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Submission – Strengthening Australia's relationships with countries in the Pacific region

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The Pacific Islands matter to Australia¹

Since before Federation, 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).

Accordingly, Australia has had (and continues to have) two primary strategic interests in the Pacific Islands:

- First, to ensure that no power hostile to Western interests establishes a strategic foothold in the region from which it could launch attacks on Australia or threaten allied access or its maritime approaches.² To achieve this, Australia has sought to be the region's 'principal security partner'.³
- Second, to ensure 'security, stability and cohesion' in the region,⁴ as instability is perceived to leave Pacific Island states vulnerable to hostile powers.

Australia also has significant economic interests in the region; thousands of Australians live there, and many more visit each year.

The **geopolitics of the Pacific Islands have become increasingly 'crowded and complex'** as both traditional and non-traditional external powers increasingly focus on having a presence in the region and the broader 'Indo-Pacific'.⁵ The increased presence of these external powers poses challenges to Australia, both in terms of its own security and in terms of how they may shape – and potentially constrain – Australia's ability to act in the region.

The Pacific Islands matter to Australia; reflecting this, Australian leaders are visiting the Pacific Islands more frequently and a dedicated cross-agency Office of the Pacific has been created to oversee implementation of Australia's '**step-up**' with its '**Pacific family**'. But while Australia's recent step-up represents a welcome refocus on the region, **more needs to be done to improve Australia's relationships and enhance our influence.**

Australia as a Pacific Power?

As I argue in detail in my book, *Pacific Power? Australia's Strategy in the Pacific Islands* (Melbourne University Press, 2017), although Australia has vital strategic interests in the Pacific Islands, our influence has eroded, and we are now less well placed to pursue them.

¹ This submission is based, in part, on Joanne Wallis, *Pacific Power? Australia's Strategy in the Pacific Islands*, Melbourne: Melbourne University Press, 2017.

² Department of Defence, *2016 Defence White Paper*, Commonwealth of Australia, Canberra, 2016, para. 3.7.

³ *Ibid.*, para. 3.21.

⁴ Department of Defence, *Defence White Paper 2013*, Commonwealth of Australia, Canberra, 2013, para 1.21.

⁵ Joanne Wallis, *Crowded and Complex: The Changing Geopolitics of the South Pacific*, Canberra: Australian Strategic Policy Institute, 2017, <https://www.aspi.org.au/report/crowded-and-complex-changing-geopolitics-south-pacific>.

Consequently, I argue that it is time to re-characterise the Pacific Islands as an 'arc of opportunity'.⁶ This positive characterisation is intended to highlight the potential of Pacific Island states, rather than their perceived weaknesses.

The arc of opportunity characterisation focuses on two sets of opportunities:

- First, opportunities for Australia to stop treating its proximity to the region as a source of anxiety and to instead recognise, and capitalise on, opportunities for strengthening and developing Pacific Island states to bolster its own security.
- Second, for Pacific Island states to take advantage of opportunities available to them, including Australian support, in order to improve stability and advance development.

This re-characterisation may change how Australia defines and pursues its strategic interests in the Pacific Islands by **encouraging Australia to see itself as a regional partner, rather than a regional power**, which would reflect Australia's stated strategic interest in being the region's principal security partner. It may also improve regional perceptions of Australia and receptiveness to Australian influence.

Guided by this re-characterisation, in my book I identify a number of opportunities for Australia to improve the effectiveness of its levers of influence in the future. I also identify opportunities for Australia to mitigate the limits on its influence.

In this submission I evaluate Australia's step-up and make recommendations for how Australia can strengthen its relationships with Pacific Island states.

Evaluating the step-up

Ewen McDonald, head of the Office of the Pacific, gave a keynote speech⁷ at a workshop that I organised with James Batley and Anthony Bergin at the Australian National University (ANU) on 6 and 7 June 2019.⁸ While the office is located in the Australian Department of Foreign Affairs and Trade, it draws on representatives from a range of government departments, assisting the government to speak — in the words of McDonald — with a 'common, respectful and coordinated voice'.

