Virtual Event | A Conversation with Australian Ambassador Arthur Sinodinos

TRANSCRIPT

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- Ambassador Arthur Sinodinos, Australia’s Ambassador to the United States
- Walter Russell Mead, Ravenel B. Curry III Distinguished Fellow in Strategy and Statesmanship, Hudson Institute

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Walter Russell Mead:

Everyone, welcome to the Hudson Institute's Ambassador Series. I'm Walter Russell Mead, and today I have the pleasure of introducing and speaking with Australia's Ambassador to the United States, the Honorable Arthur Sinodinos. And in keeping with Australia's well-known sense of formality and rigor, I'll refer to him as Your Excellency, or maybe, I don't know your Australian Highness. But it's great to have you here, Ambassador.

Ambassador Sinodinos:

Thanks Walter. Great to be with you. Admire your work over the years and the work of the Hudson Institute.

Walter Russell Mead:

Well, thank you. Ambassador Sinodinos took up his job here in February of 2020, after four decades of service in the Australian government. Prior to his role as Ambassador, he served as Australia's Minister for Industry, Innovation, and Science, and as Senator for New South Wales in parliament from 2011 to 2019. He also held key roles in and out of Cabinet, including Cabinet Secretary and Assistant Treasurer. In 1996, Ambassador Sinodinos was appointed Prime Minister John Howard's Senior Economic Advisor. In 1997, he was appointed as the Prime Minister's Chief of Staff, a position he held for nine years.

So thank you very much. It's clear that in sending you to Washington, Australia's sent since somebody who can speak with great knowledge and confidence about the situation there and has had a long experience of the US-Australian relationship.

Ambassador Sinodinos:

Thank you.

Walter Russell Mead:

So questions, last week, Foreign Minister Marise Payne invoked a 2020 law to cancel agreements with Iran and Syria, as well as two BRI deals that Beijing had made with the government of the state of Victoria. The Chinese Embassy in Canberra called the move, "Another irresponsible provocation," while Payne framed it as, "Australia acting in its national interest." What was going on there? How do you think this incident's likely to affect what is already a somewhat troubled Australian-China relationship?

Ambassador Sinodinos:

Sure. Thanks Walter. What the Foreign Minister was referring to was some legislation which had recently been passed about agreements entered into by entities beneath the federal government, including state and territory governments. The idea of that was to, I think, have some greater consistency in our foreign relations by evaluating some of these agreements that have been entered into to see whether they're consistent, were consistent at the beginning, or are consistent now with our national interest.

In the case of the agreements from Victoria, one was, yeah, to do with Belt and Road and related initiatives. I think the feeling there was given the way that initiative had evolved, it wasn’t really in Australia’s interest to be identified with it. In the case of Iran and Syria, it was agreements which given the other issues at the moment, in both of those relationships, it wasn't particularly appropriate that those agreements continue.
The reaction from Beijing to that, well, they have reacted. But in terms of how it makes the situation any worse than it is at the moment, I'm not sure about that. The reason for that is that we've had a few bumps in the relationship in recent times, and I think that's a function partly of Beijing itself being more assertive and aggressive in projecting its power, as it's becoming more powerful in the region, and countries like Australia pushing back, because we are concerned about doing things that may infringe on our national sovereignty.

From that point of view, therefore, the relationship has reached a certain stable equilibrium, if you like. It's bumping along the bottom. This could happen for a while. I don't think we can see an early reset. Certainly the administration here has made clear in its relationship with China it will take account the interests of allies and partners, and not look to reset the relationship without taking account of how allies and partners are affected. From us, that's a very important signal from the administration. We've put our helmets and Macintosh's on and our galoshes, and we're just waiting for the storm to pass.

Walter Russell Mead:
It's interesting, because Australia ... I guess China is Australia's largest trading partner. The United States is Australia's key security partner in many levels.

Ambassador Sinodinos:
Yeah.

Walter Russell Mead:
At one point there was a really heated debate in Australia about how do we avoid having to make choices or how do we manage this? Over time it seems that the Australian, the sort of center of gravity of Australian politics and policy has moved away from trying to accommodate China and is focused more on strengthening the US relationship. I don't know if that's an accurate characterization or how you would describe how Australia's view of this relationship is shifting.

