Center for Strategic and International Studies

TRANSCRIPT

Event

"A Conversation with Australian Deputy Prime Minister and Minister for Defence Richard Marles"

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FEATURING

Hon. Richard Marles MP

Deputy Prime Minister and Minister for Defence, Government of Australia

CSIS EXPERTS

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John J. Hamre: OK, folks, could – (claps hands) – let me ask everybody to find a seat, and we have this – we have this wonderful opportunity today. Good morning. My name is John Hamre. I'm the president at CSIS.

And it's a real joy to welcome Deputy Prime Minister Marles here. This is – he's a frequent visitor at CSIS, and I feel very grateful for that, and we're delighted that he is here. And he's brought quite a distinguished group of rebels and renegades with him. (Laughter.) I mean, I look down here and I see brother Moriarty and I know there's trouble. (Laughter.) But you know, seriously, we're really delighted to have all of you here, and it's going to be a very good session.

You know, when I came to CSIS – this was 2000 – you had a new ambassador that came, and that was Michael Thawley. And Michael came to see me one day, and he said, you know, I just don't think Americans understand the emerging power dynamics in Asia. And he said I want to do a conference with you so that we can start opening up this idea. And that was the start of a very interesting conversation.

And if you think about these last 20 years, it's really – it's been remarkable. You know, the Quad started in 2007, kind of sputtering for a while. You know, it took a little bit for it to get really structured. President Obama, in 2012, gave his famous pivot-to-Asia speech. Now, a lot of people were critical of that because there wasn't much of a pivot, but it was the first time ever in American history when we said Asia was our first priority. And that was a starting point.

And then, of course, we had AUKUS, this most recent development. I mean, it's a profound transition in our relationship with each other. And we're great beneficiaries of this. And Richard Marles has been one of the architects in Australia to make all of this happen. So, we're very fortunate.

He's here for the AUSMIN. And I suspect that Charlie will wheedle some things out of him in his questions. And we're all looking forward to hearing that.

But just for CSIS, you know, in the Northwest, Pacific Northwest, the native tribes have something that's called a talking stick. And it's the chief's authority, you know, to command the tribes. And he will share the talking stick sometimes to others to give them courage to speak. So, I want to present a talking stick to the deputy prime minister.

Please come up here. (Laughter, applause.)

Charlie.

Minister Richard Marles: That's beautiful.

Dr. Hamre: Great fun. Anyway –

Min. Marles: Thank you very much.

Dr. Hamre: We'll make sure that you get it on the way out. (Laughter.)

Min. Marles: Very good.

Dr. Hamre: Charlie, take it away.

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

I think the assumption is that you don't need the talking stick to actually do the talking part of this.

Min. Marles: What's interesting is that it's – the idea of a talking stick you can find around the world. Samoa has a notion of exactly that, a notion of the talking stick. So, I have the Samoan talking stick in my office. So, there you go.

Dr. Edel: I'm Charles Edel. I'm the Australia chair here at CSIS. I'm thrilled to welcome you all to join us for a very timely, very important conversation about the state of and the future trajectory of the U.S.-Australian alliance.

I'm absolutely thrilled to welcome the Deputy Prime Minister and Defence Minister Richard Marles here to the stage for a return trip, I should say, to the States to talk with us here at CSIS. He is fresh off of the 2+2, the ministerial 2+2, AUSMIN, held yesterday in Annapolis, where, without a doubt, your counterpart, Secretary of Defense Lloyd Austin, called our alliance the unbreakable alliance, as he is wont to do.

For those of you who might have been glued to the television over the last two weeks and watching the Olympics in Paris and watching what's played out in the pool, we'll also call this the unquenchable rivalry that now that we're done – Ariarne Titmus won her races; Katie Ledecky won her races – now, thank goodness, you've gotten us back on track on the unbreakable alliance.

Look, thank you so much, everyone who's here in the room, distinguished guests, for joining us; for those of you too who have tuned in online. We're going to chat for a little while. We have a whole bunch

of questions. Then we'll open it up to everyone else. For those of you who are watching online, please just visit the webpage and you can put your questions directly to us.

Now, as Dr. Hamre said, as you alluded to, this is a conversation, but in some ways it's the continuation of a conversation that we had just over two years ago, because shortly after Labor had won the election, you came to the United States. You came to CSIS. You gave a landmark speech setting out goals and priorities and ambitions for how we should think about the alliance.

That was then. This is now. That was the signposting that you gave for where the government might take things, particularly on the defense front. But a lot has happened since then. Simply on strategic documentation, you had the independent Defence Strategic Review which scoped out how Australia might reorient its strategy. You had the government's National Defence Strategy this year, which articulated how the government would go about it. And you had the industrial – I get this wrong each time – the integrated –

Min. Marles: Investment Program.

Dr. Edel: Thank you very much – the Integrated Investment Program, which laid out and articulated the priorities and the funding structures to this.

We've had two years of crazy developments in the world which has really fundamentally changed how both of our countries think about our assumptions, our strategic settings, and what we're going to be doing together.

So, with that very long-winded preface let me ask you not to start with AUSMIN, although we'll get there, but to reflect for a little bit. Two years into the job you held the job in opposition beforehand.

Can you give us a setting of where the alliance is right now? How we have gone after the defense portfolio on our own and together?

Min. Marles: Yeah. Well, thank you, Charles, and thank you very much for having me here at CSIS. It's – you know, we hold this organization in great esteem and so it really is an honor for me to be here today.

