



COMPARATIVE

C O N N E C T I O N S

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

AUSTRALIA-US/EAST ASIA RELATIONS

SCOTT MORRISON, DONALD TRUMP, AND THE INDO-PACIFIC

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Echoing uncertain geopolitical times, Australian politics confounded opinion polls and pundits at the May 18 federal election. Re-election of the Liberal-National coalition government was a “miracle” result, according to Prime Minister Scott Morrison. The surprise victory transformed Morrison’s authority within his party and the country – and burnished his relationship with US President Donald Trump. Morrison says the shift in the US-China relationship from engagement to competition is “inevitable,” calling for the Indo-Pacific to deepen patterns of cooperation so the competition does not become adversarial. Australia was an early adopter of the Indo-Pacific concept, describing it as a useful geographic construct. Now Australia is embracing the Indo-Pacific not merely as construct, but as a US strategy – the Free and Open Indo-Pacific.

This article is extracted from *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations*, Vol. 21, No. 2, September 2019. Preferred citation: Graeme Dobell, “Australia-US/East Asia Relations: Scott Morrison, Donald Trump, and the Indo-Pacific” *Comparative Connections*, Vol. 21, No. 2, pp 123-134.

ScoMo's miracle win

"I have always believed in miracles ... and tonight we've been delivered another."

Scott Morrison, Prime Minister, May 18, 2019

On the night his government was re-elected, Scott Morrison gave thanks for a miracle. A government that trailed in every opinion poll conjured a come-from-behind salvation it paraded as a famous victory. The democratic task of the election was done with the usual brutal directness of Australian democracy. The job was done in an evening. Nations as diverse as the US and Indonesia can only gawk at the speed. The polls closed at 6 pm on May 18 and counting started. By 9.30 pm eastern time, the national broadcaster declared that the Liberal-National government would be re-elected. At 11.30 pm, Opposition leader Bill Shorten emerged to concede defeat and resign as Labor leader. Few things so graced Shorten's leadership as his manner in leaving it. On the hardest of nights, he offered a gracious, positive speech about Australia's future and the Labor Party: "We can't change the past, but my word we can change the future!" By midnight, [ScoMo](#) (the designation Scott Morrison uses on Facebook) was on stage proclaiming his miracle. Morrison had gone into the campaign trailing in every opinion poll, at the head of a minority government that had lost its majority in the House of Representatives due to defections and by-election losses.



Figure 1 Scott Morrison re-elected as Australian Prime Minister. Photo: AAP

The government was returned at the election with a slim majority in the House (Coalition: 77 seats; Labor Opposition: 68 seats; Independents: 6). The numbers in the lower house of the new parliament are virtually the same as before the election. The government has gone from minority status to a bare majority in the House. Yet the dramatic remaking of Australia's political temperature belies a small shift in numbers. Australia has witnessed the rebirth of a sitting prime minister and the salvation of a troubled government.

As the previous [Comparative Connections](#) reported, Morrison took over on Aug. 24, last year, after a party room vote stripped Prime Minister Malcolm Turnbull of the leadership. Consistently negative opinion polls predicted that Morrison would be a stop-gap PM, in office

for less than a year before the voters punished the Liberal-National Coalition for party brawling and leadership instability. The coalition victory confounded the polls and re-cast the political narrative. Labor lost the unloseable election; many Liberals are quietly amazed they're still in office. The old Australian [sports cliché](#) holds true for Canberra: winners are grinners; losers can suit themselves. ScoMo campaigned with relentless energy and driven focus to embrace and uplift the voters he calls "the quiet Australians." That, plus his drumbeat about the dangers posed by Labor, did the trick—or delivered the miracle. Morrison's hold on his party and government is remade by his win and the departure from politics of Turnbull and Tony Abbott, the two Liberal leaders who spent the last decade battling each other. Turnbull left Parliament after he was deposed as leader, while Abbott lost his parliamentary seat in the election.

With Turnbull and Abbott gone from Canberra, the Liberal Party is calmer, if not totally at peace with itself. Turnbull and Abbott each lost their prime ministership in a vote by their own party caucus. By contrast, Morrison can be confident he will serve this three-year parliamentary term without facing a caucus challenge.

Rule changes by the Liberal and Labor parties have ended the decade of Australia's revolving-door prime ministership. That sorry decade taught tough lessons. The four previous prime ministers (two Labor, two Liberal) were all dispatched by their own party rooms (although Kevin Rudd in his brief second coming as PM was discarded by voters in an election). Little wonder Australians expressed cynicism and disillusionment at the chaotic, cannibalistic antics of the two parties of government: four prime ministers beheaded by their own party! In the pragmatic way of Australian politics, the Labor and Liberal parties have done a fix, changing their rules to graft new protections for leaders atop the rights of the party room.

The significant presidential habits that have evolved around the prime minister in Australia's Westminster-based system are now reflected in the leadership protocols of the main parties. In his last gift to Labor in his second stint as PM, Rudd changed the rules so that it's virtually impossible for the caucus to topple the leader between elections. When Morrison stepped over Turnbull's political corpse, he did the same change for the Liberals (and himself). The message to Australia's neighbors and friends is that the days of Canberra as a leadership coup capital are over.

Morrison will lead the country for the next three years, barring personal mishap or defeat in a substantive vote in the House of Representatives. And in the last 100 years, an Australian government has fallen on a vote-of-confidence in the House only once (in 1941). Canberra has entered the Sco-Mo era.

Morrison and Donald Trump and the US

"Australia and the United States see the world through the same eyes."

