

## Pacific Partners Outlook

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### Australia's National Security Strategy: Lessons from the Pivot Down Under

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Australia published its National Security Strategy (NSS), entitled *Strong and Secure: A Strategy for Australia's National Security*, on January 23. The 58-page document outlines the country's assessment of its risks, priorities, and capabilities. The first of its kind since the 2008 national security statement, the NSS is the equivalent of a policy "ligament." It attaches Australia's determination to be part of Asia, as outlined in its October 2012 *Australia in the Asian Century* White Paper, to its commitment to national security, which will undoubtedly be outlined in the Defense White Paper due in mid-2013.

The document contains important signals for U.S. policymakers. Australia, a vital U.S. ally, has evolved beyond its post-September 11 worldview to focus more on the Asia Pacific region. It must and will cope with a rising China. To do so, it needs a strong U.S. presence in the region. Unfortunately, Australia still feels it must work to secure a U.S. commitment to the Asia Pacific. The Australian need for, but anxiety about, sustained U.S. commitment can clearly be read between the lines of the NSS.

This dynamic is not unique to Australia. All five U.S. allies in the Asia Pacific and almost all other countries in the region are assessing how to understand China's ascendance as they consider their national security priorities for the coming decades. The White House and the incoming U.S. secretaries of state and defense need to understand this well because all

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## Australia's National Security Strategy: Lessons from the Pivot Down Under *(continued)*



*Australian prime minister Julia Gillard recently released the country's new national security strategy, Strong and Secure: A Strategy for Australia's National Security. <http://www.flickr.com/photos/lundyk/6067838947/>*

actions the United States takes will be interpreted carefully by its partners in the region.

This is particularly the case with laying out how the United States prioritizes the Asia Pacific politically. Will the White House accept a new script in American politics by clearly making the case for Asia's importance to the U.S. economy and security? How will defense spending cuts affect the U.S. force posture in Asia? Will the United States deepen its focus on economic diplomacy and trade in the Asia Pacific?

The NSS reminds Australia that it, like its neighbors in the Asia Pacific, must come to terms with a China that is now its largest trading partner, a major investor, and a rising military power in the region. The question Canberra faces is not whether it needs to accommodate China, but under what terms. The NSS makes this clear: "The importance of a deepening of our relationship with China cannot be overstated."

Although the NSS, like the Australia in the Asian Century White Paper, is solicitous to China, it reveals Australians' deep concerns about what China wants and what role it intends to play in the Asia Pacific. [The Lowy Institute's 2012 poll](#) of Australian perceptions showed continued concern about China. While perceptions of China warmed slightly since 2011, 48 percent of those who saw China as the leading power in Asia expressed discomfort with that fact, and 40 percent said China is likely to become a military threat to Australia.

The NSS also emphasizes the importance of nascent regional architecture designed to build patterns of cooperation and develop trust among Asia Pacific countries, including China. Among regional institutions, the most important is the East Asia Summit. The approach recognizes that architecture can never be more than the sum of the parts of very strong bilateral relationships among key countries within those frameworks. It therefore prioritizes Australia's relations with Indonesia, India, Japan, New Zealand, and others.

This strategy should reaffirm the United States' determination to follow through on similar approaches within its own refocusing on Asia. Starting down the road toward building regional architecture in Asia is important, but it must be built on a solid foundation of deep, granular, and institutionalized relationships with an expanding array of partners.

## Australia's National Security Strategy: Lessons from the Pivot Down Under *(continued)*

The focus on expanding partnerships, particularly with Indonesia and India, is very important. While Australia has internalized and begun to adapt its political and security culture into a new way of operating that will allow it to better understand and align with Indonesia, the United States still has a long way to go. Progress has been made in this area, and it helps that President Barack Obama spent years of his childhood growing up in Indonesia, but more political focus must be put on the relationship.

The NSS recognizes that a “positive relationship with Indonesia contributes profoundly to Australia’s overall security.” However, Australia also needs to link that rhetorical and bureaucratic commitment to its political discourse and cultural mind-set. Its success can help the United States and should be supported by Washington.

