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Australia and the Indo-Pacific: Strategic Perspectives on Australia's Relations with China, US, India and Japan

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*The views expressed in this piece are those of the author and should not be attributed to the Delhi Policy Group as an Institution.*

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*Former Australian Prime Minister Malcolm Turnbull with Prime Minister Narendra Modi during their bilateral meeting at Hyderabad House on April 10, 2017, in New Delhi. Source: Reuters*

*Australian PM Scott Morrison and Japanese PM Shinzo Abe at the Annual Leaders' Talk in Darwin, Australia in November, 2018. Source: Australian Government, Department of the Prime Minister and the Cabinet*

*Australia Minister for Foreign Affairs Marise Payne and Chinese State Councilor and Minister of Foreign Affairs Wang Yi in Beijing in November 2018. This was the first ministerial visit between the two countries in 18 months. Source – Australian Ministry of Foreign Affairs*

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# Australia and the Indo-Pacific: Strategic Perspectives on Australia's Relations with China, US, India and Japan

by  
Aashna John

## Introduction

Former Australian Prime Minister Malcolm Turnbull in his Keynote Address at the 2017 Shangri-la Dialogue, noted that, "in this brave new world we cannot rely on great powers to safeguard our interests. We have to take responsibility for our own security and prosperity while recognizing we are stronger when sharing the burden of collective leadership with trusted partners and friends<sup>1</sup>". This explains the recent debates in Canberra on the evolving regional strategic challenges.

Australia's strategic geography gives rise to strategic anxiety and this has hitherto been addressed by striking a delicate balance between the opposing pulls of its main security partner, the United States and its key economic partner, China. As long as the United States and China got along well there were no conflicting imperatives in Australia's foreign policy. The past two decades however, have presented regional geopolitical scenarios that made it difficult for Canberra to continue with its delicate diplomacy of balancing China and the United States. For the first time in its history, Australia's biggest trading partner and its most important security ally, were two competing global powers, often at odds with each other on issues ranging from trade to territorial disputes as in the South China Sea.

Being an island nation, Australia is dependent on freedom of navigation through the Indo-Pacific region with secure sea lines of communication (SLOCs). The Indian Ocean is the third largest water body and encompasses critical SLOCs and vital choke points carrying over 70% of global traffic and having large untapped offshore hydrocarbon reserves. The Indo-Pacific environment is undergoing a profound transition as it moves towards a more multipolar strategic system. The status quo of Asian growth underpinned by US security dominance is facing resistance from a rising power, China. In this context, Australian foreign policy today, faces three distinct challenges—countering the rising influence of China, determining the future of the age old American alliance and Canberra's response and position in the changing power dynamics of the Indo-Pacific.

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<sup>1</sup> Turnbull, M. *Keynote Address at The 16th IISS Asia Security Summit, Shangri-La Dialogue*, p 2

## The Rise of China

Historically, Australia depended upon Britain and then the US to contribute towards ensuring security in the Indo-Pacific region. As such it had its economic alliances with countries aligned around these two powers. With the advent of the 21<sup>st</sup> century, Australia's bilateral relations with China reached an inflexion point. China became Australia's number one export market, the largest source of international students, the most valuable tourism destination, the largest agricultural goods market and a major source of foreign direct investment<sup>2</sup>. This made Beijing Canberra's most consequential economic partner. For decades, Australia managed to navigate its foreign policy between China and the US. But as China's growth continued to expand, its ability to project military power in the Indo-Pacific grew in leaps and bounds with a 'capacity to influence virtually all of Australia's international interests'. Canberra presently faces three challenges in dealing with Beijing – economic, strategic and domestic.

Economically, opposing China would risk the trade relations and opportunities that only China offers. In 2017, Australia registered the longest uninterrupted stretch of economic growth in modern history<sup>3</sup>, and most credit for that would have to be given to Chinese demand. The Australia-China Comprehensive Strategic Partnership was shaped by China's momentous growth that led it to become Canberra's leading economic partner<sup>4</sup>. In 2016-17 alone, Australian exports of goods and services to China were nearly one-third of all of Australia's goods and services trade (\$110.4 billion)<sup>5</sup>. Trade with China adds up to \$250 billion annually. No other country has benefitted quite the same from China's extraordinary development. It is this same growth that helped Australia navigate unscathed through the 2008 Global Financial Crisis. Australia's over dependence on Chinese economy has been a blessing for the local markets, but it could unravel painfully if China's economic slowdown worsens with a ripple

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<sup>2</sup> Vaughn, B. *Australia, China and the Indo-Pacific*. CRS Insight. April 23, 2018.

<https://fas.org/sgp/crs/row/IN10888.pdf>

<sup>3</sup> Walker, T., *Australia needs to reset its relationship with China and stay cool*, June 4, 2018, The Conversation, <https://theconversation.com/australia-needs-to-reset-the-relationship-with-china-and-stay-cool-97370>

<sup>4</sup> Exports Market – China, Market Profile, Australian Trade and Investment Commission, Australian Government, <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/China/Market-profile>

<sup>5</sup> Australian Government, Department of Foreign Affairs and Trade, China country brief, <https://dfat.gov.au/geo/china/Pages/china-country-brief.aspx>

effect across the world. The “China syndrome” could have grave repercussions for Australia<sup>6</sup>.