[Scott Morrison](#), July 12, 2019

The prime minister made that comment when speaking to the crew of the aircraft carrier *USS Ronald Reagan*, during exercises off the coast of Queensland. Morrison paid tribute to the ship as a symbol of the US: "We are in awe of the strength and power of the United States which this ship so ably represents, but at the heart of our friendship are the values and beliefs that knit our two countries together. Ships will come, ships will go, politicians will come and go, but our values will endure. They always do."

Morrison's thought about politicians coming and going is part of the sub-text of the way Australia has approached Donald Trump. Australia seeks to [Trump-proof](#) the alliance with multiple layers of history and commitment – to express Australia's enduring relationship with the US while only ever mentioning Trump in the most positive terms. Australia has adopted a dual-track policy that's both solid and selective: a solid embrace of the US relationship running alongside selective enthusiasms for Trump. The solid embrace side is where Australia does its serious thinking and talking about the US, including any criticisms of US policy in areas such as trade. Nothing negative enters Canberra's language whenever Trump is discussed. The 45th president is treated with enthusiastic deference and acceptance that shades toward flattery and fawning.

My description of Australia's tactic of solid embrace and selective enthusiasm goes like this: Hold tight to what we've got, get what we can, and never anger The Donald. Loudly love the alliance. If we mention Trump, it must be warm and joyous. If we can't say anything nice about Trump because it's difficult or dangerous or controversial, say nothing. Nothing! Any pokes at US policy must be gentle; prod the US as a national actor while never naming Trump or his administration. Always remind the president that Australia has a trade deficit with America; he loves that US-wins-you-lose stuff.

Since the [first explosive phone call](#) between President Trump and Prime Minister Turnbull, Australia has been persistent and consistent in its application of the solid-selective approach. The approach is no different to the flatter-and-fawn tactics of Japan's Abe Shinzo and European leaders. Australia's success has been to avoid the alliance alarms and trade explosions Trump has visited on Japan and Europe. Australia's trade deficit with the US is a diplomatic plus in dealing with the White House because it's the way Trump thinks the world should be. The president nods to Australia's border protection and immigration policies and is happy to use the alliance language of 100 years of mateship. Thus, Australia has avoided any blowback or backhanders from the Twitter-in-Chief. Ranking low on Washington's

priorities can be an advantage when so much in Washington is roiling and rumbling. The strength of the alliance history and the success of the Trump tactics are reflected in the warm relationship Morrison has built with the president.

After his 'miracle' election win, Morrison flew to Osaka for the G20 in June, where the Australians enjoyed a working dinner with the president, and this Trump tribute: "I want to congratulate the Prime Minister on a tremendous victory. He had a fantastic victory, as you know. He didn't surprise me, but he surprised a lot of other people. See, I knew him, so I said, "He's going to do very well." And he did. He did. They called it an upset, but I don't call it an upset." The response from the prime minister stuck to the script: "Well, thank you, Mr. President. And thanks for hosting us here tonight. It's going to be an important few days. But there's no better or stronger or deeper relationship than the United States and Australia."

The enthuse-about-Trump method was crowned by this [announcement](#) from the White House: "The President and First Lady will welcome Prime Minister and Mrs. Morrison of Australia to the White House on September 20, 2019, for an official visit, which will include a state dinner. The visit will celebrate our two countries' close friendship and shared history, and reaffirm our common vision for global peace, security, and prosperity." The welcome-with-the-works is only the [second state dinner](#) of Trump's presidency - the first was for French President Emmanuel Macron in April 2018. The previous Australian leader to get Washington-with-the-works was John Howard, hosted by President [George W Bush in 2006](#).

The usual calculus of a state dinner is that it's a personal and policy win in Washington, conferring domestic political benefits in Australia, a point made by [Nick O'Malley](#), a former US correspondent for the *Sydney Morning Herald*.

In normal times an invitation to a White House state dinner would be a political windfall to a foreign leader, particularly when host and guest are of the same political tradition. No diplomatic honour is more glamorous and none is more prized. At such an occasion Scott Morrison should be able to stand shoulder to shoulder with a Republican president and bask in the reflected authority of the most powerful centre-right leader on the planet. But these are not normal times, Trump is not a normal leader and the Republican Party is no longer a normal centre-right party.

The Lowy Institute poll of [Australian attitudes to the world](#) shows that the voters still embrace the alliance, but can't muster any enthusiasm about the US president. Almost three-quarters of Australians (72%) say Australia's alliance with the United States is either "very" or "fairly" important for Australia's security, a four-point drop from 2018. A clear majority (73% each) agree the US alliance is a natural extension of our shared values

and ideals and that the US would come to Australia's defense if Australia was under threat. A majority of Australians (56%) say the alliance relationship with the US makes Australia safer from attack or pressure from China. However, almost half (46%) agree the US is "in decline relative to China and so the alliance is of decreasing importance," a five-point increase from 2011. A sizeable majority of Australians (69%) say that "Australia's alliance with the US makes it more likely Australia will be drawn into a war in Asia that would not be in Australia's interests." Two-thirds (66%) agree that Trump has weakened Australia's alliance with the US.

Australia's view of Trump and the US is a mixture of [curiosity, attraction, and doubt](#), according to *New York Times* Australia Bureau chief Damien Cave. Reporting from Sydney, Cave writes that his conversations with Australians about the US relationship center on this question: "Does aligning with the United States mean jumping into a car with an angry, vengeful driver more likely to crash, or joining forces with a still-powerful ally fighting for shared values and the preservation of a rules-based order?"

The alliance and the Strait of Hormuz (and Iran)

Australia will send a warship, surveillance aircraft and Defence Force personnel to the Persian Gulf to join the US-led effort to protect shipping in the Strait of Hormuz. Prime Minister Morrison [announced](#) the commitment on Aug. 21, saying disruptions to shipping in the gulf were a threat to Australia's national interests. Morrison denied Australia was joining a US campaign against Iran. Instead, he said, Australia wanted to support international norms, freedom of navigation, and reduce tensions in the gulf. Australia's involvement, he said, would be "modest, meaningful and time-limited," describing the decision as an enhancement of an existing and longstanding contribution to counter-piracy and counter-terrorism missions in the Middle East.

