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TRANSCRIPT
Press Briefing
**“Previewing the Australia-United States Ministerial
Consultations”**

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Samuel Cestari: Thank you, Don. Hello, everybody, and welcome to the CSIS press briefing, “Previewing the Australia-United States Ministerial Consultations,” also known as AUSMIN. We’re pleased to have four of our experts with us today to share their perspectives and expertise as it relates to AUSMIN, its context, and the issues likely to be addressed.

Just a couple of housekeeping notes before we get started. Each of our speakers will offer several minutes of introductory remarks, after which we’ll turn to your questions. We’ll also be distributing a transcript of today’s call to all participants tomorrow morning, eastern time. The transcript will also be made available on CSIS.org.

So, with that, why don’t we go ahead and get started? I’ll turn first to Charles Edel, CSIS senior advisor and Australia chair. Charlie, over to you.

Charles Edel: Great. Thanks, everyone, for joining us today. And thank you, Sam, for helping organize this. In addition to welcoming my CSIS colleagues, Kathryn and Cynthia, I’m especially pleased that Rory Medcalf is joining us today very early in Australia. Rory is, of course, one of the foremost analysts on the Indo-Pacific region. He’s president of the National Security College at the Australian National University. And much to our delight, is now an adjunct non-resident fellow with the Australia chair at CSIS.

Next week, on August 6th, we’ll see the U.S. secretaries of state and defense hosting their Australian counterparts, the Australian ministers for foreign affairs and defense, for the 34th iteration of AUSMIN, the annual Australia-U.S. Ministerial Consultation. When Antony Blinken, Lloyd Austin, Penny Wong, and Richard Marles meet in Annapolis, Maryland, they will take stock of how well Australia and the U.S. have set themselves – have set themselves and each other up to compete effectively in a more challenging and increasingly contested strategic environment.

As we’re heading towards election years in both countries, both delegations will be focused on what the two governments have accomplished so far. There will be some announcements of new initiatives, but I’d expect the focus to be on the steady and ongoing progress made thus far. The bottom line here is that AUSMIN will continue to showcase a deepening and broadening relationship between the United States and Australia that spans the globe and has increasing strategic relevance and weight in the Indo-Pacific region. The announcements and statements will reflect that, with deliverables spanning the defense, diplomatic, economic, energy, and development portfolios.

These government leaders have now met multiple times. They know each other well and hold each other in high regard. So they are likely to spend their time not simply running through the fact sheet of deliverables, but also genuinely exchanging views on regional and global developments and

discussing strategies for how to respond to those developments. Because the alliance has tasked itself with a growing list of initiatives, this year's AUSMIN is likely to highlight the steady progress that's been made over the past several years. This is important. Ambition is not the main challenge for the U.S. Australia relationship. Steady progress towards a number of strategic goals is the name of the game.

I'll make a couple of remarks on the general state of the U.S.-Australia relationship and the context in which this year's AUSMIN is taking place, lay out what to expect this year, and conclude with several questions that the two sides are seeking answers to and that are likely to sharpen moving forward.

So AUSMIN itself will be held on August 6th. And Foreign Minister Wong and the Australian deputy prime minister will have their own bilateral meetings ahead of time with their counterparts in Washington. Then they'll move the show to Annapolis, home, of course, of the U.S. Naval Academy, for the 2+2.

The deputy prime minister will stay on the next day and will be joining us here at CSIS for a conversation about the future of the U.S.-Australian alliance. That event will be broadcast live, and I encourage all of you on this call now to submit any questions you might have for Defense Minister Marles.

In foreign policy, they say the travel itineraries reflect agendas and priorities. You can see the truth of that in the travel schedules of the four principals. Lloyd Austin and Tony Blinken will have just returned from trips to the Indo-Pacific region, where they delivered some very big news in the upgrading of the U.S.-Japan alliance in Tokyo reflected in modernizing the command structure of the U.S. Forces in Japan, and the trip to Manila where the U.S. pledged \$500 million in new military funding to help modernize the Philippines military. Blinken will continue his travel with stops in Singapore and Mongolia. And of course, he met with Penny Wong in Tokyo as part of the Quad ministerial meeting and in Vientiane, Laos, for the ASEAN Regional Forum meetings.