Ambassador Sinodinos:
No, no. I think your characterization is quite accurate. There was a period there as China was developing, where there was a view that we could have the economic and trade relationship with China, where the defense and security relationship with the US, human rights issues, we had a separate dialogue with China on those. We didn't allow those to overshadow the other aspects of the relationship. That was fine while China's philosophy was hide and bide its time, as it were.

But what's happened in recent times is that as China has become more powerful and more assertive, particularly on the Xi Jinping, the ground rules have changed. It's not easy for us to now compartmentalize things, particularly as there are areas of technology, which overlap with national security. And so issues around technological dominance have started to have real geo-strategic implications.

For example, a few years ago, in Australia's case, Huawei and ZTE and the role they would play in Australia's 5G rollout became an issue because of concerns that were expressed to us by our advisors, particularly in the information and intelligence fields about the capacity for information garnered in Australia, through those networks, to find its way back to governments in other places that may have an interest in exploiting that information for their own purposes.

The concern at the time was ... And Malcolm Turnbull was in the Prime Minister, was, "Okay. The intent at the moment may be benign, but once a country has this capability, intent can shift in a second and become more hostile or malicious." From the point of view of our national interest, we had to start
making decisions about issues like the 5G rollout, about foreign interference in our elections, in our
electoral system, in our political parties. And so it wasn't so much a conscious policy decision one day,
that we are now going to reset the relationship with China. It was the accumulation of a series of
decisions where we were evaluating what was in our national interest.

That antagonized China. I think today China's attitude tends to be that if countries are acting in this way,
they need to be put in their place. If Australia is not put in its place, others will think that it's appropriate
to act in this way. They find that consistent with how they want to assert their power in the region. Our
point is, allies and partners, including the US, by working together, push back in areas of overreach,
convince the Chinese they're better off cooperating with the international system, because we want
them part of the international system. We want them to be strong and prosperous. That's in
everybody's interest.

One of the greatest anti-poverty initiatives in history has been the development of China. We want that
to continue. But the point is, we also want some version of the global rules-based order, which we've
had since 1945, to continue. Yes, it suited us, as liberal democracies. But we believe those values of that
underpin liberal democracies are values which respect the independence and sovereignty of countries,
give them a chance to exercise their own freedom, and that we think that's important for all countries,
large and small.

We didn't begin this episode with China as some sort of ideological contest. It was about pragmatically
responding to areas where we thought our national interest was being infringed. That has had the
effect, though, of alienating China or making China feel we have got to be made, I suppose, an example
of. But what we're finding now is China increasingly lashing out at any country which appears to be in
any way critical or seeking to take them on in terms of their behavior.

We don't feel we're alone. In the way this administration has focused on allies and partners before
engaging China, we feel that the administration has sent a message to the Chinese that we are going to
leverage, we, the administration, are going to leverage one of the unique strengths of the United States,
its network of allies and partners, in this, if you like, geo-strategic competition that is going on. But it's
nuanced. The administration, the Australian government, all of us, accept there'll be areas where there
may well be geo-strategic competition, but there will also be areas of cooperation. Like for example,
climate change, COVID-19, nuclear non-proliferation.

Then there'll be areas where we just need to push back. Human rights is an obvious example. Hong Kong
is the poster child for what's happened in that regard. I think from our perspective, we've evolved this
approach based on national interest, but it aligns with the interest we have with the US and other
major, particularly democratic, powers.

Walter Russell Mead:

Australia was one of the first countries, and certainly in Asia, one of the first to respond to China's new
assertiveness with some kind of a pushback. How has China responded? I mean, what are sort of
concretely some of the things that you've experienced as China has tried to demonstrate to Australia the
errors of its ways?