The commitment follows a [request](#) from the Trump administration at the annual Australia-United States Ministerial meeting (AUSMIN) in Sydney earlier in August. About 200 Australians will be involved in the deployment, with 177 Defense personnel on the warship and 10 on the surveillance aircraft. The Labor opposition backed the commitment as appropriate.

Morrison said Australia was concerned about incidents involving shipping in the Strait of Hormuz: "This destabilising behaviour is a threat to Australian interests in the region, particularly our enduring interest in the security of global sea lanes of communication; 15-16% of crude oil and 25-30% of refined oil destined for Australia transits through the Strait of Hormuz. So it is a potential threat to our economy."

Defence Minister Linda Reynolds said it'll be the 68th deployment of an Australian Navy ship to the Middle East to protect freedom of navigation: "We've had a near

continuous maritime presence in the Middle East since the 1990s. Our contributions to date have focused on maritime security, counter piracy, counterterrorism, and also Gulf security and cooperation activities, including of course through the combined maritime force. But as part of this new maritime mission, our Defence Force will play a crucial role to ensure that all of these rights are protected."

At a press conference announcing his decision, Morrison repeatedly denied that he was committing to a US shadow war to put maximum pressure on Iran. Instead, he argued that Australia's commitment was based its national interest in "issues such as freedom of navigation, shipping lanes" and the "free flow of commerce."

Iran responded by saying that Australia's standing in the Middle East will be damaged by the decision to join the US in patrolling the Strait of Hormuz. Kamal Dehghani Firouzabadi, the deputy chair of Iran's Foreign Relations Committee, told the [Australian Broadcasting Corporation](#) (ABC) that Australia is taking a big risk by moving military forces to the region. "I don't think there'll be material damage to Australia. The damage will be to the reputation and prestige of Australia," he said. "Those who take part in this coalition are responsible for the damage caused by this coalition."

Foreign Minister Marise Payne has denied Australia is being dragged into a conflict with Iran. [Senator Payne](#) said protecting shipping and the Iran nuclear deal are "quite separate" issues. She said Australia stands by the Iran nuclear deal as the best option for the region, even though the US has abandoned the pact. "Those issues for the United States are ones for them, but we are supporting our national interests, advancing our national security, as Australians would expect their government to do," Payne told the [ABC](#). "I wouldn't say we're at odds [with the US], every country makes their own decisions. Just because we're not making a similar decision doesn't mean we're at odds." Payne said Australia has a good working relationship with Iran: "We talk to them regularly; we have an embassy in Iran, which is something that not many other countries are able to say."

The foreign minister's effort to separate relations with Iran from the naval deployment is in contrast to the line that the US Defense Secretary, Mark Esper, offered at the [annual ministerial talks](#), in Sydney, on Aug. 4: "From the get-go, the United States has been very clear that the purpose of our proposed operations in the Strait of Hormuz, the Persian Gulf, the Gulf of Oman, has been twofold. First of all, to promote the principle of freedom of navigation and freedom of commerce through all waterways...Number two, is to prevent any provocative actions by Iran that might lead to some misunderstanding or miscalculation that could lead to a conflict."

“Inevitable” competition: geopolitical uncertainty and geoeconomic turmoil

Before heading off to the G20 Summit and dinner with the US president, Prime Minister Morrison delivered the fourth big Asia speech of his leadership (the others being on [Indonesia](#), the foreign policy [‘beliefs that guide us.’](#) and [ASEAN](#)). The pre-G20 speech ([‘Where we live’](#)) was all about how wonderful the Indo-Pacific is – and will be – for Australia: “an open, inclusive and prosperous Indo-Pacific, consistent with our national interests ... where we have our greatest influence and can make the most meaningful impact and contribution. It is the region that will continue to shape our prosperity, security and destiny.” Morrison listed the “great blessings” the Indo-Pacific offers Australia: the “destination for more than three-quarters of our two-way trade... Our economy has grown faster than any other advanced economy over the last 28 years.” And so it went for a couple of pages until the prime minister had to address the shadows cast by geopolitical uncertainty and geoeconomic turmoil.

Morrison noted that the world’s most important bilateral relationship is strained: “The balance between strategic engagement and strategic competition in the US-China relationship has shifted. This was inevitable.” The prime minister went to variations of that “inevitable” description five times in his speech, arguing that this competition didn’t have to become adversarial and it’s “not inevitable that competition leads to conflict.” Morrison said Australia must be pragmatic in working through challenges he listed: great power competition, pressures to decouple the Chinese and US economic systems, escalating trade tensions, spreading collateral damage and a global trading system under real pressure. The speech blamed Beijing for much of the conflict, citing China’s forced technology transfer, intellectual property theft, and industrial subsidies promoting over-production.

The US, by contrast, got an embrace that gave no hint of any “America first” concerns: “The United States has demonstrated an understanding that the responsibilities of great power are exercised in their restraint, freely subjecting itself to higher order rules, their accommodation of other interests and their benevolence.” US-China trade tensions, Morrison said, should be resolved “in the broader context of their special power responsibilities, in a way that is WTO-consistent and does not undermine the interests of other parties, including Australia.” The call for WTO reform is Australia’s way of avoiding any discussion of the Trump effort to wreck the WTO dispute settlement system.

