

## **Chapter 2**

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# **Australia's Security Policy: Enhancing Engagements in the Asia-Pacific Region**



In August 2012, Australia's Minister for Defence Stephen Smith delivered a speech at a Sydney-based think tank, in which he pointed out that a "historic shift" is arising in Australia's strategic environment. Minister Smith's statement is indicative of Australia's stance of recognizing the growing importance of the Asia-Pacific region amid the rise of regional countries, including China.

In the context of such a Historic Shift, Australia has primarily hammered out two policies, one of which is a plan to build up its own military capabilities. The first significant movement in that direction was blueprinted by the Defence White Paper released in May 2009. The 2009 Defence White Paper pronounced that it was necessary for Australia to undertake a certain level of military buildup given the growing national power of countries in Australia's wider region, proposing a military buildup plan named "Force 2030," focusing especially on the Royal Australian Navy (RAN). However, since 2009 the implementation of "Force 2030" plan has been experiencing a range of real challenges, including the Australian federal government continuing to suffer from deficits, and the emergence of major problems in maintaining and developing various kinds of equipment.

Meanwhile, the second tool which Australia is employing in order to effectively deal with the Historic Shift has been its goal of further enhancing engagements in the Asia-Pacific region. Toward that end, the Julia Gillard government has been reviewing the Australian military's bases and international engagements through the Force Posture Review, and has started preparing the necessary foundation for active cooperation with its ally, the United States most importantly. In addition, Australia has been working to strengthen bilateral, trilateral, and multilateral relationships with countries in the Asia-Pacific region, including the island states of the South Pacific, and other regional countries such as Indonesia and China.

While strengthening its engagements with the Asia-Pacific region widely, Australia describes Japan as its "closest partner in Asia," and is increasingly placing high importance on the defense and security cooperation between the two countries. Ever since the Joint Declaration on Security Cooperation of 2007, the foundations of defense and security cooperation between Australia and Japan have come to be steadily put into place, with practical cooperative efforts having taken place in recent years, such as disaster relief operations in the aftermath of the Great East Japan Earthquake on March 11, 2011, as well as United Nations (UN) peacekeeping operations in South Sudan. Also, with the fourth "2+2" summit meeting in September 2012 between the two nations' foreign and defense

ministers having produced “Common Vision and Objectives,” the defense relationship between Canberra and Tokyo is entering a new phase of even closer cooperation.

## **1. Defense Policy amid the Rise of Asia-Pacific**

### **(1) The 2009 Defence White Paper and “Force 2030”**

A quick read of official documents from the past dozen years brings attention to the fact that there has been a certain level of continuity in the basic framework of Australia’s defense policy. For example, looking at the contents of various Defence White Papers—the country’s most important public documents on defense policy—one finds significant similarities when comparing the formulations of Australia’s strategic interests manifested in the 2009 Defence White Paper of the current Labor Party government and in its predecessor document, the 2000 Defence White Paper of the previous Liberal-National Coalition government. The 2009 Defence White Paper regards the direct defense of Australia as the top priority of the country’s defense policy, followed in level of priority by the stability of neighboring countries, such as South Pacific island countries, with the security of the Asia-Pacific region, starting with Southeast Asia, coming next, and overall global security as the fourth priority. In essence, the 2009 White Paper inherited such an approach of hierarchizing the strategic interests in terms of geography from the 2000 Defence White Paper.

Despite such visible continuity, however, the 2009 Defence White Paper does have introduced significant elements of discontinuities as well, including most particularly a major force build-up plan, called “Force 2030.” Why did the 2009 Defence White Paper arrive at a conclusion of needing to reinforce military power, while pursuing the nearly identical strategic interests as the 2000 Defence White Paper?

A large part of the answer to that question lies in the way in which 2009 Defence White Paper describes the current and future strategic environments. The document looked back at the nine years since the release of the 2000 Defence White Paper, describing it as a period in which several major changes arose including the September 11 terrorist attacks and the rise of cyber threats. Among numerous developments, however, it described “the beginning of the end of the so-called unipolar moment” as the most momentous event. Although such expressions created misunderstandings in some quarters, the 2009 Defence White

Paper certainly did not deny that the United States would remain the world's strongest power in the foreseeable future. Indeed, it explicitly describes the United States as continuing to be the "most important strategic actor." At the same time, the document showed its appraisal of the regional strategic situation by using such blunt expressions: "[a]s other powers rise, and the primacy of the United States is increasingly tested, power relations will inevitably change."

The 2009 Defence White Paper pointed out the possibility of various risks arising in the future stemming from such changes in the power relativities in the Asia-Pacific region. That perception of risk consists broadly of two elements. The first risk stems from potential changes in the relation between major powers in the region. The white paper indicated the possibility of the United States' significantly cutting back its leading role in the Asia-Pacific region, as its primacy, which has underwritten the peace and prosperity of the region for the past decades, is increasingly tested, particularly by the rise of China. Also, it refers to a scenario in which Australia would be called upon, in some way or form, to participate in a war that could possibly break out because of such worsening of major power relations.

The second risk comes from the expansion of military power by other countries in the region. The population of Australia is 22.6 million, with a standing military strength of about 59,000, making it a small country relative to other Asian states. For that reason, Australia has long maintained the "capability advantage" policy, stressing superiority over neighboring countries in qualitative terms, given that it cannot match them quantitatively. However, the foundations of the capability advantage policy might become increasingly unsustainable as Asian countries make qualitative progress in their own military power.

To address those risks, the 2009 White Paper adopted the so-called "Strategic Hedging" concept. To put it in simple terms, Strategic Hedging is a form of military insurance. Envisaging a long-term scenario requiring an even more robust force build-up potentially caused by the aforementioned two risks, the Strategic Hedging concept calls for Australia to prepare at least a basis for such a future build-up. More specifically, by maintaining a capability advantage over the increasingly capable neighboring countries, Australia would be able to secure a sufficient bulwark for a force expansion in order to readily respond if neighboring countries initiate hostile military build-ups against Australia. The 2009 Defence White Paper considered such a preparation as essential for securing a sufficient lead time

for a required military build-up when “strategic warning” of such inimical military developments in Australia’s neighborhood is detected. Furthermore, the 2009 Defence White Paper also asserted that, with such Strategic Hedging, Australia would also be able to prepare a “sound basis” for expanding its military force, should “fundamental changes” emerge in major powers in the future.

Based on those ideas, the 2009 Defence White Paper proposed a long term force build-up plan called Force 2030. Specifically, it proposed to replace the six *Collins*-class conventionally powered submarines with twelve of a newer type, and also to replace the current eight *ANZAC*-class frigates with eight new-type ones, as well as introduce eight successor aircraft to the AP-3C patrol/surveillance aircraft, along with twenty coastal combat ships, among others. Also, the white paper continues to view as important the previous government’s decision to buy one hundred F-35 fighter jets, three Air Warfare Destroyers, and two large amphibious ships (LHDs, or landing helicopter docks). To realize such a large increase in military power by the 2030s, the 2009 Defence White Paper made a budgetary commitment that Australia’s defense budget would need to be expanded by 3 percent annually in real terms through the 2017–18 financial year (from July 2017 to June 2018), and then 2.2 percent annually in real terms from the 2018–19 financial year through 2030. Furthermore, it calls for the streamlining of the defense budgets so as to realize an AUD\$20 billion savings in the budget.

The 2009 Defence White Paper caused a lot of controversy among strategic experts in Australia. One criticism concerned the precise timing of the shift from the Strategic Hedging stage to the next one. According to the logic of the aforementioned Strategic Hedging, when changes in the relations between major powers are ascertained, Australia is to shift from the current Strategic Hedging stage to the stage of further expanding its military power. If so, what exactly do those “changes” refer to? What kind of changes in major power relations would be interpretable as such changes? Others criticized the difficulty of



Cover of *Defending Australia in the Asia Pacific Century* (Defence White Paper released in May 2009) (reproduced with permission from the Australian Department of Defence)

predicting the exact type of force that would be necessary two decades from now. If little can be known exactly about what kind of force Australia would need to possess should there in fact be deterioration in major power relations, then how can a basis for such an unknown force be defined? Another criticism referred to whether the military build-up as planned in the 2009 Defence White Paper was feasible in the first place. Ever since the white paper was first announced, some experts have particularly raised doubts about Force 2030's feasibility from a fiscal perspective, given especially such facts as that the white paper only devoted as few as two pages to defense budget planning, and also because of the uncertain future of the economy after the breakout of the so-called global financial crisis.

## **(2) Challenges Facing “Force 2030”**

In the more than three years since the 2009 Defence White Paper was crafted, Force 2030 has faced several serious obstacles, the first involving issues of the development and maintenance of equipment. To start with, there has been great controversy over the SEA1000 project to build twelve future submarines. SEA1000, the plan to replace the current fleet of six *Collins*-class conventionally powered submarines with twelve new-type submarines by the mid-2030s, has been called Australia's largest capital investment program in history. As the power of the countries in the region grows, submarines can be described as a key capability for Australia to have, as Australia's defense strategy continues to emphasize operations in the sea and air approaches to the north of Australia (for details, see “Australia's Defence White Papers” later in this section).

The following government documents indicate that the development schedule of SEA1000, however, has been experiencing delays. According to the 2009 Defence Capability Plan, put together on the basis of the 2009 Defence White Paper, the initial definition stage—that is, the laying out of top level requirements for future submarines—was to have been completed by December 2009, with the construction of the submarines slated to begin in 2016. In the 2011 Defence Capability Plan Revised Version, announced in 2011, however, the work of that stage was postponed to around 2011–12.

According to the next stage of the future submarine project, announced in May 2012, along with the 2012 Defence Capability Plan issued two months later, the SEA1000 project was still in its basic survey stage as of mid-2012. One of the purposes of the survey was to decide which of the following four options to select

concerning the SEA1000 project, namely: (1) to introduce a proven military off the shelf (MOTS) submarine design already put into practical use by foreign countries, (2) to introduce a version of MOTS adapted to Australia's specific requirements, (3) to introduce an updated version of the existing submarines including the current *Collins*-class submarine, or (4) to design and introduce an entirely new submarine.

Several factors seem to be at play behind the repeated delays of SEA1000. One is the lessons learned from the *Collins*-class submarines currently in operation. Those submarines are conventionally powered submarines designed by the Swedish shipbuilder Kockums Aktiebolag, and built by the Australian Submarine Corporation (ASC), which was jointly set up by Kockums and several other firms. Ever since they first went into operation, though, they have been plagued by repeated breakdowns, not to mention a shortage of engineers and crewmen for maintenance and repair, as well as a shortage of parts. The Australian government admits that "80 per cent of the problems in capability are caused in the first 20 per cent of the life of the project," so that is thought to be the reason for its cautiousness in the early policy decisions and design stage of the SEA1000.

