

## Pacific Partners Outlook

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### Why the Pacific Matters to the Rebalance

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It has been a busy few months in the Pacific—a helpful reminder that the region has greater geopolitical clout than is widely recognized. This should serve as a reminder that Washington cannot afford to overlook the “Pacific” part of the “Asia Pacific.”

The Pacific Islands in September emerged as a global moral compass on climate change, with Samoa hosting a once-in-a-decade UN Small Island Developing States conference on September 1-4 and Marshall Islands president Christopher Loeak opening the September 18 UN climate change summit in New York. There, 26-year old Marshallese poet Kathy Jetnil-Kijiner stole the show with a moving video message that evoked a standing ovation from world leaders.

World leaders including President Barack Obama traveled to Brisbane for the November 16-17 Group of 20 summit, following which many spread out across the Pacific. President François Hollande visited the French territory of New Caledonia while both Chinese president Xi Jinping and Indian prime minister Narendra Modi travelled to Fiji.

U.S. officials have also been present in the region of late. Counselor to the president John Podesta led a high-level U.S. delegation to Palau on July 29-August 1 to join leaders from 29 other nations for the annual Pacific Islands Forum (PIF) and Post Forum Dialogue, at which they discussed

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*Secretary of State John Kerry speaks to Guadalcanal veterans during his August visit to the Solomon Islands. Kerry's was one of several high-profile visits to the Pacific by U.S. officials in recent months. <https://www.flickr.com/photos/statephotos/14719010517/>*

stewardship of maritime resources, sustainable development, climate change, and other topics. Secretary of State John Kerry and Secretary of Defense Chuck Hagel met with their Australian counterparts, Julie Bishop and David Johnston, in Sydney on August 11–13 for the annual Australia-United States Ministerial Consultations (AUSMIN). Kerry followed that visit with an August 13 visit to the Solomon Islands.

What this abundance of attention underscores is that Australia, New Zealand, and their small island neighbors in the Pacific are increasingly a nexus of global attention, important players on the regional and world stage, and vital partners for Washington.

Australia remains the most critical partner the United States has in the Pacific. The relationship is crucial for U.S. interests throughout the Asia Pacific as well as farther afield. During the AUSMIN discussions, Kerry and Hagel signed a force posture agreement laying out the parameters of a U.S. Marine rotational presence in Darwin, northern Australia, for the next 25 years. They discussed the Trans-Pacific Partnership trade agreement, the situation in Ukraine, and the threat presented by extremists fighting in Iraq and Syria returning to Southeast Asia. Australian F/A-18F fighter jets flew their first combat patrols over Iraq on October 6, and Australia has sent 600 personnel along with surveillance and tanker aircraft to contribute to the U.S.-led coalition fighting the Islamic State.

New Zealand too is a crucial partner, and one that has grown closer over the course of the U.S. rebalance. With the Wellington and Washington declarations of 2010 and 2012, the United States and New Zealand laid out their vision for a new era of cooperation, one no longer overshadowed by the breakdown in their security alliance in the 1980s. New Zealand maintained a provincial reconstruction team in Afghanistan until mid-2013 and is now considering the deployment of special forces to Iraq in a training and advising role in the fight against the Islamic State. Earlier this year, a New Zealand naval vessel docked at Pearl Harbor for the first time in three decades and took part fully in the U.S.-led Rim of the Pacific multilateral training exercises.

Australia and New Zealand have proven invaluable to the Obama administration's rebalance, particularly its focus on building up regional institutions and multilateral security cooperation. Both are fellow members of the East Asia Summit and were critical supporters, along with Japan, of U.S. entry into that grouping, which has become the preeminent leaders' forum in the region. They have both emerged as active partners in

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the region's burgeoning security architecture, including both U.S.-led and Asian-led bodies and exercises.

Australia served as the inaugural cochair of the ASEAN Defense Ministers' Meeting Plus (ADMM+) working group on maritime security from April 2011 to April 2014, including cohosting the first-ever ADMM+ joint exercise on maritime security. It then handed off its responsibilities to New Zealand, which is currently chairing the group.

The U.S. view of the rest of the Pacific has been shaped for decades by an assumption of Australian leadership. And Australia's primacy in the Pacific is unlikely to be eclipsed in the near term. But the United States has its own interests in the Pacific Islands. It is a resident Pacific power, with territories in American Samoa, Guam, and the Northern Mariana Islands. The military aspect of the rebalance and explicit plans to reposition assets from Okinawa and elsewhere in the region highlight the importance of the latter two.

