

## Pacific Partners Outlook

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### Australia Establishes a Framework as a Quintessential Asia-Pacific Ally

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Australia is setting a course that makes it a quintessential ally for the United States in Asia. Recognizing this fact, building the political foundation for substantially augmenting the alliance and working more closely with Australia across the Asia Pacific are important steps for the United States.

On October 28, Julia Gillard, Australia's prime minister, helped make the case that Australia is indispensable as a U.S. partner in Asia when she unveiled a white paper laying out plans for a paradigm shift in how her country would perceive, approach, and engage Asia in the twenty-first century.

"Australia in the Asian Century" is a comprehensive and detailed blueprint for the country's pivot to Asia. Australia recognizes what the United States has not yet come to terms with—that real, long-term, and effective engagement in Asia means nothing less than a cultural shift toward a commitment to being part of Asia. This includes learning Asian languages and creating educational, commercial, and bureaucratic career tracks that drive talent, thought, and innovation toward integrating the country with Asia.

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The United States' "pivot" to Asia is important and substantive. But it is not yet comprehensive in scope. It does not encompass, for instance, a wide-ranging trade and development policy; it does not leverage education and private-sector partnerships; and it does not address cultural and political change at home. Australia says it is ready to tackle all of these areas in addition to the diplomatic, political, and security engagement undertaken by the Americans.

Australia has weathered the global recession by selling its natural resources to the rest of the Asia Pacific, including China, India, Japan, South Korea, and Southeast Asia. However, as commodity prices fall, productivity plummets, and the mining boom winds down, it is clear that a shift in strategy is necessary if Australia is to continue to benefit from its relationship with Asia.



*A copper mine in Cloncurry, Queensland. As the mining boom that has provided the backbone of Australia's economic relationship with Asia winds down, the country is seeking a new strategy to drive engagement. <http://www.flickr.com/photos/ianw1951/3756121487/>*

The latest economic jolt has reminded Australia that geography—its position as the proverbial turnbuckle for global trade with Asia—is an asset, not an obstacle. Historically, Australia has seen itself as part of a greater "Anglosphere," identifying more with its European roots than with its Asian geography. Indeed, up until the 1950s, distant **Britain was Australia's largest trading partner**. As its colonial relationships have diminished over the years, the United Kingdom's role has waned, however, and Australia's future has increasingly been defined by its proximity to Asia.

Today, a resurgent Asia provides Australia with vast economic opportunities. It is expected that by 2025 Asia will account for half of the world's economic output and will boast growing markets for goods as millions of Asians join the middle class. It is clear where Australia's future lies. Prime Minister Gillard's white paper is intended to drive Australia's future definitively toward Asia rather than allow the country to gradually assimilate. The goal is to recognize, define, and seize opportunities through more effective cooperation and integration.

The white paper's approach to Asia is comprehensive. It presents a vision of where Australia should be by 2025 and lays out 25 objectives and practical

## Australia Establishes a Framework as a Quintessential Asia-Pacific Ally *(continued)*



*Australian students study in a Sydney classroom. Australia's recent white paper calls for making Asian languages a priority in schools. <http://www.flickr.com/photos/torres21/484679426/>*

steps to get there. The objectives cover a range of policy areas, including education, innovation, human-to-human connectivity, infrastructure, and increased ease of doing business. All of these are aimed squarely at connecting Australia more easily with its northern neighbors.

All of the goals outlined seek to coordinate change at the local, state, and federal levels. At the local level, Australian communities are to develop a basic knowledge of Asia. A striking example of this is that children are to learn the government-defined “priority Asian languages” of Hindi, Mandarin, Indonesian, and Japanese. On

the state level, improvements are to be made to infrastructure, and the Northern Territory's cities, such as Darwin, are to be upgraded to make them more livable and effective transport hubs for trade flowing between Australia and Asia.

At the federal level, Australia will set its gaze on Asia through initiatives such as an expansion of its diplomatic corps, including positioning an ambassador to ASEAN in Jakarta (something the United States, Japan, Korea, and China have already done), launching a cultural campaign, and modifying trade and investment regulations to improve the ease of doing business.

What is most fascinating about the white paper is how it portrays the relationship between domestic and foreign policy. It effectively argues that foreign policy should be an extension of domestic policy—for this Asia-centric foreign policy to be implemented requires a grassroots, domestic effort.