Ambassador Sinodinos:

Yeah, well, Walter, it began incrementally. You'd find, for example, it might be wine. Suddenly wine is
not getting taken ticked to go into China. Approvals are being held up. Then it might have been barley.
Then it might have been coal starting to, for some reason, be held up at the ports and not be able to-
and then, but over time, a pattern developed. And at first, we didn't want to call this pattern out as a
pattern. We wanted to deal with each issue on its merits in a trade dispute context. But I think in more
recent times, we've said publicly that look, there is a pattern here and it's clear what the pattern is that we are being isolated because of some of the things we've done. One of the most recent being of course, calling out origins of the virus and seeking to have the World Health Organization do an independent objective examination of the origins so we can learn what happened and why and how we can do better in the future. So all of that, incrementally all of that buildup and we've seen the reaction that's occurred.

And so on the trade area, we're taking the Chinese to the World Trade Organization on one or two of these particular commodities, but we're just conscious that the trade relationship has been put into a deep freeze. The irony is that economically, the country Australia is doing quite well. So while exports and particular firms have been affected by these Chinese actions, the aggregate impact on the economy hasn't been perhaps as great as some people might've expected. It's been cushioned by a strong recovery in the Australian economy, just as the US is now starting to really consolidate its recovery. We've been helped by the fact that iron ore prices propped up by demand in China by record levels, which helps our economy and helps our budget. So in terms of the public in Australia, while they're conscious of what China has done, it hasn't registered in terms of economic deprivation in some way. And while there'll be businesses in Australia who are uneasy about the sort of deep freeze were in and think about what does this mean about future relations, that the business community has not been split by this. If there was a view in China or somewhere else that the business community might split on this and put more pressure on the government. It hasn't quite come across that way partly because when, for example, the Chinese at one stage put out 14 demands they had of Australia, one of which was of course, press treatment of China. And of course this immediately went to the point, "Well, look as a democracy, we're not going to muzzle the press. There are rules and regulations, but there's also free speech and everything else." And I think that registered with the public that we're being asked to do things which infringe on our national security and on our fundamental values, if you like. And that I think has meant that the public as a whole has taken a dim view of what China has done and essentially supported the Australian government in taking the stance that it has. With that said, we've also been very sensitive of our Chinese diaspora in Australia, to make sure that they don't feel they're being put in the middle that they're pawns in all of this or that we, in some way regard them as a fifth column.

Walter Russell Mead:

Yeah. I know that there've been some issues with Australian universities because just for some of the American readers here or viewers here, universities in Australia are even more dependent in some ways on international students and especially from China than in the US, where the international students often pay a higher tuition rate than locals and so forth. And in Australia, the population is not so great. So for a university trying to expand and gain resources and so on, that access to international students is vital. And yet, there've been some cases where Confucius centers and other things have tried to exert different kinds of influence in the university. How is that working out? And how do you think the balance between academic freedom and then the need of a university and the desire of the university to expand its enrollment plays out?

Ambassador Sinodinos:

You're right. It's a very delicate issue for a number of reasons. First and foremost, international education is about our third biggest export. So the university sector is a very big part of that. So in economic terms, it's very significant. And from our point of view as well, don't underestimate the significance of the people to people links that international education encourages. So for us, within the tertiary education sector in Australia, there's a keenness to get back to being able to welcome more students from abroad. Now, I think there's a bit of a concern in Australia that given what's happened in
recent times and the relationship that students from China may be discouraged to come to Australia. And that's an issue that is preoccupying universities in terms of their business model because the model and you alluded to this before with your comments about what overseas students pay, the model has become very reliant on those revenues.

So there's potentially a bit of an adjustment coming from Australian universities in that regard. The second area that you alluded to is foreign interference. And this goes to research partnerships. And to what extent, for example, are they a conduit for research results in sensitive sectors once where there may be civil military overlap, civil military fusion if you like, technologies that can be used for the civil or military purposes. And we've had some examples where there appears to have been abused in this regard. So we are developing with the university sector safeguards around this, but we don't want to throw the baby over the bath water. And I sensed this with the administration here as well, that everybody realizes that getting students in, educating them in Australia or the US is a wonderful way to develop people to people links and get people to appreciate liberal democratic norms and institutions as well.

