

The View from Australia: A Conversation with Prime Minister Scott Morrison

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0:00:00: Good evening, everyone, and welcome back to the Aspen Security Forum. I'm Nick Burns, the Executive Director of the Aspen Strategy Group. I should say good morning to the Prime Minister of Australia and everybody in Australia. It's a real honor for us to welcome Scott Morrison, the Prime Minister of our great ally, Australia. He leads one of the strongest and one of the most impressive allies of the United States, in arguably the most important region in the world, the Indo-Pacific.

0:00:27: In his two years as Prime Minister, he's steered the country through several crises, the wildfires of last autumn, the COVID-19 crisis where Australia has a very effective and impressive record, and in foreign policy, the Prime Minister has led a resurgence of Australia's influence in the South Pacific. Australia was the first government to exclude Huawei from its 5G networks, and Australia is currently undergoing, as are many other countries in the world, a challenge from China on many fronts, that unites Australia with the United States, with India and Japan and others.

0:01:02: And Prime Minister, I had the great good fortune to spend three weeks in Australia last autumn as a fellow at the Lowy Institute in Sydney. I had worked with your government in the past but was very impressed by the depth of everything that we're doing together. You'll be interviewed today by Margaret Brennan, she's moderator of the CBS show Face the Nation, and she's the Senior Foreign Affairs correspondent for our great network CBS. So, Margaret, welcome. Prime Minister, welcome. We look forward to a good conversation.

0:01:34: Well, thank you very much and good day from Australia and good morning here. I don't know whether you would want me to pass to Margaret first or... But I'll be happy to proceed. Good morning, Margaret, it's Australia here, how are you?

[laughter]

0:01:44: Good morning to you, you know, I have to say, thank you so much to Nick there. It is definitely a COVID first to be interviewing a world leader from my home studio and across the world, and I'm so glad that we can have this communication and conversation today. I think all of us miss the Aspen mountains around us at the Aspen Security Forum, but I'm so glad we can have this conversation. As Nick said, Australia is such a vital ally of the United States, and you are in a very interesting neighborhood at the moment, finding yourself in the midst of these rising tensions between Beijing and Washington. I have lots of questions for you. I know our viewers will also have some questions but you will start us off first with about 15 minutes of remarks.

0:02:34: I just want to set the stage for our viewers online that if you look at your Zoom screen, you can get in the queue to ask a question if you just click that raise hand function, and then the folks at Aspen will unmute you and you will pop up on the screen to ask your question when we are about 15 minutes out from the conclusion. But first off, I want to hand it over to the Prime Minister.

0:02:58: Well, thank you, Margaret, and again, good day from Australia to all of us, to everyone who's joining us this morning. I want to thank you for the opportunity to talk to you this morning. My remarks before opening up to questions, there are three things I wanted to cover: Firstly, Australia's assessment of the strategic outlook in the COVID-19 and post-COVID-19 environment; secondly, Australia's response to this challenge; and third, how our two countries, Australia and the United States, such wonderful friends and allies, can work together to advance our shared goals of free societies, open markets, sovereign independence, particularly in our part of the world.

0:03:34: In examining the international environment, I want to start from two first principles, from some first principles. And to reference the work of an Australian thinker, who saw the world more clearly than almost anyone in his era or since, I believe. I'm referring to Hedley Bull, whose 1977 work, *The Anarchical Society*, remains one of the most influential works on global politics of the last half-century. I've got a copy on my bookshelf behind me. Well, Bull coined the notion of a society of states, an international society, said to exist when sovereign nations consider themselves to be bound by a common set of rules in their relations and share in the work of common institutions.

0:04:15: So what is the state of today's international society, particularly in our shared Indo-Pacific region? Today, the Indo-Pacific is the epicenter of a strategic competition. Tensions over territorial claims are growing, the pace of military modernization is unprecedented. Democratic nations face new threats from foreign interference, cyber attacks are increasing in frequency and sophistication, disinformation is being used to manipulate free societies. The trade rules that have allowed us to prosper have now evolved to meet new challenges, thankfully, and economic coercion is increasingly employed as a tool of statecraft. It is fair to say that in 2020, our international society is under strain. The reaction of some has been to fret about the weakening of rules-based international order, fair enough. We want to see international engagement framed by agreed rules and norms, not crude economic or political coercion, but nor do we practically think longing for the past amounts for a strategy.

0:05:20: The configuration of power in global politics has changed and we have to deal with the world as it is, not as we'd like it to be. But the liberal rules and norms of what has been known as the American century are under assault. The jungle is growing back, as Robert Kagan has observed, and we need to tend to the gardening. A critical priority is to build a durable strategic balance in the Indo-Pacific, for more like-minded nations to act cohesively, more consistently, more often to align. And I assure you that Australia is not being passive. We're acting to shape that tomorrow right now. Australia's approach is summed up by a quote in the Aspen Institute publication, *A Struggle for Power*, launched earlier in the year, and it was a chapter contributed by Robert Blackwill, and the quote came from someone not usually cited in foreign policy analysis, Leonardo da Vinci of all people. The quote reads, "I have been impressed with the urgency of doing. Knowing is not enough, we must apply. Being willing is not enough, we must do."

0:06:28: Now, we are doing in Australia. Last month, I launched Australia's 2020 defense strategic update, and that description doesn't do the policy commitment justice, there is a major strengthening of our force posture. This has been a major development. We are building the capability and potency of our defense force, sharpening our focus on our immediate region, and increasing our capabilities to deter actions against our interests. And we will increase our ability to respond to

actions and operations in the grey zone, falling below the threshold of traditional armed conflict. Australia already spends more on our defense than most of the United States' alliance partner, 2% of our GDP is no longer a target, it's a floor for us, and we will spend even more. A commitment of \$270 billion over the next decade, we will pull our weight, and we're continuing to invest in the relationships in the Indo-Pacific to pursue common interests and peace, stability, and openness and prosperity.