I think – I mean, in your opening you reflected upon the fact that we are really living in a moment in history which we all feel is deeply consequential. I think that's one of the – perhaps, the starting point.

I think in coming to office two years ago all of us felt that we were

governing at a moment in time which was really going to matter.

Maybe everyone feels that but it does – it feels like a particularly consequential moment where our strategic circumstances are deeply complex and since then, you know, we've seen a whole lot of, obviously, what's played out in the Middle East.

Ukraine happened just before we came to power but it's been playing out over the last couple of years, and those things place the international rules-based order under pressure in other parts of the world but we feel it very much in the Indo-Pacific as well.

And so, you know, what we have sought to do in coming to office is foundational thinking about what is the precise strategic problem that we are seeking to address and what kind of a defense force do we need to address it, and I think that is foundational thinking which probably hadn't happened for a number of decades which needed to happen in this moment.

And in terms of the alliance, obviously, as we are going through that process of really rethinking, you know, what our challenges are and where we're at, you know, that inevitably involves a rethinking of our – of the alliance as well.

Now, I mean, one of the points to make is that in doing that the alliance is as central, is as important as it has ever been and, you know, it has always been deeply important. It is hard, I think, to talk about absolutes when you're describing the alliance because we've been through so much together as two countries that if you start talking about this is the biggest moment or the most significant, there's been a lot of significant and big moments.

I wonder, though, whether it is possible to make out an argument that right now we have more of a strategic partnership than we've ever had before. That's a big call. But if you go back to the Second World War, obviously, there was a huge American presence in Australia, but the strategic direction of that war was really being run by the U.S. You wouldn't have described it as a partnership as such.

Right now, it really genuinely does feel like a partnership, at least in terms of the Indo-Pacific, you know, in terms of the force posture that is occurring, of the U.S. forces in Australia, perhaps more significantly the network of relationships that we are building throughout the Indo-Pacific.

So, you know, we look at an emerging trilateral between ourselves and

Japan. In April we stood up in Honolulu with defense ministers of Japan, U.S., Australia, and the Philippines. You know, all of that work in terms of building that lattice of relationships does feel like a partnership between ourselves and the United States in terms of how to go about that.

And then when you think about force posture, and AUKUS is very central to that in terms of the Submarine Rotational Force West, which is just a couple of years away, I mean, again, during the Second World War there are a million Americans who are in Australia but the breadth of the force posture, I mean, across every domain including space and cyber, the complexity of what we're doing, you can make an argument that that is as significant as we have ever had it.

So, you know, in a number of really key areas I think it is possible to start describing the alliance as really being at a high water mark and given our history that's a big thing to say.

Dr. Edel: So, you've sketched really nicely, I think, for everyone here the real progress that we've seen that's being made. Your job is not only to celebrate, but also to worry about, as we were just talking about upstairs. When you think about areas that we're not moving as fast as we need to, what comes top of mind to you?

Min. Marles: Well, I mean, there are – there are huge challenges. I'm not sure we could move faster, but the challenge is still there, if I – if I could put it that way.

So, I mean, when we think about – I mean, really, when you – when you think about AUKUS in terms of Pillar 1 and acquiring the nuclear-powered submarine capability from the United States and the United Kingdom, I mean, this is – this is a big horse that we're getting on here. You know, like, it's – I mean, this has only been done once, which is when the U.S. provided this technology to the U.K. Seen through the lens of – from an Australian perspective, this really is the biggest leap in our military technology, I don't know, maybe since the creation of the navy in 1913. But I mean, being one of seven countries to operate this capability – which is what we will be – I mean, we've never existed in such an elite group with a capability of this kind before. So, the sheer challenge of that is enormous.

I mean, when we build nuclear-powered submarines in Adelaide, that will be the highest-tech, most complex production line in Australia, but it will be one of, if not – you know, along with what happens at Huntington, Electric Boat, and BAE at Barrow in the U.K., you know, this will be a sophisticated production line in respect of anything that exists

anywhere in the world. And we're trying to make that happen in Australia. It's just a massive challenge.

And I think sometimes it's – you know, the size of it is not properly understood. You asked me outside what keeps me awake at night. There's a whole lot of challenges around that that keep me awake at night. People, you know, finding the humans to do this with the – like, meaning submariners, but the people with the trade skills to build, to sustain submarines, I think – I think that human equation is probably the thing which is the biggest challenge.

Now, I mean, I think we're on track, but, like, this is a, you know, full kind of acceleration which is going to be – the foot's going to have to be on the pedal the whole way through for this to occur. And I don't think we will – you know, this is going to happen, right, but it's going to happen because we will be constantly meeting a challenge every day between now and when that – when the Rotational Force establishes in a few years' time, when we get our first Virginia in the early 2030s, when the first submarines rolls off the production line in the early 2040s. It's going to be a challenge the whole way through.

Dr. Edel: I want to turn from kind of broad generalizations of things that keep you up – we did talk about AUKUS – but get a little more specific about your itinerary over the last day or two. So, you just came from Annapolis. You were up in Newport even before then. But at AUSMIN, this year's 2+2, we can read the fact sheet. There is much more there than there has been in the past. But I'm hoping you might give us a bit of a readout about not only key deliverables if you want, but really, what was the tone that emerged from this? Because this is the third time that you've all met –

Min. Marles: Correct, yeah.