So what we're trying to do is find a balance here, to stop potential abuse in terms of research being used for military purposes in a way which could potentially be antithetical to our interests, but at the same time, continuing to have very strong links. For us, China, I think has now supplanted the US as a major research partner. When you look at the sort of cooperation that's going on, US and China, very strong relationship in terms of research. And so in a world where everybody talks more about decoupling, particularly tech decoupling, I think there's an acknowledgement that there may be an element of decoupling particularly in national security space, but we don't want this to go the point where if we look at this from a global perspective, we're all worse off because we're not cooperating in a way we could before. It's finding that balance, which is what we're seeking to do.

So we have strategies involved with our universities around calendaring foreign interference. Just finally, to your point on Confucius institutes, the issue here is for the institutes not just to become a vehicle for running a government line and potentially being used to try and identify and intimidate people who may wish to take an anti-government line in relation to China when we're talking about Chinese students here. So we're very conscious that they not become a vehicle for potentially intimidating students who may want to speak out in some way about conditions back in China. And in doing that, we're not doing it because we're anti the Chinese government or whatever. We're doing it because we're standing for what academia is all about, which is the free market of ideas and free speech to express those ideas.

Walter Russell Mead:
Yep. Now I noticed that your close neighbor, New Zealand has been taking a somewhat different approach on a number of these issues and their foreign minister recently told reporters that her government's relationship with China is in good health. And they're concerned about an anti-China sentiment developing in the Five Eyes and so on. From an Australian perspective, how is this being received? And how do you understand where New Zealand is headed on these issues?

Ambassador Sinodinos:
Well, the New Zealand foreign minister recently made a speech where she laid out the policy approach and her policy approach is very much one of being prepared to call out China in areas like human rights, where reflecting New Zealand's values, which are very similar to our values where they feel that the individual's rights are being infringed. So they're prepared to be critical because I think there's been a bit of a stereotype recently in the debate that somehow New Zealand has been using in its criticism. There is criticism from New Zealand, but what they're saying is it doesn't mean they'll automatically sign up to every statement that might be made on this in a particular grouping. So they're saying there's no
guarantee they'll always do it as part of the Five Eyes. They may do a joint statement just with Australia, or they may do their own statement and there is this tradition in New Zealand of running an independent line. As you recall since the seventies and eighties, New Zealand has taken a different line on some of this, but her speech, the New Zealand foreign minister speech was quite consistent about its approach to China and calling out China as required.

The debate then became about, "Well, how do you do that? What context?" And she indicated that she saw the Five Eyes relationship is very much an intelligence and security relationship and she thought that sometimes it was being asked to do more things. Now it has evolved in some ways, for example, the attorneys general and home affairs ministers, interior ministers, Homeland Security ministers meeting under the Five Eyes umbrella. And that's because as Five Eyes, we have very common characteristics in terms of language, rule of law, and all of that, which make it quite easy for us to cooperate in that context, in that intelligence and law enforcement context. Treasurers and finance ministers, since COVID 19 here have also been meeting in a Five Eyes context.

So there's some debate about how far this construct may go. Here in Washington, dealing with my New Zealand colleagues, they very much valued being part of the Five Eyes and contributing to it and embedding in various US agencies that bear on these sorts of matters, so I think they see a lot of value in the Five Eyes. I don't detect on their part, some wish to dissociate themselves from the core of what the Five Eyes is about. And so at the end of the day, my attitude is, our government's attitude is, obviously New Zealand as an independent country will speak with its own voice, but it is very consistent with the sort of values that we talk about.

**Walter Russell Mead:**
All right. Sometimes when I'm trying to explain to some of my American friends about this relationship, I tell them Australia is sort of the United States of the South Pacific and New Zealand is sort of the Canada. And that a lot of the differences in sort of political shadings that you see are not dissimilar to what we're familiar with, with Canada. Should I keep telling people that?

**Ambassador Sinodinos:**
That's a great analogy. I haven't heard that before. I think it's... I'll steal that one. That's a good analogy.