Another factor in the delay of SEA1000 that some have cited is the fact that discussions and planning have been taking time about the required industrial basis in terms of human skills as well as more material infrastructures. In December 2011, an American think tank, RAND, released a report tasked by the Australian Department of Defence on "Australia's Submarine Design Capabilities and Capacities." The RAND report drew attention to the fact that Australia suffers a shortage in terms of engineers available for actually developing and manufacturing submarines, as well as personnel shortages in the Department of Defence and military-related organizations, not to mention deficiencies in the necessary know-how and facilities for submarine development. The RAND report went on to discuss the necessity for Australia—in order to address those problems—to invest time and capital in preparing its own infrastructure, as well as to find ways to cooperate with foreign countries. In December 2012, the Department of Defence announced the completion of the Future Submarine Industry Skills plan, which was aimed at identifying the technologies that Australia needs to acquire or maintain in order to realize SEA1000. The findings suggest that the country is lacking in the knowledge and competence necessary for domestic construction of submarines, and in the skills for designing submarines. To be short, Australia faces

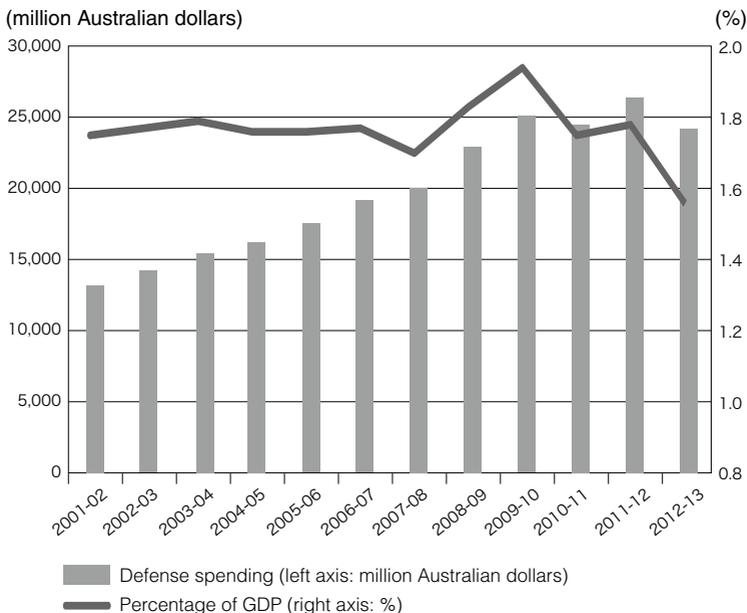
serious problems in its industrial base.

Another major issue widely discussed in Australia is the problem facing amphibious ship maintenance. In February 2011, Cyclone Yasi struck Queensland, with the Australian Defence Force (ADF) setting up Joint Task Force (JTF) 664, or Operation Yasi Assist. An urgent problem emerging at that time was the fact that none of the country's amphibious ships were immediately ready for such operations. Other problems also emerged later, such as the early decommissioning of the amphibious ship *Manoora*, as well as the amphibious ship *Kanimbla*'s removal from active service and subsequent decommissioning. Moreover, the remaining amphibious ship, the *Tobruk*, repeatedly faced operational problems as well, having been in service for nearly thirty years. As a result, it was feared that Australia might experience a capability gap, being without any amphibious ships until the LHDs are commissioned in 2014.

Australia took a series of steps to address the shortage of amphibious capabilities, by having made an arrangement with New Zealand to use that country's multi-role ship in emergencies, as well as arranging to be able to temporarily lease private-sector transport ship, as well as hastily purchasing a retired amphibious ship from the British Navy. In face of such serious problems, Australian Department of Defence set up an independent review committee, chaired by Paul J. Rizzo, head of the Defence and Audit Risk Committee, to evaluate the Royal Australian Navy's entire system for maintaining and managing equipment—not just the maintenance of amphibious ships—and to solicit suggestions for improvement. In November 2011, the “Plan to Reform, Support Ship Repair and Management Practices” was announced, according to which Australia must significantly improve its whole system for the management and maintenance of equipment. Incidentally, it was announced later that the amphibious ship purchased from Britain, the *Choules*, also ran into problems, and that repairs were being carried out.

Besides such issues in the development and maintenance of equipment, Force 2030 has been adversely influenced by cost-cutting pressures within the government. The Australian federal budget has been experiencing deficits for the past few years because of falling tax revenue, and the Gillard government has been struggling to bring the federal budget back into a surplus. Particularly, one of the big political issues in the domestic political context toward the next election (as later announced to be held on September 14, 2013) is whether or not the

**Figure 2.1. Trends in the Australian defense budget**



Source: Compiled by author based on Mark Thomson, *The Cost of Defence: ASPI Defence Budget Brief 2012-2013*.

government can eliminate the budget deficit by the 2012–13 financial year (c.f. in December 2012, Australian Treasury announced that this objective is unlikely to be achieved by FY 2012–13). For that reason, in May 2012, the Gillard government altered the position, originally stated in the 2009 Defence White Paper, that the country’s defense budget would not be affected by the global financial crisis, and cut defense spending by AUD\$971 million in the 2012-13 financial year, announcing also that it would make a total AUD\$5.454 billion over the course toward the 2015-16 financial year. Australian Strategic Policy Institute (ASPI) report has indicated that the 2012-13 defense budget fell to 1.56 percent of GDP, which is lowest since 1938.

As a matter of fact, several measures had already been prepared to cut defense expenses, such as the announcement of a 1,000-person reduction in the civilian staff working at the Department of Defence, as well as de facto delays of various developmental projects, including a change of the plan to introduce three *Hobart*-class Aegis destroyers. Under those tough fiscal circumstances, it has been widely

criticized that governmental cost-cutting pressures have made it increasingly difficult for Force 2030 to be realized in accordance with the initial plan.

### **(3) Toward the 2013 Defence White Paper**

Prime Minister Gillard and Minister for Defence Smith made an announcement in May 2012 of the intention to produce a new Defence White Paper by the middle of 2013. Formerly Australian government planned to formulate and release the next Defence White Paper by the year 2014. The fact that the latest announcement set a deadline of 2013 means that the Gillard government has brought it one year forward. Although the new white paper had not been released publicly as of the end of 2012, the process of its compilation has been progressing with a certain level of transparency, making it possible to grasp, to a certain degree, its basic underpinnings, by referring to speeches by cabinet members, high-ranking officials, and others.

One of the key themes for the 2013 Defence White Paper process is enhancing Australia's engagements in the Asia-Pacific region, which is a key priority repeatedly emphasized by Gillard government. In fact, National Security Strategy released in January 2013 designate "enhanced regional engagements" as one of the top three security priorities for the coming five years and stressed the importance of strengthening Australia's bilateral, trilateral and multilateral relations with its ally and regional partners. There are at least three factors behind the Gillard government's apparent emphasis on the regional engagement as a key priority

The first factor is the Gillard government's appraisal of the strategic environment. In August 2012, Minister for Defence Smith, in a speech delivered at the Lowy Institute for International Policy in Sydney, demonstrated his perception of the ongoing "historic shift of strategic weight" toward the Asia-Pacific region, with the rise of various regional countries, especially China, and the continuing importance of the United States' role in the region. He went on to mention that the policy of international engagements by the Department of Defence and the ADF needed to be strengthened in reflection of the Historic Shift. Not only Minister Smith, but the other cabinet members and senior officials of Gillard government have repeatedly stressed the importance of regional engagement, the prime example of which is the compilation of the white paper *Australia in the Asian Century*, which was released in October 2012 against the backdrop of Asia's burgeoning economic importance. Indeed, as a comprehensive document overarching a wide range of policy areas,

such as business, tourism, education, people-to-people exchange, and regional diplomacy, defense and security issues are by no means the central focus of this white paper. Nonetheless, the fact of its formulation itself confirms the Gillard government's stance of an enhanced emphasis on Asia (see "The *Australia in the Asian Century White Paper*" at the end of the next section).

The second reason for the Gillard government's appeal for greater engagements in the Asia-Pacific region is the ongoing operational drawdowns in the current major overseas campaigns. Over the past years, the ADF maintained some 1,550 troops stationed in Afghanistan, with another 400 or so stationed in Timor Leste as international peacekeeping troops, and around 80 in the Solomon Islands engaged in reconstruction and development efforts, and all those operations are likely to come to an end in the near future. As of July 2012, it began the transfer of responsibility of the maintenance of security in Oruzgan Province to the Afghan government, and in November 2012, it started to complete its operation in Timor Leste. Those operational drawdowns allow Australia to explore ways to enhance its regional engagements in the Asia-Pacific region.

Moreover, the end of those operations will not only create the opportunity to expand ADF's activities in the Asia-Pacific region, but will also allow Australia to pursue greater high-level diplomacy in the region. Minister for Defence Smith has indicated that he has made eight visits since assuming his post to Afghanistan and to the headquarters of the North Atlantic Treaty Organization (NATO) in Belgium, while being unable to travel to neighboring countries so often, demonstrating the need to pay more visits to other countries in the region.

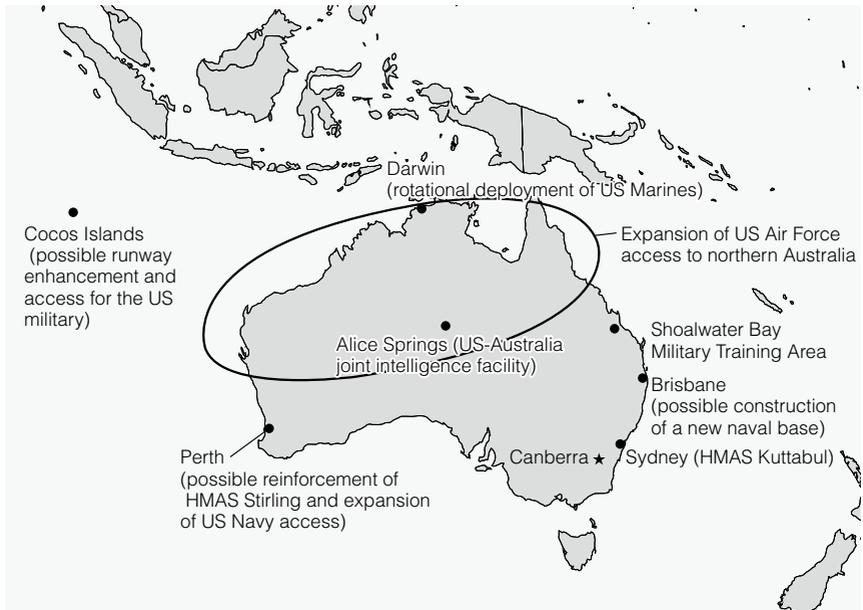
The third factor for the Gillard government's aim to strengthen its engagements in the Asia-Pacific is Australia's perception about the growing difficulty in maintaining the capability advantage policy. In September 2012, Australia's Vice Chief of the Defence Force Mark Binskin delivered a speech at the Australian Strategic Policy Institute (ASPI), in which he suggested that as the military capabilities of the countries in the region grew, it would be increasingly difficult for Australia to maintain its military "technology edge." While he did not go as far as to say that Australia was going to abandon the capability advantage policy, his statement was at least a frank expression of the growing limits to the maintaining of ADF's qualitative superiority over the regional countries. Should there be major revisions in the capability advantage policy, the potential impact could be far-reaching. That is because, as analyzed in the earlier part of this chapter, "Strategic

Hedging” described in the 2009 Defence White Paper essentially relies on the maintenance of Australia’s capability advantage. Accordingly, it can be logically inferred that some revision in the capability advantage policy would possibly require major changes in the entire strategy of the 2009 Defence White Paper.