Dr. Edel: – together, which is quite unusual.

Min. Marles: Yeah, exactly, and I think that's the first thing I'd point out.

So, this is the 34th AUSMIN, but the third that we as a quartet have done together, and I think that is quite unusual to get the same four people around the table three years running. So, we all know each other well now. Like, we've – I mean, I – well, I've said this a few times. My international counterpart with whom I have spent the most time is Lloyd Austin, of all the defense ministers in the world. And at one level that might seem obvious given it's our alliance partner, but at another level there's probably 20 defense ministers around the world who would make that same observation about Lloyd Austin. That's a hell of

an achievement for Lloyd Austin to be as accessible as that to some – you know, to Australia but, you know, other countries. So, you know, we've – you know, I know Lloyd well. I've got to know Tony Blinken well. Penny, similarly, sees Tony Blinken at a lot of forums around the world. So, I think the starting point here is good chemistry, high degree of trust at a personal level, which of course sits on deep institutional trust that exists between our two countries.

What, you know, one might ask, I mean, we often talk about the alliance as being bigger than individuals, doesn't matter which party's in power in Washington or Canberra, and that's all true. So, when you do get good personal alignment, does that matter? I think what that – I think the opportunity that that affords is an ability to accelerate, you know. So, we have been able to just move really quickly. And I think forcewide – I mean, force posture is a – is a good example of that. So, I mean, it gets into the weeds a bit here, but we – I mean, at the heart of force posture on this day would be the Marine rotation in Darwin, but that's continuing to grow. In a couple years' time we'll have the Submarine Rotational Force in Perth, and we're all familiar with that. But you know, U.S. Army watercraft are now doing ongoing rotations into Australia. We are seeing U.S. bombers doing ongoing rotations into Australia.

We are seeing the U.S. establish a logistics base or – I guess we call it that – at Bandiana, which is near Albury. You know, that – I mean, people – I think – I think it was – (inaudible) – said this to me, that – I'm sure he borrowed it from somewhere else – that, you know, amateurs talk about guns; professionals talk about logistics. The logistics base at Bandiana greatly enhances the way in which America can operate on the Australian continent. Space, cyber, you know, you name it, the breadth of what we're doing is really significant.

An important point to make in the context of that is that side by side with the growth of our force posture we have had a conversation around, you know, Australia's sovereignty in this context, around full knowledge and concurrence. You know, that architecture has been expanded beyond – it's a regional incarnation which was really intelligence and Pine Gap to now cover all of our – all of the U.S. force posture initiatives. It means that it's a much more precisely fleshed-out understanding between our two nations about the terms on which, well, America – but actually, not just America – any country would operate from Australia. That's a very good thing from an Australian point of view, but I think it becomes a very clear kind of – well, it's part of a license, actually, which allows this to grow. All of that is happening at a pace.

The relationships, as I mentioned before, that we are building within

the region, all of that, I mean, is – that, I think, is unprecedented. Like, you know, I would – you could say – if you looked – if you kind of did a graph of the closeness of the bilateral relationship, including defense, that Australia has with, say, Korea, Japan, Philippines, Indonesia, Singapore, India – we've missed some – Vietnam, I think, all of those would be at a high point. Like, it's genuinely amazing. But the relationship with America and America's engagement in East Asia is a fundamental enabler of that. And so, you know, all of those things became a central part of what we were talking about yesterday

Dr. Edel: I'd like to key in for a second about those discussions that you've had around force posture, because the agreements at the government level, supremely important because that sets what we're able to do; but I'm curious for you to comment on the political atmosphere around those, about whether or not there's been sufficient political groundwork laid in Australia for an expanded U.S. presence.

Sometimes when I visit I find friends somewhat surprised by the scale at which we are growing the American footprint there. And I'm curious if we look in Western Australia, if we look in the north, if we look at the whole range and suite of things that we're talking about, your assessment of whether or not there's been enough political spadework to lay the groundwork for that conversation.

Min. Marles: Well, it's, again, a really good question, Charles. And you know, there – I see Peter Hartcher in the room. He will be a more independent judge of this than me, obviously. But I would say yes is the answer to that question.

The answer to that question exists on a number of levels.

So, firstly, at the kind of highest level, there is deep support, ongoing support in the Australian community for the alliance with the United States. I mean, it really is a – it is – it's the cornerstone of our national security. It's the cornerstone of our foreign policy. But as a cornerstone, I would say it is deeply understood and supported by the Australian community, so at that level. That doesn't specifically go to force posture, but it is a platform.

I think, then, you know, in terms of, you know, getting the pieces right to enable this, as I say, we – I did a statement to Parliament which sought to update and articulate how we saw Australian sovereignty in the context of a greater American footprint in our nation. You know, a fulsome statement about Australian sovereignty in that context hasn't really been made before. I mean, we've had statements in Parliament around the particular – (inaudible) – arrangements in respect to Pine

Gap, but this was a much broader statement which encapsulated that but went beyond that to look at
sovereignty. So, I think that work, as I say, I reckon is a key licensor of this. And then I think you get to, you know, a much more micro level, which is the nuts and bolts of how this operates.