**Walter Russell Mead:**
Well, I will now tell people that's official, that analogy. We've talked about China. I've noticed by the way that somehow C seems to be a tough letter for Australia; China, COVID and now climate. As recently as February, John Kerry said that Australia and the United States are not on the same page about climate. How is the... I suppose, the change in US policy from the Trump years to the Obama period has been pretty dramatic. And how is Australia responding to that and where do you see this discussion going?

**Ambassador Sinodinos:**
Look, you're right. What John Kerry was responding to or referring to there was a perception that in some international conferences in the past, we had pushed policy on some issues in a different direction to, I think, the US. Including, for example, how do you treat credits from a previous period in working out how much you've actually reduced emissions and all the rest of it. But that sort of technical stuff, I think we've all gone past now. We've managed to resolve all of that. So the issue this year has been, from our perspective, engaging in the US in a technology partnership around how we can actually get emissions down by being able to get the cost of new low emission technologies down. Because I think there's a view that ultimately technology is the key to this.
And if you listen to Bill Gates and various other people who talk about the new energy economy, it's in a context where we get the cost of technology down so that particularly for developing countries, they're not faced with this choice that it's either emissions reduction or economic growth. Because their view is, look, you're the west you've had a good run. You had a couple of 100 years of growing based on fossil fuels. You created the basis for this anthropogenic global warming. You're now telling us we've got to tighten our belts and all the rest of it. When do we get the chance to grow? Our answer to that is it's got to be through technology. So we're working with the US on setting up a working group on low emission technologies. The Australian government's putting about half a billion into this, into partnerships with the US, with Japan, other countries in our region. Where the US has asked everybody to step up is on ambition. The US came to the climate summit last week, and more than doubled its commitment to reducing emissions by 2030.

Two points were made. The first was net zero by 2050, yes, but the game has moved on. It's also about what we do this decade given that we are running out of time. Some people fear we've run out of time already. The challenge is Australia had announced and reviewed its nationally determined contributions 26 to 28% by 2030 at the end of last year. So the thinking within the Australian government prior to the climate summit was we've got the period until Glasgow to see what more we can do based on what we invest in technologies and further work we're doing this year on how the economy is responding to our existing climate change initiatives. So that will put us in a position to announce more in the run-up to Glasgow. And to do that, we will have a dialogue during the year on both ambition and technology with the US government and in other plurilateral and multilateral context.

For example, the Quad has a climate change working group, which will also look at issues of technology and ambition, finance, measures for adaptation as well as mitigation. So there's a lot to go on. And I think the US, behind the scenes, when we talk to them say, look, US and Australia have a lot in common given the way we relied on fossil fuels in the past, given the role of coal mining in the past and the adjustments that have to happen. So they're actually looking to have a discussion with us, not just about ambition, but about adjustment and transition. And so I'm really looking forward to that. And I think there's sincerity about what the US wants to do. And the US had to put more ambition on the table. The challenge now, which has always been our challenge because we take our commitments very seriously, is if you make a commitment, how do we make sure it happens?

So we're talking about putting in another eight or 10 billion into low emission technologies over the next decade, hoping to leverage up to 70 billion of private sector money. How will that go? And what will that achieve? And we're trying to work out from that what the best targets will be.

Walter Russell Mead:
Coal has been a significant factor, as you mentioned, both in Australia's own power usage, creates a lot of jobs. It's also been a principle export to China and more widely. So the tie to coal is probably going to be the most difficult single issue in Australia. And politically I know in Australian politics, there are a lot of prime ministers whose tenure has been wrecked by internal debate over climate change. How does this reality... There were these two realities of the political problems and the coal focus. How do you think that's going to shape Australia's climate policy and what should we be looking for to understand it?

Ambassador Sinodinos:
Well, the challenge for policy in Australia, if you look at the power sector, for example, the electricity generation sector, renewables are becoming an increasing proportion of the power output. But because of volatility with solar and wind in particular, we're having to come up with strategies for firming up power and providing backup. And gas is being looked at as a transition fuel to help with this so that
when you need backup or you need peak power, you can turn something on very quickly. So some combination of gases as transition fuel, pumped hydro, these are all being developed. And as being developed, the sector, the power sector is changing. And that in itself is essentially going to shake out the sort of future of coal-fired power in Australia. We've already had a number of older coal fired power stations terminated or closed down. And as they come to the end of their economic life, and that will be accelerated by these developments as the cost of these renewable technologies and backup and storage occurs, that sector will start to be a decreasing proportion of power.