0:07:29: Just last month, a landmark economic partnership between Australia and Indonesia came into force. In June, our close friend, the Indian Prime Minister, Narendra Modi, and I announced the elevation of our ties to a comprehensive strategic partnership. In a virtual summit with my good friend Prime Minister, Shinzo Abe last month, we added to our special strategic partnership to an agreement on space cooperation. And we're both taking concrete action to support our Pacific and Southeast Asian friends and family. My visit to Vietnam last year was the first stand-alone bilateral visit by an Australian leader in 25 years. We agreed to increase the depth and breadth of security, economic and education components of our relationship. And as its first dialogue partner, Australia is working more closely than ever with the Association of Southeast Asian Nations, ASEAN.

0:08:24: These new networks of cooperation are absolutely vital, they're crucial for trade, science and technology, defense and security, people-to-people exchange. Again, to reinforce what Hedley Bull called the international society. It's the same for our family in the islands of the Southwest Pacific where we have a special responsibility. We all want a region that is strategically secure, economically stable and politically sovereign. And that's what Australia's Pacific Step-up, which we initiated, is all about. As we face the challenges of COVID-19, it has never been more important. We provided PPE, testing equipment, medical expertise, and we're maintaining an essential services and humanitarian corridor so overseas experts and critical supplies can get where they're needed most. This is happening despite the increasing uncertainty in the Indo-Pacific and beyond.

0:09:19: And Australia is not being a bystander. We are not leaving this to others, not in our region, that's not in our interest, and not in the multilateral system either. Not in the wake of the greatest health and economic twin crises of our lifetime. We are all using elements of statecraft to shape the world we want to see. I emphasize that we are not, though, uncritical participants in multilateral fora, we'll call it as we see it. International institutions are most effective when they're driven by, and responsive to, the society of sovereign states that form them. As Hedley Bull argued, they are symptoms of a well-functioning society of states, not the cause. When global institutions and their bureaucracies become unaccountable, when they become vulnerable to manipulation or coercion, when they lose the confidence of their membership, they fail in their task to help the sovereign nations that establish them agree a common set of rules to guide their relationships.

0:10:20: In my Lowy Institute speech last year, I described this trend as negative globalism, and my view hasn't changed. As I said and repeat now, we believe in Australia in positive globalism, where nations like Australia engage directly with others as equal sovereign nations in the pursuit of common objectives through these fora. This is a cornerstone of our approach to the Indo-Pacific region, and to our engagement with nations large and small. Ladies and gentlemen, we have welcomed China's rise as a major economic partner. It has been great for our economy and the global economy in the Indo-Pacific region, but with the economic rise does come economic and broader strategic responsibility. China has a role to enhance regional and global stability

commensurate with its new status. Such a role is about the broader global and regional interests rather than a narrow national or aspirational interest. Because global expectations of China are now higher, and they have always been so for the United States.

0:11:21: Together, China and the United States have a special responsibility to uphold what Bull described as "the common set of rules that build an international society." Now, that means respecting international law and the peaceful resolution of disputes, including trade disputes. It means a commitment to rules-based economic interaction. Neither coercion nor abdication from the international system is the way forward.

0:11:46: Finally, I want to make this point to some of the lessons that we've learned during COVID-19, and we're all going through this as a global community. COVID-19 has been an unmitigated calamity for the world, and I won't dwell on those issues now 'cause we're living them and experiencing them. But COVID-19 has also created new opportunities, including the new groupings of like-minded countries now working together like never before, sharing information, supporting each other. Many new friendships have been made with foreign leaders, including from Australia.

0:12:16: And we're energizing old ones. The enhanced pathway we're working down is making a more dynamic system. This is a development that our nations must continue to build on. We must expand the scope and scale of cooperation by like-minded countries. And we must do this thoughtfully. As we build the network of like-minded countries, we need to build a greater sense of unity across all elements of our engagement. Now, that means taking a more pragmatic, which is a very Australian way, and rounded approach to our global and regional relationships. We gotta do what works. The sense of unity necessary amongst like-minded partners can be undermined if positive political and security relationships are accompanied by abrasive or confrontational trade relationships. We should avoid cases where we build close strategic co-operation only to see the cohesiveness of those relationships undermined by trade disputes. The two have got to go together.

0:13:13: Now, I'm not suggesting we should dull or seek to constrain the national instinct of the business people and exporters to compete in global markets, God forbid, but I do not argue that any of us should turn a blind eye to unfair trading measures imposed by our friends. Security and trade policy approaches must be well integrated, they cannot work against each other or in isolation from each other. A solely transactional approach to trading relationships can undo so many of the gains made in other parts of relationships amongst like-minded partners.

0:13:42: Australia's foreign policy is not simply transactional. As we work with new global partners, our alliances with fellow liberal democracies will endure and strengthen important to have secure and trusted supply chains, particularly in these times. Australia is resolutely committed to our Five Eyes partnership and there are even closer ties with our friends in Europe. And we look to and share a belief in the values and institutions that the United States has championed and we share. We respect each other as equal partners with the United States. We do our fair share of the heavy lifting. We've got each other's back and, as I said on the South Lawn with the President last year, we look to the United States, as I said to President Trump, but we don't leave it to the United States, that's not who we are. Providing the ballast that underpins in an international society depends greatly on the leadership of the United States. America has long been a major stabilizing factor in

the Indo-Pacific region, and its continued focus here and engagement is absolutely vital and welcomed.