The timing of the release of the NSS is certainly linked to Australian politics. That is the normal rhythm of governance and should be expected as Prime Minister Julia Gillard and her Labor Party seek to boost their security bona fides ahead of pending elections. Unfortunately, politicizing grand strategy carries real risk. The NSS lays out a roster of tactics to ensure Australia’s strength through deeper engagement in Asia, stronger bilateral partnerships, and interagency coordination to address threats, but it does not ask or answer the question of how to pay for those commitments.

Gillard’s government has made knee-jerk cuts to defense spending to serve the politically expedient objective of achieving a balanced budget. Can Australia play the role that it stakes out in the NSS while it slices its defense budget and cuts funding for its diplomatic track at the Department of Foreign Affairs and Trade?

When Australia’s foreign minister, Bob Carr, visits Washington this spring, he should recognize that National Security Advisor Tom Donilon and presumptive secretaries of state John Kerry and defense Chuck Hagel will need to hear from a good friend about the importance of stepping up the U.S. focus on the Asia Pacific. Australia’s own plans to do so are sound. If properly resourced and implemented, they will make Australia, already a strong ally, invaluable to the United States. ▲



*Royal Australian Air Force F/A-18 Hornets and U.S. Air Force F-16s take part in a joint exercise over Sydney. Australia slashed its defense budget in 2012, raising concerns in Washington about the treaty ally’s ability to fund its national security strategy. [http://www.flickr.com/photos/aus\\_defence\\_force/5496346614/](http://www.flickr.com/photos/aus_defence_force/5496346614/)*

# The Week That Was

## AUSTRALIA

**Gillard surprises voters with federal election date.** Prime Minister Julia Gillard announced January 30 that Australia will hold elections on September 14, more than two months ahead of the November 30 deadline. Governments often wait as long as possible to announce an election date to capitalize on short-term political gains. Gillard said the scheduling of the election was to give voters certainty, but the move is also part of her Labor Party's effort to pressure opposition leader Tony Abbott into releasing detailed policy proposals.

**Floods claim six victims.** Severe flooding caused by ex-tropical cyclone Oswald has taken six lives and swamped thousands of homes since January 28 in the western Australian states of Queensland and New South Wales. Flood waters as high as 32 feet destroyed 200 businesses in worst-hit Bundaberg. Many residents remained without power and drinking water as of January 30. Queensland's premier, Campbell Newman, has appointed Terry Mackenroth, a long-time Labor Party politician, to head a committee overseeing the distribution of flood relief funds.

**Australian, Indian leaders plan civil nuclear partnership talks.** Australia and India have agreed to hold civil nuclear partnership talks in March to pave the way for the sale of Australian uranium to India. The announcement came during a January 20-22 visit by Australian foreign minister Bob Carr to New Delhi, where he met with Indian prime minister Manmohan Singh and minister of external affairs Salman Khurshid for a bilateral Foreign Ministers' Framework Dialogue. Officials also noted that A. K. Antony will become the first Indian defense minister to visit Australia. Antony had planned to visit on February 12, but the trip has been postponed to later in 2013.

**Gillard focuses on cyber security as national priority.** Prime Minister Julia Gillard announced January 23 that the government will create a national cyber security center by the end of 2013 as part of Australia's new national security strategy. Gillard made the announcement during the roll-out of the government's official strategy document, *Strong and Secure: A Strategy for Australia's National Security*. Gillard's Labor government is increasingly concerned not only with cyber-warfare attacks, but also with individual cyber security, particularly given the government's push to realize nationwide high-speed broadband access.

**Rio Tinto gets new CEO following huge loss.** Sam Walsh, who has headed Australian mining giant Rio Tinto's iron ore division since 2004, took control of the company on January 17 after a \$14 billion write-down forced chief executive Tom Albanese to step down. The write-down resulted from Rio Tinto's overvalued acquisitions of Canadian aluminum producer Alcan and Mozambique coal producer Riversdale Mining. Walsh has two decades of experience with Rio Tinto and his ascendance calmed investors. His first message as CEO called for smarter investments and cutting costs.