And that will be accelerated by these other non-coal developments that are occurring. The future of the coal export industry will largely be determined by how quickly and on what scale our international partners start to develop the alternatives that they're committed to under the various partnerships. And for example, we have a partnership with Japan on hydrogen. As that scales up and becomes more significant, that will have implications for the power mix in Japan. China, further down the track. The result of that will be to change the economics of the coal markets. So what I'm saying is a lot of this transition will actually, ultimately be market-based and the role of government will be to deal with the fallout of that in terms of how we smooth the adjustment, how we help workers who may be displaced by this adjustment to do different things, whether it's in the energy sector as a whole or other sectors. We're finding the US is thinking about this a lot as well as part of the latest infrastructure package. I think there's about 45 billion for transition in some of these communities that are going to be affected by all these sorts of activities. The transition in the power sector and the like. So that's one of the areas we'll be talking with the US, how they propose to handle adjustment, and we can compare notes on that. But for the mining industry, critical minerals, these are rare earths, lithium, cobalt, more rest of it, are going to become more important over time as electric vehicles increase, take up in the community. They're also important in the defense sector, as you know. But the point is as critical minerals of which Australia has many will also provide a new sector of mining development separate to what may be happening in areas like coal or gas.

**Walter Russell Mead:**

So it sounds like trying to sort of sum all of this up and make sense out of it, the basic Australian idea is that tech innovation will drive energy transition and that government’s role will be on the one hand to promote technological innovation by supporting R&D and so on. And then on the other end, as the transition takes place, the market-driven, tech driven transition takes place, softening the blow on interests and communities that are sort of committed to the old pattern of energy. Is that a reasonable summary?

**Ambassador Sinodinos:**

Yeah. Yeah. Yeah. That’s right.

**Walter Russell Mead:**

Okay, great. Thanks. That's actually quite helpful. Let's talk a little bit about COVID, another. We've had coal, China, COVID, climate. Australia was very successful with limiting the spread of COVID in Australia. And it's been a bit of a puzzle to other people. Many of the countries that had that kind of success are Asian and non-democratic. How did Australia do it and how are you doing now on the next phase of vaccines?
Ambassador Sinodinos:

I think a couple of things. First of all, it's a big island and that's important always to remember. That early actions that were taken, for example, to stop flights from China and then other parts of the world, to some extent that worked because we don't have porous borders. That was important. But then what was important was doing lockdowns early, so we could try and suppress the transmission of the virus as we worked out a more viable, longer term strategy. And the more viable longer-term strategy now is not to keep locking everything down, but to have contact tracing and testing. So we can work out if someone has something or we can get pre-signs, like for example, testing sewage systems in our cities. And if we find traces of COVID, working out what suburbs this has come from. Is there a potential cluster there? And if there is, do we have a localized lockdown? Do we test people in that area, trace who they've been involved with? And to the maximum extent possible, in other words, isolate, rather than have to do things on a national or even a state level.

Now, some states in Australia have reasserted their powers in this area and have been very risk averse. Safety first, belt and braces if you like. And so often, at the first sign of some outbreak in quarantine or whatever, they've tended to lock the whole state down. We're trying to get to a situation where the contact testing and tracing across the country is so uniformly good that we don't have to rely on those sorts of blunt instruments if you like. But frankly, that approach has been quite popular with the public, the safety first approach. And that's led to some frictions because we're also trying to bring as many Australians overseas who want to come home, home. And that's a challenge because we're limited by our quarantine capacity because we ask people who come here, Australians coming back home to spend two weeks in quarantine. At the moment, that's largely in hotel facilities rather than home quarantine. The result of that has been to have to put a limit on the number of people coming back. Now, there have been some exceptions. We are allowing some visitors in for essential purposes. And what we mean by that is essential business related purposes. And yeah, there's been some debate I suppose, about what does that mean in practice? But for example, we've had quite a few people from Hollywood wanting to come to Australia to do productions because the conditions are propitious. They can work around things more easily than back home. We've had people coming in on an isolated basis who are prepared to do two weeks in quarantine because they're entrepreneurs and want to set up a particular business. And they see the benefit of doing that now. So we allow the certain exceptions. The Australian Open in Melbourne, the tennis championship, that was also seen as important given that it's a grand slam event. That it should proceed with the right conditions.