As Australia finds it difficult to maintain the capability advantage, one policy that the Gillard government has come to put more weight on has been increasing its engagements with “neighbors and partners in the region.” In August 2012, then- Secretary of Defence Duncan Lewis made a speech at the ASPI, in which he asserted that given the growing difficulty of keeping a technology edge, Australia’s engagements with other countries in the region became increasingly more important as a means to address national security risks. Lewis stated the importance of “working together” with other countries in the region as a way to manage competing interests and to build cooperative relationships.

With that background, the Gillard government is aiming to strengthen its engagements in the Asia-Pacific region, and has already begun making efforts to

**Figure 2.2. Major developments in the force posture review of the Australian Defence Forces and the US-Australia alliance**



Source: Prepared by the author.

that end. One of those is the report released in May 2012 entitled “Australian Defence Force Force Posture Review)” (shortened as “Force Posture Review” below). In June 2011, the Australian Department of Defence initiated work on the Force Posture Review under the supervision of Allan Hawke and Rick Smith, both former secretaries of defence, and announced the final report (public version) in May 2012. Incidentally, the posture referred to in the report is a concept that comprises physical facilities such as ADF bases and military training areas, as well as such activities as ADF training, overseas deployment, and other forms of international engagements.

The report examined various aspects of Australian Defence Force Posture, and not all of them had something necessarily to do with Australia’s regional engagements. For example, it deals with a broad spectrum of problems related to that posture, such as the difficulty of maintaining ADF presence in areas of sparse population, the problems of the competition for the use of such infrastructure as ports and roads between the country’s resources industry and the military, and the necessity to demonstrate the will and capability to defend northwest Australia, where natural gas and other resources are being developed. However, the Force Posture Review embodies at least three perspectives that are closely related to Australia’s regional engagements as follows.

The first perspective is the report’s proposal of a necessary force posture review for the country’s strengthened engagements in the increasingly important Indian Ocean and Southeast Asia. The Force Posture Review demonstrates the perception that the Indian Ocean will become increasingly important to Australia, given the rise of India, the dependence of Asian countries on sea lanes, among other factors. It also points out that Southeast Asia, too, will gain in importance as a stage on which the competition between major powers plays out.

Still, the Force Posture Review does not propose the need to build new bases on account of the Indian Ocean and Southeast Asia. Rather, it notes that “Australia’s changing strategic environment does not necessitate widespread changes in the location of the ADF’s bases.” The reason is that past efforts in defense posturing since the 1970s have already resulted in the creation of some bases along the western and northern coasts directly adjacent to the Indian Ocean and Southeast Asia. Under the concept of a “two-ocean navy,” the Royal Australian Navy has established and maintained bases on both the Pacific Ocean and Indian Ocean coasts since the 1970s: respectively, HMAS Kuttabul (Fleet Base East) located in

Sydney, and HMAS Stirling (Fleet Base West) located in Perth in Western Australia. Also, the Australian Army has stressed northern Australia especially since the release of the 1987 Defence White Paper, increasing its presence in the north. Likewise, the Royal Australian Air Force has set up “bare bases”—namely, bases without any permanent fighting units stationed, but which are usable for training or in case of national emergencies, and requiring minimum levels of maintenance—throughout the north of the country, which lies in proximity to Southeast Asia.

On account of those circumstances, the Force Posture Review has focused on building up the capacities and capabilities of already existing bases, instead of constructing new ones. Its proposals consist of taking steps to lengthen and fortify the runway on the Australian Cocos (Keeling) Islands in the Indian Ocean, which face both that ocean area and Southeast Asia, as well as to reinforce the functions of HMAS Stirling. It also recommends expanding the capacity of each base so that the ADF can carry out its activities at a high tempo.

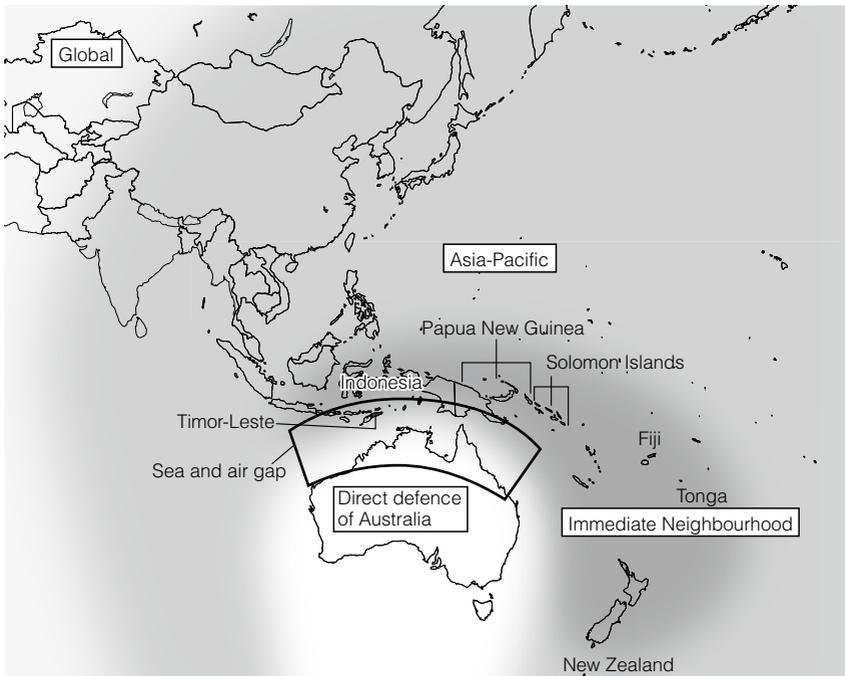
The second perspective, then, is the recommendation by the Force Posture Review to consider the introduction of equipment that would be important for greater regional engagements. Australia is already constructing new amphibious ships, and the policy is for two LHDs—the Royal Australian Navy’s largest ships ever—to go into service starting in 2014. While the report says that these large amphibious ships ought to be based over the short term at HMAS Kuttabul as their home port, as it currently has the largest-scale capacity, it also points out the need to consider the construction of new bases over the long term. The best candidate for a new home port is the city of Brisbane on the East Coast, in view of the existence of the necessary infrastructure, as well as the existing presence of the army that can be transported by amphibious ships.

The third perspective, lastly, is the statement of the need for a force posture review of the way foreign partners are accepted in Australia. Particularly, as will be described in detail in a later part of this chapter, it has already been announced that Australia’s ally, the United States, initiates rotational deployment of the US Marines to Darwin, and that the access of the US Air Force (USAF) to northern Australia will be reinforced. In addition to those moves, the Force Posture Review report touches upon the possibilities of enhancing the access of the US Navy to HMAS Stirling, as well as allowing the United States to use the runways on the Cocos Islands. It also points out that it is important to make use of Brisbane’s status as a port entitled to accept nuclear-powered vessels.

Also, besides the United States, Singapore regularly implements training in Australia, at the Shoalwater Bay Military Training Area (4,545 square kilometers) in the northeast of the country. Both Australia and Singapore have agreed to expand the usage of the Military Training Area in the future. The Force Posture Review argues for the expansion of the site, as it is the only one in Australia where large-scale amphibious exercises can be done.

As seen above, while the Force Posture Review report recommends the building up of the ADF's posture so that it can support the country's enhanced regional engagements, it is not a policy decision, but rather just the recommendation of experts. The report contains a section recommending that necessary financial measures and specific prioritization be discussed in the process of the Defence White Paper. In that respect, one must wait for the release of the 2013 Defence White Paper and the subsequent implementation of the policy to evaluate the extent to which the Force Posture Review necessary for greater Asia-Pacific regional engagements will actually be realized.

**Figure 2.3. Australia's strategic interests**



Source: Prepared by the author.

## Australia's Defence White Papers

The Defence White Paper is the most important public document in Australia's defense policy. Since first being released in 1976, there have been five Defence White Papers, including those in 1987, 1994, and 2000, and the one released by the Rudd government in May 2009. Besides the Defence White Paper, there are other documents, such as the Defence Planning Guidance and the Defence Capability Guide (related to the acquisition and development of equipment), but the Defence White Paper remains the most important public document for getting a comprehensive understanding about Australia's appraisal of its strategic environment, its strategic objectives, the tasks of the ADF, the acquisition and development of equipment, and the budget planning.

Above all, the Defence White Papers in 1987 and 2000 were particularly historic documents in terms of constructing the ideas that form the foundation of Australia's current defense policy. The 1987 White Paper, based on the findings of 1986 Review of Australia's Defence Capabilities by Ministerial Consultant Paul Dibb, systematized the concept of self-reliance in the direct defense of the Australia. While the concepts of the Defence of Australia and self-reliance had already been hammered out earlier, the 1987 Defence White Paper succeeded, to a great extent, in positioning them as the core objectives of defense policy, giving it historical value for having evolved them as the established concepts for Australia's defense strategy. Specifically, Australia has set out the policy of building up the capabilities of the ADF focusing on the defense operations in the so-called "air and sea gap" in the north of the country (See Figure 2.3.). It involves a multilayered strategy to defeat incoming enemy forces in the northern air and sea approaches strike their operational lodgment, and swiftly neutralize them if they successfully land on Australia's homeland. Also, the concept of self-reliance is grounded in the country's strong alliance with the United States. Predicated on the naval presence of the United States in the Western Pacific, as well as cooperation with that country in the areas of equipment and intelligence, the pursuit of self-reliance aims at not forcing the United States to take on an excessive burden. Furthermore, it was assumed that the capabilities developed for the Defence of Australia could also be effectively used when Australia needed to deploy forces for alliance operational cooperation overseas. The concept of self-reliance in the direct defense of Australia has continued to the current day, while the idea of an "air and sea gap" has been inherited, too, even though the naming itself has varied from time to time.