The Australian contingent will also be coming to AUSMIN fresh off engagements across the Pacific. Richard Marles was just in Washington for NATO and then in London, and the foreign minister will come into Washington after travels to Tokyo, Seoul, and Vientiane. And she'll be heading to Tonga shortly thereafter for the Pacific Island(s) Forum leaders meeting.

The point here is that all four will have had multiple engagements with each other and with their counterparts in Northeast and Southeast Asia. And at a moment when things seem to be in flux – elections and changes of government across the region, increasing cooperation between authoritarian

actors, maturing relationships among democratic states across the region, and increasing pressure from China on display most clearly at Second Thomas Shoal in the Philippines but also around and in Taiwan – this will heighten the importance of their working together to provide more ballast to a region that continues to be destabilized by Beijing’s assertive activity.

Lloyd Austin consistently refers to the Australian-American relationship as, quote, “the unbreakable alliance.” It might be that, but it’s also increasingly a multifaceted alliance with an expansive agenda. The bilateral relationship is in remarkably strong shape and is building on Australian Prime Minister Anthony Albanese’s state visit to Washington last October. There, the leaders committed to expanding fields of cooperation broadening beyond the defense and economic areas, to include climate and clean energy. You can see that in the work on AUKUS; on climate change, clean energy, and critical minerals; and on the synchronization of diplomatic efforts with other capitals, be they in Tokyo, Manila, or Port Moresby.

A couple of things to look for in AUSMIN. First, given the deterioration of the security environment globally in Europe, the Middle East, and in the Indo-Pacific, both Australia and the United States will be eager to stress their concern and their cooperation. And I expect there will be much made of the challenges to regional and global stability. Again, following on the commitments made during the prime minister’s state visit to Washington, I would expect that many discussions at AUSMIN will be framed around implementing previous initiatives, including critical minerals, undersea cables, space, and cooperation in Southeast Asia and the Pacific Island region. Beyond that, I expect that most of the substantive announcements will be on defense initiatives, including on progress around force posture, testing of logistics including the pre-positioning of fuel and munitions, attention to capability development – where I’m sure Cynthia will expand on – and deepening cooperation with third parties. There will probably be a nod towards AUKUS, but I do not think that will get pride of place. For more on AUKUS, look towards engagement and possible announcements around its third anniversary in September.

Now, before handing it off to my colleagues, I’d like to emphasize how much work is now being undertaken across an increasingly broad array of areas. The alliance remains in remarkably strong shape and enjoys bipartisan support in both countries. When the four principals meet in Annapolis, they’ll have much to congratulate each other on. But while the affection is real and the history runs deep, the increasing cooperation we’ll see is in many respects not simply a reflection of shared values, but a reaction to a growing number of challenges and a shared sense that we’re playing catchup across a number of fronts.

In the year ahead, which will come with its fair share of political churn in both countries, there will be critical discussions on whether we have been able to grow our defense industrial bases quickly enough, whether we've figured out how to produce sufficient material for the energy transition and to keep our supply chain secure, and whether we've demonstrated that we can deliver what the region is demanding of us both. On all of these, I believe there's a clear direction of travel for the Australian-American relationship. The question increasingly is the speed of delivery.

With that, let me turn, in fact, to Sam and to my very talented colleagues.

Mr. Cestari: Thank you, Charlie.

Next we have Kathryn Paik, senior fellow with the CSIS Australia Chair. Kathryn, over to you.

Kathryn Paik: Thanks Sam. And thanks, Charlie, for that outline at the beginning.

You know, Charlie outlined some of the broad strokes of the relationship, and then the framing around the 2024 AUSMIN meeting. I'll take a few minutes just to drill down into the Pacific islands region, which is an area of keen focus for both Australia and the United States, and a topic that I expect will be discussed in detail next week.

You know, I agree with Charlie that this year's meeting is likely to be less focused on just a run sheet of deliverables and more likely to be talking frankly and openly with each other on regional and global developments. It will be very much about taking stock of progress thus far and having an honest exchange about where there remains work to be done. And on both these ledgers, progress made and work to be done, there's a lot to consider in the Pacific region.