But these are challenges because we've also got a lot of Aussies overseas who want to come home. There was a debate in the region about who did it best. Singapore did very well, again, partly because they can isolate themselves in all sorts of ways, but they were also very efficient with the tracing. Taiwan did it well. And again, part of the reason some countries in the region did well is they had the experience of SARS. And after that, there was a lot more sensitivity, for example, to transmission and therefore wearing masks. So it was more accepted in the region. It has been for a long time. You see this, when you go to Tokyo during influenza season for people to wear masks. Whereas in the west, we've tended not to because we regard that as somehow unfriendly or cutting yourself off from others. But I think don't underestimate the impact of that experience in the region in making countries like Taiwan and others more prepared as to what to do.

Walter Russell Mead:

All right. And how about vaccines? How is the vaccination program going in Australia?
Ambassador Sinodinos:
Australia opted for a vaccination rollout around AstraZeneca, including with CSL, which is a major Australian company doing a lot of the local production. That's had its hiccups and that's been a bit constrained and we're also seeking to do more in our own region, particularly because Papua New Guinea is in dire straits at the moment.

But the challenge for us now is that we're seeking to bring forward other vaccine purchases that we've made to fill the hole from production that we're not otherwise able to undertake. But I have to say while vaccinations are important in Australia, I think they've been, because we've done well on community transmission of the virus, there isn't the same pressure from the public to get the vaccines out to everybody. That doesn't mean the government's not treating it as a matter of urgency, but I'm just saying in terms of the environment in Australia, it's not like the US and elsewhere. I think there's been real urgency about let's get the vaccinations out there as quickly as possible, do whatever it takes as a way of helping to bring things under control.

Walter Russell Mead:
Yep. So when do you think Australia will kind of reach a point where with vaccinations and all, it's possible to think about going to something like normal business, particularly in terms of being open to the outside?

Ambassador Sinodinos:
Yeah, I think that's the challenge, being open to the outside. Because within the country itself, things are relatively normal.

Walter Russell Mead:
Yeah.

Ambassador Sinodinos:
But this is an issue. Partly because as we alluded to before, we have major industries like international education, which require on people coming in. Immigration has been a big driver of Australian growth, particularly in the last 10 or 20 years, relatively high levels of immigration growth. That's really tailed off. So for us, there's a real economic imperative to getting borders open. But the appetite of the public, the risk appetite of the public means that I think... And this is one reason why the vaccination rollout, I think will probably need to be accelerated because business and others are saying, look, to get back to normal we need international travel. We need as many people as possible to be vaccinated. We want people coming in too, if possible. Home quarantine or not required quarantine if they're appropriately vaccinated, so we can start to create more of that international travel.

Now, there is one caveat to this. You can go back to a form of international travel, but until, and unless we have vaccinated essentially the world as a whole, now thinking now what's happening in India and other places, then we're never going to be completely out of this. I mean, this is a genuine externality or a public good we're all in this together. And people in developing countries being vaccinated is as important as people in our own countries being vaccinated. And that's why what the US is doing now with rolling out AstraZeneca across the world from its own supplies is very important.
**Walter Russell Mead:**
Well, hopefully, we'll soon reach the point where the vaccine production rates are just at such a level that the shortage will be a thing of the past. But thank you for spending this time with us here at Hudson. Australia has for a hundred years been one of America's closest partners, best friends, I could say in the international community and the relationship remains a strong one going into the Biden years. I look forward to seeing you again in person and at Hudson. And thank you very much for spending this time with us.

**Ambassador Sinodinos:**
Thanks, Walter. Great to catch up with you and really admire your work, as I said.

**Walter Russell Mead:**
Well, thanks so much.