Later changes in Australia's strategic environment, however, have necessitated supplemental new ideas to the Defence of Australia and the self-reliance concept. For example, there has been political instability in Australia's neighboring countries. Particularly, its experience of sending 5,500 troops to Timor Leste in 1999 for peacekeeping operations served as a strong wake-up call to Australia about the need to play a big role in maintaining the stability of neighboring countries. Also, in the post-cold war period, Australia expanded its military diplomacy within the Asia-Pacific while actively participating in peacekeeping activities globally. Under such changing circumstances, the 2000 Defence White

Paper laid forth the idea of hierarchizing the country's strategic interests in a "concentric" fashion in terms of geographic distance. Namely, a clear order of priority was made, with the top priority continuing to go to the direct defense of the Australia, while the second highest priority would be on the stability of neighboring countries, namely, Indonesia, Timor Leste, Papua New Guinea, New Zealand and the island countries of the South Pacific. The third priority was the security of Southeast Asia, followed by the security of the Asia-Pacific region as the fourth strategic interest, and finally, global security. Indeed, while, from the outset, the Defence of Australia doctrine and Self-Reliance never precluded the international deployments and activities of the ADF, the "concentric circles" formulated in the 2000 Defence White Paper should be given real credit in successfully redefining Australia's strategic interests in a geographically wider context by explicitly reflecting Australia's increasingly wide defense activities and interests. The 2009 Defence White Paper, to a great extent, adhered to the idea of such "concentric" strategic interests, and the upcoming 2013 Defence White Paper is also expected to keep it.

As for the next Defence White Paper, slated for release in early 2013, a big item of discussion will be the strengthening of engagements in the Asia-Pacific region, as argued in this chapter. In addition, another important theme will be the difference in its role with that of the 2009 Defence White Paper. The 2009 document was the first Defence White Paper to have been released in nine years, so it concentrated on the basic issues of strategic objectives and necessary long-term procurement, making it unable to pay much attention to other items of importance. The 2013 Defence White Paper, meanwhile, is expected to basically adhere to the strategic objectives and the "Force 2030" core-capability building outlined in the 2009 Defence White Paper, while also making a review of various items that the previous document was unable to cover, such as the organizational issues of the Department of Defence and ADF, logistics, and force posture.

## **2. Enhanced Engagements in the Asia-Pacific**

### **(1) Alliance as a Vehicle for Regional Engagements**

Ever since concluding the ANZUS Treaty with the United States in 1951, Australia has cooperated closely with the United States through a variety of ways, including the deployment of combat troops, beginning with the Korean War (already in progress when the treaty was signed), and including the Vietnam War, the Gulf War, the Afghanistan War and the Iraq War. Despite a great amount of criticism waged domestically against the Iraq War, the John Howard government at the time dispatched some 2,000 troops from the Australian Army, Royal Australian Navy, and Royal Air Force, including 500 special-operations troops. As of the end of 2012, also, Australia had 1,550 troops stationed in Afghanistan.

Broadly speaking, there are at least two strategic reasons for Australia's strong emphasis on its alliance with the United States to date. The first is that the alliance with the United States plays an indispensable role in Defence of Australia policy. After Australia's defense policy was systematized, particularly because of the 1987 Defence White Paper, it has held up the "Defence of Australia" and self-reliance in that regard as its most important strategic goal. Despite the impression that the notion of self-reliance may give many readers, it does recognize the real significance of the roles that the US alliance plays for the overall Defence of Australia as a valuable source of intelligence, a fairly reliable provider of equipment technology, and a strategic guarantor of the "nuclear umbrella."

The other reason is that Australia recognizes the presence and engagements of the United States in the Asia-Pacific region to be closely in line with its own interests and the maintenance of the strong alliance is of strategic value in that regard. Australia has repeatedly expressed its perception that the United States has played a major role in preserving the stability of the Asia-Pacific, and believes that supporting US engagements contributes immensely to the stability of the region of which Australia is a part.

In recent years, however, there are heated debates unfolding among Australian strategic experts about the rise of Asian countries, including most importantly China, and the relative decline of the United States. And in that context, the future role of the United States or the so-called US primacy has become an increasingly important subject for such strategic discussions. Several arguments have been put forward, such as: (1) exploring a significant level of rapprochement between major powers in Asia as a "new regional order," given that the unipolar era revolving around the United States is coming to an end, (2) strengthening the US-Australian alliance precisely because the United States is in decline, and (3) seeking a more independent defense policy, as the value of the US-Australian alliance is rapidly waning. If so, in what directions is the Gillard government actually steering its alliance with the United States in the coming years?

One unmistakable clue indicating the answer that the Gillard government would give for that alliance question is the November 2011 announcement of the Force Posture Initiative in the US-Australia alliance, made by Prime Minister Gillard and US President Barack Obama, during his visit to Australia. Specifically, the US Marines were to start deploying rotations to Darwin in 2012, eventually dispatching a 2,500-person-strong MAGTF (Marine Air Ground Task Force)

there, during the dry season that lasts roughly from April to September. In addition, the USAF would be granted greater access to northern Australia.

The allied Force Posture Initiative was the result of discussions by Washington and Canberra about the various options on cooperation, related to a review of the US Global Posture Review, ever since AUSMIN—the meeting of the ministers of both countries in charge of foreign affairs and defense, a so-called US-Australian “2+2”—set up a bilateral working group in November 2010 to look at the US force posture review. Also, according to the Australian government, the recent announcement was nothing more than the first fruit in a series of the continuing force posture discussions between both sides, leaving open the possibility of new initiatives being announced in the future. Indeed, the next item of review is the expansion of the usage of HMAS Stirling and other Australian naval bases by the US military, according to the joint communiqué of the AUSMIN held in November 2012.

The US-Australia Force Posture Initiative, suggests three things about the trajectory of the US-Australia alliance. The first is the fact that both the United States and Australia continue to emphasize the alliance between the two countries, even amidst various changes arising in the internal and external environments of both countries. When the Force Posture Initiative was announced, Prime Minister Gillard said, “We live in a region which is changing, changing in important ways. And as a result of those changes, President Obama and I have been discussing the best way of our militaries cooperating for the future.” That statement can be evaluated as a demonstration of the will on both sides to further reinforce the alliance, given the reality of changes in the strategic environment, with the rise of

countries in the region, particularly China, as well as the emergence of the debate, both in Australia and abroad, about the nature of the power shift. Furthermore, the Force Posture Initiative can be treated as being a valuable reconfirmation of the importance of the alliance, not only in words but also in specific actions.

The second is the fact that the Force Posture Initiative highlights

the increasing geopolitical value of Australian territories, at least insofar as regional cooperation within the US-Australian alliance is concerned. Some security experts in both the United States and Australia have come to use the term “Indo-Pacific” in recent years. At the governmental level of the United States and Australia, also, then-Secretary of State Hillary Clinton and Minister for Defence Smith have referred to that concept. Of course, the mere term “Indo-Pacific” itself would not reveal anything more than just the fact that a single concept encompasses the region stretching from the Indian Ocean to the Pacific Ocean. Nonetheless, what deserves more serious attentions than the word itself is the fact that it is the Australian strategic community that uses that terminology most frequently and widely. If so, one could argue that Australia’s geopolitical value is increasingly recognized as an “island continent” that faces the Indian Ocean through the Southeast Asia to the Pacific Ocean, as those sub-regions are increasingly connected in both reality and perception. That constitutes an important context in which the US-Australia alliance has taken on more geopolitical significance as demonstrated by the Force Posture Initiative.

A closer look at the contents of the Force Posture Initiative of the US-Australian alliance shows that the major purpose of the deployment of US Marines in Darwin has been to strengthen engagements in Southeast Asia, and in fact the Fox Company of US Marines, deployed to Darwin since April 2012, has already been carrying out activities in Southeast Asia. In addition, as has been discussed earlier, one option—as the next priority issue to be discussed by the ongoing US-Australian force posture review talks—is the reinforced access by the US Navy to HMAS Stirling in Perth, Western Australia, which faces the Indian Ocean.

The third point is that the Force Posture Initiative proves that the US-Australian alliance is developing into a relationship of partners jointly engaging in the Asia-Pacific region. In its Defense Strategic Guidance announced in January 2012, along with such actions as the prioritization and selection of ideas about the defense budget, the United States has put forth a policy of exploring strengthened cooperation with various countries, as well as a strengthened presence in the region through such activities as joint training and support of capability building, as a means to advance a “rebalance” to the Asia-Pacific region, rather than building permanent bases and increasing the number of troops. As a result, the policies of both the United States and Australia to expand regional engagements in such an active manner appear to be in close concert with each other.

The latest Force Posture Initiative provides the foundation for cooperation between the United States and Australia as partners in regional engagements. One way it does that is for the US military to expand joint training opportunities extended to the ADF. Starting in 2014, the ADF plans to introduce LHDs with a load displacement of 27,500 tons, giving it a significantly larger force-projection capability than the amphibious ships it has operated. The operation of the LHDs is expected to play an extremely large role in Australia's future humanitarian assistance and disaster relief (HA/DR) activities and stabilization operations in the region. In this context, the increased joint training opportunities of the ADF with the US Marines, which has long experience of operating amphibious assault ships, will likely be important in Australia's regional engagements using LHDs. In that respect, the Force Posture Initiative is meaningful as the United States extends support for the improvement of the ADF's capability as a partner in regional engagements. Also, the increased presence of the US military and the corresponding increased opportunity for training between the United States and Australia can be said to be an important way to maintain interoperability between the two sides after the winding down of operations in Afghanistan.

Moreover, the scope of the US military's global force posture initiative does not end merely with bilateral US-Australian relations, but also provides expanded opportunities for holding training and exercises in a way that includes other regional countries. In fact, Australia is now engaged in talks with the Indonesian government about holding trilateral joint training among the United States, Australia and Indonesia. Also, the Gillard government is advocating the future running of trilateral exercises among the United States, Australia, and China, as well as training under some form of auspices of the East Asia Summit (EAS). In that manner, the Force Posture Initiative potentially provides the foundation for even closer cooperation between the Washington and Canberra as they explore reinforced regional engagements.