0:14:43: So the Australian way is clear. We will play our part in maintaining the strategic balance so necessary in the Indo-Pacific. We will invest in regional relationships because we all have a stake in the future, and we will strengthen our ties with federal liberal democracies and like-minded working with all partners in the region as well.

0:15:04: Ladies and gentlemen, this month marks 75 years since victory in the Pacific. 1945 was a defining year in human history, the year the Second World War ended, the year the United Nations was founded, the year that a Chicago businessman visited Colorado and decided to found the Aspen Institute. It was a year of doing, actions that built new friendships, including with old enemies, actions that laid the foundation for unprecedented peace and prosperity over recent generations. Actions that sought to ensure a global strategic balance. Today's task is no different. We must tend that garden, we must rebuild Bull's international society anew. Thanks for your attention. Happy to take...

0:15:53: Alright. Thank you very much, Mr. Prime Minister, and I will dive right in. You called COVID-19 an unmitigated calamity. Today we heard from the World Health Organization that their investigators have begun conversations in Wuhan, China about the origins of COVID-19. Australia was the first country to come out and really press the World Health Organization to open such a probe. Do you know when the world will find out its conclusions? Will there be Australian investigators included in any part of this team? And what do you plan to do with the information you receive?

0:16:30: Well, I'm pleased that it's underway. And we're not naive to the challenges of these types of reviews and inquiries conducted by such organizations, it will be challenging. And we do welcome, though, the appointment particularly of the former New Zealand Prime Minister, Helen Clark. We also welcome Ellen Sirleaf's appointment to these roles of co-conveners of this panel. Helen Clark is well known to us here Down Under with our cousins across the ditch in New Zealand, and she will understand, I think, very acutely what the expectations are of this inquiry and how much is at stake, for the WHO, in getting to the answers that are necessary.

0:17:11: Answers that are simply necessary, and which was the sole motivation of our call for such an inquiry, that we understand what happened. So we can ensure it doesn't happen again, and when we live in a part of the world where these types of viruses can spawn from any number of different locations. These can happen in many countries around the world. And so, it's important, we just simply learn the lessons, it is a practical task, and it should not be seen in any political lens whatsoever, and any suggestion it is, I think, is very unhelpful. This is an honest and practical request by sovereign nations through an important multilateral fora to find out what happened and how we can prevent it going again.

0:17:55: So that's our aspiration, that's our ambition. Whether the task being pursued by those who are now running it can meet that aspiration and ambition is really a matter for them. Now, Australia will support that in every which way we can. We've made suggestions in response to nominations, and we'll follow that through. But whether we're formally part of the process or not, is really not our

concern, we just want to make sure it's a success.

0:18:20: But I do welcome the appointments of the panel co-chairs, they're very respected individuals, and I'm sure they'll both do a great job. And we're very pleased that someone from Down Under was particularly involved at that senior level. Helen has a lot of experience at the multilateral international level as well, and with the work that she's done previously with the UN. And so, I particularly took a lot of encouragement for that appointment.

0:18:42: Will you be able to trust the results and the conclusions of this investigation, if Australia's experts aren't part of it?

0:18:51: We are part of the international system that has produced this.

0:18:54: Right.

0:18:54: And so, to we have to. We have no choice but to. And that's why there's such a heavy burden, I think, that falls on those who are driving it. They understand, I'm sure, the world's expectations of them. And this process, now, Australia is happy to play a role in that, we don't consider that our direct participation is a necessary prerequisite for that to be a credible process, that would be an arrogant thing to view, to say, from Australia's point of view, which is not how we're wired. But we welcome how it started, but it... Whether it achieves its job, that will be determined by the job it does.

0:19:30: I want to talk about how you have handled the pandemic within your own borders. Australia had some initial success with some strong actions off the... At the beginning, with establishing this emergency cabinet for the states to make decisions, focusing on a unified message there. Schools in parts of your country have re-opened; we're debating whether or not to do that in this country. Why do you think your country had that initial success?

0:20:00: Well, firstly, we moved very quickly, we called it a pandemic weeks before the WHO. We were acting in early January, we moved at the start of February on shutting down our borders. Particularly for mainland China, as the virus came out of Wuhan, came out of China. We had a very large flow of people between China and Australia, and those border changes were critical in preventing the first wave in Australia. And particularly our wonderful Chinese-Australian community here, and we have over a million, we have a population of 25 million people of Chinese heritage. And as they came back home after the Chinese New Year, the discipline they showed in self-isolation in their communities was outstanding. And so we were able to contain, and as you rightly say, we pulled together a national cabinet, as I called it, of all of our states, our provinces, and states and territories, because under our constitution they are the level of government that make decisions about whether schools open or close, or whether businesses open or close and all of this, so it was very important that we got a nationally consistent approach to these things, which provided a sense of national calm, that calm has been critical.

0:21:10: Now, seven of our states and territories now are pretty much COVID-free. There is some cases that occasionally come, we have strong quarantine arrangements for Australians returning.

But we have, and are experiencing right now a very serious community outbreak in our southern state, Victoria, particularly in Melbourne, which will be known to all, I'm sure. Many will have contacts in Melbourne. Today we actually go into a further stage of lock-down in Melbourne that will run for the next six weeks. Which means schools in Melbourne will be shut, and all of those facilities. The other part of our response has been the economic response, our health response has been very strong. We don't have concerns about emergency, our centers being overrun or anything like that. We built up our ICU capacity, respirator capacity, in the first wave very significantly. And so we're in a good place there, but what we also did was put massive economic supports in. Over 300 billion balance sheet and direct fiscal interventions to support the economy, income support payments, stimulus payments to welfare beneficiaries, cash flow supports for businesses, supports for childcare centers, and the list goes on, and on. I won't be tedious about it. But they are commensurate and similar to what's been done in Japan, for example, and many other countries.