Immediately before launching the federal election campaign, the Morrison government presented the annual budget to Parliament in May, and the budget documents set out Canberra’s concerns about strategic uncertainty and trade turmoil. The Defence Department is worried about how quickly trends have moved since its [2016 defence white paper](#), while the Department of

Foreign Affairs and Trade (DFAT) made the same point about its [2017 foreign policy white paper](#), in its [budget document](#):

“Since the [2017] White Paper’s release, many of the international trends identified within it have intensified – rising nationalism and geo-political competition, anti-globalisation and trade protectionism, a shift in power in the Indo-Pacific without precedent in Australia’s modern history, rapid technological advances that are changing the way economies and societies work, and mega trends such as climate change and urbanisation. These trends are testing Australia’s policy settings and demanding new efforts in several areas.”

Distil DFAT’S prognosis from the second paragraph of the strategic musings:

- The global environment is more uncertain than any time since the end of World War 2.
- The Indo-Pacific is in the midst of a major strategic realignment.
- The world is moving to a new, more multipolar era.
- Australia and the region face fundamental challenges to long-term prosperity and security.

Defence’s [budget statement](#) refers back to the 2016 white paper forecast of greater strategic uncertainty because of “changes in the distribution of power in the Indo-Pacific and globally.” The shift/surprise that’s then singled out is in the South Pacific, where the challenge from China has prompted Australia to do a Pacific pivot, called a step-up:

Since the release of the 2016 Defence White Paper, some strategic trends have accelerated – arguably faster than was anticipated when the White Paper was drafted. Defence responded to some of these trends, along with other agencies, in devising new measures under the [Pacific Step-Up](#) announced by Government in late 2018.

The top issue obsessing Australia’s strategists is what will flow from the “inevitable” contest between the US and China. In December, Defence Minister Christopher Pyne stated: “The [first priority](#) is to manage great power competition in the Indo-Pacific.” And a central trend of that competition is the challenge to US dominance, as Pyne observed:

We see today that the relationships between the great powers of the region are becoming more competitive. There are worrying signs of a return of ‘might is right’. That is just one of the reasons we regard the United States as our most important security partner. For decades, it has used its considerable power to sponsor rules and institutions that have benefited countries of all sizes and provided the stability that has allowed this region to grow into the engine room of prosperity and growth it is today. But the United States will find it increasingly difficult to provide this security

unchallenged—and frankly we should not expect it to underwrite that security alone.

Australia's responses, as listed by the defense minister:

- Lift the defense budget to 2% of GDP by 2020–21, three years ahead of schedule: “the largest recapitalisation of our defence capability in peace time history, including the largest regeneration of Australia’s maritime capability”. Defence spending hovers just over 1.9% of Australia’s GDP, on the march to the promised target of [2% of GDP](#).
- Pursue stronger military-to-military relations “with a wide range of partners, new and old.”
- Enhance Australia’s military capability and presence in the region, “so we have good options to respond to a wide range of contingencies.”
- Reinforce the Pacific “pivot,” a headline description embraced by Pyne, calling this “a generational realignment of our framework and support to the South Pacific.”
- Deal with the threat of terrorists coming to or returning to Southeast Asia from the Middle East.

The terrorism point is the category outlier. Everything else leans toward the first priority – managing great-power competition. The shift in strategic focus is from terrorism to the faceoff between the US and China.

The annual geoeconomic report card from Australia’s Treasury (the May [international economic outlook](#)) expressed hope that President Trump will cut a deal with China, declare victory, and end the trade war: [H]owever, trade policy uncertainty remains elevated between a number of economies and global trade growth has eased. This uncertain outlook for trade tensions has been weighing on confidence, new export orders and investment intentions. Escalation of tensions would be expected to negatively affect growth in a number of countries including in Australia’s major trading partners. Conversely, a resolution of tensions could result in global growth that is stronger than forecast.

Australia, the US, China, and the Indo-Pacific

For Australia, “Indo-Pacific” has shifted from a new geographic construct to an arena for mounting contest – and the label for a US strategy. The journey from construct to competition has been short and sharp. At the start of this decade, “Asia-Pacific” was Canberra’s dominant geographic descriptor. That geographic understanding stood not too uncomfortably in the vicinity of the idea of the [“Asian century.”](#) the vision China’s Deng Xiaoping raised with India’s Rajiv Gandhi when they met in 1988. The US preferred what Hillary Clinton called [“America’s Pacific century.”](#) but it seemed more a question of perspective and emphasis rather than

dangerous difference. Australia easily embraced both the Asia-Pacific and the Asian century. Any sense of comfort has fallen away as the use of “Indo-Pacific” has zoomed up Canberra’s usage charts over the past six years. The descriptors are no longer gently touching or rubbing along easily.

Under Labor Prime Minister Julie Gillard, much of Canberra (apart from the Defence Department) adopted the term “the Asian century” in 2011 and 2012. A formal policy statement from Gillard in 2012, the [Australia in the Asian century white paper](#), stated:

Asia’s rise is changing the world. This is a defining feature of the 21st century—the Asian century. These developments have profound implications for people everywhere. Asia’s extraordinary ascent has already changed the Australian economy, society and strategic environment...The Asian century is an Australian opportunity. As the global centre of gravity shifts to our region, the tyranny of distance is being replaced by the prospects of proximity. Australia is located in the right place at the right time—in the Asian region in the Asian century.

The sunny optimism of Canberra’s Asian century period has given way to the darker realities of an Indo-Pacific power contest. The two terms describe the same set of players and forces, but arrange them in different orders with different weightings. Asian century usage blends liberal internationalism with an optimistic view of Asia entering a new phase of deeper and broader engagement, privileging geoeconomics over geopolitics. The Indo-Pacific gives more weight to geopolitics, shifting the focus from economic bonanza to describe an arena for surging strategic rivalry, now the label for a US strategy. Little wonder ASEAN’s new [Indo-Pacific outlook](#) seeks “dialogue and cooperation instead of rivalry.” Cooperation is what we desire, rivalry is what we’ve got.