So current status in the Pacific, you know, this has long been a strategic priority for the – for Australia. But U.S. commitment in the region has not always been as consistent. But over the last few years, we've seen a real positive trajectory of U.S. engagement in the Pacific, which has also been accompanied by a real shift in the way that the U.S. and Australia are cooperating in the region together.

The Solomon Island Security Agreement back in 2022 brought home for both countries that pushing back on China's campaign to gain a foothold in the Pacific would take a focused, coordinated effort by all likeminded partners in the region. Add to this the catastrophic threat climate change poses Pacific region, and it's clear that the challenges facing the Pacific are immense and more than any one partner can take on.

So this coalescence of two factors – the U.S. desire to ramp up engagement along with Australia’s push to have more U.S. involvement in the Pacific – has resulted in an absolute explosion of collaboration and initiatives across the Pacific islands. In addition, we’ve seen a real alignment in the efforts to bring in other likeminded partners beyond the usual suspects, such as New Zealand and Japan, but also others such as the EU, U.K., South Korea, India, Canada, just to name a few.

At AUSMIN last year, we saw U.S. and Australia making not just statements on the commitment to the Pacific islands region and the Pacific Islands Forum, PIF, as a regional institution, but also several specific focus areas, such as meeting critical MDA needs with increased Coast Guard deployments, cooperative action with the Pacific Islands to strengthen maritime law enforcement and rule of law. There was also a strong commitment to work through the informal coordination mechanism of Partners in the Blue Pacific to deliver on initiatives focused on climate action, humanitarian, warehousing, and cyber security. So I’d expect this year’s AUSMIN will be somewhat a check in on progress of these focus areas, as well as identifying new or continuing areas of concern.

On the topic of areas of concern, one country that is likely to make the talking points is going to be Solomon Islands. So the Solomon’s election earlier this year resulted in a change of prime minister from Sogavare to Manele, though not a change in party. And the government’s strong relationship with China has continued. Australia’s been really engaging fulsomely with the new prime minister, Prime Minister Manele, who has presented himself as a much more diplomatic and evenhanded statesman and his predecessor. Such when he visited Australia for his first overseas trip, but then followed that immediately with a trip to Beijing.

Despite these continued challenges, though, the U.S. has a real opportunity with the Solomons and the new prime minister there to re-engage. And Australia and the U.S. may discuss how the U.S. might strengthen its engagement on the ground there, especially with a new embassy in Honiara now up and running. Additionally, the U.S. and Australia are likely to review and perhaps double down on recent successes, such as the launch of the Pacific Connect, which is a partnership with Google that, with further international funding, could realize connectivity for some of the most far-flung islands in the Pacific. Or following through on newer announcements, such as the recent U.S.-Australia commitment to helping Pacific banking that was made back in early July.

Another potential area of conversation is Papua New Guinea. Earlier this year, Australia finalized its policing agreement with the country. And the U.S. is moving forward with its implementation of a DCA that was signed last year. Both the U.S. and Australia have an interest in ensuring that these

agreements are aligned and reinforcing in their efforts to bolster PNG law enforcement and defense capabilities.

One topic that is unlikely to make the readout but could be raised in private is New Caledonia, the French territory currently embroiled in protests against what many see as efforts by the French government to stifle progress towards independence. Given the pressure by the PIF and the Melanesian countries specifically to allow for another referendum on independence, this issue has put Australia, also a PIF member, in a sensitive position. Australia has yet to come out in support of the calls for a new referendum, in contrast to New Zealand.

Lastly, I should note that closely on the heels of AUSMIN we have the annual PIF Leaders Meeting in Tonga on the horizon in late August. Although the U.S. is not a PIF member, we are a dialog partner. And the PIF strives to build out its dialog partner architecture. And showing up sincerely – and showing up and sincerely engaging will be a critical piece to demonstrate a continued commitment to the region. Last year, we sent U.S. ambassador to the U.N. Linda Thomas-Greenfield. And I would expect that a senior representation will be heading out this year as well.