Now, you know, the one that's operating at scale right now is the Marine rotation in Darwin. Actually, I think the critical arbiter there is the Northern Territory government. How do they feel about it? And the answer to that question is they love it. I mean, the – I think the Marines are wonderful ambassadors for the United States in Australia. I genuinely mean that. And the Northern Territory – I mean, it's part of the character of Darwin there; I mean, not all of it, obviously, but it kind of is part of the signature of Darwin today. This rotation happens. And those in Darwin love that presence. They're proud of it. I mean, it obviously provides economic opportunity. But it's – so that is a very – it's been a very good community fit.

Now, how the submarine rotational force will work in Perth needs to be developed on its own terms. Clearly the West Australian government is going to be a key stakeholder in that. You know, it's a different setting and it's a different cohort. You know, we're going to need to do more in relation to things like housing. So, there's a whole range of issues that have to be worked through.

In order for us to say that that groundwork has been done will require us to meet all of those specific challenges, you know, around housing infrastructure, around HMAS Stirling, all that – all that kind of stuff. But I think we've got – we can approach that with a sense of optimism. And certainly the West Australian government is really looking forward to this as a great opportunity for the state.

So, there's – you know, it's not – it's not kind of being sanguine about it; the work needs to be done. But there is, I think, a genuine sense of positivity about what this will mean.

Dr. Edel: You know, this is the riff on Tip O'Neill, that all geopolitics is local, as you've laid out now.

Min. Marles: Well – well, I mean, getting that local – well, we've seen examples around the world where you get it wrong, and that's – you know, that becomes a real problem. I think it's being – I think how it has worked in Darwin is kind of best in show, like it is – I mean, you talk to the Marines. They love the experience of being in Australia. But you genuinely speak to people in Darwin. They love the presence of the Marines in their city. They really do. And so I think we've got a – it is a

slightly – so we've got to take it each on its own terms, but it does give us, I think, a sense of confidence that we can get this right in Perth.

Dr. Edel: Staying on the topic of expectations, you were talking about local communities' expectations. But I'd be very curious – you just met, as you said, with Lloyd Austin for the 16th or the 17th time. You've met with him a lot is the point here. I'd be curious how you read what you think the American expectation is of and for Australia in a more contested regional environment, maybe even potentially, God forbid, in a contingency.

And let me actually let you off the hook a little bit and ask that question in reverse as well. What is the Australian expectation of the United States in a much more contested regional environment?

Min. Marles: Well, that – thank you.

Dr. Edel: But you do have to come back to the first one, too. (Laughs.)

Min. Marles: I will, but it's an easier entree.

We want American leadership, and we've had American leadership. I mean, look, American leadership in the world deeply matters. The promotion of democratic values, obviously of the rules-based order, of human rights, actually, I think, is founded in so many ways on American leadership in the world. The postwar architecture begins here with an American participation in that war, which obviously brought about the victory in that war.

You know, as we watch a debate play out in America over the journey between, you know, spectrum of isolationism, on one hand, and American exceptionalism, on the other, I think for a country like Australia we've actually got a stake in that game. You know, we want America to be down the exceptional end. That's how we want America to see itself.

And actually, I would – you know, as a non-American but kind of an enthusiast of American history, I actually think that while some will say there is this healthy streak for American isolationism in the American polity, I actually think it's the exception, not the rule. I think the rule has been American exceptionalism. Really, you know, from kind of the post-Civil War era, the Gilded Age, where you see the American economy starting to play a significant part in the world, American leadership has been really central to how the world has operated and has been critically important.

So, what's our – we want that to continue. That – and it is the rules-based order which, you know, evolved out of the Second World War, which was about trying to see that countries would resolve issues not by might and power but by reference to a set of rules, is an idea which fundamentally enfranchises middle powers like Australia, because the alternative is kind of a world of empires and big powers. And I think we are seeing, you know, Russia trying to recreate that a little bit in terms of what's going on Ukraine. That is a world in which a country like Australia does not have empowerment.

So, America – American leadership in support of a rules-based order is profoundly important. And that's what we – you know, that's the thing that we want to see. And, you know, I think over the last few years we've seen it in spades. I mean, it's been – I just – we made this point a lot yesterday that for us in the Indo-Pacific, you know, there's been stuff going on in Ukraine, stuff going on in the Middle East, and yet America has very much maintained its presence and its focus on the Indo-Pacific. And we're deeply grateful for that.

Concerning what's the expectation on us, well, I think, you know, we seek to be partners in that. I mean, you know, I think we have regional partners in the sense of being in the Indo-Pacific, but an important regional power in that context. But, you know, we are for – we are for that rules-based order, empowered by American leadership. You know, that's where we stand. And playing a part in that is, I think, our role.

I don't like the construct of expectation, because, you know, you used the word partnership before. It does genuinely feel like a partnership in the way in which we engage with the U.S. And I've long felt that. You know, I mean, in areas like the Pacific Islands, for example, much more often Americans have been seeking our views, my views, about that than seeking to come and impose a set of views. So, it is a partnership here, but it is a partnership to that end

Dr. Edel: I'm going to do something very unfair. I'm going to quote your own words back to you.

Min. Marles: Oh, gosh.

Dr. Edel: So, when you were here last time, you started with the strategic scoping –

Min. Marles: Yeah.

Dr. Edel: – of how you read the security environment. And you said here at CSIS two years ago, "China is engaging in the biggest military buildup that we've seen since the end of the Second World War. It's massive. It is

completely changing the strategic circumstance of the Indo-Pacific, and I think beyond that, the world."