Strategically, the biggest driver of the altering security situation in the Indo-Pacific region has been China’s coercive nature and activities in the South Pacific. Australia today sees its strategic interest in the South Pacific directly challenged by China, an area that was long considered by Canberra to be its “patch” or “backyard”<sup>7</sup>. For long, Australia has been the largest trade partner and aid donor in the South Pacific, as well as the main destination for Pacific island immigrants. Australia has traditionally displayed limited political and policy bandwidth with the Pacific<sup>8</sup>. Canberra’s interest in the region often spikes, it also quickly drops off. The Australian government’s decision to cut the foreign aid budget coincided with China’s expansionist attitudes and the BRI initiative, which filled large gaps created in Canberra’s diplomacy and assistance programs. Small Pacific nations were lured through loans and infrastructure projects that were then used as leverage to further China’s strategic objectives in the region. In April 2018, the Australian media reported that China had approached Vanuatu with a proposal to build a military base in return for millions of dollars of developmental aid<sup>9</sup>. The rumors were later denied and no subsequent proof of such negotiations was provided. But, the possibility of having a naval base a mere 2,500 kilometers from its shorelines, bringing North Australia within the range of attack, was more than enough to galvanize the Australian establishment. Since then, Prime Minister Scott Morrison has stepped up engagement by announcing a \$2bn infrastructure fund for the Pacific islands, establishing new diplomatic relations and even negotiating a security treaty<sup>10</sup> with Vanuatu. Australia, along with America and Japan, has promised to bring electricity to 70% of households in Papua New Guinea by

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<sup>6</sup> Chau, D. *Australia’s fortunes are linked to China-for better or worse*. ABC News. January 15, 2019. <https://www.abc.net.au/news/2019-01-15/china-economy-slowdown-will-affect-australia/10716240>

<sup>7</sup> Lee, J. *Australia’s plan to challenge China in the South Pacific*. CNN. November 09, 2018. <https://edition.cnn.com/2018/11/08/australia/australia-china-south-pacific-analysis-intl/index.html>

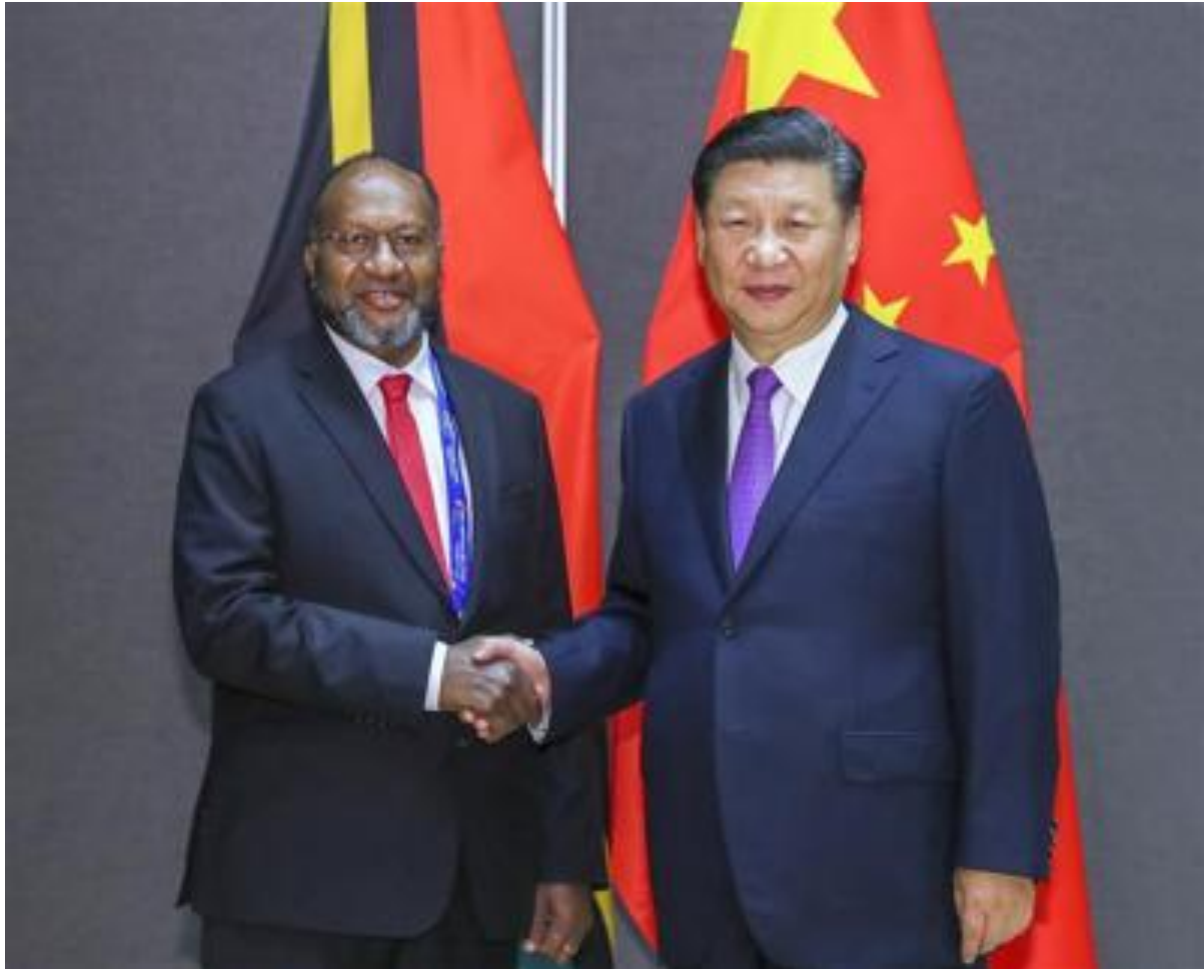
<sup>8</sup> McGregor R. *Australia versus China in the South Pacific*. Nikkei Asian Review. November 15, 2018. <https://asia.nikkei.com/Opinion/Australia-versus-China-in-the-South-Pacific>

<sup>9</sup> Williams, J. *Australia shudders amid talk of a Chinese military base in its backyard*, New York Times, April 11, 2018, <https://www.nytimes.com/2018/04/11/world/australia/vanuatu-chinese-military-base.html>

<sup>10</sup> *Australia and Vanuatu to negotiate security pact to head off China expansion*, The Telegraph, June 25, 2018, <https://www.telegraph.co.uk/news/2018/06/25/australia-vanuatu-negotiate-security-pact-head-china-expansion/>



2030, up from just 13% today. It even insisted that Australia and not China should help Fiji set up a regional military and police- training facility<sup>11</sup>.