0:22:28: That's necessary, because I've said from the outset on the first G20 call, and Prime Minister Trudeau was kind enough to sort of acknowledge this as well, that we can't just see this as a health crisis. Of course it is, it's the worst pandemic we've seen in a hundred years. But it is also the worst economic recession, possibly a lot worse, that the world has seen since the Great Depression. And these two things are happening at once. And these things are happening at the same time, at a time of quite considerable strategic competition. So, you have the overlay of a strategic instability factor, particularly in our part of the world, which indeed makes these regrettably interesting times.

0:23:10: We're well aware of those very same debates here. There's been, strategically, some different decisions made. And I am curious as to, as a conservative, how you made those decisions to do things like expansion of unemployment benefits and childcare aid, in particular. It's painful to have to spend like that, but you're saying in the midst of the crisis, you can't cut back on spending. Fundamentally, that's your conviction.

0:23:40: Well, conservatives are practical. I am a conservative and I'm practical. You use the tools you have to deal with the problem that you've got. You do it cautiously, you do it carefully, but you are very understanding of the circumstances you face. These are not things we would normally do in the normal run of events. But these are not normal times. People like Teddy Roosevelt many years ago, I think, had a very similar approach to the world which he faced. And he was, I suppose you'd describe him as a progressive conservative. But that said, ideology just doesn't matter in times like this, and that's certainly our approach. Australians want their governments to help them through the worst circumstances they've seen in their lifetime. And what we've also done, particularly to your point, is we've time-limited all of this. These are not things that go off into the never never, and what we are doing is for a time-limited support to get Australia pushing through because of the failures we're seeing in the private economy. And the private economy is experiencing that, not because of any weaknesses or failures on their part, and I think this is important to understand this point.

0:24:47: The world is going into a recession, not because of some failure of the economic system. Capitalism hasn't failed, that's not what's happened here. It's a global pandemic that has necessitated the introduction of artificial restrictions on the private economy. And as a result, when government does that, well, it also has to turn up to make up the difference to ensure that people can stay in their

jobs and keep their businesses.

0:25:13: And a lot of our interventions has been about maintaining the viability of businesses. 'Cause we know, what I want on the other side of this is businesses to be viable and to be able to move again, to employ people, to invest. And at the same time, Australia is pursuing a series of longer term economic reforms on the supply side, on skills training. We'll be doing more on industrial relations, infrastructure, energy, gas, all of these things. Very important to our future.

0:25:42: I want to move on to China, but before I do, I quickly would like to get your read on where we are with vaccine diplomacy. If we are lucky enough to get a vaccine on the timeline that's projected. If the US or UK get there first, China gets there first, will Australia have access to that? Do you know who will be first in line?

0:26:03: Well, no one knows who's going to get there first, but through initiatives like Garvey and Kovacs and others, we're very involved ensuring that Australia... We have the ability to produce most of these vaccines ourselves. Not all the various strains because there are some elements of the vaccine research which are quite unique to a production capacity in only the United States or places like that. That said, in all the discussions I've had with other leaders, there is, I think, a very strong view that whoever finds it must share it.

0:26:33: Share it, make it patent-free? Is that what that means? Or how would sharing it work out?

0:26:36: It should be out there as widely and freely available as possible to ensure that the world can deal with this. That's certainly our view, and we press that view. I think the idea of any country hoarding or seeking to restrict the vaccine in these circumstances would be, in our view, unimaginable. And it's important... I mean, all countries, we're investing over 300 million in these initiatives. We're doing it through other multilateral agencies as well as here in Australia, and we're working cooperatively. And with like-minded countries, I would see no impediment to what I'm suggesting, and we've had outstanding discussions, whether with France or the United Kingdom or United States or others. But we would hope any country that found this owes it to the global community to be as open and transparent. I mean, Australia was the first country to be able to reproduce the genetic code for COVID and we shared it with the world. We didn't try to sell it. We didn't try to capitalize on it or leverage it. We shared it. So we've led by example there.

0:27:43: And you've had this conversation with President Trump? Have you received reassurances that that is how the US will approach it as well?

0:27:49: We've reviewed this matter in all discussions we've had with all leaders. And I've said that publicly on many occasions now, I think the world would look very dimly on any country that found the vaccine that did not take a global response out of compassion and out of the global interest.

0:28:10: When is the last time you spoke with Xi Jinping?

0:28:14: It was at the G20 last year.

0:28:17: Last year?

0:28:17: Mm-hmm.

0:28:20: You noted in your remarks there, and I've noted just in preparing for this conversation, how much Australia has been investing in trying to refurbish its military to counterbalance China's influence in that region. What is driving that? Do you think that Australia needs to be able to assert itself more independently from the United States, which remains a key ally? Why do you feel you need to do this right now?

0:28:48: Well, it's not just now. We've been... Since we came the government back in 2013, we've been building up again our defense spending to 2% of GDP. That was one of our core commitments when we came to government, and it's taken us a while to get there, and we're now there this year. And as I say, that's now a floor, not a target. So we have been building that capability for some time now. We've had one of the largest capability investment plans. Well, the largest since the Second World War. And we've been following through that, whether it's our submarine fleet, our joint strike fighter capability or many other investments, our land-based capability with our carriers and so on. So this is a very big investment.