## Australia Establishes a Framework as a Quintessential Asia-Pacific Ally *(continued)*

This effort is what other “turns to Asia” initiatives lack. The Obama administration’s 2011 rebalance toward Asia clearly has overlooked the importance of domestic engagement, which Australia’s white paper has so keenly grasped. Australian policymakers have realized that if Australia is to embrace Asia in the long term, it needs to break from old paradigms and identities and establish a new standard for interacting with the region. Similarly, if the Obama administration’s rebalance is to have staying power, the U.S. government will need to make a concerted effort to move Asia engagement away from solely elite policymakers and coordinate efforts at the state and local level.

The implications for U.S. policymakers are clear. The United States should strongly support Australia’s detailed plan to integrate with Asia. An Australian ally that is more substantively and comprehensively engaged in Asia is a stronger ally for the United States.

At the same time, the United States should understand that it too would be a better partner if it broadened and deepened its commitment to Asia by widening the scope of the rebalance and focusing on building a domestic political foundation for doing business with and investing in the security of Asia.

The United States can learn much from Australia’s white paper. Australia should have the confidence to follow through and implement the plans laid out in its historic document. Australia’s leaders would do a great favor to the United States by more openly and frequently sharing their perspectives on how the United States could be a better partner. That effort should start with a visit by the Australian prime minister to meet the president of the United States early in 2013, armed with some new ideas and good advice. ▲

# The Week That Was



*Australia's permanent representative to the United Nations, Gary Quinland. Australia recently won its bid to serve as a nonpermanent member of the United Nations Security Council. <http://www.flickr.com/photos/norwayun/7006769151/in/photostream/>*

## AUSTRALIA

**Australia wins UN Security Council bid.** Australia won its bid October 19 to serve as a nonpermanent member of the United Nations Security Council for two years. Australia achieved a first-round victory against Finland and Luxembourg in the category of “Western European and Other States,” receiving 140 out of 193 votes. Since beginning its campaign eight years ago, Australia has spent about \$24 million in foreign aid to win friends in Africa and the Caribbean.

**Australia and New Zealand boost ties with the Philippines.** Philippine president Benigno Aquino announced October 15 that he hopes Australia will become the Philippines’ third strategic defense partner, joining the United States and Japan. The Philippines and Australia discussed strengthening their relationship during a three-day visit by Aquino to Canberra October 24–26. Ties between New Zealand and the Philippines were bolstered October 23 when Aquino signed three agreements boosting trade and defense cooperation during a visit to Wellington.

**Speaker of Australian House of Representatives resigns.** Speaker of the House of Representatives Peter Slipper resigned October 9 moments after surviving a no-confidence vote. The resignation came after two independents backing the coalition government of Prime Minister Julia Gillard told Slipper that they would no longer support the current government unless he stepped down. Slipper has faced charges since April for allegedly harassing a male staffer with lurid text messages.

**Mining tax falls short of expectations.** The Mineral Resource Rent Tax has failed to create the \$5 billion revenue forecast by Prime Minister Julia Gillard’s government. The tax was introduced at the height of coal and iron ore prices in 2010. With the fall of commodity prices over the past three months and a strong Australian dollar, mining revenues have fallen significantly and it now seems unlikely that the government will achieve its promised \$1.1 billion surplus.

**Australia begins uranium talks with India.** Prime Minister Julia Gillard and a group of Australian business executives flew to New Delhi October 15–18 for high-level talks about potentially beginning uranium exports to India. Because India is not a signatory to the Nuclear Non-Proliferation Treaty, the talks covered a possible safeguard agreement. The visit follows the Gillard government’s December 2011 overturning of a ban on selling uranium to India.

## NEW ZEALAND

### **New Zealand ranked the easiest country in which to start a business.**

New Zealand was ranked the easiest country in the world in which to start a business in a World Bank report released October 23. To register a business in New Zealand takes only one day and one procedure. This was made possible by allowing credit bureaus to more readily access individual credit information. Australia and Canada came in second and third on this indicator respectively.

***Rena* owner fined \$300,000.** Daina Shipping Company, the registered owner of the *Rena* container ship that crashed on a well-charted reef in October 2011, was fined \$300,000 by the New Zealand government under its 1998 marine pollution act. Harmful substances onboard the *Rena* included heavy fuel oils and 32 containers of other heavy pollutants, including hydrogen peroxide and potassium nitrate.

### **Parliament rejects legislation to increase power of New Zealand Reserve Bank.**

A bill to increase the role of the New Zealand Reserve Bank (NZRB) failed to pass the parliament by one vote October 17. Currently, the NZRB's only responsibility is to control inflation. The bill, introduced by the opposition Labor-Green coalition, aimed to increase the NZRB's responsibilities to include the exchange rate, export growth, and job creation. Finance Minister Bill English opposed the bill, arguing that New Zealand cannot simply manipulate the exchange rate.