*Chinese President Xi Jinping with Vanuatu Prime Minister Charlot Salwai at a collective meeting of leaders from eight Pacific Islands in November 2018, where it was agreed to elevate relations to a Comprehensive Strategic Partnership. Source: Xinhua*

Finally, China's role in targeting Australian institutions and domestic politics has become more prominent. Australia has a strong Chinese community of one million<sup>12</sup>. As China becomes more powerful and influential, it seeks to exert pressure on the Chinese community in the country in order to propagate its agendas and develop empathy for Chinese causes. The growing level of

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<sup>11</sup> *Australia is battling China for influence in the Pacific*. The Economist. January 17, 2019. <https://www.economist.com/asia/2019/01/17/australia-is-battling-china-for-influence-in-the-pacific>

<sup>12</sup> Kelly, P. *Australia stands firm against China and puts security first*, The Australian, June 9, 2018, <https://www.theaustralian.com.au/news/inquirer/australia-stands-firm-against-china-and-puts-security-first/news-story/a6ca449216817c477939f72276503ff9>



harmful<sup>13</sup>espionage, lobbying and influence operations being carried out in Australia led former Prime Minister Malcolm Turnbull to pass a foreign interference law that required lobbyists for other countries to disclose their activities. The refusal to allow Chinese technology giant Huawei<sup>14</sup> to participate in the roll out of mobile 5G networks due to national security concerns, and the blocking of a bid by the Hong Kong based CK Group<sup>15</sup> for the acquisition of a gas pipeline, led to further outrage in Beijing. Chinese ports subsequently halted Australian coal imports and placed hefty tariffs on agricultural goods<sup>16</sup>. This ultimately led to a freeze in the diplomatic relationship for over two years<sup>1718</sup>.

However, recently there has been a change in tone in Canberra and a “reset”<sup>19</sup> of Australia’s China policy. Prime Minister Scott Morrison announced in March 2019, a record funding of \$44 million to strengthen bilateral ties between Beijing and Canberra. The new National Foundation for Australia-China Relations will harness Australia’s Chinese community, and promote ties in agriculture, infrastructure, health, ageing, the environment and energy to “turbo charge” engagement with China<sup>20</sup>.

<sup>13</sup> ASIO Annual Report 2016-17, Australian Security Intelligence Organisation, Australian Government, <https://www.asio.gov.au/sites/default/files/Annual%20Report%202016-17.pdf>

<sup>14</sup> Hewett J. *Scott Morrison confronts China-politely*. The Financial Review. November 8, 2018 <https://www.afr.com/opinion/columnists/scott-morrison-confronts-china--politely-20181108-h17o8i>

<sup>15</sup> Kehoe J and Smith Macdonald A. *CKI-APA deal 'contrary to the national interest': Treasurer Josh Frydenberg*. The Financial Review. November 7, 2018 <https://www.afr.com/news/politics/ckiapa-deal-contrary-to-the-national-interest-treasurer-josh-frydenberg-20181107-h17mp5>

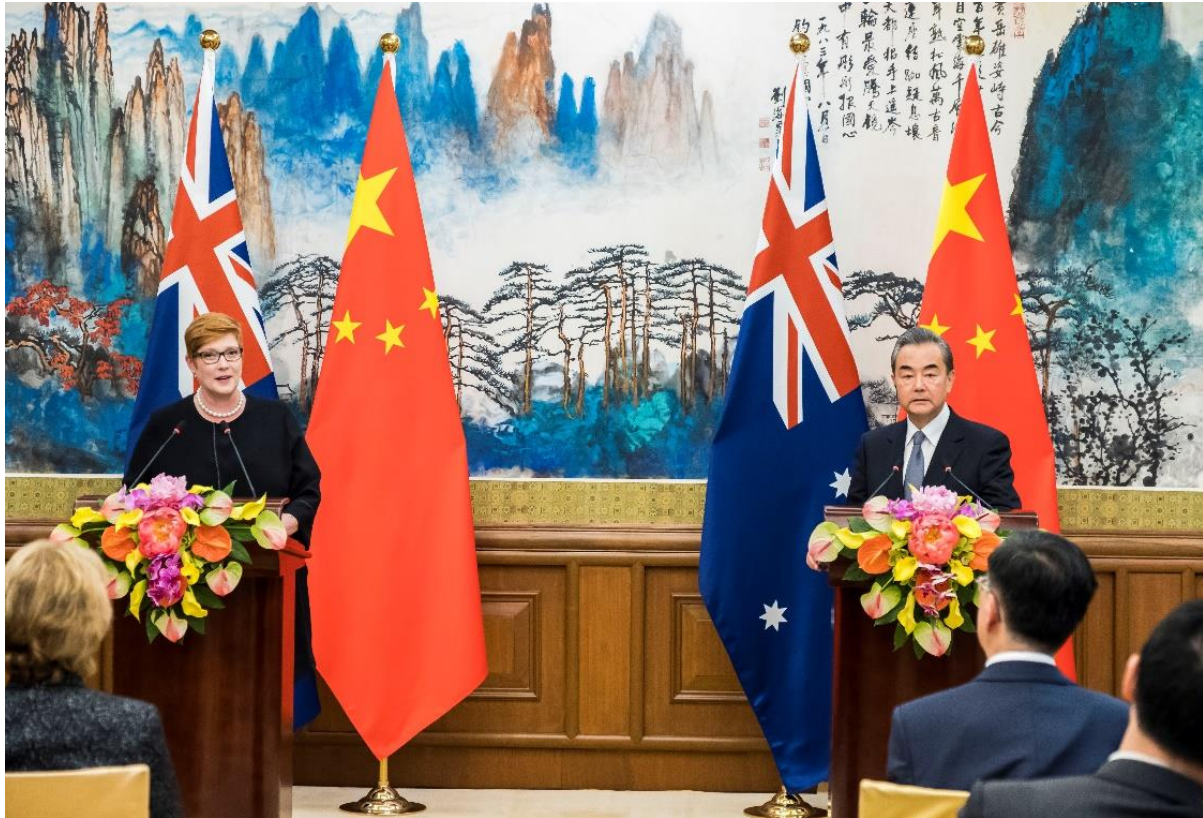
<sup>16</sup> Sainsbury, M. *Australia gets new Beijing envoy as Morrison tries second China 'reset'*. Crikey. April 01, 2019. <https://www.crikey.com.au/2019/04/01/beijing-ambassador-graham-fletcher-china-reset/?ft=NXJybUYxa3dSS3h3aHhIVStDbm9Bdz09>