In addition, the United States has compacts of free association with three states in the Pacific—the Federated States of Micronesia, the Marshall Islands, and Palau—through which it gains substantial economic benefit, influence, and security access. Beyond those special relationships, the administration has recognized the unique role of Pacific Island states as partners in its hallmark efforts to combat climate change and preserve ocean health.

The United States must also recognize that outside players are increasingly competing for influence as never before, meaning that Washington can ill afford to overlook the Pacific. The challenge of this growing competition can be seen in the fracturing of regional institutions, especially the PIF, over which Australia has traditionally held sway. The creation of the subregional Melanesian Spearhead Group and Pacific Island Development Forum, and Fiji's refusal to rejoin the PIF, illustrate this trend. China's burgeoning influence in the Pacific did not cause this fracturing of regional institutions, but it has contributed to it. This means that to be successful, any future regional architecture will have to accommodate China's growing presence, and will benefit greatly from high-level U.S. attention.

The Pacific requires ongoing attention and commitment to agreements that preserve the freedom of communication and sea lines of



*A U.S. Navy MH-60S Seahawk helicopter refuels at a runway on Tinian, Commonwealth of the Northern Mariana Islands. In addition to its increasingly important relations with the nations of the Pacific, the United States is also a resident power in the region thanks to American Samoa, Guam, and the Marianas. <https://www.flickr.com/photos/3mefpao/11332143753/>*

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communication that promote economic viability. Pacific regionalism presents an unambiguous opportunity for the United States to advance its interests by promoting its values. Who is playing in the Pacific matters less than whether they play by the rules. Any architecture that promotes best practices in development, trade, and respect for international law serves the interests of both Washington and its partners. And both individually and as a region, the nations of the Pacific must be afforded a place in the U.S. rebalance to the Asia Pacific. ▲

# The Month That Was

## AUSTRALIA

**G20 sets target of 2 percent additional growth by 2018.** World leaders at the November 15-16 Group of 20 (G20) summit in Brisbane committed to pursue economic measures that the International Monetary Fund and the Organization for Economic Cooperation and Development have calculated will add 2.1 percent to global economic growth by 2018. G20 leaders also agreed to establish an infrastructure hub to increase the effectiveness of investments, adopt measures to improve the resilience of global financial institutions, and initiate a crackdown on tax avoidance.

**Free trade negotiations with China completed.** Trade Minister Andrew Robb on November 17 signed a declaration of intent for a **free trade deal** with China, concluding 10 years of negotiations. The agreement, once finalized, will eliminate tariffs on most goods, including in the agriculture and mining sectors, over the next decade. It will provide greater access for Australian business to offer services in the Chinese market, while China will benefit from greater investment thresholds in Australia.

**New security framework agreed on with India.** Prime Minister Tony Abbott and his Indian counterpart, Narendra Modi, on November 17 reaffirmed their two countries' strategic partnership and agreed to a new framework for security cooperation. The framework seeks to create more opportunities for joint exercises and aims to increase cooperation on issues of mutual concern such as counterterrorism and nonproliferation. Abbott also announced Australia's intentions to resume free trade negotiations with India.

**No open tender for Australian submarine contract.** Treasurer Joe Hockey on December 2 announced that Australia would not hold an open bidding process for its planned procurement of up to 12 submarines to replace its aging *Collins*-class vessels. Japan is understood to be the front runner for the contract with a roughly \$17 billion proposal—half the amount that Canberra originally estimated it would spend to build the submarines domestically. Firms from France, Germany, and Sweden have all expressed interest in the project as well. Prime Minister Tony Abbott previously promised to build the subs in Australia.

**Abbott has “robust” conversation with Putin at APEC.** Prime Minister Tony Abbott met briefly with Russian president Vladimir Putin on November 10 on the sidelines of the Asia-Pacific Economic Cooperation summit in Beijing for what the former described as a “robust” conversation. Abbott



*The HMAS Collins in Sydney. Australia is seeking to procure up to 12 submarines to replace the aging Collins-class. [https://www.flickr.com/photos/royal\\_australian\\_navy/5035448254](https://www.flickr.com/photos/royal_australian_navy/5035448254)*

questioned Putin over Russia's suspected involvement in and response to the downing of Malaysian Airlines Flight 17 in eastern Ukraine in July. Abbott had earlier threatened to "shirtfront" Putin—a reference to an aggressive tackle in Australian-rules football—over the incident in which 38 Australian residents died.