Such cooperation between the two countries in regional engagement is not merely effective in itself, but is also beneficial as a way to hold down costs. For example, having an increased opportunity of sharing facilities and equipment is believed to be effective in reducing the costs of engagements. As a matter of fact, in addition to giving the US military increased access to Australian facilities, the aforementioned Force Posture Review proposes such practical ideas as allowing Australia to use US military medical and surgical facilities during training, therefore

letting it make up for equipment shortages in military training areas.

Meanwhile, despite the appearance of no friction between the two countries, certain restraining factors also exist in the US-Australian alliance, one of which is the position of the Australian wider society on the US military presence. Regarding the deployment of US Marines in Darwin, the Australian government has repeatedly emphasized that it is a rotational deployment to an ADF base, and not the creation of an American base. Concerning that point, Minister for Defence Smith has suggested that, due to reasons of Australian national sovereignty, Australia should not adopt a policy of establishing bases on its soil solely for use of the US military. The Australian government is thus insistent that the agreement only involves access to joint facilities and ADF facilities, and does not represent the establishment of foreign military bases. From that perspective, the November 2011 Force Posture Initiative can be regarded as having been sufficiently palatable to Canberra.

Also, the Australian general public does not necessarily agree unconditionally with the US military presence. According to an opinion survey conducted by the Lowy Institute for International Policy, while 74 percent of the respondents said that they were favorable to the deployment of 2,500 Marines, only 46 percent said that they supported the “stationing of additional US soldiers in Australia.” Those undeniable sensitivities within Australia may be one reason why the Australian government has not softened its stance of cautiously implementing the Force Posture Initiative. Even before Canberra announced the initiative formally, it had attempted to gauge the reaction of the public by revealing certain pieces of information in advance through the statements of cabinet members. Also, even after announcing the deployment of US Marines to Darwin, the government has been going about it in a circumspect way, executing the troop deployment in stages, starting with companies of about 200 to 250 troops, expanding to about 1,100 troops in size in 2014, and eventually reaching a 2,500-troop MAGTF, while carefully conducting social and economic impact assessments. If more force posture initiatives are pursued in the future, it is likely that the Australian government would find it important to continue to explore ways of ensuring wide public support for it.

## **(2) Enhancing Engagements in Australia’s “Immediate Neighbourhood”**

### **(a) South Pacific**

Especially since it sent as many as 5,500 troops to Timor Leste (East Timor) in 1999, Australia has explicitly made clear its position that securing the stability of the Immediate Neighbourhood—a region shared by the South Pacific island countries, Papua New Guinea, Indonesia, Timor Leste, and New Zealand—is its second most important strategic priority after the Defence of Australia.

The approach of the Australian Department of Defence and ADF vis-à-vis the island countries of the South Pacific is mainly composed of two elements. The first is peace time engagement efforts, most of which are conducted under the banner of the “Defence Cooperation Program” (DCP). Australia engages in various activities to support neighboring countries in building their capabilities, such as sending military advisors and inviting soldiers to Australia for education and training.

The greatest emphasis of the DCP has been the Pacific Patrol Boat (PPB) Program, the roots of which stretch back to the 1980s. In 1982, the United Nations Convention on the Law of the Sea was drawn up, setting up exclusive economic zones (EEZs) of 200 nautical miles around the coasts of islands in the South Pacific as well, making their effective management an important policy issue. After that, Australia started providing the island countries of the region with *Pacific*-class patrol boats. Necessary support for the operation of the boats—with Australia sending advisors to those countries to help them with the patrolling of the waters and with technical matters—has lasted to the present day.

In addition to such peacetime efforts, Australia has also dispatched the ADF troops as well as federal police units to help the island countries of the South Pacific when their political situation becomes destabilized, performing activities to support stabilization. As for its main operations carried out over the past decade, Australia has dispatched troops—reaching a maximum of 1,600 at a single time—to the United Nations Mission in Support of East Timor (UNMISET), which began in May 2002. Also, when the Solomon Islands descended into political unrest in 2003 and its security worsened, Australia formed the Combined Task Force 635 with New Zealand, Papua New Guinea, and Tonga, so as to contribute to the maintenance of internal security and stability, with a maximum

of 1,650 troops dispatched at a single time. Also, responding to a request from the Timor Leste government in 2006, it sent troops to that country once again—this time around 400 persons—forming an International Stabilisation Force together with New Zealand.

One reason for Australia's paying such great attention to the stability of the countries in its Immediate Neighbourhood is its concerns about the potential penetration of influence there by extraregional countries. For example, in cases where the stability of one of its neighboring countries is compromised, Australia worries that the country in question will become "vulnerable to external influences that might be inimical to Australia's interests." For that reason, if problems arise that affect their domestic stability, it is considered meaningful for Australia not just to make a contribution, but to play a leading role in such stabilization operations. Also, the political stability of its neighboring countries gives Australia important benefits insofar as it prevents them from turning into havens of transnational crime and terrorist activities.

In addition, Australia has been strengthening its engagements in South Pacific island countries in two ways, the first being its own strengthened efforts in the South Pacific. As discussed earlier, the background to that is the conclusion of operations in Afghanistan and elsewhere, giving it leeway to ramp up the involvement of the ADF and the Department of Defence in the South Pacific region. Canberra has already announced specific measures to enhance its regional engagements, with proposals for a Pacific Maritime Security Program (PMSP) to succeed the PPB Program, as well as for a yearly summit of defence ministers from neighboring countries.

Another way in which Australia has broadened efforts in the South Pacific is its attempt to take advantage of the Historic Shift currently taking place as an opportunity to improve the security of the South Pacific region. China is currently expanding its own engagements in the South Pacific by expanding financial aid, population inflow, and defense exchanges. Some people in Australia fear that China, which does not share the values of democracy and human rights, will unconditionally give aid to Fiji, which continues to have an authoritarian regime, and also fear that the influx of Chinese people into those countries will disrupt their social equilibrium. However, Canberra has at least not given public expression of those concerns, but has rather carried out mutual consultations with Beijing about the South Pacific, as it searches for reinforced cooperation

between the two countries.

Of all the nations belonging to the Organisation for Economic Cooperation and Development (OECD), the United States gives the highest amount of aid to the South Pacific after Australia, and is currently enhancing its own engagements in the region as a part of the so-called “rebalance” in the Asia-Pacific. In 2012, then-Secretary Clinton attended the post-forum dialogue of the Pacific Islands Forum (PIF), a system of regional cooperation in the South Pacific, representing the first time a US Secretary of State had ever done so. Also, the United States has announced a policy of reinforcing security cooperation with New Zealand, the alliance between the two countries having been suspended since the 1980s. The reinforced engagement by the United States in the South Pacific thus provides Australia with an important opportunity, bearing specific results, such as a joint declaration by the Australia, United States, and New Zealand for greater cooperation in the region.

### **(b) Indonesia**

Among the various countries in Australia’s Immediate Neighbourhood, Indonesia is a special country in many respects. With a population of 240 million people, it is the major power of Southeast Asia. For Australia, its engagement with Indonesia does not connote the mere extension of aid or support for capacity building; instead, Indonesia is an increasingly important strategic power that cooperates with Australia in a broad range of areas.

So far, Australia and Indonesia have cooperated in such matters as disaster relief following the giant Boxing Day earthquake and tsunami in 2004 and in counterterrorism efforts. In November 2006, the two countries signed the Agreement between the Republic of Indonesia and Australia for the Framework for Security Cooperation to fortify their security cooperation, and since then steadily developed their security relationship. What is more, remarkable developments have taken place since late 2011, with huge strides made in bilateral high-level exchanges. In November 2011, Prime Minister Gillard and President Susilo Bambang Yudhoyono met at a summit meeting in Bali, Indonesia, the first since regularization, at which they released a comprehensive joint communiqué announcing their cooperation in such multilateral frameworks as the G20, the Asia-Pacific Economic Cooperation (APEC) Conference, and the EAS, along with renewed cooperation in such practical fields as disaster reduction and

transnational crime, and such newly-added cooperative items as the provision of C-130H transport aircraft by Australia. Also, in March 2012, both countries held their inaugural “2+2” dialogue of foreign and defense ministers, making Indonesia Australia’s second Asian partner, after Japan, with which such meetings have been held.

One field of cooperation with Indonesia requiring urgent response is the handling of asylum seekers hoping to reach Australia by boat. The number of such people has been increasing in recent years, with the continuing incidence of shipwrecks. The Australian government set up an expert panel, led by the former Chief of Defence Force, Air Chief Marshal (Ret’d) Angus Houston, to devise a policy to address that problem, with a report presented in August 2012.

As the most important policy, the report proposes the development of a system in which the route of applying for regular immigration becomes more attractive for refugees than attempting irregular asylum by boat. And for that purpose, it suggested a de-facto revival of “Pacific Solution” that had been adopted by the Howard government, but which was later abandoned by the Labor Party government. The Pacific Solution is a policy that involves detaining asylum seekers on boats in centers set up in Papua New Guinea and Nauru, rather than transporting them directly to Australia. Under that policy, asylum seekers are unable to immediately go to Australia, and must undergo processing involving various procedures and their future plans. That is supposed to reduce the incentive for people to pay money to refugee smugglers and make dangerous voyages attempting asylum using the boats that those smugglers have provided, while coaxing them instead to follow regular immigration procedures.

Another proposal made in the same report is the pursuit of various kinds of international cooperation, and it emphasizes the need for cooperation with Indonesia in that context. As a matter of fact, both Canberra and Jakarta agreed in September 2012 to take steps to strengthen search-and-rescue (SAR) investigations, such as increasing SAR exercises, exchanging staff, improving Indonesia’s ship tracking information capacity, and accelerating the clearance process allowing Australian aircraft to swiftly conduct necessary activities in Indonesian territory. Not only does that agreement improve Indonesia’s capabilities in dealing with potential problems, but it was also made to effect closer cooperation between the two countries in carrying out such activities.

More importantly, Australia is expected to come to increasingly strengthen the

overall bilateral relationship itself, beyond just carrying out cooperative efforts in individual fields. The reason behind that is Indonesia's growing power. According to *Australia in the Asian Century*, Indonesia will become the world's tenth largest economy in some measures by the year 2030, making it clear that Australia is already aware of Indonesia's long-term rise.

One clear defense implication of Indonesia's rise is that the rise of Indonesia can be one factor making it difficult for Australia to maintain the capability advantage policy discussed in the earlier parts of this chapter. Also, as that policy has become harder to maintain, the Gillard government has come to emphasize regional engagements including building relations with regional countries as a way of mitigating potential risks with the ongoing Historic Shift of center-of-gravity toward the Asia-Pacific. With that in mind, one can say that an important goal of Australia in the long term is to develop a stronger political relationship of trust with Indonesia as that country rises. And to that end, it is believed increasingly imperative for Australia to explore cooperation with Indonesia in a variety of policy areas, and to institutionalize a framework of bilateral exchange, dialogue, and cooperation.