So overall, a ton potentially on the table to discuss with the Pacific. And with that, I'll turn it back to Sam. Thanks.

Mr. Cestari: Kathryn, thank you.

(Gives queuing instructions.)

After our next two speakers, we will turn to your questions and answer them as best as we can.

Our next speaker is Cynthia Cook, director of the CSIS Defense Industrial Initiatives Group and senior fellow with our International Security Program. Cynthia, the floor is yours.

Cynthia Cook: Thanks, Sam. And thanks, Kathryn and Charlie, for your remarks.

I would say that, reflecting on where we are, there is a really strong and positive amount of energy around defense industrial cooperation right now, both broadly in the U.S. and specifically on this bilateral partnership. It's really a topic that never goes away. Industrial cooperation connects to capability development, economic development, and jobs. What's different now is the growing understanding of the importance of industrial capacity and international partnerships as part of the allied strategic strength. The push towards U.S.-Australian collaboration gets support from every single

U.S. strategic document, from the National Security Strategy on down. All of these highlight the importance of allies and partners to the United States.

Now, we know that China's manufacturing base is the largest in the world. It's been argued that their industrial base is on a wartime footing. They're sending dual use material to Russia, which is using it in its own defense production to build capabilities that they're using against Ukraine. China is also working to own a variety of supply chains and have held key – withheld key supplies, like critical materials, to make a strategic point. The threat is real. The threat is recognized by senior leaders. And we just need continued attention to counter it. The U.S. undersecretary of defense for acquisition and sustainment has said that production is deterrence. And to counter China, we need to produce with our allies and partners. And that includes Australia.

The strong relationship means that there are some really important commitments already in place. Partnership structures, like AUKUS, which is a test bed for cooperation on advanced technology and will yield some interesting advances. Australia has its own sovereign guided weapons and explosive ordnance enterprise, which includes the Australian subsidiaries of U.S. companies, which is another form of collaboration. And these need to be continued. Furthermore, given the lengthy list of administrative, regulatory, legal, and cultural barriers that get in the way of collaboration, they should be used as test beds to see where the sticking points are to try to fix those. Every single time we collaborate, that's a way of learning more about the way forward.

So hopefully the leaders in AUSMIN will keep this focus on industrial cooperation. It's not – in my experience, it has not been as typical for senior leaders to be talking about this. It was not typical in the past, and there is a lot of focus on it now. So we're hoping – I am hoping to see a continued focus on this and some new announcements in terms of fixing challenges across the domain. We know that ITAR is being worked. Australia has updated its export control regime. The U.S. is working to do the same with ITAR. These challenges don't – these regulatory regimes don't stop cooperation, collaboration, they just slow it down. And we can't afford to – we can't afford those delays anymore.

Earlier this week, the Defense Innovation Board issued a new report called, "Optimizing Innovation Cooperation with Allies and Partners." And they highlight the risks of focusing on the support of regulations that reduce the risk of accidentally releasing classified information or allowing export to a – of protected technology to a partner. And say that the real risk is that on day one of a conflict we have failed to properly integrate and align with the nations that underpin our military strength. So I will close with that. Clearly we do need to do more. And working with Australia is a terrific way forward for the U.S.

Mr. Cestari: Perfect. Thank you, Cynthia.

And after our next speaker, we will turn to your questions.

(Gives queuing instructions.)

Our next speaker is Rory Medcalf, nonresident adjunct fellow with the CSIS Australia Chair. Rory, over to you.

Rory Medcalf: Look, thanks, Sam, and good to be on the call.

So to reinforce, I think, some of the views we've heard with a perspective from Down Under, from the – from the Australian side, look, I agree there will be a big focus this year on consolidation of the fairly rapid gains, intensification that the – that the alliance has had in recent years. There will still be momentum, but there's going to be a very clear eye now on the elections – on, obviously, the U.S. elections, but also, importantly, elections in this country. There's bipartisan support for the alliance, no question of that, but there are interesting questions about what the next Australian Parliament will look like and the possibility, for example, of a hung parliament and a minority government where independent parliamentarians and perhaps the Greens Party might seek to have some influence is an important consideration because, particularly with the Greens Party, the commitment to the alliance is weaker.