0:29:27: The strategic update on our defense plan builds the capacity to keep potential adversaries further away for longer. And this was an acknowledgement, I think, of the broader threats that we have to deal with going forward, and even in a shorter time frame possibly than we'd considered. These are all precautionary. These are all preventative steps. These are all steps that are taken with like-minded partners. We've been elevating the level of our Quad relationship with Japan and India, the United States and Australia for some time now.

0:30:02: We work closely with ASEAN and the other Indo-Pacific nations. All of this is about achieving this strategic, I think, counterbalance within the region. What we want is peace and stability in the region. What we want is trade with China and all countries in our region to continue to grow and develop and for that to be done in a stable, peaceful environment. That's what we want.

0:30:23: Right.

0:30:24: And I would hope that all countries in our region would want that and that their own economic development doesn't lead to an opportunity to alter the strategic balance of the region.

0:30:34: Well, Kevin Rudd, former prime minister of Australia, has an article this week talking about and predicting that he says, for the first time, actual armed conflict between the US and China now appears possible. For the first time since the end of the Korean War, we are confronting the prospect of what he called not a new Cold War but a hot one as well. Is this hyperbolic or do you view what's happening in your backyard as what he's laying out?

0:31:06: Well, our defense update expresses it differently and certainly not as dramatically as Kevin has. But in our own defense update, we've acknowledged that what was previously

inconceivable and not considered even possible or likely in terms of those types of outcomes is not considered in those contexts anymore. So there has been a change. There has obviously been a change, and I don't think that's terribly remarkable. And as a result, I think the alignment, the activities of countries that share similar outlooks, and sometimes not even the same outlook. One of... I mentioned in my remarks the tremendous relationship we have with Vietnam. Now, you couldn't have two systems more different to Australia's and Vietnam's, but that said, we totally share views on things like the South China Sea, on trading relationships within our region and many other important issues. And I look forward to the time when I can go and join Prime Minister Phúc again. It was a very warm visit and a real high point in our relationship with Vietnam.

0:32:13: So it's not just those with whom you'd say you have like-minded political outlooks in terms of how we structure our societies. It's also where we share outlooks about the future of our region and in the Indo-Pacific, one thing I know for sure, regardless of what someone's political system is, they all want to be, quite rightly, independent sovereign nations, free of any coercion or interference, and with the opportunity to develop and enhance their economies and their societies for the benefit of their people. And the United States' presence in the region has always been a very positive force to achieve that. I would like to see, as China has grown as an economy, which we welcome very much, and I suppose that's a bit of a different point of view, from some of those views expressed in the United States. We welcome China's growth, it's been great for Australia, it's been great for our region, we just don't want to see that growth translate into any broader instability in the region, because we believe that will undermine prosperity in the region and undermine...

0:33:14: What do you mean instability? What are you thinking of when you use that phrase?

0:33:18: Well, it's very important, I think, to look at this at two levels, there's strategic competition between the United States and China, and the great difficulty, I think the rest of the nations face in the region, is that every action taken by one of us, is only seen through the lens of that strategic competition between those two very large states. And the truth is we are all countries with our own agency, we're all our countries with our own interests, and our own participation, and we're not shy, particularly when we get around the East Asia Summit table or the ASEAN Plus dialogues that take place. That it's an important opportunity, I think, for the United States and China, to hear the views of the many other countries that live in this region.

0:34:00: And China and the US both have a very strong role to play, which I think the United States has done benevolently now for a very long time, and I know that presence of the United States is very welcome 'cause it provides that stability. We just simply want to see that these issues are managed in such a way, and ambitions are managed in such a way so as not to undermine regional stability. And that's our national interest. It's the interest of so many countries in our region, and that's why I think we have such an excellent relationship with so many countries in our region.

0:34:33: I take your point, particularly that Americans always think it's about us, but...

0:34:40: [laughter] No. No.

0:34:42: If you will, indulge me, we're self-aware on that point. But we are right now in a very heated political climate and race in the United States, and I'm not going to ask you to talk about US politics, but I do want to frame it because right now, both candidates are trying to argue that they will be tougher on China than the other one. Joe Biden is saying that, he's called Xi Jinping a thug, and Donald Trump is campaigning and certainly has upped his rhetoric along with his administration in terms of the threat posed by China, so putting the race aside, just look at the few months ahead of you and how concerned are you that in this environment that this is not going to be possible to dial back tension and that there is a collision course that you are in the middle of.

0:35:33: Well, firstly, there's a political overlay that you've identified to a lot of the commentary that's running at present. And I believe that other nations, particularly in our region, are quite capable of understanding that and the context in which many comments are being made. There is an understanding of that dimension of, if you like, the heat of some of those comments, that's not to say there aren't very real and genuine intent and meaning behind those statements, but language is dialed up and down, and I have no doubt that whether it's here in Australia or in Indonesia or China or Japan or anywhere else, we get there's politics and we get the context in which comments are being made.

0:36:19: But directionally, it describes growing tension. Strategically, the approach may be different.

0:36:25: The point I'd make about the United States and Australia is we have a different lens on the issue because our economic relationships with China are different. As the President has pointed out on many occasions, the US has a deficit with China, we have a surplus. And that changes the nature of the relationship, certainly, the economic side of it. Now, that doesn't mean that makes us hostage to that economic relationship at all. The reason we have such a good trading relationship with China, despite all the talk of what is perceived to be tensions, our level of trade with China has never been stronger. Why? Because we make and sell things that they need, and they make and sell things that we need, and it's a mutually beneficial economic relationship.