Canberra’s explanation for replacing Asia-Pacific with Indo-Pacific this decade was to broaden the frame of reference and factor in India. There was another compelling reason that was fudged in the telling: come up with a frame big enough to handle (or contain or engage or balance) the giant dragon in the room. When Australia’s Defence Department started using the term Indo-Pacific in 2013, it was described as merely a [useful policy construct](#) – a tool for understanding – but not a force determinant. Today, the [US Indo-Pacific strategy](#) means the tool has been weaponized. Asian century versus Indo-Pacific also describes a Canberra fight: econocrats facing off against the defenceniks. The econocrats bleat that the security agencies are running the show. Or as the ever-vivid former Labor Prime Minister [Paul Keating](#) puts it, “the nutters are in charge.” Asian century had a brief starring moment during Gillard’s time as prime minister, cresting with the white paper in October 2012. Gillard needed some foreign policy not owned by her predecessor, Kevin Rudd, and Asian century [was it](#). The Asian century language came

from Treasury and the quintessential Treasury man of his generation, Ken Henry, got to write the policy. As Gillard had most of Canberra doing Asian century duty, the Defence Department defected to the Indo-Pacific. While it takes only a few minutes to drive from the Russell Hill defense complex to the other side of the lake where Parliament, the PM's department, DFAT, and Treasury reside, sometimes the Kings Avenue bridge marks a conceptual chasm. Defense hated the Asian century tag because it dropped the US from the equation. That's conceptual/construct poison for a department that sees anchoring America in Asia as a fundamental Australian interest.

The [2013 defence white paper](#) gave minimal linguistic obeisance [rather than](#) conceptual obedience to Gillard's vision: the document used the term Indo-Pacific 58 times while mentioning the Asian century white paper 10 times. When the Liberal-National coalition won the 2013 election, [the Asian century usage](#) quickly became Canberra cactus, too prickly to touch. Asian century optimism has disappeared along with the label. As Ken Henry [laments](#), his white paper "has had no impact on policy, not even on the tenor of public policy debate in Australia." Political cleansing was delivered as policy vandalism when the prime minister's department deleted the Asian century white paper from its digital record (the polite term is [archived](#)). Indo-Pacific has become the uniform usage in Canberra. The 2013 defense white paper marked the jump-off point, with further restatements in the [2016 defence white paper](#) and the [2017 foreign policy white paper](#). The Defence Department scored a major bureaucratic win: its strategic construct is now the way all of Canberra views the region.

Australia now agrees on the Indo-Pacific label, but the fundamentals of the argument rage. The rise of Indo-Pacific usage marks the moment when the comfortable Canberra consensus on how to handle China boiled over. A set of simmering debates has become extremely hot. Australia was long able to keep its economic relationship with China in the prosperity pot, separate from strategic and alliance interests in the pot marked power. Now there's much heat in the kitchen.

An analyst with the Australian Strategic Policy Institute, Rod Lyon, remarks on the ["surprising degree of unanimity"](#) that marked the consensus in the 1990s and 2000s: "China's rise offered a grand set of economic benefits to Australia at relatively low strategic risk. China was thought unlikely to disrupt the peaceful regional order that underpinned its own development. And a richer China would probably also be more politically pluralistic." Low strategic risk! Peaceful regional order! Oh, happy, lost Canberra consensus. In the 11 years to 2007 that John Howard was prime minister, his government basked in the consensus sweet spot as both pots gently simmered. Howard was able to embrace the economic riches China offered Australia, and even nod to China's expanding "prerogatives," because of his deep

confidence in US might. Howard's description of keeping the two pots separate is ["the great duality,"](#) saying his foreign policy achievement was to strengthen the US alliance while building an ever-closer economic relationship with China. And ever closer it keeps getting.

The China prosperity pot is huge and tasty, today accounting for nearly [a third of Australia's exports and around a fifth of our imports](#). Australia's economic dependence on China keeps growing, as [Greg Earl observes](#): "Short of a Chinese economic catastrophe, this is an integrated bilateral economic relationship that is not going to be wished away." In June, this year, China was the destination for a record 40% of Australia's exports. As the analyst [David Uren](#) noted: "It was only a little over three years ago that China's share of Australia's monthly exports hit 30%. A decade ago it was just 20%. The last time a single country took such a large share of Australia's merchandise exports was in 1952 when it was the United Kingdom. Japan's share of Australian exports peaked at a third in the mid-1970s and is now down to 14%."

In the Lowy Institute poll of Australian attitudes to the world, a majority of Australians (74%) say Australia is too economically dependent on China. A sizeable 68% say the Australian government is allowing too much investment from China. More than three-quarters of the population say "Australia should do more to resist China's military activities in our region, even if this affects our economic relationship" (77%, an increase of 11 points since 2015) and believe that "China's infrastructure investment projects across Asia are part of China's plans for regional domination" (79%). Only 44% say China's infrastructure investment projects are good for the region.

The journal *Australian Foreign Affairs* says Australia has become ["the most China-dependent country in the developed world."](#) Dependence is now discussed as a vulnerability, not the blessing that sailed Australia through the global financial crisis and the [great recession](#) without a blip. John Howard's great duality has lost its symmetry and balance. As the 21st century arrived, those who stir the power pot began questioning the comforts of the Canberra consensus. Chart the change through the [seven defense white papers](#) published from 1976 to 2016. The country references always put the US in top spot (except in the post-Vietnam War 1976 white paper, when Australia was more worried about the Soviet Union and Indonesia).