**Coalition government suffers defeat in state elections.** The ruling Liberal-National coalition government suffered an embarrassing defeat in November 29 elections in southern Australia's Victoria State. Labor's victory in the state-level elections marked the first time in 60 years that Australia's second-most populous state has swung against a first-term federal government. The defeat is being seen as the latest sign of Prime Minister Tony Abbott's failing popularity as his government struggles to push through proposed budget cuts and has reneged on several pre-election promises.

**Obama's comments on Great Barrier Reef spark rebuke from Canberra.** President Barack Obama on November 15 questioned Australia's commitment to protect the Great Barrier Reef during a speech on the sidelines of the Group of 20 meeting in Brisbane. The comments drew criticism from a number of Australian officials, including Foreign Minister Julie Bishop who expressed annoyance that Obama had allegedly overlooked positive measures Canberra has taken to protect the reef. The UN Educational, Scientific, and Cultural Organization in June threatened to list the World Heritage site as "in danger" due to a controversial plan to dump dredged sediment from a nearby coal terminal expansion on the reef.

**Lambie splits from Palmer United.** Senator Jacqui Lambie of Tasmania split from the Palmer United Party (PUP) on November 25 and announced that she will vote as an independent in the Australian upper house. The move comes after months of simmering tension between Lambie and mining magnate-turned-party leader Clive Palmer. The PUP's three senators had allowed it to hold the balance of power in the Australian Senate and Lambie's departure is a blow to the government, which lacks a majority in the upper house and has frequently relied on the PUP to pass legislation.

#### NEW ZEALAND

**World leaders visit New Zealand around G20.** Prime Minister John Key hosted a number of world leaders in Wellington before and after the November 15-16 Group of 20 summit in Brisbane, offering an opportunity for New Zealand to advance its trade agenda. German chancellor Angela Merkel pledged support for the completion of a free trade agreement between New Zealand and the European Union, while Canadian prime

minister Stephen Harper discussed agricultural issues within the Trans-Pacific Partnership. Chinese president Xi Jinping said he hopes to help boost the profile of New Zealand businesses in China.

**Andrew Little becomes new Labour Party leader.** The opposition Labour Party on November 20 selected lawmaker Andrew Little as its new leader, replacing David Cunliffe. Labour's poor showing in September's general election led to Cunliffe's resignation and sparked Labour's fourth leadership race in five years. Little did not secure a majority of support until the third round of voting, narrowly beating early favorite Grant Robertson. Little now faces the challenge of uniting the disheartened Labour Party, which is entering its fourth term in a row in opposition.

**New Zealand might send advisers to Iraq.** Prime Minister John Key announced during a November 5 speech on national security that New Zealand's military will send personnel to assess the possibility of deploying New Zealand Special Forces to train and advise Iraqi forces. Key and Defense Minister Gerry Brownlee have ruled out the possibility of New Zealand contributing combat troops to the U.S.-led fight against the Islamic State in Syria and Iraq, but both have agreed to the need to contribute in some form.

**Key announces new powers for security and intelligence agencies.** Prime Minister John Key on November 5 announced that the government will send legislation to Parliament to better enable security and intelligence agencies to meet the threat posed to New Zealand by "foreign fighters." The proposed legislation would enable the minister for internal affairs to temporarily suspend New Zealand passports and to extend the maximum length for which they could be held. It would also give the Security Intelligence Service the ability to conduct short-term surveillance without a warrant.

**Free trade negotiations completed with South Korea.** New Zealand and South Korea on November 16 concluded negotiations for a free trade agreement on the sidelines of the Group of 20 summit in Brisbane. South Korea is New Zealand's sixth-largest export market, with two-way trade worth \$180 million a year. The deal will initially eliminate tariffs on 48 percent of current New Zealand exports and eliminate most other tariffs within 15 years. New Zealand's government hopes that securing an agreement with South Korea will make it more competitive against other trading partners in the region that have already achieved such agreements.



