

Challenges to Defence relationships in the Pacific

- 5.1 This chapter considers challenges impacting Australia-Pacific defence relationships in two categories:
- Broader strategic challenges which are impacting both regional and international defence approaches (including geopolitical contestations, climate change and Coronavirus); and
 - Defence-specific challenges, including available capabilities and resources.

Strategic challenges

- 5.2 The Committee heard that Australia's longstanding defence relationships with Pacific Island partners form the basis of Australia's strategic approach to the Pacific region.¹ At the broader strategic level however, transnational challenges are having a direct impact on Australia-Pacific defence relationships.
- 5.3 In particular, several submissions identified the following as key challenges to the present and future security relationships:
- The stability of the liberal international, rules-based order;
 - Destabilisation arising from growing regional powers;
 - Changing environmental factors; and
 - The long-term impact of COVID-19 on regional affairs.

¹ PAL Aerospace and Air Affairs Australia, *Submission 5*, p.1.

- 5.4 It is important to reflect on these challenges in order to provide appropriate mitigation measures and potential solutions to bolster Australia-Pacific defence relationships moving forward.

Stability of rules-based global order

- 5.5 The Committee is aware that the growing presence of external powers in the Pacific has resulted in the region becoming increasingly 'crowded and complex', and is posing a variety of challenges for Australia in terms of both its own security and how powers could potentially shape and constrain Australia's actions in the region.² Professor John Blaxland submitted to the inquiry that geopolitical contestation is giving rise to Australia's anxieties about the vulnerability and future stability of the rules-based international order in the Pacific region.³
- 5.6 As stated in numerous Defence White Papers and other Strategy documents in recent decades, Australia's strategic interests lie in upholding liberal democracy via the international rules-based order. This has benefited both Australia and Pacific Islands' national interests by bolstering security and stability in the Pacific for many years.⁴ The Committee heard that while uncertainty and anxieties regarding the future of the order exist, Australia must adjust how it sees and approaches the Pacific region.⁵ Specifically, Professor Joanne Wallis submits that rather than looking at the region as a source of anxiety, Australia should embrace opportunities to strengthen and develop Pacific security and defence relationships.⁶
- 5.7 The *2017 Foreign Policy White Paper* reiterated the emphasis placed by Australia on maintaining an alignment of western international interests in accordance with national agendas:
- We want peace to help sustain the growth that has brought the region to the centre of the global economy. Equally, we want a region where our ability to prosecute our interests freely is not constrained by the exercise of coercive power.⁷
- 5.8 The ability for Australia to protect the stability and security of the liberal international rules-based order is however, also dependent on the current and future actions of rising regional powers. The threat of great power

2 Associate Professor Joanne Wallis, *Submission 2*, p.1.

3 Professor John Blaxland, *Submission 1*, p.1.

4 Associate Professor Joanne Wallis, *Submission 2*, p.2.

5 Associate Professor Joanne Wallis, *Submission 2*, p.2.

6 Associate Professor Joanne Wallis, *Submission 2*, p.2.

7 Department of Foreign Affairs and Trade, *2017 Foreign Policy White Paper*, p.31.

contestation and regional rising powers weighs heavily on the minds of Australia's foreign policy officials. The Committee heard that:

Australia has been anxious about its proximity to the Pacific Islands, the region's vulnerability to penetration by potentially hostile powers, and its distance from its major security allies (first the United Kingdom, later the United States).⁸

- 5.9 Professor John Blaxland notes the increasing pressure in our region on stability; particularly noting China's growing posture and influence in the Pacific as generating concern in the West.⁹ The Committee heard that Australia's key strategic interests in the Pacific seemingly centre around the preservation of liberal international stability and the diplomatic 'hedging' of powers hostile to Western interests.¹⁰
- 5.10 Associate Professor Wallis elaborates on Australia's defence relationships in the Pacific as being based around two primary interests:¹¹
- Seeking to become the 'principal security partner' of the region to ensure that Western interests are maintained and any attack on Australia or its allies are mitigated; and
 - Maintaining the 'security, stability and cohesion' of the region to ensure vulnerable Pacific partners can defend their national interests against hostile powers.
- 5.11 DFAT reiterated these key principles in the 2017 Foreign Policy White Paper, in which it reinforced the growing economic weight of Asia, particularly China, as lending itself to potential regional contestations. Specifically:
- Economic growth in Asia continues to re-shape our strategic landscape. The compounding effect of China's growth is accelerating shifts in relative economic and strategic weight... In parts of the Indo-Pacific, including in Southeast Asia, China's power and influence are growing to match, and in some cases exceed, that of the United States. The future balance of power in the Indo-Pacific will largely depend on the actions of the United States, China and major powers such as Japan and India...In this dynamic environment, competition is intensifying, over both power and the principles and values on which the regional order should be based.¹²

8 Associate Professor Joanne Wallis, *Submission 2*, p.1.

9 Professor John Blaxland, *Submission 1*, p.1.

10 Associate Professor Joanne Wallis, *Submission 2*, p.1.

11 Associate Professor Joanne Wallis, *Submission 2*, p.1.

12 Department of Foreign Affairs and Trade, *2017 Foreign Policy White Paper*, pp.25-26.

5.12 The Committee heard from the Government of New Zealand that the challenges present in the Indo-Pacific region are a consequence of the constantly evolving regional circumstances:

The pace, intensity, and scope of engagement by external actors, who may not always reflect our values across their activities, are at the heart of a growing sense of geostrategic competition that is animating many nations' renewed focus on the Pacific.¹³

5.13 Offering a contrasting perspective, Associate Professor Wallis identifies the need for Australia to re-characterise the Pacific as an 'arc of opportunity', with the goal of removing overriding strategic anxieties that are potentially hindering the enhancement of Defence cooperation in the region.¹⁴ These opportunities are discussed further in Chapter 4.