<sup>17</sup> Korporaal, G. *Payne's great leap forward for Australian ties with China*. The Australian. November 10, 2018.

<sup>18</sup> Seth, S.P., *Australia's China Problem*, Daily Times, June 10, 2018, <https://dailytimes.com.pk/251322/australias-china-problem/>

<sup>19</sup> *Ibid* 2

<sup>20</sup> Packham, B. *Morrison puts \$44 million into foundation to improve China ties*. The Australian. March 28, 2019. <https://www.theaustralian.com.au/nation/politics/morrison-puts-44m-into-foundation-to-improve-china-ties/news-story/5059a50d9f04ec69ab35dadf209d2e49>



*Australia Minister for Foreign Affairs Marise Payne and Chinese State Councilor and Minister of Foreign Affairs Wang Yi in Beijing in November 2018. This was the first ministerial visit between the two countries in 18 months. Source – Australian Ministry of Foreign Affairs*

### Australia's place in the United States Free and Open Indo-Pacific Strategy

Following the end of the Second World War, the United States has enjoyed a central position in the architecture of Australian security and economic policy. Australia's economy depends upon global trade but it does not possess a global naval force capable of protecting maritime trade routes. This means Australia must have a close relationship with a country that does. Since 1945, it has been the United States. China is by far Australia's most important trading partner. But a maritime trading relationship is meaningless if the goods cannot get from one country to another. This is the reason why Australia needs the U.S. It is the U.S. which guarantees that maritime trade moves freely across the Indo-Pacific. Prime Minister Scott Morrison in his first foreign policy address affirmed that Australia's "most important partner and ally" was the United States and "a strong America-centrally engaged in the affairs of the region-was critical to Australia's national interests"<sup>21</sup>.

<sup>21</sup> Morrison, S. *Keynote Address to Asia Briefing Live- The beliefs that guide us*. November 1, 2018. <https://www.pm.gov.au/media/keynote-address-asia-briefing-live-beliefs-guide-us>

However, this is not a one sided relationship. The Trump administration's vision for a "Free and Open Indo-Pacific" reveals a key role for Australia as the 'watchman' of the Pacific islands. After the defeat of Japan in 1945, the United States stationed forces throughout the Pacific in what became known as the first and second island chains<sup>22</sup>. Basing its air, maritime and land forces within the region allowed the United States to project force into Asia. It was done also to "prevent any potential adversary from gaining a strategic posture in the South Pacific" that could pose a challenge to US hegemony. Presently, the United States looks to its allies to take the lead in other parts of the Indo-Pacific region. Because of the tremendous history and time tested relations that Australia has with the Pacific island nations, the American expectation is that Canberra should take the initiative in the context of concerns of China's growing engagement with the Pacific island states under the BRI plan. The U.S. will not withdraw from its security commitments to its allies, but it will insist that the burden of defense be shared more equally. The U.S. wants Australia to take a more active role in managing the South Pacific, but it also needs Australia to play a bigger role in the Pacific balance of power at large. It is important to understand that the U.S. holds no sovereign territory in that part of the world – Guam is the closest U.S. territory. U.S. power projection in the South Pacific depends on good relationships with U.S. allies – Australia, Japan, South Korea and the Philippines. Of these partners, Australia is the most reliable for the U.S. To maintain its superiority in the Pacific, the U.S. must have a close relationship with Australia<sup>23</sup>. This is reflected in the US National Security Strategy, which states: "Working with Australia and New Zealand, [the United States] will shore up fragile partner states in the Pacific Islands region to reduce their vulnerability to economic<sup>24</sup> fluctuations and natural disasters."

The U.S.-Australia alliance is one of the closest security partnerships in the world. Australia does not have a viable option to replace the U.S. security guarantee, and the U.S. must maintain a close relationship with Australia in order to secure its position in the Pacific and keep the containment line against China's ambitions in the region robust.