### **(3) Australia and the Rise of China**

In recent years, China and Australia have steadily developed their dialogue mechanisms related to security. In 2008, China and Australia upgraded their regular strategic dialogue to the senior ministerial level, whereas those dialogues used to be held at the deputy and vice-foreign minister levels. Also, in June 2012, Minister for Defence Smith and Chinese Minister for National Defense Liang Guanglie held their first regular defense ministers' meeting in Beijing. In December 2012, the two countries held their fifteenth dialogue between defense authorities, with Chief of Defence Force General David John Hurley and Deputy Secretary of Defence for Strategy Brendan Sargeant participating. Through developments in its bilateral relationship with China, Australia aims to build a relationship of trust between both countries on various levels, while achieving mutual understanding of each other's positions on defense and security problems. For example, at the foreign ministers' meeting held in 2012, China raised questions about the US-Australian alliance, while Australia explained the role of the alliance as well as the United States' presence.

The two countries have also pursued greater exchanges between their military

forces, with the HMAS *Waramanga*, an ANZAC-class frigate of the Royal Australian Navy, carrying out live-fire training and search-and-rescue (SAR) training off the Shandong Peninsula in September 2010 with the *Luoyang*, a *Jiangwei*-class frigate of the People's Liberation Army Navy (PLAN). In May 2012, the HMAS *Ballarat*, another ANZAC-class frigate of the Royal Australian Navy, carried out SAR training and communication training off the coast of Shanghai with the *Jiangwei*-class frigate *Anqing* of the PLAN. In addition, between November and December of 2011, China and Australia held disaster rescue training in Sichuan Province, with a total of thirty-five persons taking part. In October 2012, a three-country HA/DR training exercise Cooperation Spirit 2012 was held in Brisbane by China, New Zealand and Australia. In December of the same year, three ships from PLAN, on their way back from counter piracy operations off the Somali coast, made a port visit in Sydney Bay. In that way, Australia has achieved steady progress in defense exchanges with China.

Also, Australia has been making progress in its economic relations with China. According to the Japan External Trade Organization (JETRO), a study of China's and Australia's imports and exports in 2011 shows that China is both Australia's biggest customer, accounting for 25.3 percent of all exports from Australia by value, as well as the top seller of goods to Australia, accounting for 18.7 percent of all imports to Australia by value. The deepening economic relationship with China has big security implications for Australia. Particularly, Australia is a producer of natural resources such as uranium, iron ore, and natural gas, and believes that providing such resources to China and other countries in a stable fashion contributes to regional stability.

One part of that logic has been explained in the ADF's Force Posture Review. The Force Posture Review states that natural gas has been developed in northwest Australia in recent years, making it important to demonstrate the country's resolve in carrying out the defense of these areas. As the reason for that, it emphasizes providing confidence to countries dependent on resource imports. Countries in the Asia-Pacific region, with their phenomenal growth—above all, China—have seen a heightened dependence on all sorts of resources, and energy security is becoming a great source of worry in the region. While there is little possibility of tensions arising between countries solely because of energy problems, the report continues, the loss of confidence in energy supplies and international markets could lead to tensions over territorial problems which, albeit by accident, relates

in some ways to resource development. From that perspective, the report calls attention to the need to review the defense posture, keeping in mind the Australian north and northwest, where resources are progressively being developed. In this broad sense, Australia's energy policy and related defense activities can be said to have implications with regards to the country's engagement with China.

As this section discussed so far, Australia's engagement with China is quite multifaceted, and has made significant progress on various fronts. In the meantime, the existence and success of the engagement policy does not mean that no politico-security problems exist at all in the two countries' relations. Rather, some issues have occasionally emerged, such as those arising from the visits to Australia by the Dalai Lama and leaders of Uighur independence movement, and the arrest in China of employees of Rio Tinto, an Australia-based resource development company. Of course, those problems did not significantly affect the two countries' diplomatic, trade and military relations, but at least one must say that it would be wrong to conclude that the bilateral relationship is totally "calm."

In addition to such bilateral problems, Australia has actively spoken up about security issues concerning areas where China is involved. For example, in relation to various issues in the South China Sea, Australia has used the US-Australian "2+2" meeting and other forums to express its clear support of the importance for a multilateral approach to resolve those problems based on international laws and principles, and forming a code of conduct. As for China's military rise, also, Australia has pointed out the importance of promoting frank dialogues and transparency. In these ways, Australia often appears to be a willing country to clearly express its position on various issues related to the rise of China.

Beyond all, what Australia is the most concerned about in that context is Sino-US relations. For example, while Defence Minister Smith notes that Australia is optimistic about the future of that relationship, he did not forget to mention that "If the United States and China don't get that bilateral relationship right we would have a problem" and the stable progression of the Sino-US relationship is the "heart" of stability in the region.

In that case, what risks would Australia face if the Sino-US relationship did in fact worsen? The recent discussions among Australian experts suggest that there are at least three potential risks in this regard.

The first argument involves concern about "entrapment." After the Force Posture Initiative was announced, some in Australia stated the opinion that the

acceptance of the US military presence would cause Australia a risk to be entrapped in a conflict between the United States and China if it happens. That argument drew further attention when the Chinese “Global Times” referred to the possibility of Australia getting “caught in Sino-US crossfire” on account of the Force Posture Initiative.

In fact, the problem of Australia getting entrapped in a possible conflict between the United States and China in such a way has indeed been an issue faced by successive Australian governments. For example, when then-foreign minister Alexander Downer visited China in 2004, he caused controversy by stating—in response to a question about Taiwan—that the ANZUS Treaty would not be automatically invoked. Also, when the 2009 Defence White Paper was released, then-prime minister Kevin Rudd, when asked by a reporter “if China attacks Taiwan in any way, will Australia help defend it?,” said first that “we do not speculate on any future contingencies,” then added that “Australia takes seriously its alliance responsibilities to the United States.”

The second argument is the “abandonment” position, according to which that if Australia ever got entrapped in a Sino-US war, and China attacked Australia, there were doubts whether the United States would really commit itself to Australia’s defense, i.e., Australia would be “abandoned” by the United States. For instance, some in Australia’s press argued that if Australia was threatened by a Chinese nuclear attack, there were doubts whether the United States would really sacrifice San Francisco for Sydney, in a sort of mistrust about the credibility over the extended deterrence amid the rise of China

The third argument is the suggestion that Australia would be forced to make a choice between the United States and China. Namely, it is the concern that even if it did not reach the level of armed conflict, the intensification of strategic competition between the two countries would force Australia to make a choice between its alliance with the United States and its relationship with its biggest trading partner, China. Of course, Canberra is currently managing its relations with the two big powers successfully and the government frequently denies such a notion of having to choose between the two major powers, but there has long been a deep controversy among Australian strategic experts whether such a situation can last.

Although it cannot be known to what extent those perspectives are really subject to the policy discussions within Australian government, what is at least

clear is that Australian government considers it strategically most important to see positive relations between the United States and China. In that context, Australia regards the policy of multilateral security cooperation as an important instrument to promote regional stability. The previous Prime Minister Rudd, when in office, announced the vision of an “Asia-Pacific Community.” While the Gillard government abandoned the term, it has maintained the important elements of the concept, especially the idea that all the major countries in the region, particularly the United States and China, need to get together, including at the summit level, to discuss their various problems. From that perspective, Australia has welcomed the launch of the expanded ASEAN Defence Ministers Meeting Plus (ADMM-Plus) in 2010, as well as the expansion of EAS in 2011 with the entrance of the United States and Russia. As China rises and regional dynamics change, Australia increasingly emphasizes engagements with regional multilateral institutions.

### ***The Australia in the Asian Century White Paper***

On October 28, 2012, the government of Australia released the white paper *Australia in the Asian Century* (hereinafter, the “Asian Century White Paper”). As expressed by its title, the central theme of the Asian Century White Paper has to do with the direction of Australia’s national policy amidst an ongoing shift of economic and strategic weight toward Asia with unprecedented speed and depth. The white paper does not give a fixed definition to the term “Asia,” but roughly refers to the region stretching from Japan in the east to Pakistan in the west, and from Indonesia in the south to China in the north.

According to the white paper, Asia will account for half of the world’s production by 2025–30, with its middle class forming the world’s biggest consumer market. It goes on to describe both the speed and scale of the growth as “staggering,” according to various economic indices such as the total amount of goods transacted, the scale of growth, and savings. Also, measured by purchasing-power equivalent, Asia will account for four out of the top ten economies by scale by the year 2025, with China the world’s largest economy by a significant margin, followed by the United States at second place, India at third, Japan at fourth, and Indonesia at tenth.

Predicated on the outlook described above, the second half of the Asian Century White Paper—sections 5 through 9—discusses Australia’s objectives, strengths and issues in various fields, such as business, language education, the acceptance of foreign students, tourism, trade, natural resources development, security, and diplomacy. In that respect, defense policy is not the central issue of the Asian Century White Paper, although it does offer certain broad perspectives related to security. The security thinking outlined in the white paper has at least the three main characteristics, as follows.

The first is that the Asian Century White Paper basically confirms the existing policy line. It states that the United States will remain the most powerful strategic actor overall—economic, military, soft aspects of power, etc.—even amidst the rise of Asian countries. For that reason, it states the importance of Australia's continued support for the regional engagements of the United States, through the US-Australian alliance and other means. Moreover, it says that the ADF should be reinforced, while continuing to promote multilateral systems both regionally and globally. In those ways, the Asian Century White Paper does not represent a policy vision that revises the future policy line in a major way.

Second, the security policy outlined by the Asian Century White Paper, relating to the future order of the region, presents a remarkably optimistic outlook. While aware of the possibility of unanticipated situations in the future, it basically predicts the low possibility of war occurring between major powers. As reasons for that, it cites the current development of win-win relationships through economic transactions between countries, with bilateral exchanges and multilateral systems managing risk, which play a certain role as an early warning about uncertainties. Moreover, as for the most important bilateral relationship—that between the United States and China—it mentions that various mechanisms have been developed for handling that relationship, and that both countries are managing change, making Australia “optimistic” about their ability to avoid conflict. As those assessments suggest, the Asian Century White Paper reflects much of the ideas of liberalism in the academic field of International Relations—stressing the roles of mutual economic interdependence, regional and international institutions—which provides the background for its optimism about the future outlook.