*An open-cut iron ore mine in the Pilbara region of Western Australia. New Rio Tinto CEO Sam Walsh is well known for building the company's iron ore assets in the region. [http://www.flickr.com/photos/ginger\\_ninja/637464434/](http://www.flickr.com/photos/ginger_ninja/637464434/)*

**Carbon emissions, tax revenues decline.** Australia's carbon emissions have declined 8.6 percent due to the growth of renewable energy and cutbacks in electricity consumption since the introduction of a carbon tax in July 2012, according to January 23 analysis by the *Australian*. However, the drop in emissions has also caused a shortfall in the \$4 billion the ruling Labor government expected to collect from the tax. The carbon tax has been a hot-button political issue in Australia and is expected to play a role in the 2013 national elections. Opposition leader Tony Abbott opposes the tax.

**UK eyes defense partner in Australia.** Australian defense minister Stephen Smith welcomed his British counterpart, Phillip Hammond, to Perth on January 18 for the annual Australia-UK Ministerial (AUKMIN) security talks. Hammond emphasized the two countries' history of cooperation and called on Australia to engage with NATO as an ally in the Asia Pacific, as it has in the Middle East. The two sides signed the Australia-United Kingdom Defense and Security Cooperation Treaty, which formalizes their bilateral defense relationship, and another agreement permitting the exchange of diplomatic staff.

**Anti-discrimination law prompts national debate about free speech.**

Attorney-General Nicola Roxon sparked a public outcry when she circulated a draft of Australia's new Human Rights and Anti-Discrimination Bill during the week of January 22. If approved, the legislation would consolidate five of Australia's existing anti-discrimination and human rights laws. Critics claim that the current text overreaches in its attempts to outlaw offensive or insulting language, threatening free speech. Prime Minister Julia Gillard has responded by announcing that the government will seek input regarding changes to the text.



## NEW ZEALAND

**New Zealand, UK to cooperate on cyber security.** Foreign Minister Murray McCully and his British counterpart, William Hague, signed an agreement January 15 in Auckland promising to collaborate on cyber security issues in an effort to promote economic growth and security. New Zealand stands to benefit from the capabilities of a Global Cyber Security Center being built in the United Kingdom. The two countries have sought to boost cooperation across a range of issues in recent years, including by combining select diplomatic posts and increasing the frequency of high-level meetings. This was Hague's second visit to New Zealand in two years.

**Key surprises observers with cabinet reshuffle.** Prime Minister John Key announced changes to his ministerial cabinet January 22, surprising many observers. Key tapped relatively young rising politicians Nikki Kaye and Michael Woodhouse for senior positions in an attempt to breathe fresh life into his administration. Nick Smith replaced Phil Heatley as housing minister amid ongoing concern about high costs. Home prices in New Zealand, and especially in Auckland, are among the least affordable in the world.

**Key visits Antarctica.** Prime Minister John Key arrived at Scott Base, New Zealand's outpost in Antarctica, on January 19 after poor weather and a visit to the hospital in Christchurch delayed his trip. Key was briefed on scientific research in Antarctica and visited a New Zealand-run wind farm generating power for Scott Base and the United States' McMurdo Station. The prime minister also said during the visit that New Zealand might increase its funding for climate change research.

## PACIFIC ISLANDS

**Fiji issues political party decree amid criticism.** Fiji's interim government announced a decree on January 15 that sets new rules for registering a political party, including increasing the membership requirement from less than 200 to 5,000 members and prohibiting union members or public officials from joining parties. The decree has been met with domestic and international outrage. In response, on January 23 several major political parties formed a coalition called the Fiji United Democratic Front that will actively seek government transparency and the repeal of the new qualifications.



*New Zealand prime minister John Key (with head uncovered) arrives in Antarctica. Key made the visit in an effort to highlight New Zealand's interests on the continent. <http://www.flickr.com/photos/nznationalparty/8409850286/in/photostream/>*

**Australia criticized for stance on Fiji.** Samoa's prime minister, Tuilaepa Sailele, criticized Australia on January 15 for being soft on Fiji. Australian foreign minister Bob Carr released a statement a day earlier saying that he could understand how Fiji's now-scrapped draft constitution would exaggerate ethnic divisions. His comment was broadcast across Fijian media as a sign of approval for the regime of unelected prime minister Commodore Frank Bainimarama. Fiji's military government discarded the draft constitution on January 10 and ordered a private team of lawyers to create a new document.