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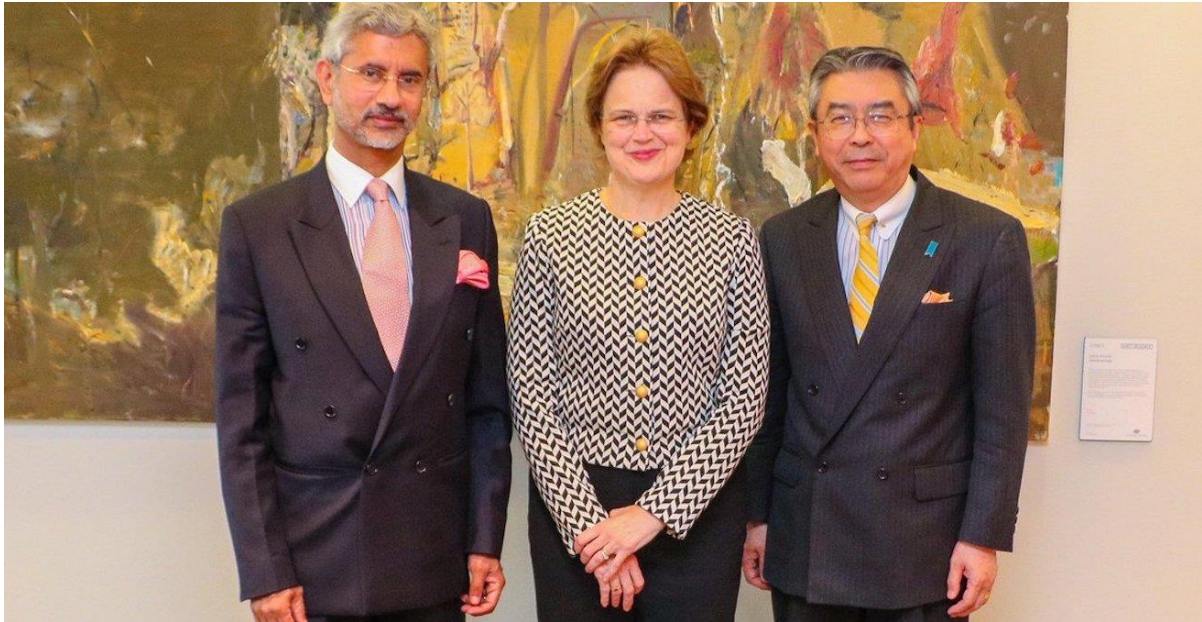
<sup>22</sup> Ratuva, S. *A New Regional Cold War? American and Chinese Posturing in the Pacific*. Asia and the Pacific Policy Studies 1, No 2 (2014), 409–422.  
<https://onlinelibrary.wiley.com/doi/pdf/10.1002/app5.38>.

<sup>23</sup> Shapiro, J. *The importance of Australia to the United States*. Geopolitical Future. February 03, 2017. <https://geopoliticalfutures.com/the-importance-of-australia-to-the-united-states/>

<sup>24</sup> The White House, *National Security Strategy of the United States of America*, 47.



## Australia's Grand Strategy



*Former Indian Foreign Secretary Dr. S. Jaishankar hosted the 4th India-Australia-Japan Trilateral Dialogue with Secretary of Department of Foreign Affairs and Trade of Australia Ms. Frances Adamson and Vice Minister of Foreign Affairs of Japan Mr. Shinsuke J. Sugiyama in December 2017. Source: Australian Institute of International Affairs.*

Australia's main goal is to protect the global shipping lanes so that the island nation's imports and exports can move freely throughout the world. It has always relied on outside powers to secure sea routes and to spur economic activity through trade. For future, uninterrupted growth it needs strong trade and business partners as well as a strong military alliance to protect such trade flows.

The Government's labelling in the White Paper of its 'neighbourhood as the Indo-Pacific' and stating that 'no long term foreign policy objective is more important to Australia than ensuring peace and prosperity of the Indo-Pacific', reflects the emphasis Canberra places on its ties with other regional partners. Acknowledging that multi-polarity in Asia, implies a reduced margin of influence for the United States in the Indo-Pacific, Canberra has taken proactive steps to formulate a strategy in order to determine what role it will play in these changing times. Australia's grand strategy can be bifurcated on three counts – the expansion of ties with India, reinvigorating the relationship with Japan and finally, Australian contribution towards a new rule based order in the region.

## The Indo-Pacific is India and the Indian Ocean



*Flag Officer Commanding Indian Navy Eastern Fleet, Rear Admiral Suraj Berry and Commander Australian Fleet Rear Admiral Jonathan Mead AM, RAN, shake hands at the joint media brief held on Indian Navy Ship Sayadri in Visakhapatnam, India for AUSINDEX 2019. Source: Australian Government Department of Defence*

In January 2019, at the Raisina Dialogue, Australian Foreign Minister Marise Payne articulated in detail an Australian worldview of the Indo-Pacific explaining it as a shift from the Asia Pacific, driven largely by India. A key element of Australia's Indo-Pacific strategy is partnering with India in the Indian Ocean Region. Australia has a long Indian Ocean coastline, boasts a large Exclusive Economic Zone with half of all export goods coming from Indian Ocean ports<sup>25</sup> while bearing responsibility for the Ocean's largest Search and Rescue Zone<sup>26</sup>. All these factors make the peaceful and open character of the Indian Ocean of vital national interest to Australia.

Australia's interest in building a stronger relationship with India comes at a time when Australia is becoming increasingly aware of its economic dependence on China and India's potential to soon by pass China as the world's

<sup>25</sup> Sidhu, H. *A natural next step*. The Hindu. April 24, 2019.