But going to the practicalities of the moment, I think there's no question that the alliance has made big gains in recent years. These are principals, leaders who are meeting with very strong political and leadership chemistry, and very shared strategic assessments of the risks that our interests and values face. I'm sure that in the closed-door conversations there will be a very – a very frank exchange of views on the China challenge, but more broad than that as well – so North Korea, the Russian aggression in Ukraine, the situation in the Middle East, the particularly subregions of the Indo-Pacific where China is making encroachments but we're pushing back together, particularly the South Pacific.

I think that looking to the – you know, the all-important joint statement that will come out of this, you know, I don't anticipate any spectacular new news, but there doesn't have to be. There needs to be indications of progress – whether it's on AUKUS, whether it's on the force posture initiatives bilaterally, whether it's also on the much broader security agenda that we saw, for example, in last year's communique or last year's joint statement and we are also seeing in the way that both the United States and Australia are working the web of Indo-Pacific partners – you know, Japan, South Korea, the Philippines, and others. I think for the sustainability of the alliance,

particularly with the younger generation of Australians, it is important that AUSMIN is not solely about military deterrence. And so a focus of what both countries can do to build the resilience of the Indo-Pacific in development, in governance, in particularly helping partner countries in the South Pacific and Southeast Asia including with technology and the energy transition, all of that will be important. And there will be a weather eye on what the future holds, including if there's, you know, potentially a change of government in either country or both.

I'll pause there.

Mr. Cestari: Perfect. Thank you, Rory. I really appreciate it. And thank you to all of our speakers for sharing your thoughts here today.

So why don't we open it up for questions now? I'll turn it over to our operator, Don, to open up the line. Don, why don't we go ahead with our first question.

Operator: OK.

(Gives queuing instructions.)

First, we're going to the line for David Brunnstrom. Please go ahead.

Q: Yeah. Hi, everybody. Thank you very much for doing this.

I was wondering if you could talk a little bit – you mentioned just at the end there it will be important to see indications of progress in areas of particularly AUKUS. Can I ask what sort of indicators and progress you will be looking for? How are things going? So I'm trying to get my head around what happens next, and I think we've got a deadline coming up for defense trade exemptions. But I think, Charles, you mentioned there could be announcements in September, and I'm wondering why – I mean, OK, there's an anniversary – what sort of announcements we might expect then.

And also, there was an article – well, actually, an editorial in The London Times a few days ago which was suggesting that AUKUS could come up for review as part of the U.K. Defence Review, and I was wondering if that causes any sort of or might cause any sort of worries and could be a subject for discussion. Many thanks.

Dr. Edel: All right. Sam, I'll –

Mr. Cestari: Charlie, would you like to take that? OK. Yeah, go right ahead.

Dr. Edel:

Yeah. I'll kick off, and then, you know, happy to have Rory or anyone else jump in on this, too – although, David, shame on you because you've just asked four questions, so I'll do my best to kind of sort through them here. (Laughs.)

So, first, I think AUKUS needs to continue to show progress, both so that we can see that we're making progress towards the strategic objectives but also incremental gains on the ground. Look, there are a couple of things that I would look at.

So, one, some of these are very unsexy announcements, but they are indeed progress. So I would look to where the State Department ends up landing on kind of export-control reforms. It's slated to kind of come in mid-August; my guess is it will be pushed back until beginning of September to see if we do have a new regime on that front.

I would look very carefully at things that head into and around Perth, Australia, at the same time. It's long been rumored that we want to see progress towards maintenance of an SSN in Australia with a submarine tender. So I would look for that at some point soon.

But I think the thing that is right in front of us, perhaps more important than anything else of the big goals, is making sure that we can make steady progress on Pillar 1, at least, towards actually pulling it off, in particular the buildout of SRF-West – that is, Submarine Rotational Forces-West – out of west coast of Australia. That has to come online. The buildout of the infrastructure both on base but also out into the community to support was going to be a very different presence by both the U.S. military but also to civilians who help support and maintain the submarines that are there. That submarine rotational presence should be coming online by 2027. They need to show progress towards the buildout of that infrastructure.