Significantly, McDonald emphasised that the office is prioritising listening to and involving Pacific Island states in informing Australia's policies. He committed to spending as much time in the region as in Canberra. This will be facilitated by plans to ensure Australia's

⁶ Joanne Wallis, 'The South Pacific: "Arc of instability" or "arc of opportunity"?', *Global Change, Peace and Security*, vol. 27, no. 1, 2015, pp. 39–53; Joanne Wallis, "The Pacific: From "arc of instability" to "arc of responsibility" and then to "arc of opportunity"?", *Security Challenges*, vol. 8, no. 4, 2012, pp. 1–12.

⁷ Ewen McDonald, 'Realising the Pacific's Vision for Stability, Security and Prosperity', keynote speech at the Australian National University, Canberra, June 2019, <http://bellschool.anu.edu.au/news-events/podcasts/audio/6948/pacific-geopolitics-workshop-keynote-ewen-mcdonald-dfat>, reproduced in *Security Challenges*, Vol. 16, No. 1, 2020, pp. 17-25.

⁸ Joanne Wallis and James Batley (eds.), "How does the 'Pacific' fit into the 'Indo-Pacific'? The changing geopolitics of the Pacific Islands", *Security Challenges*, Vol. 16, No. 1, 2020, <https://regionalsecurity.org.au/research-and-thought-leadership/security-challenges/>; Joanne Wallis, James Batley and Ruben Seaton, *How Does the 'Pacific' Fit into the 'Indo-Pacific'? The Changing Geopolitics of the Pacific Islands: Workshop Report*, Working Paper 2019/1, Department of Pacific Affairs, ANU, 2019, http://dpa.bellschool.anu.edu.au/sites/default/files/publications/attachments/2019-08/dpa_wp2019_1_workshop_report_final_0.pdf

diplomatic presence in every Pacific Islands Forum member. Prime Minister Scott Morrison has also explicitly recognised that 'if you're going to "step up", you've got to show up'⁹ — demonstrated by visits to Vanuatu, Fiji, Papua New Guinea and Solomon in 2019.

Despite these good intentions, concerns have been raised in the Pacific Islands about Australia's step-up. There are perceptions that it **consists primarily of 'unilateral initiatives'** that are **'done for or to the Pacific, not with it'**.¹⁰ I was a member of the expert advisory group for research conducted by the NGO Peacifica under the auspices of the Whitlam Institute at the University of Western Sydney. This research provides invaluable, empirically rich data concerning Pacific Islanders' perspectives of Australia and makes a number of important recommendations¹¹ for how they can be addressed.

Anecdotal feedback from the region suggests that there are **concerns about the influx of assistance to the region** in the last few years, not only from Australia's step-up, but also from New Zealand, the United States, China, Japan, Indonesia, France and the United Kingdom. There is a risk that **much of this assistance is poorly targeted, duplicative and risks overwhelming the absorptive capacity** of the comparatively small bureaucracies of most Pacific Island states.

Economic development

The step-up involves significant support for infrastructure, including the creation of an AU\$2 billion **Australian Infrastructure Financing Facility** for the Pacific and an extra AU\$1 billion for the **Export Finance and Insurance Corporation**. Alongside Japan, New Zealand and the United States, Australia also committed to the **Papua New Guinea Electrification Partnership**, which aims to connect 70 per cent of Papua New Guinea to electricity by 2030.¹² But **opinions about Australia's approach to infrastructure investment are mixed**.¹³

Australia's efforts to increase **labour mobility** have been widely welcomed as having potential developmental benefits.¹⁴ The expanded **Seasonal Worker Program**, created in 2012, allows opportunities to work in Australia's agriculture sector for up to nine months each year. In July 2018, the **Pacific Labour Scheme** was created for workers from selected Pacific Island states to work in low- and semi-skilled jobs for up to three years. **Labour mobility can help build vital people-to-people links** between Australians and Pacific

⁹ Prime Minister Scott Morrison, 'Joint remarks with the Prime Minister of Vanuatu', Vanuatu, 16 January 2019, <https://www.pm.gov.au/media/joint-remarks-prime-minister-vanuatu-0>.