<https://www.thehindu.com/opinion/op-ed/a-natural-next-step/article26925291.ece>

<sup>26</sup> Jaishankar, D. *The Interpreter*. January 21, 2019. <https://www.lowyinstitute.org/the-interpreter/australia-articulates-its-indian-ocean-priority>



second largest economy<sup>27</sup>. With burgeoning economic growth and a young demography, 'India will be the single largest growth opportunity for Australia in the next twenty years'<sup>28</sup>claims Peter Varghese in *An Economic Strategy for India to 2035*. This will result in India exerting its influence to balance the regional order. The document concludes by affirming that 'there can be no Indo-Pacific without India'<sup>29</sup>.



*Former Australian Prime Minister Malcolm Turnbull with Prime Minister Narendra Modi during their bilateral meeting at Hyderabad House on April 10, 2017, in New Delhi. Source: Reuters*

The Australia-India strategic relationship is closely linked to the broader security of the region and therefore inevitably brings in China, because China, looms large in the strategic calculations of both countries. India engages in deep strategic competition with China in the immediate neighborhood and for broader regional influence. India would like to expand its economic relationship with China. But it would also be opposed to any move by China to become the predominant power in the Indo Pacific, being especially concerned about China's expanding interest in the Indian Ocean. Further,

<sup>27</sup> Richards, K. *Improving the Australia-India relationship: a naval focus*. Australian Defence Force Journal, Issue No. 195, 2014, p. 1.

<sup>28</sup> Varghese N. P., *An India Economic Strategy to 2035- Navigating from Potential to Delivery*, Department of Foreign Affairs and Trade, <https://dfat.gov.au/geo/india/ies/pdf/dfat-an-india-economic-strategy-to-2035.pdf>

<sup>29</sup> Dr. Wilson, J., *A New Region? Building Partnerships for Cooperative Institutions in the Indo-Pacific*, Australia-US Indo-Pacific Strategy Conference, Perth US-Asia Centre, April 13, 2018, <http://perthusasia.edu.au/getattachment/9c43cb4d-7943-4110-9225-c4322753f02a/PU-57-Outcome-Report-WEB.pdf.aspx?lang=en-AU>

while China is a factor in the strategic partnership between Australia and India, it is important to understand that Australia and India do not approach China from identical perspectives. China looms much larger in the Australian economy than it does in India's economy. A large Chinese diaspora exists in Australia. Also, Australia has no border dispute with China and nor has it ever gone to war with China.

As India adjusts to its new found role and might in the regional balance of power, it will remain uncompromising about its strategic autonomy to preserve the maximum freedom of action. India will not become an ally of the US or anyone else. It will be guided by its own interests as it builds strategic ties with a range of countries. India is likely to continue to support a liberal international order but one that better reflects the power distribution of the contemporary world. India will show a growing level of comfort in increasing strategic cooperation with the US and its allies in the region including Australia<sup>30</sup>.

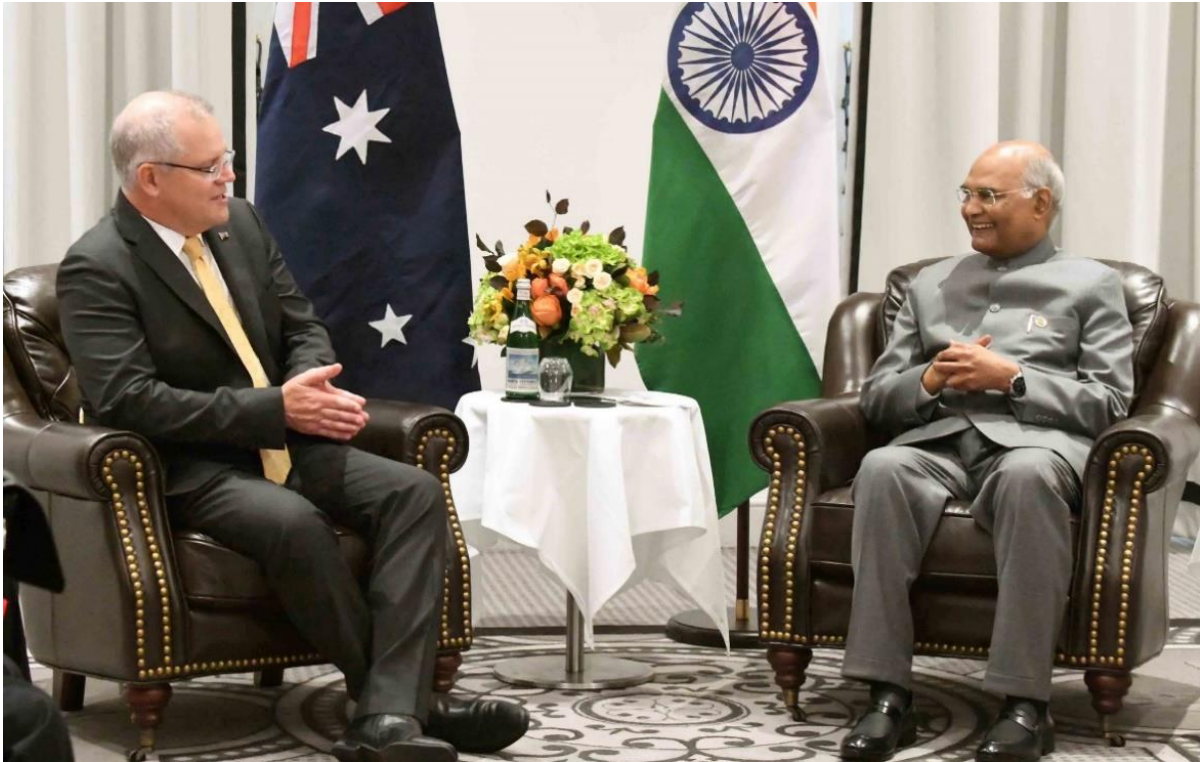
India's foreign policy will eventually reflect its enormous size, capacity and desire for a regional leadership role with the assumption that India will want to march to its own strategic tune<sup>31</sup>. As this occurs, deepening institutional links between Canberra and New Delhi will be of immense benefit to Australia's economic and strategic interests.