That was then. This is now. I would hope that you can maybe provide us an update on how the security environment has evolved and if you think the threat of conflict has grown much closer to us than it was two years ago.

Min. Marles: Well, I'm comforted by the fact that the words that you've quoted back I feel very comfortable with. (Laughs.)

Dr. Edel: Good.

Min. Marles: That's not always been the case –

Dr. Edel: It shouldn't – it shouldn't be a hard question. (Laughter.)

Min. Marles: You get into a cold sweat and start thinking, oh, no, what am I saying? (Laughter.) No, no, that – I'm very comfortable with those set of words now. I mean, I think, you know, perhaps a bit of a clarification is that it is the biggest conventional military buildup. Obviously, we saw a nuclear buildup during the Cold War, which was different. But sub-nuclear, this is the biggest buildup. And everything that – the point I made then still holds, as – that doesn't happen for no reason. And China is seeking to shape the world around it in a way that it, you know, wasn't doing 15 years ago, say.

And so, all of those – well, that presents challenge for a country like Australia, which is deeply dependent on the rules-based order because, you know, we trade, as an example, as a growing proportion of our national prosperity. There's a physical manifestation of that trade, the state lines of communication. Freedom of navigation is kind of everything for us. You know, in a world where that rule isn't properly understood or that rule isn't applied, that changes our national security settings, but it generally changes our business model.

You know, so we – you know, those things matter and that is seeking to be reshaped. You know, I think the way to answer that question is that we live in an unpredictable and uncertain world, and we live in a very complex world, and the world that actually is observed in our National Defense Strategy over the last two years that world has become more complex.

I mean, the Middle East is an example of that. The fact that we – you know, we ask – we're still two years into the conflict in Ukraine and we haven't seen resolution and, obviously, there's very much a glass half

full in respect of that.

I mean, people imagine that the resolution in Ukraine was that Ukraine wouldn't exist and, yet here we are two and a half years down the track and, you know, what Ukraine has done is completely inspiring.

That said, you know, how this resolves remains very uncertain. So, you know, I think the fundamental point I was making then is still in play today. But if anything, you know, the world is more complex.

Dr. Edel: A final question from me, after which I'd like to go to the audience. So, get your questions ready. Otherwise, the deputy prime minister will have to keep going back and forth with his own previous quotes with that. (Laughter.)

You talked a lot about what Australia is doing, how Australia is thinking about its engagement and its own sense of agency. This is not a conversation just about your engagement with your U.S. counterparts, but you are traveling frequently around the region, into the Pacific, up into Southeast Asia, over to New Zealand.

When I travel around those areas sometimes, I hear something that says, wow, look what Australia has done. The next sentence is, but we can't quite afford to do that ourselves.

Min. Marles: Yeah.

Dr. Edel: And I guess my question is to other middle-sized countries and smaller countries what are the lessons that they can take from Australia's experience? What is the agency that you think makes sense for them to exert on their own in this environment that you've sketched where coercive diplomacy, coercive statecraft, is becoming ever more real for them.

Min. Marles: Yeah. I mean, one of the things that becomes very pressing or front of mind when you are sitting in this chair is winning funding for what you – you know, you propose to do. It is – every commentator out there will tell you that you've – you know, you haven't got enough money.

But winning public money for defense is just a fundamentally hard thing to do and the one thing is that when you meet other defense ministers, we all share that conversation. So, the kind of commentary which says it should be so much more just misses the – I mean, the obvious contests around pressing needs that government has in every – health, education, housing, all of those things – you're competing with all of that.

So, we get no one – you will not find a more sympathetic person to the fact of money not being spent, in a sense, than another defense minister because we all get what it is to sit around that table and try and get that money.

You know, we are greatly increasing our defense spending. I mean, taking it from 2 (billion dollars) to 2.3 (billion dollars), 2.4 (billion dollars) over the next decade is as big a peacetime growth in our defense budget as we will have seen and, certainly, you know, even in the near term over the next four years the money that is in the forward estimates is the biggest increase over that period that we've seen in decades.

So, we are making that decision. But we get that these are hard calls for others to make. I think, you know, even – there is what you – there is the amount that you spend and that definitely matters. There is the quality of the spend, which much – has much less focus on it, and the quality of the spend I actually think is fundamentally underpinned by getting your thinking right as to what capability you want to have.

Again, you know, there's a lot of presumptions around we need this number of vehicles, this number of planes – you know, this number of ships. You know, work done on what is it that we're trying to do, what is the problem that we are trying to solve here, you know, gets you a long way down the path of saying, well, then if this is really what we're trying to do we probably don't need that and we need more of this. And that doesn't necessarily then involve extra money but it does involve a reprioritization. Big decisions, hard decisions. But you can – you know, getting the quality of the spend is really important.

And then a final point I'd make is the effect of being able to work together to build relationships has its own power and I'd come back to that point before. You know, the lattice of relationships that we've got with the countries in the region is as tight as it has ever been.

I mean, it is a genuine blossoming of relationships and that – you know, whatever people are spending that we are doing things together creates its own safety and its own security. So, we can all – you know, we should be thinking about how we do that.

Dr. Edel: Terrific.

I'd like to go out to the audience, if I might. I might bundle a question or two for you so you can choose your own adventure.

First question right here. Wait for the microphone, please, and identify yourself. Right here, sir.

Q: Hi. I'm Michael Gordon, Wall Street Journal. I got a cold.