0:37:07: And it does go broader into a strategic partnership, but there is a reason, a mutual benefit. It is a two-way mutually beneficial relationship for Australia and China, and we want to see that preserved, but it can't be preserved in any unbalanced way, it is preserved by each partner respecting each other's interests and outlooks, and I believe that can be achieved. The United States has a different lens on this problem because of the nature of their relationship with China and what this nature of the trading relationship is, and there are many issues raised around intellectual property and the way joint ventures.

0:37:46: We face that as well, the scale is just different, because of the nature of what makes up our relationship was predominantly resources and commodities in volume in both dollars and units. So to assume Australia and the United States has an identical outlook on China would be false because the circumstances are completely different, the geography is completely different. And while we are highly integrated and aligned on our overall macro view, how we pursue that and express it and do it, will be always uniquely Australian, as it should be. We're an independent sovereign nation. And I think one of the errors that is made about analyzing Australia's position, and one of the criticisms that is made of Australia is that somehow that it's tied inextricably to the precise rhetoric of what is

done in the United States. Now, that is just simply not true, and to look at it in that way would be to misunderstand Australia and to miss out on the opportunity of working in Australia, with Australia in a more constructive way.

0:38:46: What did you mean when you said recently in a speech, "We need to prepare for a post-COVID world that is poor, that is more dangerous and that is more disorderly," and you talked about the region facing an existential threat unseen since the 1930s and 1940s?

0:39:05: I meant exactly what I said. I mean, we...

0:39:07: What is that threat?

0:39:09: What we're seeing is three highly destabilizing elements in the world today, and for Australia's point of view, they coalesce all here in the region in which we live. We have the biggest economic recession, if not depression, since the Great Depression, we have the largest health crisis the world had seen in a hundred years, we have a strategic instability in the Indo-Pacific, principally that goes back to the strategic competition between the United States and China that has been expressed through the region, there are obviously strong ambitions that follow economics, the economic rise of China, that is putting a lot of pressure on the system. Now, while the precise circumstances aren't the same as what we saw in the 1930s, the combination of forces are very similar. Now, I am more optimistic, way more optimistic that the outcome of the 1930s doesn't need to be the same today, and that's why in the remarks I've made today is about ensuring that doesn't occur by the like-minded alignment, by the actions of independent sovereign states working together to avoid those outcomes. And to create the necessary balances that is needed to keep the system working, to tend the garden, as I've been saying.

0:40:26: Multilateral fora we support, Australia has been part of their inception. Australia has supported the continued funding of the WHO. Why? Because I know the work it does in our region and Papua New Guinea and Indonesia and places like that. Sure, we've got our criticisms about what happens further up the tree, but on the ground, it makes a big difference, and we want to support that, we accept its... I'll rephrase that, we acknowledge its imperfections and we think they should be fixed, and we'll call it out as we see it, but we remain constructively engaged. But multilateral fora can't get ahead of themselves and think they can run around as institutions and bureaucracies telling the world how they should run their own countries.

0:41:08: Sovereign states are still sovereign and there needs to be, I think, a greater appreciation of that. I think that's what's been behind some of the frustration with global institutions, that they feel they have a mandate that extends beyond what is given to them by sovereign states, and certainly is, from my perspective on those things, that's been a view I've consistently put for for many, many years.

0:41:33: I have another a few questions, but I just want to remind those listening and watching that they should get their questions ready for the Prime Minister shortly and get in that queue. The rest of the world watches particularly what Australia decides to do on the technology front with an eye towards China. Last month, you said your government was looking very closely at TikTok, the

social media company, and that you had directed your intelligence agencies to look at it. Just this past week, we had Microsoft announce that it was looking to buy not just the US company, but the Australian entity as well. Is that an acceptable solution to the risk that you saw posed by TikTok?

0:42:16: Well, we have had a look, a good look at this, and there is no evidence for us that to suggest having done that, that there is any misuse of any people's data that has occurred, at least from Australian perspective, in relation to these applications. There's plenty of things that are on TikTok which are embarrassing enough in public, so I... It's that sort of a social media device. That said, I think our response is that Australians have to be very aware, and it's not just with TikTok and things like that. The same is true with Facebook and all these other social media platforms, enormous amounts of information is being provided that goes back into systems.

0:42:58: Now, it is true that with applications like TikTok those data, that data, that information can be accessed at a sovereign state level. That is not the case in relation to the applications that are coming out of the United States, but I think people should understand, and there's a sort of a buyer beware process, there's nothing at this point that would suggest to us that security interests are being compromised or Australian citizens have been compromised because of what's happening with those applications, but people should know that the line connects right back to China and they should exercise their own judgement about whether they should participate in those things or not.

0:43:40: There is a greater level of transparency, I would argue, about how applications like WhatsApp and things like that, if you go onto those that how their data is used and handled and managed, that's pretty upfront, relatively speaking, compared to TikTok and things like that. So look, I think letting the sunshine in on all of these things is the best way to handle them and for consumers to be aware of what they're using.

0:44:08: So to be clear, your intelligence agencies concluded that there was no security threat?

0:44:15: There's no reason for us to restrict those applications at this point, and we'll obviously keep watching them, but there's no evidence to suggest to us today that that is a step that is necessary, but I would stress strongly to any Australians listening to this and those who are reporting on it, that people need to understand where the extension cord goes back to.

0:44:39: Well, Australia was the first of the Five Eye members to ban Huawei and ZTE and rest of the Western allies looked closely at that decision. How do you balance that, the decision to deal with all the economic realities that you laid out in terms of having to have good relations with China on that front with your concerns about the potential risk and potential espionage?