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<sup>30</sup> Varghese, P. *The Indo-Pacific and its strategic challenges: An Australian perspective*. Institute of South East Asian Studies. January 08, 2019.  
<http://www.uq.edu.au/about/?page=252733>

<sup>31</sup> Address by Peter Varghese AO – *An Australian World View: A Practitioner's perspective*, Lowy Institute, August 20, 2015, <https://www.lowyinstitute.org/publications/address-peter-varghese-ao-australian-world-view-practitioners-perspective>





*The Prime Minister of Australia, Scott Morrison calling on the President, Shri Ram Nath Kovind, at Sydney, in Australia on November 2018. Source: Asia Times*

### Australia's Special Strategic Partnership with Japan

Accelerating security ties between Australia and Japan have developed in the context of China's rise and by changes within Japan to 'normalize' its security settings. Australian and Japanese interests converge around the importance of advancing a rules-based order in the Indo-Pacific<sup>32</sup>.

This 'special strategic partnership'<sup>33</sup> has seen significant milestones being accomplished in the economic and security sectors<sup>34</sup>. The Joint Declaration on Security Cooperation signed in 2007 was the first time since World War 2 that Japan had concluded a diplomatic arrangement on permanent security cooperation with any other nation other than the US<sup>35</sup>. Bilateral cooperation

<sup>32</sup> *Australia and Japan Security Ties: An accelerating partnership*

<sup>33</sup> Schreer B., (2016) *Australia's 'special strategic relationship' with Japan: another 'China choice'?*, Australian Journal of International Affairs, 70:1, 37-49, DOI: 10.1080/10357718.2015.1058340

<sup>34</sup> An important feature of the declaration was that it established regular '2+2' talks between Foreign and Defence ministers, escalating one step further with the annual Japan-Australia Summit between both Prime Ministers. Similar agreements were met with the Information Security Agreement and the Acquisition and Cross-Services Agreement came into force in 2013, and the landmark Japan-Australian Economic Partnership Agreement in 2014.

<sup>35</sup> David Walton, 'Australia and Japan: towards a new security partnership?', Japanese Studies, Vol. 28, No. 1, May 2008, p. 74

was diluted in 2016 by the Turnbull Government's rejection of the Soryu bid for a new generation of Australian submarines<sup>3637</sup>.

However, both capitals have doubled down on shared normative commitments around the importance of the liberal economic order in the face of 'America First' mercantilism<sup>38</sup>. Closer Australia-Japan security ties may help limit the degree of risk associated with each nation becoming overly reliant on the US and the larger influences of China.

Japan's National Security Strategy lists a 'shift in the balance of power' with the 'changing' relative influence of the US. In its assessment of China, the strategy highlights Beijing's rapidly increasing military capabilities and insufficient transparency in its military expenditures. It raises concerns about Chinese actions that are 'incompatible with the existing order of international law'<sup>39</sup>. These drivers are strikingly similar to those identified by Australia in its 2016 Defense White Paper and 2017 Foreign Policy White Paper<sup>4041</sup>. Moreover Australia and Japan attach a strong importance to continued US presence in the Indo-Pacific in order to maintain stability and dynamic economic growth<sup>42</sup>.

Tokyo and Canberra have worked together to shape the regional architecture via the creation of the Asia Pacific Economic Cooperation (APEC) and the East Asian Summit<sup>43</sup>. In doing so, both countries have helped create multilateral

<sup>36</sup> For the Japanese, the deal with Australia was another step towards Prime Minister Abe's push to have Japan's pacifist constitution clauses amended allowing for an increase in militarization and further distancing itself militarily from the United States. Article 9 of the Japanese Constitution renounces war. The Constitution was developed in the immediate post War period and places unique constraints on Japan's security policies and, in particular, on its ability to participate in collective self defence.

<sup>37</sup> For Australia, the deal would fulfil its obligations in contributing towards American efforts in the Asia-Pacific by delivering new military infrastructure. Taylor, N., *Potential for Stronger Japan-Australia Security Ties*, Australian Institute of International Affairs, September 18, 2017, <https://www.internationalaffairs.org.au/australianoutlook/japan-australia-security-relations/>

<sup>38</sup> O'Neil, A. Walton, D. *The Australia-Japan relationship: Worthy of more reflection*, The Interpreter, Lowy Institute, October 3, 2017, <https://www.lowyinstitute.org/the-interpreter/australia-japan-relationship-worthy-more-reflection>

<sup>39</sup> Government of Japan, Japan's National Security Strategy [2013], Ministry of Foreign Affairs [website], p. 6, available at [https://www.mofa.go.jp/fp/nsp/page1we\\_000081.html](https://www.mofa.go.jp/fp/nsp/page1we_000081.html)

<sup>40</sup> Government of Australia, 2017 Foreign Policy White Paper [2017], Ministry of Foreign Affairs, p.37, available at <https://www.fpwhitepaper.gov.au/>

<sup>41</sup> Department of Defence, 2016 Defence White Paper, Department of Defence: Canberra, 2016, p. 40, available at <http://www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf>

<sup>42</sup> Japan's National Security Strategy and Australia's 2016 Defence White Paper, both of which refer to the vital role of an ongoing presence of US forces in the region.

