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SHADOW MINISTER FOR DEFENCE  
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**ADDRESS TO THE SYDNEY MORNING HERALD & THE AGE NATIONAL  
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**\*\*\*CHECK AGAINST DELIVERY\*\*\***

On Saturday night when a local community club which is in the heart of my electorate is playing in the grand final of a national competition against a soulless national brand known as Richmond anyway, go Cats.

There are two great conceits really that the Liberal National parties, the conservatives have always had in Australian politics.

One is that they're always better on national security and the other is that they're better on the economy.

These are brands, there is a, they invest a lot in the perception of those brands.

But actually, I think what it ultimately drives is a sense of laziness on the part of

conservatives in this country around both questions because the truth is both are false.

The modern Australian economy is a function of the economic reforms that were undertaken during the Hawke and Keating Governments, the Hawke and Keating Labor Governments.

And indeed, in a national security sense, the great advances and reforms in that regard have happened under Labor governments as well. Right back in our history, it was the Fisher Labor Government, which established our Navy.

It was the Curtin Labor Government which dragged Australia out of a sense of complacency and had us engage in the necessary preparedness to fight the Second World War in the Pacific theatre.

It was the Chifley Labor Government which set up ASIO but, more recently, and in the contemporary sense, the strategic paradigm which underpins the 2016 Defence White Paper, and indeed, every White Paper that has occurred since 1987, is a product of the Dibb Report of 1986, which came under Defence Minister Beazley in the Hawke Labor Government.

When times are difficult, thoughtful, reasoned, rational reform in relation to national security has always been undertaken by Labor.

And we are in one of those difficult periods right now. We are experiencing the most challenging set of strategic circumstances that Australia has faced since the end of the Second World War.

With the assertiveness of President Xi, China is seeking to shape the world around it in a way that it never has before.

And I don't say that with a sense of judgement, I think China is doing what great powers do, but it does raise a number of challenges for Australia in places like the South China Sea.

And equally there is a question mark, at least in respect of the presence of the United States in the East Asian time zone.

Now, let me be clear about this, the United States and our alliance with it is profoundly important to Australia.

It's never been more important.

We talk about shared values of democracy and the rule of law and that's very much the case.

But it's really the shared value of seeking to establish a global rules based order, which is why our interests with the United States are so aligned and why it's so important that we have as much of a presence of the United States in East Asia as possible.

And to be fair, during the term of this Trump administration, the Defence footprint of the United States has increased in East Asian time zone.

But I guess the question mark, comes when you think about the fact that it was bipartisan policy in the United States going into the 2016 Presidential Election, that the US withdrawal from the Trans Pacific Partnership, and the economic strategy and engagement of the US in East Asia, and the failure to be a part of the TPP has raised the question mark, about America's presence in the region.

Now all of that implies a few things in terms of what we need to do.

We need to be playing bigger, we need to be playing with a greater sense of purpose and a greater sense of intent and there is a partisan comment I'm making there about the current government.

But there's also an observation I'd be making about, really, Australia over the longer term, which is that I think, often we have not gone about our foreign policy with the sense of purpose and intent that is needed right now.

But it's critical that we do that.

And the Pacific is where that starts and I've often talked about how important it is for Australia to play the role that is expected of us in the Pacific, not just by the world, but by the Pacific countries themselves.

And to do that, from the point of view of seeking to put the human progress, the human development of the Pacific on a much better trajectory.

We need to be building the relationships with traditional friends in the region. We need to

make them even stronger.

Our relationship with Japan, for example, has never been more important. And it's a very deep and wonderful relationship.

But it is critically important going forward, you can say the same in relation to Korea, or Singapore, we need to grow the relationship with India, we've never had such great strategic alignment with India, as we do now.

In a country like Indonesia, it's fundamentally important that we take the next step, and take that relationship to the next level as well and it's driven by a sense of common strategic purpose by virtue of the way in which our region is being shaped.

But it is in the great power relationships that we've got absolutely got to make sure we get our actions, our policy, our diplomacy and the management of our hard power right. And at the moment, I'm very concerned that that's not happening.

Indeed, I think the way in which the relationship is being managed by the Morrison Government in respect of China, and the way in which our hard power is being managed by the Morrison Government is a matter that should be of great concern to all Australians.

It's been said that, that the front line of global affairs is diplomacy and we have clearly got a major diplomatic issue when it comes to China.

Starting point here is that this government doesn't articulate a set of guiding principles about how it seeks to relate to our largest trading partner, and a country with whom we have very significant security anxieties.

I'll be the first to say this is deeply complex, but all the more reason to articulate a set of guiding principles about how we go about our relationship with China.

And yet, we don't hear that from the government. And so when it comes to an issue like the South China Sea, you don't get a clear articulation of what our interests are, and what our plan is.

Now, we're an island trading nation, we are highly dependent upon trade, and most of our trade, most of it goes through that body of water.