References to the United States and China in Australia's defence white papers, 1976 to 2016

	1976	1987	1994	2000	2009	2013	2016
United States	12	62	60	43	80	86	129
China	10	4	20	13	34	65	64

Through the final quarter of the 20th century, Australia's strategists were relatively positive about China – when they bothered to consider it. In the seminal 1987 defence of Australia white paper, China got only four mentions (two of them on maps). The 2000 white paper was when Australia stepped beyond three decades of optimism to consider the possibility of clash rather than cooperation. China's relationship with the other big players was "the most critical issue for the security of the Asia Pacific." Australia began to think beyond fighting Indonesia to contemplate confrontation with China. Such planning was pushed to the back of the stove by the 9/11 decade: Australia turned its attention to jihadists and Afghanistan and Iraq. By the 2009 white paper, though, Canberra had to confront the conflicts in the consensus. The document was a not-so-polite rendering of Prime Minister Kevin Rudd's private description of himself to US Secretary of State Hillary Clinton as ['a brutal realist on China'](#). For the first time in a defense white paper, China got more mentions than Indonesia, taking second spot behind the US. As Rudd wrote in his [memoirs](#): "The core conclusions of the 2009 Defence White Paper had been the need to recognise that China's rapidly increasing military budget and its increased naval activity in the South China Sea represented major changes in Australia's wider strategic circumstances."

When Gillard dethroned Rudd, she sought to recook the consensus. Her government's 2013 [Asian century white paper](#) offered an optimistic dish. The US would stay "the most powerful strategic actor" as China and India got richer, while Australia's strategic landscape would become more crowded and complex: "A degree of competition is inevitable as Asia's strategic order changes. But all countries in the region have a deep investment in stability and economic growth: the complex interdependencies and growing bilateral engagement are strong stabilising forces." In 2013, Australia thought "inevitable" competition would be framed by interdependence and economic interests; today Australia sees that "inevitable" competition damaging the international rules-based system, harming global trade and threatening to decouple the US and China.

During Malcolm Turnbull's leadership (2015-2018) Australia felt an [icy blast](#) from China. Turnbull [described China](#) as a ['frenemy'](#) and in his major Asian speech offered a ["dark view" of a "coercive China"](#) seeking regional domination. Australia now understands that China touches most dimensions of its life: [security, economics and trade, social, diplomatic and political](#). The pragmatism that separated the prosperity pot and the power pot isn't enough. A trade war brews on one side of the stove, matching the fear of war on the other. Part of the policy response is the second coming of the Quad.

The return of the Quad

The Quad – the US, Japan, India, and Australia – is more notable for the questions it invokes than the answers it

offers. The informal dialogue is a discussion groping toward a grouping. In [Quad 2.0: New perspectives for the revived concept](#), the Australian Strategic Policy Institute argues notes that the revived Quad "has become one of the most debated and contested ideas in current geopolitics." Much heat and light is directed at a small process – reborn in 2017 – meeting informally at officials' level, offering no formal Quad statements or agreed Quad view of the world. The lack of answers emphasizes the quality and quantity of questions about the Quad, a small beast grappling with big issues.

The man who sank Quad 1.0, Kevin Rudd, illustrates that in his discussion of the big questions that caused his new government to pull out of the infant quadrilateral in 2008. A decade on, they're still great questions. Rudd published the second volume of his [memoirs](#) late last year, after the rebirth of Quad 2.0, and he devotes nearly two pages to his reasons for Australia pulling out of Quad 1.0. The former prime minister gets stropy about what he calls the "demonstrably false" claim that he sank Quad 1.0 to appease China (a line common from Indian analysts). He fires off a barrage of questions about the historical baggage Japan and India have with China and the possibility of future zig-zags in the way New Delhi or Tokyo deal with Beijing. Plus, he muses on how a four-way alliance would impact on Australia's bilateral alliance with the US.

Japan: Looking back at the 2008 debate, Rudd asks: "[W]hy would Australia want to consign the future of its bilateral relationship with China to the future health of the China-Japan relationship, where there were centuries of mutual toxicity? For Australia to embroil itself in an emerging military alliance with Japan against China, which is what the quad in reality was, in our judgment was incompatible with our national interest."

India: While not as toxic as Sino-Japanese relations, Rudd writes, India and China fought a violent border war in 1962 and still had thousands of square kilometers of disputed border regions that periodically erupted into violent clashes. "So did Australia want to anchor our future relationship with Beijing with new 'allies' which had deep historical disputes still to resolve with China?"

Allying with Japan and India: "If the quad became formalised, where would that place Australia if we then had to take sides in Delhi's or Tokyo's multiple unresolved disputes with Beijing? A further danger we faced was, if Australia proceeded with the quad, what would happen if domestic political circumstances later changed in either Japan or India? Governments could change through elections. Even the policies of existing governments could change. Australia would run the risk of being left high and dry as a result of future policy departures in Tokyo or Delhi. Indeed, that remains a danger through to this day."

The US alliance: Australia is already bound by what Rudd calls the "far-reaching" provisions of the ANZUS treaty to

support the US in the event of an armed attack on US forces in the Pacific. “Strengthening a bilateral alliance is one thing,” he writes. “Embracing a de facto quadrilateral alliance potentially embroiling Australia in military conflict arising from ancient disputes between Delhi, Tokyo and Beijing in quite something else.” For Rudd, the absence of Quad 1.0 didn’t preclude strengthening bilateral security cooperation with India or Japan – “outside the framework of any more binding set of quadrilateral treaty or sub-treaty arrangements.” The former prime minister concludes with an attack on “sloppy analyses” that he sank Quad 1.0 to “please Beijing.” Rudd writes that his government was “perfectly prepared to adopt a hardline approach towards Beijing whenever our national interests and values demanded it,” pointing to his approach to human rights and the China-skeptical language of Australia’s [2009 defense white paper](#).