<sup>43</sup> Malcolm Cook and Thomas Wilkins, 'The quiet achiever: Australia-Japan security relations', Lowy Institute [website], 10 January 2011, p. 7, available at

avenues for international engagement that also serve to support a norms based agenda. Both countries seek to enmesh China within a regional order that is acceptable, rather than have China's rise dictate the nature of that order. The challenge for Australia though, is not become 'entrapped' in Sino-Japanese conflict<sup>44</sup>.



*Australian PM Scott Morrison and Japanese PM Shinzo Abe at the Annual Leaders' Talk in Darwin, Australia in November, 2018. Source: Australian Government, Department of the Prime Minister and the Cabinet*

Australia recognizes that as the world's third largest economy, with a highly capable government, with considerable hard and soft power, Japan can add sufficient weight to efforts to shape the region and this partnership with Japan is likely to continue on a strong upwards trajectory for years to come.

## Conclusion

Australia has placed the Indo-Pacific at the front and center of its wider foreign policy and defence strategy. The primary reason for such an evolution of regional priorities has been the increasing difficulty in balancing the growing competition between two indispensable partners – the United States and China. Rather than choose a side, Australia has reached out to potent partners in the region- India and Japan. But strengthening bilateral ties with key states

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<https://archive.lowyinstitute.org/publications/quiet-achiever-australia-japan-security-relations>

<sup>44</sup> China made no attempt to avoid expressing its disapproval of the submarine-related negotiations between Australia and Japan. Eventually, the argument may have been made that Australia's own interests with China were simply far too important to jeopardize.



is only part of the solution. Ensuring regional stability for Australian interests and an overarching rules based order would require dynamic multilateralism with all players in the region – minor and major. The way forward has already begun for Canberra. There is growing and active participation by Australia in tri-laterals and within regional architecture frameworks in the Indo-Pacific region. Institutional ‘renovation’ for the expanded Indo-Pacific<sup>45</sup> could be achieved through ‘soft law’ mechanisms that are based on dialogue which obviate the need to achieve tight consensus<sup>46</sup>. Similarly, the creation of ‘mini-lateral groups’ within existing institutions, could function as like-minded coalitions to press ahead with cooperative initiatives in the absence of broader consensus.

Multilateral fora, such as the East Asia Summit, the Association of Southeast Asian Nations (ASEAN) Regional Forum, Asia-Pacific Economic Cooperation (APEC), and the Indian Ocean Rim Association (IORA) remain the premier forums for Australia’s Indo-Pacific diplomacy. Formalized trilateral arrangements with Washington, Tokyo and New Delhi have added another layer of engagement where cooperation on specific areas can be organized and accomplished<sup>47</sup>.

The revival of the Quadrilateral Security Dialogue is another platform that shows Australia’s commitment to the US alliance while at the same time expressing its intent for the strengthening of defense ties with other like-minded stakeholders in the region. A complicating factor however, has been the lack of consensus on foreign policy between the main political parties in Australia – Labor and the Liberals. Labor in general, prioritizes accommodating China to a greater degree than the Liberals while the latter give relatively greater weightage to the obligations of the U.S. alliance. With the Australian national

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<sup>45</sup> Dr. Wilson, J., *A New Region? Building Partnerships for Cooperative Institutions in the Indo-Pacific*, Australia-US Indo-Pacific Strategy Conference, p 6

<sup>46</sup> As globalization has created markets, externalities, and public goods that cross borders, bureaucracies have begun to expand across borders as well. This is increasingly done through informal arrangements; sub-state actors meet with their peers from other jurisdictions to exchange information, coordinate enforcement, and harmonize the regulatory rules applied at home. ‘Soft law’ refers to quasi-legal instruments that necessarily do not have a legal binding force. The term is used to denote agreements, principles and declarations that are not legally binding. Soft law instruments are predominantly found in the international sphere. UN General Assembly resolutions are an example of soft law. Guzman, Andrew T. and Meyer, Timothy, *International Soft Law* (August 4, 2010). *The Journal of Legal Analysis*, Vol. 2, No. 1, Spring 2011; UC Berkeley Public Law Research Paper No. 1353444: <http://dx.doi.org/10.2139/ssrn.1353444>

<sup>47</sup> Seymour, H. *Trilateral Diplomacy: Australia’s Indo-Pacific Strategy*, Australian Outlook, Australian Institute of International Affairs, April 3, 2018, <https://www.internationalaffairs.org.au/australianoutlook/trilateral-diplomacy-foundations-in-an-australian-indo-pacific-strategy/>

elections coming up on May 18, 2019, the Australian Labor Party is favored to win and this could result in a certain change in direction of foreign policy<sup>48</sup>.

Without doubt, Australia can make a big impact in the Indo-Pacific and take the lead in addressing rising concerns and tensions in the region especially in the South Pacific. Australia has strong security and economic imperatives in the region. A multipolar Asia requires that Australia engage with other regional powers in the furtherance of its national interests. As more of the region's governments are able to project their power beyond their national borders, such engagement will help manage the risks of strategic miscalculation and instability.

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<sup>48</sup> Rimmer, S. *An Australian accent abroad? Foreign policy under a Shorten government*. The interpreter. April 26, 2019. <https://www.lowyinstitute.org/the-interpreter/australian-accent-abroad-foreign-policy-under-shorten-government>



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