It seems essential that the issue of U.S. export controls be resolved and that it be formally established that the Australia and U.K. and U.S. regimes are comparable.

Can you explain, please, why that is in concrete terms how such a step would advance the alliance, what Australia has done to facilitate this, and what your expectations are on this front in terms of removing that roadblock towards a true partnership?

Dr. Edel: I'm going to pull in a second question, as if that wasn't complicated enough, with three different parts to this.

I also note that Demetri Sevastopulo from the Financial Times has sent us a question regarding what – here it is. What could Australia do to help Taiwan enhance its own defense industrial base? So, export controls, why they're important, why it's important that we sync them, what Australia is doing, and assistance to Taiwan's defense industrial base.

Min. Marles: Well, perhaps to do the second of those questions first, I mean, there's a lot of countries that are working closely with Taiwan in terms of providing defense materiel.

You know, Australia is not one of the larger countries in that sense. We – I mean, in some ways I actually think the most significant way of answering that question in terms of how our economies operate, and we do have a significant economic relationship with Taiwan. You know, we are the biggest supplier of energy to Taiwan and, really, you know, that is the single most significant equity we have in place in terms of contributing to Taiwan's resilience.

I think – I'm not going to go into the, you know, more detail about that but – in terms of other economic interactions but that's really, I think, the fundamental thing.

In terms of defense export control, so it is understandable why countries have defense export control regimes. Like, it's healthy. It prevents proliferation, but from a country's national interest point of view it ensures that sensitive technologies are kept secure.

That's why countries do it. We do it, America does it, and America has

more things to secure, to put – than any – well, certainly, than we do or even Britain. So, it's understandable and we totally understand why there would be a robust defense export control regime in the United States.

But to then consider what we're doing with AUKUS pillar one, which is acquiring a nuclear-powered submarine capability which, yes, it is a single machine, but it is the most complex machine humanity has ever built – you know, literally thousands of systems on board.

You know, the kind of number of patented technologies which exist on a single submarine immense. If all of that technology is subject to the existing defense export control regime, that there is no kind of combined ecosystem – if I could put it that way – between our two countries, then the bureaucracy involved in the passage of that technology to Australia is going to be immense and will inevitably slow this down, and represents, you know, a threat to it being achievable.

So why we need to break this down and to have a common environment between Australia and the United States and Great Britain is to enable that technology transfer to occur. Now, that's for the benefit of Australia, but you know, there is Australian tech which we're doing as well. You know, we are a high-tech country and we can make a contribution here as well. And so there is – there is an upside for America in being able to access the technology that we're doing.

And we're not saying that, you know, we're at the same level as the United States; obviously, we're not. But there are some significant technologies which do come out of Australia which America is keen to use, and so there is a benefit – a commensurate benefit there for the United States as well. To really see AUKUS kind of be what we hope it to be, you know, getting this right is foundational. But the point – but you know, so that's why.

When are we going to see it? Well, I think we are seeing it. You know, the legislation that went through the Congress last year is – you know, it's like – it's a generational dream from an Australian point of view that we would have seen the legislation in the form that it now is. I mean, we – there's long been conversations about, yes, we all agree in principle we should do this; how it was going to happen was always unclear. It's happening. Like, that legislation passed and complementary legislation passed through the Australian Parliament as well. Now, there's – you know, there's always many levels to this. We get down to the excluded technologies list, and you know, we're working with the United States in respect of that as well. I suspect this is going to be something which kind of evolves over time. But the big step has been taken. And so, we

now look with a real sense of confidence about developing that ecosystem, which will allow AUKUS to happen.

Dr. Edel: Great.

Let me go back to the audience. Ambassador, please wait for the microphone, identify yourself, and ask your question.

Q: Alexander Yui. I'm Taiwan's representative to the United States. Since we brought up Taiwan, I feel compelled to make a very short statement and a – and a question to you, Mr. Deputy Prime Minister.

First of all, I want to express appreciation to Australia and the United States for the statements that you made during the declaration AUSMIN 2+2 in Annapolis yesterday. Had a very strong paragraph on Taiwan, a very encouraging and firm support for peace and stability of the Taiwan Strait and also aligning Taiwan as a democratic partner and indispensable partner for all of us.

I want to make sure I also state that Taiwan, we are doing our part to strengthen our defense capabilities. We have an incredible deterrent force to make sure we keep the peace and stability in the area, and also to continue to be in the forefront in the defense of democracy and, as you mentioned, the rules-based order.

My question to you is, as you mentioned in your earlier statements about China – PRC growing militarily in very large ways – their navy's the largest navy in the world. And not only – they're not just putting out ships one a year, but several ships a year. In Chinese terms, that's like dropping dumplings in the water, cooking dumplings. So – and there was a report recently in the United States about doubting United States' capability – military capability to face multiple military scenarios at the same time. So, my question is, in the Indo-Pacific, since there's already other scenarios in Ukraine and in the Middle East, what's the – what's your opinion about the readiness and the preparation that likeminded countries such as Australia, United States, and others are doing? Is it enough?

Dr. Edel: And just to be fair, I'm also going to go over here to see if we can grab a second question. Peter. Microphone is coming your way.

Q: Thanks, Charlie.

Richard, you mentioned the technological aspect –

Dr. Edel: I'm sorry; would you please identify yourself?

Q: Oh, sorry. Peter Hartcher. I'm an Australian reptile of the press – (laughter) – specifically of the Sydney Morning Herald.