**Tonga seeks to revive fishing industry.** Tonga's Ministry of Agriculture, Forestry, and Fisheries sold 12 fishing licenses to foreign operators on January 2 for \$13,000 each in the hopes of revitalizing the country's fishing industry. The Tongan fish export industry was declared dead in December 2011 when the last fishing company closed its doors, citing high fuel and freight prices and extreme taxation. A total of 24 fishing vessels will be operating in Tonga's exclusive economic zone, but most of their catch will be shipped directly to overseas processors due to poor infrastructure in Tonga.

**Pacific Plan consultations begin.** The Pacific Islands Forum on January 23 announced the schedule for consultations to review national progress on the Pacific Plan, a multilateral initiative to promote regional integration in the Pacific Islands. Australia, the Cook Islands, New Zealand, Samoa, Tonga, Tuvalu, and Vanuatu will take part in the consultation process in February. Consultations with other Pacific countries will be scheduled for March, April, and May. The 2013 review aims to assess national priorities and determine how well the goal of regional integration is being achieved.

**Organization founded to help indigenous businesses in Papua New Guinea.** A new organization, the Indigenous Business Council, was launched January 21 to help indigenous businesspeople in Papua New Guinea join the formal economy. Hundreds of thousands of indigenous people work in the country's informal sector, while 90 percent of formal businesses are run by foreigners. The new business council has been endowed with \$521 million, which will be put toward small loans and business training.

**Mining initiative to help Pacific Islanders keep track of resource profits.** The **Extractive Industries Transparency Initiative** (EITI) is set to help Pacific Island communities better track where resource revenues and royalties are being directed, according to a January 22 ABC Australia Radio report.



*Australian foreign minister Bob Carr during a session of the UN Human Rights Council. Carr has been criticized recently for ignoring human rights concerns by making sympathetic comments about Fiji's decision to scrap its draft constitution. <http://www.flickr.com/photos/unisgeneva/8008771226/>*

Sydney will host a global EITI conference in May and will help give greater focus to mining in the Pacific region. The Solomon Islands is the only Pacific Island country currently involved with the EITI.

**French Polynesian autonomy may be placed on UN agenda.** French Polynesian president Oscar Temaru traveled to New York in mid-January to lobby for the territory's reinstatement to the United Nations' decolonization list. Temaru was reportedly received positively by representatives of the 120-member Non-Aligned Movement, which along with the Pacific Small Developing States group is consulting on French Polynesia's bid. The full UN General Assembly could take up the resolution for reinstatement in the next two months. ▲



# Looking Ahead

**Kishore Mahbubani book launch.** The Carnegie Endowment for International Peace will host Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore, February 4 for the launch of his new book, *The Great Convergence: Asia, the West, and the Logic of One World*. The event will take place from 9:30 a.m. to 11:00 a.m. at the Carnegie Endowment, 1779 Massachusetts Ave., N.W. Please [click here](#) for more information and to RSVP.

**Annual Australia, New Zealand studies conference.** Georgetown University will host the 20th annual Australian New Zealand Studies Association of North America (ANZSANA) Conference from February 14 to 16. The conference is a forum for scholars across a range of disciplines to discuss their research on Australia and New Zealand and the two countries' relations with the Asia Pacific region, Canada, and the United States. For more information, please click [here](#).

**Trans-Pacific Partnership negotiations to be held in Singapore.** The 16th round of the Trans-Pacific Partnership (TPP) trade negotiations will be held March 4-13 in Singapore. The last TPP negotiating round was held in Auckland in early December, with Mexico and Canada joining for the first time. The upcoming round could prove crucial for the success of the negotiations because the United States is expected to table a revised proposal on the contentious subject of pharmaceutical patents.

**U.S.-New Zealand Partnership Forum.** The New Zealand Embassy in Washington will host more than 250 guests for the fifth U.S.-New Zealand Partnership Forum from May 19 to 21, 2013. The embassy plans to bring a large number of New Zealand officials, business leaders, and students to the event. The event will be held at the Grand Hyatt Hotel. More details will be announced closer to the event. For information, please contact Bill Maroni of the U.S.-New Zealand Council at (301) 802-3375. ▲

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