Thirdly, the Asian Century White Paper says that Australia's own regional engagements must be enhanced in a “broader and deeper” fashion. It particularly stresses the importance of the EAS as a regional system, setting forth the policy of formulating strategies of bilateral engagements with China, India, Indonesia, Japan, and South Korea. On top of its important relations with China, Indonesia and Japan at which this chapter takes a close look, Australia is also on move to build closer relations with India and South Korea. Australia and India announced the joint statement for security cooperation in November 2009, and in December 2011, the Australia Labor Party changed its long-standing policy by lifting the ban on exports of uranium to India. Also, in March 2009, it announced a joint statement with South Korea on reinforcing global security cooperation, with the two countries commencing joint naval exercises in May 2012, and agreeing to hold “2+2” meetings between the two countries' foreign and defense ministers in the future. Besides enhancing its engagements with such high-priority countries as China, Japan, Indonesia, India, and South Korea, the Asian Century White Paper also takes the policy line of broadly reinforcing relations with the ASEAN countries, thus advocating active regional engagements in Asia that can truly be described as omnidirectional diplomacy.

### **3. A New Phase of Japan-Australia Defense Cooperation**

#### **(1) Progress in Defense Cooperation between Japan and Australia**

During the Cold War period, Canberra and Tokyo only cooperated with each other to a limited extent with respect to security, such as exchanging opinions and intelligence about the Southeast Asian situation. Instead, the relationship between the two countries basically focused on the economy and the people-to-people exchange, such as exchange students. Since the end of the Cold War, however, with Japan promoting peacekeeping operations and alliance cooperation on the global stage, there has been a gradual increase in the number of situations where the two countries have come to cooperate as security partners, primarily in nontraditional security fields.

The pioneering field in that regard has been International Peace Cooperation activities. In 1992, Japan sent Self-Defense Forces (SDF) units abroad for peacekeeping purposes for the very first time, to Cambodia, and the military sector commander at the time was Major General John Sanderson of the Australian Army. Moreover, the peacekeeping operations in Timor Leste in 2000, to which Japan contributed units, was also led by the ADF. A more recent example is the announcement in August 2012 by the governments of Japan and Australia for bilateral cooperation in peacekeeping activities in South Sudan. Specifically, two personnel from the ADF were posted to the local assistance coordination center set up in the South Sudan capital of Juba, with the duties of contacting and coordinating with international organizations, as well as providing information of the United Nations Mission in the Republic of South Sudan (UNMISS). In addition to those, the fact that the ADF supported the humanitarian and restoration support activities of the Japanese SDF carried out in the Al-Samawa District of Muthanna Province in Iraq from 2005 to 2006 served as an important opportunity for Canberra and Tokyo to further recognize each other as security partners.

Another important area of cooperation after International Peace Cooperation activities has been HA/DR. When the earthquake and tsunami struck the Indian Ocean region in December 2004, Australia and Japan joined the United States and India as the initial core group swiftly carrying out disaster support activities. Also, after the giant earthquake that struck Japan on March 11, 2011, the ADF executed Operation Pacific Assist to support disaster relief activities in Japan. Remarkably, the Royal Australian Air Force (RAAF) dispatched three of its four

C-17 transport craft to Japan, carrying a relief team of seventy-five persons and two dogs, and also supported the transport of the Fifteenth Brigade of the Japan Ground SDF (JGSDF) from Okinawa. Australia also transported materials within Japan, and sent a remotely controllable mobile pump from Perth, among other activities. The total amount of materials carried by the RAAF between March 14 and 25, 2011, in Japan reached approximately 450 tons. Considering that the Japan Air SDF (JASDF), which operated over a considerably longer period, carried a total of some 3,700 tons, the importance of the support extended by the RAAF becomes evident.

In addition to building up a record of practical cooperation in such nontraditional security areas, both countries have worked toward the institutionalization of their bilateral defense cooperation. Particularly, since March 2007, when the prime ministers of the two countries met in Tokyo to announce the Joint Declaration on Security Cooperation, both Australia and Japan have strengthened their defense relationship in the three areas of (1) creating a framework for policy dialogue, (2) developing legal foundations, and (3) holding active unit-to-unit trainings and exchange.

First, as regards strengthening the framework for dialogue, there have been 2+2 meetings of both countries' foreign and defense ministers, held as necessary in 2007, 2008, 2010, and 2012, which have played a role in confirming the development of cooperation between the two countries and determining the direction for future cooperation. There have also been dialogues between Japan's Ministry of Defense and Australia's Department of Defence at various levels, as well as staff talks between each branch of Japan's SDF and the ADF, as well as both countries' joint staff offices and general operation commands.

At the same time as the creation of bilateral dialogue framework between Australia and Japan, the two countries have also worked to develop a trilateral framework with the United States. Since 2006, there have been Trilateral Strategic Dialogues (TSD) among the foreign ministers of the three countries (in 2006, 2007, 2008, and 2009), with the defense ministers of the three countries holding a summit in 2007 and 2012. In addition, the Security and Defence Cooperation Forum (SDCF) has been held at the Director-General level of the foreign and defense ministries of the three countries, along with staff talks.

The second area has been the creation of legal foundations supporting bilateral cooperation between Australia and Japan. To facilitate international peace

cooperation, disaster relief, and cooperation at various training sites, the Australia-Japan Acquisition and Cross-Servicing Agreement (ACSA) was signed in 2010, with revisions to Japanese domestic law being made in November 2012 and the necessary diplomatic notes exchanged in January 2013 to bring the Australia-Japan ACSA into effect. Furthermore, in May 2012, both countries signed an Information Security Agreement (ISA) to enhance cooperation in intelligence between them, including the area of defense.

The third area, meanwhile, has been the development of exchanges between Australian and Japanese units through training and joint exercises. The deepest level of exchanges has been formed between the Japan Maritime SDF (JMSDF) and the RAN. In addition to goodwill visits between the two countries' navies, bilateral maritime exercises, known as Nicho-Go Trident, have been held (in 2009, 2010, and 2012), as well as joint trilateral exercises that have included the participation of both countries' common ally, the United States (in 2007, 2009, 2010, 2011, and 2012).

In addition, JASDF and RAAF worked together in the Red Flag Exercises led by the United States in Alaska from June to July 2011, with JASDF F-15 fighter jets and RAAF F/A-18 fighter jets carrying out their first bilateral fighter-jet combat training. Also, in the COPE North Guam training held in Guam in February 2012, Japan, the United States and Australia carried out their first trilateral training.

As for cooperation between the JGSDF and the Australian Army, Australian Army observers participated in the Japan-US Command Post Exercise, or Yama Sakura, for the first time in February 2012, and in December of the same year, a major general from the ADF, who serves as vice commander of the US Army Pacific Command, participated in the Japan-US Joint Post Command Exercise. Moreover, in June 2012, the Australian Army participated for the first time ever in the Second Senior Level Seminar (SLS) between the JGSDF, the US Army and the US Marines, with a joint declaration made by the participating countries of future Japan-US-Australian SLSs.

Besides those activities, the Pacific Global Air Mobility Seminar (PGAMS), which evaluates the transportation cooperation among Japan, the United States, and Australia, was held in 2007 and 2008. In the PGAMS held in May 2007, such aircraft as USAF C-17 and JASDF C-130 were displayed and briefings about each country's air transport given at the Yokota Air Base in Japan. In February 2008,

three countries held the second PGAMS at Ichigaya in Tokyo and exchanged thoughts about cooperation in the field of air transport. In addition, in February 2008, a Boeing C-17 Globemaster III military transport aircraft of the USAF demonstrated the actual loading of Boeing CH-47 Chinook heavy-lift helicopters owned by the JGSDF.

One of the background factors to the steady development of the cooperative relationship between Australia and Japan, it can be mentioned, has been Australia's bipartisan support for strengthening the relationship with Japan. The 2000 Defence White Paper formulated by the Liberal-National coalition government (1996-2007), led by Prime Minister John Howard, cited the practical example of cooperation in Timor Leste, and portrayed the relationship with Japan as an "important dialogue," with expectations for the development of future cooperation. "A Defence Update 2007," a report released in the final days of that government, brings into sharp focus Australia's stance emphasizing the relationship with Japan, giving high praise to the Joint Declaration on Security Cooperation released the same year, as well as to the actual results of various types of cooperation between the two countries. The Rudd Labor Party government, following its victory in the general election of November 2007, reconfirmed the emphasis on the relationship with Japan. The 2009 Defence White Paper described the Australia-Japan relationship as moving from a stage of dialogue to one of practical cooperation, clarifying the policy of further development. At present, with the Rudd government being replaced by the Gillard government, Australia has described Japan as its "closest partner" in Asia.

The question, then, is why Australia emphasizes security cooperation with Japan so greatly. Several answers can be cited: (1) both Australia and Japan are active actors in the fields of peacekeeping and HA/DR, (2) they share the values of democracy and basic human rights, (3) they are both countries in the Asia-Pacific, and (4) neither country has issues with each other pertaining to sovereignty, such as territorial disputes.

That question, however, cannot be discussed without giving consideration to the two countries' common ally, the United States. Australia views the regional engagement of the United States as a common strategic interest for Australia and Japan, and from that perspective, the pursuit of bilateral cooperation between Canberra and Tokyo, as well as trilateral cooperation among Tokyo, Washington, and Canberra, is considered active support for the regional engagement of the

United States. In a comprehensive speech given by then-Foreign Minister Rudd in November 2010 about trilateral cooperation among the three countries, he suggested that both Australia and Japan found common interest in supporting the strategic engagements of the United States in the region. In that context, he noted that Australia placed high value on developing of bilateral Australia-Japan cooperation and trilateral Japan-US-Australian cooperation.

On the other hand, it should be noted that Australia does not simply regard Japan as a partner with shared interests and values. Rather, one must not overlook the aspect that Australia views Japan with a certain sense of caution, which is another reason why it pursues cooperation with it. That sense of caution can be gleaned from both the 2000 and 2009 Defence White Papers. Using a vague expression, the 2000 Defence White Paper voiced the outlook that “Without the reassurance provided by the US relationship, Japan would face difficult strategic choices with security consequences for other countries in the region.” Also, the 2009 Defence White Paper stated that “Were Japan unable to rely on that alliance, its strategic outlook would be dramatically different, and it would be compelled to re-examine its strategic posture and capabilities.” While both comments can be interpreted that Australia stresses the reassurance that its alliance with the United States gives Japan, however, it does not spell out those reasons clearly.

