

## **Australia and US-China Relations<sup>1</sup>** **(US-China Relations Report, Vol. 3)**

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There is arguably a general bipartisan consensus between Australia’s two major political parties—the Coalition and the Australian Labor Party—regarding US-China relations. The Labor Governments led by Prime Ministers Kevin Rudd and Julia Gillard, which held power from 2007 to 2013, and the Coalition Tony Abbott Government (at the time of this writing), have explicitly stated their view that US-China relations is the single most important factor for the future of the Indo-Pacific regional order . In addition, there is also a basic bipartisan consensus with regard to Australian policy toward both the US and China: a two-pronged approach of expanding its alliance and cooperation with the US, which is pursuing a rebalancing toward the Asia-Pacific, while developing an Australia-China Strategic Partnership.

Beyond this foundation of bipartisan consensus, though, there are some differences between the Governments regarding the specific ways in which to engage with the US and China. In particular, an important strategic issue in this context that successive Australian Governments have faced for many years is the question of how Australia should cooperate in the US’ strategy for dealing with China.

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<sup>1</sup> All opinions expressed in this paper are those of the author and do not represent the opinions of the Ministry of Defense or the Government of Japan.

The answer to this question shown by Abbott's Coalition Government is an intention to collaborate more closely than ever in the US' strategy on China. That collaboration would include at least three elements, the first of which would be sending stronger messages to China. When China announced the establishment of its so-called "East China Sea Air Defense Identification Zone (ADIZ)" in November 2013, Foreign Minister Julie Bishop of the Abbott Government issued a statement criticizing "China's sudden, unilateral announcement" and summoned China's ambassador in Australia to the Department of Foreign Affairs and Trade to register a substantive direct concern seeking an explanation of the situation. With respect to such clear criticism of China, Prime Minister Abbott explained that his administration would not hesitate to send a message about Australia's "values and interests" as "a strong ally of the US."

China immediately rejected and criticized this stance by the Abbott Government. At the Track 1.5 Australia-China Dialogue held in November 2013 (at which Li Zhaoxing, President of the China Public Diplomacy Association and former Minister of Foreign Affairs, headed the Chinese delegation), China criticized the Australia's position, which places great importance on its relationship with the US, and also stirred things up by saying that there was no guarantee that a policy of reliance on the US would continue to go well in the future. Furthermore, at the Australia-China Foreign and Strategic Dialogue (a framework led by the foreign ministers of both countries), held in December 2013 in Beijing, Foreign Minister Wang Yi directly criticized Australia's response to the ADIZ in front of a group of reporters. Despite such criticism from China, the Abbott Government's basic stance remains unchanged. In light of a recent situation, for example, Defense Minister Kevin Andrews and Defense Department Secretary Dennis Richardson both criticized China in May 2015 for its construction of artificial structures in the South China Sea and issued statements demanding an immediate suspension of construction.

Secondly, the work of readjusting its national defense policy that Australia is currently carrying out is intended to incorporate elements that strengthen the US-Australia alliance. Of course, it is difficult to systematically analyze the processes of readjusting the national defense policy without closely examining the Defense White Paper which was to be released in September 2015. Nevertheless, a number of general elements have become visible through various prior announcements. One is increase of the defense budget. In 2012, the previous Labor government decided to substantially cut the national defense budget. The Abbott administration, however, heavily criticized this and

has, moreover, continued to increase the defense budget since the administration got underway. As a result, the defense budget has been raised from around AUD \$24.4 billion, or 1.68% of GDP, for fiscal 2013/14 at the start of the Government to around AUD \$31.9 billion, or 1.96% of GDP for fiscal 2015/16.

Prime Minister Abbott and his ministers have stressed that behind this budget increase is the aim of increasing Australia's weight as a US ally. In particular, based on the logic of acquiring the necessary capabilities as an ally in light of the power shift between the US and China, Australia has been pursuing a long-term policy of reinforcing its naval power, focusing on submarines, since 2009. The Abbott Government's aim of increasing the national defense budget can likely be assessed as backing up that policy with resources.

Thirdly, Australia has worked out a package of policies to further bolster bilateral cooperation with Japan as well as trilateral cooperation with Japan and the US. At present, Japan and Australia are hammering out a direction that could be called a second evolution in Japan-Australia relations, one that expands cooperative ties that have centered up to now on non-traditional fields such as peacekeeping operations (PKO) and humanitarian assistance and disaster relief (HADR) to include cooperation in traditional security fields. Specifically, they are considering capacity-building support in the area of maritime security to Southeast Asian nations and the possibility of defense equipment cooperation related to Australia's "Future Submarine Program." It is important that each of these areas have been set out as Japan-US-Australia trilateral cooperation in all but name. Moreover, the stronger messages toward China discussed above have become an important item in trilateral cooperation, as witnessed, among other ways, by their inclusion in statements issued following the US-Japan-Australia Trilateral Strategic Dialogue at the foreign minister level in October 2013 and the US-Japan-Australia Trilateral defense ministers meetings held since 2014. Behind the Abbott Government's emphasis on Japan, one can perceive the intention to attach greater value than past administrations to strong ties with Japan, an American ally with which it shares values.

In this way, the Abbott Government could be said to have pledged to explicitly support the US' strategy on China. On the other hand, it should be remembered that, while demonstrating its willingness to more closely follow the US in its strategy on China, the Abbott Government also appears to be also showing certain consideration toward China. This fact unexpectedly came to light in the May 2015 statement by U.S. Assistance

Secretary of Defense David Shear. It was reported in the news that, in the context of explaining policy toward China, Assistant Secretary Shear stated during a public congressional hearing held that month that the US was considering enhancing access to Australia for B-1 bombers. In response, Prime Minister Abbott said that the US-Australia alliance was not aimed at a third country, a reaction suggestive of a degree of consideration toward China.

It is clear from the memoirs of Cabinet ministers from the time of the previous Labor Government that they had refrained from discussing the expansion of access to Australia for US Air Force bombers precisely out of consideration toward China. In that sense, it can be said that while US-Australia cooperation does move forward within the Abbott Government in regard to this matter will be an important point to consider in assessing Australia's policies toward China and the US. Given this, the Abbott Government's reaction to Mr. Shear's aforementioned remarks unexpectedly shed light onto the fact that consideration toward China remains an important factor in advancing the US-Australia Force Posture Initiatives. This appears to suggest that paying certain consideration to China in managing the US-Australia alliance is another bipartisan consensus shared between the Coalition and the Labor Party, notwithstanding their nuanced differences.