Climate change

5.14 The Indo-Pacific is one of the most natural disaster-prone regions in the world. Consequently, climate change plays a significant role in defining the motivations and security interests of Pacific Island states.

5.15 The Northrop Grumman Australia submission elaborates:

The Boe Declaration on Regional Security...reaffirms that climate change remains the single greatest threat to livelihoods, security and wellbeing of the Pacific peoples. During the 2019 Pacific Islands Forum, Pacific leaders presented a united stance on the pressing need for accelerated and ambitious global action on climate change, noting that it remains the single greatest threat to PICs as its impacts will undermine – and potentially reverse – economic development, create instability and conflict, and threaten lives.¹⁵

5.16 The Government of New Zealand submission highlighted climate change's effects as being 'acutely' felt across the Pacific and thus necessitating enhanced HADR responses.¹⁶

5.17 The Committee understands that climate change, over time, will likely intensify requirements for Government and Defence cooperation with and support to Pacific Island nations under the Pacific Step-up.

13 Government of New Zealand, *Submission 16*, p.7.

14 Associate Professor Joanne Wallis, *Submission 2*, p.1.

15 Northrop Grumman Australia, *Submission 3*, p.5-6.

16 Government of New Zealand, *Submission 16*, p.7.

COVID-19 impact

- 5.18 The Department of Foreign Affairs and Trade notes that COVID-19 is impacting the stability and economic development of Indo-Pacific countries:

The growth, openness and stability of the Indo-Pacific, which has underpinned Australia's prosperity and security for decades, is at risk. Economies, jobs, education and health systems are being disrupted.¹⁷

- 5.19 Elaborating on broader economic impacts, DFAT raises concerns as to the potential for issues of social disruption and inequality arising from COVID-19 to challenge regional security:

A sustained economic downturn would have far-reaching consequences for social cohesion and human development. It would throw millions out of work, exacerbate economic and gender inequality, encourage criminal activity, and potentially spur irregular migration. It would undermine food security and supply chains, delay children in their education, and put pressure on political and social stability in societies across the world.¹⁸

- 5.20 The Committee understands that COVID-19 has and will likely continue to intensify requirements for Government and Defence cooperation with and support to Pacific Island states under the Pacific Step-up.

Defence capability challenges

EEZ Security, aerial surveillance and air capability

- 5.21 The Committee is aware that the Pacific presents unique challenges for Australia's defence capability to support the security of the region. The scale and expanse of the region, combined with limited Pacific states' defence capabilities to monitor and police it, give rise to numerous risks and issues.¹⁹
- 5.22 PAL Aerospace and Air Affairs Australia highlight the Pacific's combined exclusive economic zone (EEZ) as covering more than 27.5 million square kilometres.²⁰ The Committee heard that there are significant benefits for Australia in patrolling and protecting Pacific waters. In particular:

17 Department of Foreign Affairs and Trade, *2020 Partnerships for Recovery: Australia's COVID-19 Development Response*, p.1.

18 Department of Foreign Affairs and Trade, *2020 Partnerships for Recovery: Australia's COVID-19 Development Response*, p.2.

19 PAL Aerospace and Air Affairs Australia, *Submission 5*, p.3.

20 PAL Aerospace and Air Affairs Australia, *Submission 5*, p.3.

In helping Pacific island countries to help themselves in patrolling the southwest Pacific, Australia can concentrate assets in other areas, such as the South China Sea and the Indian Ocean. Over the longer term, an increased capability of Pacific island countries to respond to ensure their own security and protect and enhance economic opportunities for their citizens reduces the requirement for Australia to provide a high level of ongoing support.²¹

- 5.23 The Committee is aware however, that according to the Australian Strategic Policy Institute's (ASPI) *Ocean Horizon* report, significant operational gaps exist in the ability of Pacific Island nations to facilitate maritime patrols.²² This is a challenge further exacerbated in remote island locations.
- 5.24 Similarly, ASPI recognised aerial surveillance capability is lacking or otherwise conducted on a limited basis with limited sovereign surveillance capability.²³
- 5.25 The Committee understands that the vast expanse of the Pacific's combined exclusive economic zones (EEZ) creates challenges of scale for Australia's limited ISR and maritime security capabilities.

Committee Comment

- 5.26 The Committee acknowledges the current and emerging challenges facing Australia's defence cooperation and collaboration in the Pacific. Consequently, the Committee continues to emphasise the need for Australian government agencies to take a coordinated approach to the Pacific Step-up in order to mitigate the impact of these challenges.

21 PAL Aerospace and Air Affairs Australia, *Submission 5*, p.3.

22 Australian Strategic Policy Institute, *Ocean Horizons* report, December 2019, p.5.

23 Australian Strategic Policy Institute, *Ocean Horizons* report, December 2019. p.44.

Senator the Hon David Fawcett

**Chair
Joint Standing Committee on
Foreign Affairs and Trade**

25 March 2021

Mr Andrew Wallace MP

**Chair
Defence Sub-Committee**