0:45:06: Well, 5G is different to 4G, the Internet of Things opens up a broad array of applications and uses for that technology well beyond what has gone previously, and so the integrity and security of Australia's sovereign systems, I think, has to be protected above all else. This was a decision not directed necessarily any one supplier, that just ensured that as Australia builds its 5G network, which is happening as we speak, it can be done in a sovereign way, and that is what is appearing using the technology that we believe can best support those objectives. So that's what we've done, we've done it in our own national interest.

0:45:46: We haven't said that others should do this, others have made the same decision. We made the decision for Australia's interests, and we followed through on that. But let me stress this, because the point often comes up with foreign investment. Australia has the most liberal foreign investment rules of any country in the Indo-Pacific. The United States is our biggest investment partner, and countries like the United Kingdom also. China, while it has been a growing... The fastest growing element of foreign investment in Australia, it doesn't come close to the level of foreign investment there's been in a direct sense out of the United States and the United Kingdom.

0:46:23: But you can invest in Australia in things that Australians can't invest in in many countries in our region, including China. Now, these aren't direct reciprocal arrangements that we have in place, we set our foreign investment rules, our technology rules, our foreign interference rules, our trade rules. We set all of these in Australia's interests, and that's what judges... That's what determines our judgement and nothing else. But we do have the most pro-trade, pro-investment set of policies, I'd argue, of any country in the Indo-Pacific.

0:46:53: Did you do a review of Chinese diplomats, or do you think one needs to be done given the decision in this country to shut down the Houston Consulate that the Trump administration carried out just a few weeks ago? They, specifically in briefings, pointed out that the Consul General in that station had previously been posted in Australia, and talked about Houston as a hub for espionage. How should we understand that, and was there something you shared?

0:47:28: Well, you wouldn't expect me to go into any of these details, I'd understand why you'd ask. But obviously Australia doesn't go into how we manage our security affairs in a public forum, and never do, we obviously have the intelligence relationships that we have through the Five Eyes partnerships, which are well known. But I can assure you that Australia is very, very conscientious about protecting Australia from foreign interference, and so that our citizens can live freely and without coercion. We are a big multicultural society, Australia, I would argue that we are the most successful immigration country in the world, and clearly so. That means we bring people from all over the world, from many different languages and cultures, and it works here in Australia, we are a very successful multicultural society, and we want to protect all of our citizens.

0:48:23: Right, but this is specifically people accredited as diplomats.

0:48:27: Yeah, I understand that, but I'm not going to be drawn on how we undertake our security operations in Australia and how we work with partners, I don't... As I say, I'm sure you want to know, and that's a reasonable question to ask, but it's also appropriate for me to not give a detailed response.

0:48:45: Okay. Well, we do have questions from our viewers, who will be unmuted in the queue as they are called on, and the first I see here is from Siddhartha Sarma. Siddhartha, can you make sure you're unmuted. If Siddhartha is there and unmuted...

0:49:18: Good morning, honorable Prime Minister, Siddhartha here. Australia has handled the COVID pandemic fabulously, and many congratulations on that. I have two questions, it's regarding

the two points you had mentioned about the threat of disinformation to free societies. In recent times we have observed that strategic corruption has been used by seven states, and [0:49:40] has been weaponized and mostly in poor and emerging countries, and as a member of the Five Eyes alliance, and as a stabilizing force in the Indo-Pacific, how will Australia act in preventing strategic corruption and resolving free societies and developing low and middle-income countries? And how does Australia plan to engage with India going forward, apart from its record career in the Commonwealth? Do we see containment, containment and confronting with respect to China?

0:50:15: Well, thanks those questions, there's a lot in all of that. Let me start by saying that our relationship with India has gone, Siddhartha, to a whole new level, and that has principally been, I must put down, to the great friendship we have with Narendra Modi, who has been an extraordinary participant on the global stage and a great partner in the sort of things that I've been talking about today, in the alignment, the appreciation, the understanding of the world in which we live in, what like-minded countries need to do to ensure stability and peace and prosperity in the future.

0:50:55: That's why we've upped the relationship with India at a strategic level, and we want to see the economic dimension of that relationship grow, the defense relationship, the intelligence relationship, all of this is on an upward curve, and it's done in a shared appreciation of the very strategic issues that I've outlined today. And the Quad in particular is an important part of that relationship, and that is elevating, but it's doing it at its own pace and respectful of the pace of all partners, how they want to pursue it, particularly India, and so that's all been a very positive thing. So that is the principal means by which we would be working together to create this balance in the region, and I see India as absolutely central to that process.

0:51:43: India's own development growth is something we are invested in, supportive of, and we want to see flourish. But there are many challenges in the Indian economy, Narendra knows that better than anyone. And his pro-growth policies, his pro-investment policies have been very aggressive and right, and going back to his time as a governor in Gujarat. They are the sorts of things that we welcome and would like to see continue. So all I can really say, is India is a huge part, a massive part of this strategic balance that's necessary to ensure not only India's success and growth into the future, but all of our success, and I'd say China's as well. Getting the right balance is good for China, I think this is an important point, Margaret.

0:52:32: A strategic balance in the region is good for China. It's good for people living in China. It's good for their jobs, it's good for their investment, it's good for their education, it's good for their outlook. We want that, and we believe that is achieved through a balance in the region, which enables everybody to share and grow.

0:52:52: The next question we have in the queue is from Edward Luce. Edward, please unmute yourself.