You mentioned the technological aspect, Richard, of AUKUS. What's happening? So, Pillar 1, obviously, is the submarines, gets all the attention. It's the big shiny toy. But the Pillar 2, what's happening on the technological agenda? Are there specific projects that you're in a position to announce?

Dr. Edel: So, if I may, so we have the ambassador's question about whether or not enough is being done, and specific projects on Pillar 2. I might take the liberty of layering on top of that the question of how you think we should be evaluating Pillar 2. What is the correct metric to understand whether or not it's producing results?

Min. Marles: Yeah. All good questions.

So let me answer the question, right, to Taiwan. Yes, is the – I mean, is – and I think – and I think it is. You know, at the heart of – so, you know, in relation to Taiwan, obviously, the position of the Australian government, as you know, is wanting to see no alteration to the status quo across the Taiwan Strait, and people are very familiar with that formulation of words. You know, we have a deep economic relationship with Taiwan which we, obviously, value.

You know, beyond that, I think, you know, what's at stake here is the – is the rules-based order. And we talk often about that order being placed under pressure in the Indo-Pacific, and you were right in your characterization of the Chinese military buildup. I mean, it is – it's pretty consequential. So – but at the heart of that, you know, is – so are we seeing – which goes back to an answer that I gave earlier – you know, are we seeing American leadership? Are we seeing, you know, allies supporting that in promoting the rules-based order? And are we having an impact in terms of the promotion of the rules-based order? And I really guess I'm saying all of that in the context of the Indo-Pacific. I think the answer to that question is yes. I mean, I feel, you know, you could not fault the U.S. administration today in terms of its engagement in our region. And not just – you know, yes, it's kind of ministerial engagement, but it's – you know, it's security footprint. It's defense footprint. And you know, we are all deeply engaged in asserting the rules-based order within our region. That is principally what the Royal Australian Navy is doing. Like, that's the main job that it is doing today. And you know, there are - there are lots of calls on it in lots of different places, but core business for us is about using our navy to assert the

rules-based order within our region, and that's what we're doing. And I think if you look at other countries in the region, you see a similar focus in effort. So, you know, that – I think all of that does enable us to answer your question in the affirmative.

So, Pillar 2, the – well, we actually – in December last year, Peter, we – the AUKUS defense ministers meeting which happened in California in December of last year was largely focused on Pillar 2. I mean, you know, we, obviously, want to make sure that Pillar 1 is happening, and it very much is. And not unsurprisingly, it's taken the bulk of the effort and the focus of attention. It's the big job. But in a sense with that in mind, we felt that we needed to now turn our minds to Pillar 2 and make sure that there is the required momentum and energy behind it as well. And so, our meeting last December was entirely about Pillar 2.

You know, there are a list of technologies that we are focusing on which you'll be familiar with. You know, you have things like positional navigation in a GPS-denied environment, working more on hypersonics and counter-hypersonics, artificial intelligence, undersea warfare, quantum, and I – and I could go on. But we – in all of that, that has really generated a lot of activity between our three countries in terms of the development of those technologies.

One of the difficult things I think we are finding in terms of how we talk about Pillar 2 is a lot of this stuff is, you know, genuinely groundbreaking technology, which we necessarily can't talk about. You know, we can give you what I've just done then, which is the topic headings, but the specifics of the technologies which are being developed exist in a classified realm.

And so, I think that kind of comes to, then, your question, Charles, which is, well, so how do we evaluate Pillar 2? I think it is a fair question. I mean, ultimately, I think we – I think the likes of you and Peter will end up evaluating Pillar 2 based on whether it meets its stated objective, which is to pull through innovative technologies into service quickly. And quickly is measured in years, not decades. And so, you know – so there is work being done and the technologies are out there in terms of the areas that the work is being done. You know, we do need to get runs on the ball, I think, in terms of specific things, interservice.

And again, one of the problems here, as I – as I said, is, actually, there are some things that are pretty close to that now. It is – it is – we can't talk about them. And I think that is one of the issues that we need to work through in terms of how we now talk about Pillar 2 and explain to people that it is of value.

I think, final point to make, we've been talking a lot about Pillar 2, actually, in – well, yesterday. I met the service chiefs this morning, and we – our breakfast was almost entirely about Pillar 2. We spoke about Pillar 2 when I was here at NATO, and I went back from NATO through the U.K. and met my new U.K. counterpart, John Healey. That conversation ended up being a lot about Pillar 2. So, there is a heavy conversation going on about Pillar 2.

I think we need to be thinking about the – I know this isn't really exciting, but it's so important: We've got to get the governance stuff right. We've got to get the bureaucratic arrangements which underpin this right. We need to build an innovation system which – across our three countries which stimulates the defense industry base across our three countries. Each of us have our own innovation systems which are focused on our own domestic defense industry bases. How we get value-add here is by really kind of getting those much more harmonized. And I think that's a bigger piece of work, but in many ways that will be the engine that we need to build to see Pillar 2 really start to come into fruition or start to deliver things over the long term. And that work's happening at a pace as well.

Dr. Edel: Final question. This one comes in from a professor of American history who also happens to moonlight as the Australia chair at CSIS, otherwise known as me. (Laughter.)

You and I speak pretty regularly about your deep reading of American history. None of you saw this; we were just upstairs chatting and you corrected me on early American history, and this is what I specialized in when I got my Ph.D.