As for Quad 2.0, that gets one sentence: “The extent to which political and strategic circumstances may have changed a decade later is another matter entirely.” Such brevity from The Kevin tells you something about the perplexities and prospects of the reborn quadrilateral. If times have changed, does that mean the answers to Rudd’s big questions have altered? Perhaps we’ve moved beyond that loud “No!” that Rudd gave to what he envisioned as a “de facto quadrilateral alliance.” Now, the same prospect gets a faintly mumbled response that sounds something like: Hmm. Well, perhaps. Maybe. Too early to say, really. It’s a long way from informal talks among officials to even a de facto form of alliance. Yet, as Rudd says, political and strategic thinking has changed.

The questions Rudd poses about Quad 1.0 are equally fascinating today. Let’s summarize ‘em with some for Quad 2.0 to ponder: What is China going to do? What must the US, Japan, Australia, and India do together? Australia sees great power competition as the top strategic issue facing the Indo-Pacific. The tenor and terms of that “inevitable” contest have changed and darkened.

Alliance history: Pine Gap

‘We would be deaf and blind without Pine Gap.’
[Kim Beazley](#), former Labor leader and ambassador to the US

Now in its sixth decade of operation, the [Pine Gap](#) facility, outside Alice Springs, is a remarkable element of Australia’s alliance with the United States. (For an account of the evolution of Pine Gap, see the [2013 Australia-US Comparative Connections](#).) The totem phrase Canberra intones about Pine Gap is that Australia has “full knowledge and concurrence” about what the US does with the base. The “we know everything” statement is an implicit acknowledgement that in the first decade of the facility’s operation, Australia [didn’t have](#) full access and understanding and thus couldn’t give fully informed agreement. Australia responded by injecting its own

people into every aspect of what Pine Gap does. The chant today can have an extra acknowledgement: full Australian involvement.



Figure 2 Pine Gap Facility near Alice Springs. Photo: [New York Times](#)

The debate has slowly expanded from the question of Australian sovereignty to that of Australian responsibility. Even as the technology keeps evolving, what’s really shifted is how significant Pine Gap has become for Australia’s defense and security purposes, as well as the United States’. The former Labor leader, defence minister and Australian ambassador to Washington, Kim Beazley, calls this the Pine Gap [paradox](#). The deep and unprecedented involvement in what the base does means that “Pine Gap became critical for us. It’s now part of our intelligence and defence order of battle.”

The paradox – [the transformation of the Australian role](#) – is a central theme of an assessment by Desmond Ball, Bill Robinson and Richard Tanter:

There can no longer be any question about the completeness of Australian access to or concurrence in the activities undertaken at Pine Gap. Australians are now completely enmeshed into the management structure at the station ...

This transformation reflects both the achievements of Australian governments in their efforts over decades to increase the Australian presence at the base on the one hand, and on the other the changing military and intelligence nature of the relationship between Australia and [the] United States. Indeed, the pervasive Australian participation in the activities of Pine Gap now epitomises the networked, but fundamentally asymmetric character of the ANZUS alliance today.

The release of previously secret [1996 and 1997 Cabinet papers](#) by the National Archives of Australia, in January, 2019, document a key moment in that transformation. In September 1997, the Howard government’s National Security Committee considered a [submission](#) by Defense Minister Ian McLachlan on the closure of the Nurrungar joint facility, in South Australia, operated by the US Air Force, using satellites to detect missile launches and

nuclear explosions. Nurrungar was due to close in a couple of years, to be replaced by a relay ground station (RGS) at Pine Gap. The Cabinet committee agreed to the relay station, but the focus was shifting beyond knowledge to involvement and integration. The aim was to use the capabilities of the US satellite system “to address ADF [Australian Defence Force] interests” to “support ADF operations.”

The submission said the relay station at Pine Gap “should be regarded as a new joint facility that we will host for many years.” The defense minister offered two “fundamental considerations in evaluating the US proposal”:

1. Whether the functions of the system “can be expected to be closely coincident with Australian interests”;
2. Whether arrangements for Australian involvement in the operation and management of the facility would give the government “effective full knowledge and concurrence” of its functions.

The submission proposed four measures:

- (a) agreement on the missions to which the data passing through the RGS will contribute, together with an undertaking to consult before new missions are initiated, and annual reviews of the operation of the system of which the RGS is a part;
- (b) the ability to have direct access to the data passing through the RGS; full Australian access, in real time, to the event reporting produced by the central processing facility in the US;
- (c) an Australian capacity to contribute to the tasking of the DSP/SBIRS system [DSP was the US’s existing satellite Defense Support Program, in the process of being replaced by the Space-Based Infra-Red System];
- (d) Involvement of Australian personnel in the team monitoring the operation of the RGS at Pine Gap.

The defense minister said Canberra already had high-level assurances from the US that these conditions would be accepted. To get full value and ensure full knowledge, Australians would have to be posted to the US to work at the central mission control station. Getting access to the raw data in real time could serve “Australia’s direct security interests.” McLachlan summarized the alliance effects and the politics of the decision this way:

The proposals are consistent with Government policy supporting an active and relevant alliance relationship. The cooperation envisaged is a practical contribution to a vital US interest and signifies our preparedness to cooperate on matters of mutual benefit.

There are potential sensitivities or criticisms associated with continued cooperation with the US in this area. Given our long track record of successful cooperation, and the wide public support for the alliance, these are assessed as limited and manageable.

Reading the submission today involves one of the minor diversions of wading through old Cabinet documents – jumping over (or guessing at) the bits of the document that are blacked out before release. The Pine Gap paper is “open with exception.” The Archives determined that the record contained information on “Defence plans, operations or capabilities of continuing sensitivity.” Thus, getting through the Pine Gap submission involves hurdling 24 blacked-out sentences or paragraphs. Pine Gap and the doctrine of full knowledge is a long race with many hurdles.