The UN Convention on the Law of the Sea, which provides for freedom of navigation of the

high seas around the world, is a piece of global architecture, a rule of law globally, which is completely central to Australia's national interest.

And we need to be asserting it and we should do everything to assert it. And indeed, as a matter of principle, everything should be on the table in asserting the UN Convention of the Law of the Sea in the South China Sea, and for that matter, in all the high seas around the world.

Now, that's not a complicated, rationale to articulate.

But you don't get that clear articulation from the government, in terms of our behavior, in respect of the South China Sea.

We see, like silence, really from the main spokespeople within the government around national security.

We've heard from the Home Affairs Minister, but when it comes to the Foreign Minister, and the Defence Minister, there is essentially silence.

I mean, we've got two ministers who don't engage with the media and therefore don't engage with the Australian public.

Actually, at the end of the day, I think that's an outrage. We've had the Foreign Minister suggest that she's not interested in having a fight with Labor and she doesn't want to engage in megaphone diplomacy so she doesn't do media, as if to say that there isn't a role for a minister of the Crown, to articulate public policy to the Australian people, I mean of course, that needs to happen.

And in the void of that silence we have it filled by fringe dwellers on the government side, who make comments, which I don't think do much to advance the diplomacy with our most significant trading partner.

And so, then where we get to, is a situation where after seven years in government, this government cannot point to a single relationship of significance that it has with a senior member of the government of our largest trading partner.

That is inept.

It is an astonishing fact, and one which should all concern us deeply.

During the height of the Cold War, there were personal relationships, which provided some ballast between the United States and the Soviet Union, but we're not even going to talk about that kind of relationship.

We're talking about the relationship their largest trading partner, and they cannot point to a single relationship of substance.

And then when it comes to the management of the questions of hard power, the situation has been equally concerning.

The submarine program is the most significant program in terms of providing a platform which enables us to shape our strategic circumstances, which enables us to create strategic space and give us more strategic options.

Now, from the very outset, there was an ambivalence from the government in relation to Defence industry in this country playing a part in the building of the next generation of submarines, indeed we had the first Defence Minister of this government, the first of five, say that he didn't think that Defence industry in this country could be trusted to build a canoe.

We've had no articulated strategic rationale for an Australian Defence industry ever proffered by this government.

We had a situation where in the lead up to the 2016 election, essentially, in order to manage a press conference, a political message about trying to convince a skeptical Australian public that they did intend to build the submarines in Australia, they down selected to one bidder, at the point of - before a design had even been done, so that they could say, not only are we building 12 submarines in Australia, we're going to build them with this company.

Now, let me make this clear Naval Group is a fantastic company and it does have the capability to build the submarines that we need in the future, no doubt about that. But the decision not to give rise to a competitive process in relation to the design of the submarines, which would have cost an extra couple of hundred million dollars up front in the context of a spend, which at that point was expected to be 50,000 million dollars, is now expected to be 90,000 million dollars, an extra spend of 200 million upfront would have saved 10s of billions of dollars down the track.

It has placed Australia at an enormously difficult strategic, competitive disadvantage in the negotiations that we now are having and the relationship that we're now having with Naval Group.

And as a result, what we've seen is this, that the timing of the submarine has slipped by 10 years in the last seven, the cost blow out of the submarines has gone from \$50 billion to \$90 billion dollars, in the last five years. Australian industry content being at the heart of the submarine was promised to be at 90 per cent, went down to 60 per cent, and now we know that there is not a single contractual commitment to any level of Australian industry content in relation to the agreements in respect of the submarines at all.

So, on the three measures time, cost and Australian industry content, all of them are going backwards.

And what that means is that we're now relying heavily on a life of type extension in relation to the Collins class submarines, to see the evolution of our submarine capability.

And what that will see, is submarines which were conceived and designed in the 1980s, built in the 1990s, extending into the 2040s, going into their fifth decade of service before they're ultimately removed from the water.

Australia's been placed in a wicked problem when it comes to our submarine capability.

And this is the most significant platform we have in terms of shaping our strategic circumstances.

And now, we're being told that the frigates are also going to be delayed by a couple of years.

Hard power determines our strategic space, it determines our strategic choices.

At the end of the day, it goes to the question of our sovereignty.

And so, on both counts on the diplomatic front, in terms of managing the relationship, and on the hard power front in terms of actually empowering our nation and its strategic choices, this government has been getting it profoundly wrong.

And what it means is that at a moment when our strategic challenges are greater than they have ever been since the Second World War, we've got a government who is doing as

badly at this job as we have ever seen.

And the truth of the matter is that I don't think we're going to see any changes here until we get a reset, and we are not going to get a reset under this government.

I mean Labor promises that something very different would happen here, that there would be a national security agenda, which has Australian sovereign capability, sovereign choices and strategic enhancement at its centre, and that is what we would be about.

Thank you.

***ENDS***

**Authorised by Paul Erickson, ALP, Canberra.**