### **Sale of Mighty River Power awaits high-court verdict.**

New Zealand's cabinet October 23 delayed the partial privatization of Mighty River Power Ltd. until the high court has decided on a Maori Council bid to block the sale. The Maori Council argues that the New Zealand government has failed to protect Maori interests in freshwater and geothermal resources as agreed upon in the Treaty of Waitangi. Mighty River Power owns and operates a hydroelectric power station on the Waikato River as well as geothermal plants in the Taupo area. The case is scheduled to be heard November 26.

## PACIFIC ISLANDS

### **Solomon Islands government survives no-confidence vote.**

Solomon Islands prime minister Gordon Darcy Lilo survived a no-confidence vote October 26 that many observers expected he would lose. Leading up to the vote, the prime minister dismissed two cabinet ministers, and nine



*The Whakamaru Power Station, a hydroelectric station on the Waikato River operated by Mighty River Power. New Zealand's cabinet has delayed the partial privatization of Mighty River as it waits for the high court's verdict on a Maori bid to block the sale. [http://www.flickr.com/photos/donna\\_rutherford/5137147191/](http://www.flickr.com/photos/donna_rutherford/5137147191/)*

members of parliament defected to the opposition to support the vote. Opposition leader Derek Sikua failed to attend parliament for the motion, but the speaker allowed it to proceed and be debated. No grounds for the motion were given in writing, according to a Radio Australia [report](#).

#### **PNG parliamentarians face fraud charges for misusing funds.**

Papua New Guinea's speaker of parliament announced October 23 that a number of senior parliamentary staff will face charges for seriously misusing government funds over the past 10 years. A preliminary audit found that parliamentary staff had been awarding massive contracts to companies in exchange for kickbacks.

**Palau considers establishing ties with China.** Palau's House of Representatives October 18 proposed a resolution calling on President Johnson Toribiong to initiate official dialogue with China to establish full diplomatic relations. The resolution argues that establishing ties would boost economic growth through increased capital investments and tourism. Palau has historically been a firm supporter of Taiwan under the one-China policy. ▲



*Papua New Guinea's parliament building in Port Moresby. Speaker of Parliament Theo Zurenuoc recently announced that a number of senior parliamentarians will face charges for misusing government funds. <http://www.flickr.com/photos/kabl1992/2780769370/>*

**Lecture: “Unraveling of Pax America?”** Georgetown University’s Center for Australian and New Zealand Studies and Center for Security Studies will host a talk on November 8 by Alan DuPont, director of the Center for International Security and Development Studies at the University of New South Wales, Australia, on how global geopolitical conditions are shaping a new world order. The event will take place from 12:00 p.m. to 1.30 p.m. For more information, please click [here](#).

**Contemporary Australian art from the Balgo Hills on exhibit.** The Australian Embassy is hosting a showing of contemporary paintings and etchings from the Balgo Hills in its gallery until November 9. The Balgo Hills lie in a remote area in Western Australia. The exhibit is open from 10:00 a.m. to 2:00 p.m. on weekdays and is located at the Australian Embassy, 1601 Massachusetts Ave., N.W. For further information, please call (202) 797-3383 or e-mail [Cultural.RelationsUS@dfat.gov.au](mailto:Cultural.RelationsUS@dfat.gov.au).

**Lecture on the role of sports in the recovery from the Christchurch quake.** The Center for Australian and New Zealand Studies at Georgetown University will host a presentation November 15 by New Zealand Fulbright Scholar Holly Thorpe. She will present the findings of her study on the role of sport in the recovery of individuals and communities affected by natural disasters, examining the case of the February 2011 Christchurch earthquake. The event will take place from 12:00 p.m. to 1:30 p.m. at the Edward B. Bunn, S. J. Intercultural Center, 37th and O Streets, N.W. Please contact Marie Champagne at (202) 687-7464 or e-mail [CANZ@georgetown.edu](mailto:CANZ@georgetown.edu) to RSVP.

**Trans-Pacific Partnership negotiations to be held in New Zealand.** The next round of the Trans-Pacific Partnership (TPP) trade negotiations will be held December 3-12 in Auckland. New members Canada and Mexico will join the TPP negotiations for the first time, increasing the group’s membership to 11 countries. The last TPP negotiating round was held in Leesburg, Virginia, in early September, but differences over state-owned enterprises and intellectual property rights reportedly remained sticking points between various parties. ▲

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