

Perth USAsia Centre and Defence West

Western Australian Indo-Pacific Defence Conference

Address by the Honourable Kim Beazley AC Governor of Western Australia

Monday, 12th August 2019

I would firstly like to acknowledge the traditional owners of the land on which we meet – the Whadjuk Noongar people – and pay my respects to their elders past, present and future.

It is a pleasure for me to deliver the opening address at the second Western Australian Indo-Pacific Defence Conference. This Western Australian Government initiative, led by Defence West and the Perth USAsia Centre has established itself as a significant occasion on Western Australia's strategic event calendar.

Today's conference on 'An era of new and renewed partnerships' will "focus on topics including a new role for Indonesia in the region, a growing role for Japan, an aspirational role for India, a renewed role for the United Kingdom and France, and a continued role for the United States (U.S.)."

As I came through the door I thought for a moment I might have died. In this huge gathering, there are so many service, political, industry, diplomatic and academic acquaintances from the last 40 years of my life, I thought that life was passing before me! With the room filled with this distinction, it speaks well of the significance of this gathering.

Australia's relationships with multilateral fora in the Indo-Pacific

As a question mark has arisen about the level of our principal partner's commitment to the rules based order it invented after World War II, and its recent enmeshment with the regional enthusiasm for multilateralism reflected in its commitment to the East Asia Summit, we are obliged to think creatively about the relationships we build in the zone we inhabit.

The good news for us is we have, with our regional partners, been doing this for a long time. Challenged in the 1970s we put in place with our friends the five power defence arrangements. In the 1980s-90s, APEC. In the late 1990's-2000s, security agreements with Indonesia and at least 13 different counter-terror arrangements throughout the zone.

We have become enthusiastic members of the East Asia Summit. Avid supporters of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Happy attendees at ASEAN regional fora. Patient negotiators of RCEP as it meanders to a conclusion. Long term partners with ASEAN outreach and a seeker of collaboration in trilateral, quadrilateral arrangements with all the players in the zone, with a particular recent focus on India, Indonesia and Japan. A free trade agreement with China. We top that with IORA and advocacy of the idea we should describe an Indo-Pacific, as opposed to Asia Pacific, nomenclature for the region.

I want to talk about our relationship with the U.S. Our Alliance with the U.S. and our continued cooperation remains vital to the security of the Indo-Pacific region.

I wrote recently that whilst the Indo-Pacific region has undergone a series of geopolitical shifts, “none of those shifts remove the U.S. from the list of regional great powers...The character of [Australia’s] allied conversation with the United States has...dramatically changed. It is now less a foreign policy discussion and more a national security discussion.”

1. *The U.S. is our biggest investment partner*

The U.S. is the largest foreign investor in Australia, investing \$939.5 billion into Australia in 2018. The U.S. also remains Australia’s top destination for investment. Australia invested \$718.9 billion into the U.S. in 2018.

2. *U.S. intelligence and equipment key to our defence posture*

Australia’s Alliance with the United States is particularly important for the purposes of our weapons sophistication. The incorporation of new defence technologies and intelligence systems into Australia’s defence operations, demonstrate the critical nature of the U.S.-Australia defence relationship.

3. *Major annual/biennial exercise activity.*

Exercises Talisman Sabre (2019 exercise involved more than 34,000 troops), KAKADU, Pitch Black, RIMPAC and AUSINDEX are major joint military/defence exercises that Australia and the U.S. participate in, along with other regional partners.

4. *U.S. the key to self-reliance*

There is a degree of Australia’s defence self-reliance which can only exist within the context of a U.S. alliance. This is due to joint intelligence facilities and operations which remain critical for the security of our region.

5. *What we are prepared to devote – 2%*

So much criticism these days focuses on what we spend on defence. Those who want to break alliance ties argue a lift to around 4% of GDP. Most want to see a lift from 2% to around 3%. My warning to them is to take a look at comparisons. It would be near impossible anyway, to produce a capability that matched the one the U.S. relationship produces.

Further consider this. The U.S. and Australian national governments both support public sector GDP ratios of around 25% (add States and it is 38% for the U.S. 36% for us). Compare that with austerity Britain 43%, France around 48%, Germany 52, and Scandinavia 60-70%. Consider also the array of our federal purposes the U.S. does not pursue: funding universities, universal health care, the 33% of students in private schools, the share of public hospital funding, and the array of family benefits. The Defence dollar has a lot of competitors. This puts value for money spending at a premium. We need a bit more but we won’t get much.

For most in the Indo-Pacific, it is important to have an indirect relationship with the U.S. via our direct relationship. Our neighbours are not opposed to us having a direct relationship accordingly. Within

our relationship with the U.S. trending views on Asian structures are an important component of our discussions.

Last AUSMIN, hidden in plain sight, was a recommitment to regional diplomacy. During the recent Australia-US Ministerial (AUSMIN) Consultations, the importance of deepening cooperation with regional partners including Japan, India, the United Kingdom, France, Germany and the EU was emphasised.

Both Australia and the U.S. “reaffirmed strong support for ASEAN centrality and the ASEAN-led regional architecture, underlining the value of the East Asia Summit as the region’s premier Leaders-led forum for addressing political and security challenges.”

Australia and the U.S., also “emphasised the need for an increasingly networked structure of alliances and partnerships to maintain an Indo-Pacific region that is secure, open, inclusive and rules-based; and where nations conduct themselves in ways that enhance regional stability, reinforce international law and respect the sovereignty of these principles.”

Today you will be addressing the numerous challenges facing us in the Indo-Pacific defence environment. These include, the proliferation of nuclear weapons, the militarisation of disputed territories, shorter warning times, the rise in cyber security threats and the development of counter-space capabilities.

A significant challenge which has caused widespread disruption and requires a regional response, is climate change. This is a phenomenon that acts as a risk multiplier across a spectrum of national security challenges.

Western Australia

For WA your deliberations will have particular significance. This is not just because we are the Australian location that puts us in the ‘Indo’ part of the Indo-Pacific. It is because the trends you will be discussing are subtly changing our regional significance and our defence challenges.

Our extraordinary position with long standing minerals and energy exports is well known; 33% of the world’s total iron ore production, 53% of iron ore which is shipped emanates from here. New gas fields coming on stream may well lift us to the largest gas exporter.

- For the fourth industrial revolution WA is now emerging as a critical supplier for the minerals of battery and magnet technology.
- Already we have the largest lithium mine but it is about to be surpassed, here. Nickel, cobalt, graphene.
- On rare earths – the vitamins of technology – we have established the existence of large prospects with unsurpassed levels of quality. Even if found elsewhere we are a long way ahead on the skills of recovery.

- If you look at global warming projections – rainfall assessments will transform the North. It will be an agricultural zone in a region going arid.
- Looked at in narrow defence terms, the question arises how do we defend all this in a challenging world. Back in the 1980s I used to worry about defending against sabotage and raids. Future generations may not have to contemplate seizures.
- Looked at in regional terms, we have an interest and an obligation to conduct ourselves in a way that promotes the security, coherence and prosperity of the region.
- Your deliberations will define the parameters of those challenges for us and for the nation as a whole. You are very welcome and thank you for doing us the honour of your attendance.