaysia or anyone. No point in doing that if people aren't actually coming in and taking up the opportunities. I think that's an ongoing conversation.

Q: Minister, Barbara Miller from the ABC.

The finding by the U.N. Human Rights Committee on the case brought by the group known as Torres eight – how significant is that finding? I know you're looking at it, but what might an effective remedy look like?

Min. Bowen: Well, let me just say briefly, Barbara, that one of my first acts was to go to the Torres Strait after the election and meet with Torres Strait leaders. I think that's important. I believe I was the first minister to go to the Torres Strait since 2015. These are Australian citizens who deserve to have access to our minister. Since then, also the prime minister and the minister for indigenous Australians have both been to the Torres Strait. You know, we've had more engagement in the last sort of three months than there had been for many years. The people of the Torres Strait have every right to be concerned. Of course, we need to consider that judgment and work through its implications, which the attorney general in consultation with me will do. But can I just take this opportunity to express my, you know, respects to the Torres Strait elders who I've met with and will continue to engage very constructively and respectfully with?

Q: There is a wave of similar cases throughout the world. Are you concerned that Australia could be hit with further cases?

Min. Bowen: I'm not going to start speculating.

Q: Welcome, Minister. Jim Carouso, CSIS.

To get to the point of so much renewable energy there's going to need to be a transition. Is it going to be gas? Is it going to be ammonia? And what assurance

can you give to investors that they'll have the time necessary to recoup their investments before the renewables kick in? Thanks.

Min. Bowen: Jim, that's a matter for the investors. I mean, I'm not here to provide guarantees. Like, there is such a thing as extraneous investment, and it's not my job to determine what will be extraneous and what won't be.

I have always respected and defended and protected the right of boards and chief executives to make investment decisions based on the best information I have available. Not everybody in the federal parliament does, all right.

There are those who argue that banks should be and insurance companies should be forced to lend to institutions and to insure institutions. They don't want to because they don't think it's in the best interests of their shareholders.

Call me old-fashioned, I believe in a thing called the market, and I believe in boards and senior management's right to make those decisions. And if they make a decision that lending to a particular form of energy is too risky for them because of the energy transition, I respect their right to do that.

It's not my role to tell them to do it or not to do it or to provide guarantees one way or another. That's for the market to determine.

Q: Minister, Gordon Flake with the Perth USAsia Centre.

Noting that you've got considerable expertise and experience in Indonesia, a dollar spent on emissions reductions in Australia has kind of a different return than a dollar spent on in emissions reductions in a country like Indonesia.

I'm curious as to how you balance the need for Australia to have leadership at home, and at the same time, the argument that you can be far more productive globally at reducing emissions by spending

money in partner countries in the region – South Pacific, Indonesia, et cetera?

Min. Bowen: I understand where you're coming from, Gordon, but – and I don't disagree with the premise of your question, but I think – you know, to think – I'm not suggesting – and I'm not trying to put words in your mouth – but just to be clear, we want Indonesia to succeed in reducing emissions. And I witnessed Fatih Birol and my friend Arifin Tasrif, as it relates to the IAEA reporting to emissions reduction in Indonesia. So, it's an excellent report and we can engage and assist and help with

various elements, which are discussed with Pak Arifin in terms of expertise and assistance.

Sure, we can spend money in Indonesia, but you know, the money we can spend is not going to be determining their outcome. It's private sector money. It's

their – it's Indonesian government money. It's other governments together with us, you know, working in partnership.

So, I don't see it as an either-or. We've got – I've established an annual energy dialogue – Pak Arifin and I have. We'll continue to engage on these issues. We want to see them succeed.

But I don't think it's a matter of saying, oh, well, we won't spend this money on emissions reductions in Australia. Again, most of the money that'll be spent on emissions reduction in Australia is private sector investment. We'll provide the framework for it. And some government expenditure is, of course, necessary: IRENA, CEFC, Palisades Renewable Energy Fund. We've got to – but that's not going to do the job. It's unleashing those billions of dollars of private sector investment, and you know, that can be unleashed in Australia, in Indonesia, in anywhere, and everywhere. It has to be.

Dr. Edel: I am somewhat mindful of the minister's time because we're all having this great conversation, but he has a plane ride to catch soon. Let me see –

Min. Bowen: Don't delay me getting to Sydney.

Dr. Edel: Are we OK? Does anyone have any final questions for the minister?

Well, with that, I am going to thank you for your time. I am going to make sure that you get on your airplane and go back there, and thank you for taking the time to divert from Pittsburgh to come join us here today.

Min. Bowen: A pleasure. You're the only reason I'm in Washington. That's how much I like you. (Laughter.)

Dr. Edel: Well, safe travels home.

Min. Bowen: Good on ya!

Dr. Edel: Thank you.

Min. Bowen: Cheers. (Applause.)

(END)