0:53:05: Thank you, Margaret, and thank you, Prime Minister, for sharing your thoughts today. I'm with the Financial Times. I wanted to ask you just to deepen a little bit your comments you just made about China, it being in China's interest to have balance in the region. Do you share the pretty much consensus view in Washington nowadays that we are in a new Cold War with China, and if so, how would you like the next American administration, whether it's a Trump administration or a

Biden administration, to handle this Cold War?

0:53:43: I don't know if I'd use that term, and mention was made of Kevin Rudd earlier, and he has made some comments on this and made some, I thought, some very good observations about the differences between what we knew of the previous Cold War and today. I think it was Kevin who did that. So, I wouldn't use the same terminology, I think the circumstances are quite different. But to go to your point about the United States, and again, this is no commentary on the political situation in the United States one way or another, that would be highly inappropriate, but I would say this. Our relationship and alliance with the United States is independent, frankly, of whoever sits in my chair or whoever sits in the President's chair, we made this point when we were together last year. It's up to all leaders on both sides of the relationship to make sure it remains as strong as possible, and that has always been the case. I think it's... We've been celebrating a century of mateship between the United States Australia most recently.

0:54:44: And the United States' focus on our region and its understanding of the priority of that focus is very important to us. And I think it's important to all countries in the Indo-Pacific, and that is, I think the key issue is that the defense position that the United States is able to fulfill within the world, and its deployment and its interest in the Indo-Pacific is obviously a very important issue that contributes to the stability that is here in our region. So, without commentating on the specific views of the Republicans or the Democrats going into this election, that commitment to that relationship, that commitment to the capability that is necessary from the United States into the future to support global stability is highly important. And obviously, we'd be keen to see that mark be met.

0:55:44: And we have a time for an additional question from Nick Burns, who will be hopping on shortly as well, to wrap us up. But I wanted to piggyback on that and ask you, Mr. Prime Minister, as I hand it off to Nick, why you haven't spoken to Xi Jinping since last year? Nick?

0:56:03: There hasn't been an opportunity to do so, but the welcome and the invitation for such a discussion is always there from our perspective. I spoke to Premier Li Keqiang, we had our last leaders dialogue under the Comprehensive Strategic Partnership. Now, that was last year in Bangkok alongside the East Asia Summit, and we welcome that. And I've been having those discussions with him annually, so there's been a continuation of the Comprehensive Strategic Partnership leadership dialogues over this period. So that's important. But look, I don't get hung up on these things, to be honest, Margaret. The phone's there, it works and obvious, we've been engaging with countries quite considerably, we have the engagements through our embassies. Those sort of things are of less concern to me, what matters is that the trading relationship, the economic relationship, is able to be pursued, that is occurring, it has its frustrations from time to time.

0:57:00: But I'm simply just trying to say that global stability, particularly regional stability, in the Indo-Pacific is in everyone's interest, that's Australia's objective. How we express that will differ from time to time with the way the United States does, but I believe that's the absolute objective of the United States as well. The strategic competition issues between the United States and China are different to our relationship with China, and that would explain many and most of the differences that you might see, but we welcome greatly the involvement of the United States in the region for that end.

0:57:32: Nick?

0:57:32: Prime Minister, thank you very much for the interview. Margaret, thank you for being such a great moderator. Prime Minister, there is a lot of faith here in Australia. I think in both of our political parties, as we face a real threat from China, I think that's how most people here perceive it. And we're bullish on the alliance with you and your government as well as with the Quad with the Indians and Japanese. And I just wonder if you had any final thoughts on how we should be handling this big push for power, as we look at the Indian border, the Uighurs, Hong Kong, South China Sea by the Chinese military.

0:58:19: I think that line may be muted at the moment. Mr. Prime Minister, can you unmute your line?

0:58:28: Yeah, thank you, Nick. What I was saying is that, that is the question about all of these things that I'm saying that I'm an optimist, Australians are indefatigable optimists about these things. It's our world view, it's how we are always able to push through it, whether it's COVID, floods, fires, depressions, that's just how we roll. And I think we have to take an optimistic attitude, but not an unrealistic or naive attitude. We are not naive about these tensions, these pressures, these issues. But we've got to set out, I think, and wed ourselves to the objective here, and that is not the suppression or the containment of any one state. It's about the productive and strategic balance that can be achieved. And that's why we're in the Quad. That's why we're engaged in ASEAN. That's why I went to Vietnam. That's why we're doing all of these things. There is an objective here, which we genuinely believe benefits all interests here.

0:59:28: But it does mean... I made this comment at Lowy last year, and I spoke to you at Lowy, that there is a recognition that the balance has shifted based on just the practical issue of China's economic growth, which by the way, we all championed and we all encouraged, and I don't regret, not for a second. I think it's great. But I think there were different perspectives on what that would lead to, both from the rest of the world and from China themselves. And so I think it's time to sort of take stock of that and say, well, how can that all be accommodated appropriately and ensure that we have a strategic balance that does not impinge on the independence and sovereignty of nations in this part of the world.

1:00:13: And that's why things like the South China Sea trading relationships, foreign interference, what's happening terribly in Hong Kong, all of this is very important because it goes to how this new strategic balance will play out. And our very strong view is it's in everybody's interests, it's in everybody's interest that that strategic balance is achieved, not to have one group up against another or vice versa, but to ensure that the citizens of all of our countries can have a more peaceful future.

1:00:40: Prime Minister, thank you for being with us. All best to you and your government and the Australian people at a difficult time. Thanks so much.

1:00:47: Thank you and all the best to our friends in the US.

1:00:50: Thank you so much.

1:00:51: Thank you.

1:00:51: Margaret, thank you so much.

1:00:53: Thank you, Nick.

1:00:54: Thank you, Margaret.

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