Min. Marles: (Laughs.)

Dr. Edel: But one of the things that we've talked about over and over again is your admiration for Abraham Lincoln. When you go running, you go out to the Lincoln monument.

Min. Marles: I do.

Dr. Edel: You read a lot about him. And I guess I'd like to close just by asking the question about, as an Australian but also as a leader yourself, what is it about Abraham Lincoln that you find so compelling? Why do you go back to read about him over and over again?

Min. Marles: Well, it's – like, his is a remarkable story. It's – what – I mean, there's lots about his life which resonates for me. He's not a saint. He was a – I say this as a term of endearment – he was a political hack, I mean, from

a young age. He was out there getting into the Illinois state legislature, you know, one of – he's responsible for having Springfield as the capital of Illinois and – at least one of the people responsible for that. So, he was intimately involved in local politics. He was doing all of that from a very young age. We're talking about the early – his early twenties. So as somebody who has loved politics all my life – this is what I've wanted to do – it's really clear when you read the story of Abraham Lincoln it's exactly the same. I mean, he was bitten by the bug of politics of working things through, of winning support, of doing all the things that we love, those of us who are involved in politics. He is that person.

And in a sense, it's hard to see that because of the pedestal he's now on and the role – the historical role he ended up playing. But Abraham Lincoln growing up was a hack, and that is very much a term of endearment from me. I'm a proud hacker. I seek to be. I know that Arthur is sitting there; he's a hack, too. (Laughter.) And so, we bond on this.

I think he's – you know, he had setbacks. You know, he kind of wore his heart on his sleeve, actually. You could kind of feel, you know, in the late 1840s, early 1850s, when things aren't going so well for him, the sense of kind of despondency at that moment in his life. We're talking about his probably early forties, or late thirties/early forties, and it kind of wasn't going to happen.

You know, again, I think for all of us who have gone into politics, that sense of ambition unfulfilled is, you know, the – well, that's a very common thing, actually. And this was a guy who was going to live that.

And then he makes this – he is seized with – in 1854, around the expansion of slavery, he's kind of seized in that moment and really finds his cause and has a deep values base in relation to that, again, all of which resonates with me.

Ultimately, when you get to the Civil War and why he becomes someone who's deeply revered, it is the strength of character through an unimaginable pressure which is just so impressive. He's – it's unwavering. And yet this is not someone who was – you know, we're talking about a man who was deeply – almost the first casualty of the Civil War was a young officer that he knew. And that body lay – the body of that officer lay in state, I think in the Capitol, or maybe it was at the White House. It might have been the White House itself.

But the point is that the death of that young officer right – in 1861 was felt personally. And you can see that, you know, what turned out to be this unimaginable horror. No one imagined the Civil War to be what it

turned out to be. It is, in that sense, a bit like the First World War, that what people thought they were getting into turned out to be completely different to what actually occurred in just a horrific way. And yet, throughout it, his strength of character about what needed to be done, the clarity of thought, it's breathtaking.

The reason why, at the Lincoln Memorial, you see the Gettysburg Address and the second inaugural – I mean, you know, in 1863, when they were trying to work out what is going on here, what is this about, in a speech which goes for less than three minutes, he is able to encapsulate that this is the moment that democracy is on trial. Everything we are about is what is here now.

And when you get to the second inaugural, which is one of the shortest inaugural speeches that has been made, it is, again, just the most beautiful encapsulation of what this thing was. I mean, by the time he's making that, it's clear what the outcome of the Civil War is going to be; and then such generosity as a part of it. He's drawn to the kind of self-effacing humor that he had, which is, in a sense, why he's been such a lovable historic character.

Also, for me, you know, he's a – for me, family is actually the most important thing. I love doing this job, but it's not the most important thing in my life. Family is. I think that's him, too. You know, it's amazing to think about this. You know, when Willie Lincoln dies in 1862, he goes to the cemetery in the – in the weeks after the death of his son to sit at the sarcophagus. It's so poignant.

When, towards the end of the war, Tad, who I think – you know, Robert Lincoln, who is older, has left. There's actually a younger son who gets no kind of airtime in the history who dies when he's a 2-year-old. So, there's a lot of tragedy in Lincoln's life. And Tad, you know, is, I think, a really sustaining figure for him. He spends an enormous amount of time with him and are kind of inseparable. There's a lot of dialogue around Tad being, you know, in the presence of Lincoln all the time.

There is a beautiful photograph taken a month before his death by Matthew Brady which sits in my office above my desk of him with his – and it's just a father and his son and there's the slight hint of a smile on Lincoln. It is – and there's this boy who's just really proud to be next to his dad.

It is a beautiful photograph. Yeah, that's – all of that resonates with me. So, he's unquestionably my hero and I get a lot of – you know, I go back to that story frequently – and you've given me a book today which I really appreciate – and I find it a very inspiring and sustaining story for

me, and I think about it a lot.

Dr. Edel: Thank you for an unusual final question, which I think was more illuminating maybe than almost all of our previous discussion. (Laughter.)

So next time you come, and you're always welcome back, you're all invited to join us for a full-length seminar on Abraham Lincoln.

Look, Mr. Deputy Prime Minister, thank you so much for taking the time out of an extraordinarily busy schedule to come talk with us today.

Min. Marles: Thank you.

Dr. Edel: I hope everyone can join me in a round of applause for the deputy prime minister. (Applause.)

(END.)