CHRONOLOGY OF AUSTRALIA-US/EAST ASIA RELATIONS

SEPTEMBER 2018 – AUGUST 2019

Oct. 17, 2018: Australia's Parliament passes legislation for the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), making Australia the fourth nation to ratify the [trade treaty](#).

Oct. 20, 2018: An independent wins the House of Representatives by-election caused by the resignation from Parliament of deposed Prime Minister Malcolm Turnbull. The Liberal-National coalition loses its one-seat majority in the House and becomes a minority government.

Nov. 5, 2018: Republican lawyer Arthur B Culvahouse is nominated to be US ambassador to Australia.

Nov. 7, 2018: On national interest grounds, Treasurer Josh Frydenberg rejects an A\$13 billion bid by a Hong Kong group to buy Australia's main gas pipeline network.

Nov. 8, 2018: Foreign Minister Marise Payne visits Beijing, signaling a [thaw](#) in the icy diplomatic relationship of the previous 12 months.

Nov. 16, 2018: Japan's Prime Minister Abe Shinzo and PM Scott Morrison meet in Darwin. They commit to an Indo-Pacific infrastructure fund and conclude a military reciprocal access agreement.

Nov. 17, 2018: APEC Economic Leaders Meeting is held in Port Moresby, Papua New Guinea. Vice President Mike Pence announces that the US will partner with Australia and PNG to build a new naval base on PNG's [Manus Island](#).

Nov 21, 2018: Indian President Ram Nath Kovind visits Australia.

Dec. 16, 2018: Former Chief of the Australian Defence Force David Hurley is nominated to be Australia's next governor general, succeeding Sir Peter Cosgrove, also a former defense chief.

Jan. 16-18, 2019: PM Morrison [makes](#) the first bilateral visit by an Australian prime minister to Vanuatu and Fiji.

Feb. 8, 2019: "Sophisticated" [foreign attack](#) hacks the computer system of Australia's Parliament House. The passwords of all MPs and senators and all staff have to be reset.

Feb. 20-March 8, 2019: US, Japanese, and Australian troops [participate](#) in *Cope North*, the largest multilateral Pacific Air Forces exercise, designed to strengthen air operations with a focus on humanitarian assistance and disaster-relief training.

March 4, 2019: Indonesia and Australia sign a bilateral free trade agreement.

March 13, 2019: US Ambassador to Australia Arthur Calvhouse presents his credentials to the governor general in Canberra.

April 1-12, 2019: The 2019 *Balikitan* exercises [take place](#) in Luzon and Palawan. Over 7,000 troops from the US, Philippines, and Australia participate in humanitarian and civic assistance projects as well as land, sea, air, and counterterrorism operations.

April 2-14, 2019: Navy, army, and air force personnel from Australia and India [participate](#) in the third *AUSINDEX* joint maritime exercise in the Bay of Bengal. The three phases of the exercise focus on anti-submarine warfare and improving overall bilateral cooperation and interoperability.

April 22-May 5, 2019: Air forces of the United States, South Korea, and Australia [undertake](#) two weeks of "scaled-back" joint air drills around the Korean Peninsula, replacing the previous large-scale *Max Thunder* drill.

May 16, 2019: *USS William P. Lawrence* [participates](#) in naval exercise *La Perouse* with five other vessels from France, Japan, and Australia in the Bay of Bengal. The exercise includes "sailing in formation, live-fire drills, communications, search and rescue, damage control and personnel transfers."

May 18, 2019: In Australia's federal election, the Liberal-National coalition government led by Scott Morrison, is re-elected.

May 23-28, 2019: Navies from the US, Japan, South Korea, and Australia [launch](#) the inaugural *Pacific Vanguard* exercise off Guam "to conduct cooperative maritime training." Over 3,000 sailors take part in drills including "combined maneuvers, live fire exercises, defense counter-air operations, anti-submarine warfare, and replenishment at sea."

May 27, 2019: Anthony Albanese is elected leader of the Australian Labor Party and becomes federal opposition leader.

June 24, 2019: US, Japan, and Australia announce jointly [financed](#) \$1 billion LNG project in Papua New Guinea.

July 7, 2019: US and Australia begin *Exercise Talisman Sabre*, in Queensland; Japanese forces also take part.

July 12, 2019: PM Morrison visits the aircraft carrier [USS Ronald Reagan](#), off Queensland.

July 29, 2019: Australia [passes](#) legislation demarcating maritime boundaries with Timor-Leste, formalizing revenue shares in the joint-development of the Greater Sunrise natural oil field.

Aug. 1, 2019: On the sidelines of the ASEAN Regional Forum in Thailand, the ninth meeting of the [Trilateral Strategic Dialogue](#) involving Australian FM Payne, Japan's Foreign Minister Kono Taro, and US Secretary of State Michael Pompeo.

Aug. 4, 2019: Secretary Pompeo and Defense Secretary Esper [meet](#) Australian FM Payne and Defense Minister Linda Reynolds in Sydney for 29th Australia-United States Ministerial Consultations "to deepen economic, security, and strategic cooperation in the Indo-Pacific region and globally."

Aug.14, 2019: Pacific Islands Forum meets in Tuvalu.

Aug. 21, 2019: Australia announces it will join the [maritime security mission](#) for the Strait of Hormuz.

Aug. 22, 2019: PM Morrison makes the first bilateral visit to Vietnam by an Australian prime minister in 25 years.

Aug. 27, 2019: Yang Hengjun, an Australian writer and democracy activist, detained by the Chinese authorities in January, is formally [charged with spying](#).

Aug. 30, 2019: PM Morrison visits Timor Leste to mark the 20th anniversary of the vote that led to independence from Indonesia.