One hint for understanding the meaning of those stances can be drawn from a statement by a former high-ranking official of the Australian Department of Defence, who was deeply involved in the 2000 Defence White Paper process. Looking back at internal discussions within the Department of Defence after the Cold War, the official said that one role of the Japan-US alliance, as seen by Australia, was the strategic commitment of the United States to Japan, which prevents strategic competition between Japan and China—which would cause the stability of the region to deteriorate. His reference to the prevention of Sino-Japanese competition by the reassurance provided by the Japan-US alliance cannot be simply considered as the so-called “Cap on the Bottle Theory.” According to that former official, Australia’s perception was that Japan’s playing a more active security role rather than less would help reinforce the Japan-US alliance, which in turn helped prevent Sino-Japanese competition. If that is the case, it only appears to be natural for Australia to support Japan’s expanded security role through bilateral and trilateral cooperation, with the aim of helping consolidate the Japan-US alliance, and hence, the regional engagement of the United States.

## (2) The Fourth Foreign and Defence Ministerial Consultations: Visions and Challenges

In April 2011, Prime Minister Gillard paid an official visit to Japan, and became the first foreign leader to visit the stricken areas since the Great East Japan Earthquake of March 11, 2011. While there, she emphasized Australia's friendship with Japan, meeting the disaster victims directly. In a speech at the Japan National Press Club in Tokyo, she recognized the development of the cooperative relationship not just in economic terms, but also in security terms, and pointed out the necessity of formulating a "new vision" in order to further strengthen the bilateral defense cooperation.

Several factors are behind the Prime Minister's call for a new vision. The first is the emergence of "inevitable challenges after success" through the pursuit of bilateral cooperation. As seen earlier in this chapter, since the Joint Declaration in 2007, Tokyo and Canberra have already implemented measures and policies strengthening their cooperation in many ways: they have enhanced their policy dialogue, carried out intense exchanges and joint training between the various branches of their militaries, and signed the ACSA and ISA. As the two countries are completing their initial agenda set by the Joint Declaration, "inevitable challenges after success" have started to emerge: namely, the growing need to envision a next stage of the bilateral cooperation and to clarify specific action items toward that end.

One can also point to the growing need for the Australian government to further reinforce its cooperation with Japan, due to various changes both inside and outside the country—in particular, the ongoing Historic Shift of strategic weight toward the Asia-Pacific region. In November 2011, then-Foreign Minister Rudd made a speech at the Seventh Australia-Japan Conference at Brisbane, in which he said that it was beginning to take on new urgency for Japan to play a bigger role, given the growing importance of the Asia-Pacific region, explicitly saying that Australia would work to further enhance its cooperation with Japan into the future. That can be cited as an indication that Australia believes it to be in its interest for Japan to



**Defense and foreign ministers of Japan and Australia at announcement of new vision for bilateral cooperation** (Japanese Ministry of Defense photo)

expand its security role, amidst the rise of Asian powers such as China, India, and the ASEAN countries.

In these dynamic contexts the Fourth Australia-Japan “2+2” meeting in September 2012 issued a joint statement called “Japan and Australia—Cooperating for Peace and Stability, Common Vision and Objectives” (hereinafter, the “Vision Statement”). The Vision Statement reflects at least four elements that underpin the next stage of Japan-Australia defense cooperation, while also leaving policy “homework” that remains to be discussed by both academics and policy makers of the two countries in the future.

The first element that imbues the Vision Statement concerns the areas in which the two countries can further strengthen their cooperation by building upon the results of past efforts. Specifically, a particular focus is greater interoperability that can be achieved through deeper and more sophisticated exercises and bilateral exchanges based on the legal foundations of ACSA and ISA. Such efforts to enhance interoperability between Japan’s Ministry of Defense and SDF, on the one hand, and Australia’s Department of Defence and the ADF, on the other, will allow the two countries to work together “more closely, more effectively, and with a shorter advance notice.” In that context, Australian Foreign Minister Bob Carr stated that both Australia and Japan should become the kind of partners that can immediately contact each other and cooperate in case some problem arises in the region. Perhaps that is one important characteristic of the “natural strategic partners” as outlined in the Vision Statement.

The second element embodied in the Vision Statement involves the emerging new items of cooperation reflecting changes in circumstances surrounding the bilateral relations. For example, those include cooperating in effecting “international and regional dialogue” on cyberspace, including the formation of an international cooperation framework, as well as strengthened bilateral, trilateral (with the United States) and multilateral (with other partners) cooperation regarding the development of international rules and confidence-building measures related to outer space.

Of those, one of the items in which the Australian side is extremely interested is the cooperation in the area of defense science and technology, along with strengthening the relationship between the Technical Research and Development Institute of Japan’s Ministry of Defense and the Defence Science and Technology Organisation (DSTO) of Australia's Department of Defence. These issues were

discussed at a meeting between Australian and Japanese defense ministers in June 2012, and included in the latest Vision Statement. As analyzed in the first section of this chapter, Australia plans to introduce twelve new conventionally powered submarines in the future. According to news reports, Rear Admiral Rowan Moffitt of the Royal Australian Navy, in principal charge of the future submarine program, said, “There are some very attractive characteristics about the Japanese submarine from our point of view,” signaling interest in technical cooperation with Japan on submarines. To date, Australia has revealed that it is talking with at least four companies—Sweden’s Kockums Aktiebolag, France’s DCNS, Germany’s HDW, and Spain’s Navantia—about their submarines, but Rear Admiral Moffitt reportedly pointed out shortcomings in European submarines, such as the fact that they operate in a much narrower operational area whereas Australia’s submarines need to operate much more widely with varying water temperatures. In contrast, he gave Japanese submarines high marks for their size and propulsion systems.

It would be of great significance if Japan and Australia were to cooperate on submarine technology. Submarines are considered the foremost strategic asset in Australia’s defense policy, and are important capability in the self-reliant Defence of Australia—the prime task of the ADF. Accordingly, technical cooperation on submarines would signify that the defense relationship between Australia and Japan holds direct value for Australia’s foremost strategic interest. As far as Japan is concerned, also, it would hold potential as one of the first important application cases of the Guidelines for the Foreign Transfer of Defense-related Equipment as announced by the Chief Cabinet Secretary in December 2011. Also, it would mark a historic turning point in defense cooperation between Australia and Japan, which previously had concentrated on reinforcing nontraditional security areas such as disaster relief and humanitarian support activities.

Under the present circumstances, Australia-Japan cooperation in equipment technology is only in its initial stage of discussions. Australian Minister for Defence Smith has publicly stated the plan that some sort of bilateral framework between the two countries is to be formulated before more involved discussions take place about technical cooperation.

Next, the third element incorporated into the Vision Statement is the two countries’ increasingly shared policy trend, namely growing importance of regional engagements in both countries’ security strategies. As this chapter analyzed in detail, Australia is enhancing its regional engagements in various ways, including

HA/DR and joint training. Japan, meanwhile, has drawn up measures for enhanced regional engagements, including co-chairing the experts' working group on military medicines in the ADMM Plus process, along with carrying out capacity-building assistance activities in Timor Leste commencing in December, as well as similar activities in Cambodia also starting in January 2013. Japan's defense and security policies, aiming at such proactive regional engagements are closely aligned with the Gillard government's orientation toward enhancing its engagements in the region, making it increasingly important to enhance Japan-Australia cooperation as an instrument to jointly engage the region as "natural strategic partners." As a matter of fact, the recent Vision Statement has incorporated specific fields of joint defense engagements in the region, including support for capability building in Southeast Asia and the South Pacific, along with the pursuit of joint training for HA/DR and cooperation within the frameworks of EAS and ADMM-Plus, for example.

The fourth element incorporated in the Vision Statement, indicating the shape of future Japan-Australia defense cooperation, is its mention of further reinforcement of trilateral defense cooperation among the three countries of Japan, the United States, and Australia. The Vision Statement further confirmed the policy line formulating an action plan for trilateral defense cooperation, as incorporated in the joint statement by the three countries' defense ministers in June 2012. Now that a legal foundation has been created for Japan-Australia cooperation, and ACSA and ISA/GSOMIA arrangements have been arranged on all three sides of the Japan-US-Australia triangle, the foundation for exploring reinforced cooperation among the three countries has been put into place, with the formation of the foundation for closer cooperation in the future. Also, the three countries agree on the direction of playing a more proactive role in the Asia-Pacific region—the importance of which is increasing—and the action plan to be created will likely include measures for further strengthening regional cooperation among the three.

In those ways, it can be noted that the Vision Statement has successfully presented a wide variety of specific items for future Japan-Australia cooperation while not necessarily envisioning a long-term goal for building the bilateral partnership. So far, both countries have concentrated their efforts on building the foundation for closer cooperation, including the treaties and channels for closer dialogue, as well as military-to-military exchanges. In a certain sense, it is fair to

say that the two countries have been managing bilateral cooperation from the perspective of “what is feasible as the first step,” to a certain extent. However, now that the foundation for cooperation has been created to a certain extent, and as the region changes, it is becoming increasingly important to move to address more difficult questions of long-term significance such as “in what direction should the bilateral cooperation be headed in the long-term” and “what are the long-term challenges toward that end” rather than merely concentrating on concrete implementations of short term action-items. That is one challenge that the Vision Statement has left unaddressed.

When considering how the Australia-Japan relationship will develop into the future, one point emphasized by Australia seems to be the question of how the two countries should cooperate—as well as should not cooperate—amidst the rise of China. Both Australia and Japan share important policy perspectives on the rise of China. These include the joint understanding that it is important for China to abide by international rules and norms of behavior, participate in an open and rules-based regional architecture, and enhance the military transparency. In fact, the Vision Statement also reflects the shared perception of problems relating to the rise of China. It should be needless to say that the rise of China is the greatest reason, for both Australia and Japan agreeing on supporting the engagements of the United States in the Asia-Pacific. In that respect, there is no doubt that Australia is emphasizing its cooperative relationship with Japan to a significant extent because of the rise of China.

At the same time, Australia has been carefully attentive to what signals are being sent when it strengthens cooperation with Japan. For example, when talk about a quadrilateral relationship among Japan, the United States, Australia, and India was first aired circa 2007, the Howard government at the time voiced its thoughts about the idea in a visibly circumspect fashion, and the Rudd government, inaugurated in December 2007, clearly adopted a more skeptical stance about it. As one of the reasons for that, both governments publicly stated their sensitivity toward China’s perception of the idea. Such incidents illuminate how Australia has been carefully finding a way to develop the Australia-Japan relationship while it avoids sending an unintended message to China. The same thing is evident in the way that the Australian government has decided not to take an official position about the Senkaku Islands’ sovereignty, while also reiterating its careful policy of support only for a peaceful resolution based on international rules. In that way,

## East Asian Strategic Review 2013

Australia keeps a cautious approach to its relationship with Japan, while carefully distinguishing those fields with which it can and cannot cooperate with Japan, keeping in mind the rise of China. That suggests that it is increasingly important for the two countries to discuss the areas and manners in which Japan and Australia can and cannot cooperate amidst the rise of China.