*A U.S. Army soldier on an advise and assist mission with Iraqi soldiers in 2011. New Zealand plans to deploy personnel to assess the possibility of deploying troops to train and advise Iraqi forces in the fight against the Islamic State. <https://www.flickr.com/photos/soldiersmediacenter/5792828593>*

## PACIFIC ISLANDS



Indian prime minister Narendra Modi (fifth from left) with his Fijian counterpart, Voreqe Bainimarama (fourth from left) and other Pacific Leaders during a recent visit to Fiji. Modi's visit was part of his ongoing effort to reach out to the Indian diaspora abroad. <https://www.flickr.com/photos/narendramodiofficial/15212394973/>

**Indian and Chinese leaders visit Fiji.** Indian prime minister Narendra Modi visited Fiji on November 19, followed two days later by Chinese president Xi Jinping, who visited for three days. Modi billed his visit as part of his larger effort to reach out to the Indian diaspora abroad, while Xi's trip focused on China's goal of becoming more involved in the Pacific. Both leaders signed a number of agreements with Fijian officials aimed at strengthening bilateral relations. They also met with visiting delegations from other Pacific Island countries including the Cook Islands, Papua New Guinea, Samoa, and Vanuatu.

**Solomon Islands holds landmark elections.** The Solomon Islands on November 19 held its first elections since the Australia-led Regional Assistance Mission to the Solomon Islands (RAMSI), which stepped in to halt widespread violence in the country in 2006, transitioned to a policing phase earlier in 2014. Independent candidates were the biggest winners, securing 32 seats in the 50-seat Parliament. Voter turnout was between 80 and 90 percent. No governing coalition has yet formed as two distinct political blocs court support from the independent lawmakers. Parliament will vote on a new prime minister on December 9.

**Papua New Guinea police move to quell unrest in Hela Province.** Papua New Guinea's government on November 23 sent reinforcements to aid local police in quelling tribal fighting that has led to at least 25 deaths, including two children, in Hela Province in the nation's central highlands. The government has released additional funding to allow authorities to combat the violence, which has died down after the deployment of reinforcements. The latest round of violence has proved more deadly than most tribal clashes that break out sporadically in Papua New Guinea because fighters have used modern weapons and communications gear, and more sophisticated tactics.



French president François Hollande recently visited New Caledonia's capital, Nouméa (pictured), and reiterated Paris's commitment to see the territory hold an independence referendum by 2018. <https://www.flickr.com/photos/21331626@N07/3413365715/>

**French president says France committed to New Caledonia referendum by 2018.** French president François Hollande visited New Caledonia on November 17 ahead of the Group of 20 summit in Brisbane and reiterated Paris's intention to hold an independence referendum in the territory by 2018. Anti-independence groups in New Caledonia have recently stepped up calls to postpone the referendum, the date of which French and New Caledonian authorities agreed to in the 1998 Nouméa Accord, which was



approved by a popular referendum. Hollande said if the local government failed to organize a referendum, the French government would step in to do so.

**Cook Islands to end months of post-election limbo.** The Cook Islands' chief justice, Thomas Weston, has disqualified one voter in the tiny Mitiaro constituency, which has about 100 registered voters, and ordered a recount of a November 12 by-election. The high court reportedly recounted the votes on November 28 and will announce the results when the nation's chief electoral officer returns from overseas sometime in early December. The fate of incumbent prime minister Henry Puna's government, which holds a one-seat majority in Parliament, has been in question since national elections in July when both candidates for the Mitiaro seat received 50 votes. The seat is also dependent on the results of several outstanding election petitions, which the court will tentatively hear on December 8. ▲

# Looking Ahead

**Brown-bag discussion: Rethinking the Asia Pivot.** The Institute for Policy Studies (IPS) will host a discussion on December 8 about U.S. policy in the Asia Pacific and the social movements that are challenging militarism in the region. South Korean peace activist Ko Youkyoung and former Philippine congressman and Global Voices Southeast Asia editor Raymond Palatino will speak. The event will take place from 12:00 p.m. to 1:55 p.m. at IPS, 1112 16th St., NW. [Click here](#) to RSVP.

**Australian art exhibition.** The Embassy of Australia is hosting an exhibition until December 17 of artwork by contemporary Queensland Aboriginal and Torres Strait Islander artists. The exhibition, which is touring nationally and internationally, highlights the unique artwork of these communities, which is notably different from that of other Aboriginal groups. The exhibition can be seen from 10:00 a.m. to 2:00 p.m. on weekdays at the Embassy of Australia, 1601 Massachusetts Ave., NW. For more information, call (202) 797-3000 or e-mail [Cultural.RelationsUS@dfat.gov.au](mailto:Cultural.RelationsUS@dfat.gov.au). ▲

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