So I would be looking for all of those. There's always a rumor that there will be more announcements particularly in the Pillar 2 bucket, so there might indeed be some in early September but I'm waiting to see what those are.

And, finally, to your question on what to make of the new government in London, and especially with regards to the call that it has made for a Defence Strategic Review to review both spending priorities and objectives, that is, I would say, perfectly natural for a – for a new government to do. It's what the Australian government did when Labor won two years ago. It's what any new administration would do, in Washington as well. This makes eminent sense. It does not strike me that AUKUS is under threat in London. But also, you now have a Labour government who has not – who has not had to make positive movements forward on defense budget, nor on AUKUS. So the meeting of defense ministers, whenever that happens – and I suspect it will happen

sometime soon – strikes me as a real opportunity to both showcase the progress that AUKUS has made, but also to put the argument to Labour about why this is in their strategic interest.

A final point here I would just note is that while in opposition, the British Labour Party made statements of broad support both for AUKUS and for the U.K.'s continued presence in the Indo-Pacific. I don't expect that will change now that they're in power, but the way that that manifests itself, I think, will take a little while to unfold.

Over.

Mr. Medcalf: Look, I might just jump in, Charlie, if you don't mind. I'll just add an Australian perspective on – firstly, on that U.K. dimension. I think it's fair to say that there is a high level of confidence and comfort in Australia with the position that the new Starmer Labour government in London will be taking on AUKUS. Already at a ministerial level there's a sense that the key players get it, and have got it for some years. They understand that even if the United Kingdom can't realistically sustain a large strategic presence of its own in the Indo-Pacific, AUKUS is in its interests – is in British interests, including for shared capability.

And just as an interesting aside to that, if we were, for example, to face a future where, let's say, there's a – you know, there's a Trump administration in the United States, and you have a Labor government in Australia and Labour government in Britain, it makes very good sense for those very pragmatic Labor governments to work as closely together as possible on ensuring that the politics doesn't get in the way of AUKUS.

Just on that other point about, if you like, putting facts in the water and ensuring that AUKUS momentum is sustained materially, I echo Charlie's point about a U.S. submarine maintenance, SSN maintenance, occurring in western Australia sooner rather than later. And in fact, there have already been a significant number – I think, 37 – Australian Navy personnel who've been training, embedded with U.S. submarine tenders since the start of the year, in preparation for that. And it's an open secret in the Australian media that there will be a maintenance activity on an American SSN at the Australian base, HMAS Stirling, before the end of the year. So that's a very tangible signal, as is the fact that there are Australian submariners already studying, already completing courses in the U.S. nuclear Navy training system.

Mr. Cestari: Thank you, Rory.

Kathryn or Cynthia, anything you'd like to add there?

Dr. Cook: I would highlight – this is Cynthia. I would highlight, in terms of sustainment, that there was, in fact, a recent AUSMIN Defense Advanced Capability Committee meeting in D.C. in June. And the Regional Sustainment Framework was one of the topics that came up there. This is a new strategy by the U.S. to expand the number of countries it is doing sustainment with, to ensure that these capabilities are available, you know, in a contested environment. So one of the things that might happen is the announcement of a specific project for the – or, a particular partnership project between the U.S. and Australia in support of the RSF. And it might be the submarine one.

Mr. Cestari: Thank you, Cynthia.

And so at this time, I'll give one extra moment if anyone would like to join the queue.

(Gives queuing instructions.)

Right now, it doesn't seem we have anyone in the queue. So I guess we have covered everything. So that seems to be all of our questions right now. I want to thank all of our speakers and participants for joining us for this timely call. Please feel free to reach out for anything we can do to help you resource looking ahead to the AUSMIN consultations. And we're here to help, so don't hesitate to reach out. As mentioned at the top of the call, we will have a transcript distributed to all of you and it will be available on CSIS.org. So with that, I hope everybody has a good rest of your day. And thanks for joining us.

(END.)