¹⁰ Tess Newton Cain, James Cox and Geir Henning Presterudstuen, *Pacific Perspectives on the World*, Sydney: Whitlam Institute, 2020, <https://www.whitlam.org/publications/2020/2/13/pacific-perspectives-on-the-world>, p. 6.

¹¹ Ibid.

¹² DFAT, 'Strengthening our Pacific Partnerships', <https://www.dfat.gov.au/geo/pacific/engagement/Pages/strengthening-our-pacific-partnerships>.

¹³ Stephen Howes, 'The Efic reform bill: maximising Australian benefits even to the detriment of our neighbours', *DevPolicy*, 1 April 2019, <https://devpolicy.org/efic-reform-maximising-australian-benefits-even-to-detriment-of-neighbours-20190401/>.

¹⁴ World Bank, *Maximising the Development Impacts from Temporary Migration: Recommendations for Australia's Seasonal Worker Program*, Washington: World Bank, 2017, <http://documents.worldbank.org/curated/en/572391522153097172/pdf/122270-repl-PUBLIC.pdf>.

Islanders, as well as much-needed knowledge of the region in Australia. Intentions to enhance church partnerships and educational and sporting links may also help.

There are opportunities for Australia to **expand opportunities for Pacific Islander labour mobility**. For decades Pacific Islanders, particularly from Melanesia, have sought access to Australia's labour market as a safety valve for their emerging 'youth bulges' and to earn remittances to send back to the region. It was also seen as offering benefits to Australia, with the 1997 aid review observing that giving Pacific Islanders special rights to live and work in Australia 'may prove to be more cost-effective than continuing high levels of aid in perpetuity'.¹⁵

Given the relatively modest results of much of **Australia's aid to the region** and the continued influence of local socio-political practices of exchange and production, there are opportunities for **Australia to consider refocusing its aid to look beyond market-led growth via the formal economy**. In light of the large subsistence populations across the region, there is an opportunity to develop small, rural projects that are compatible with community structures and the informal economy. **Providing economic opportunities in rural areas** might also help put a brake on urbanisation, which in turn feeds criminality.

There is also an opportunity to find ways to **enable investment in land that reflect customary land tenure**, such as via land trusts and lease arrangements.

This should not imply that there are no **opportunities for Australia to assist Pacific Island states to develop their formal economies**. While Australia is already playing a role in helping to develop tourism, most notably by entering into a memorandum of understanding with Carnival Cruises in respect of cruises to Vanuatu, there are other opportunities for Australia to assist Pacific Island states to develop their tourism sectors by increasing the number of tourists who visit the region, hosting additional cruise ships, developing luxury resorts and capturing the Australian retiree market.¹⁶ Although the ongoing Covid 19 pandemic demonstrates the challenges of this approach.

Beyond the step-up, Australia continues to provide extensive **governance assistance** to Pacific Island states. This builds on the extensive support provided under major Australian initiatives such as the Regional Assistance Mission to Solomon Islands (RAMSI) and the Enhanced Cooperation Program in Papua New Guinea.

Australia's governance assistance has had mixed results. Part of the challenge has been that it has been highly technocratic, with its focus on 'good' governance and strengthening state institutions, but has overlooked the fact that, in the region's rural subsistence populations, politics and society is often influenced more by local socio-political practices.

Australia often perceives local socio-political practices as hurdles or spoilers to its efforts to strengthen democratic governance in the region, yet there are opportunities for Australia to work with them to improve governance.¹⁷ For example, **Australia could engage with local**

¹⁵ Committee to Review the Australian Overseas Aid Program, *One Clear Objective: Poverty Reduction through Sustainable Development*, Commonwealth of Australia, Canberra, 1997, p. 116.

¹⁶ Perrottet, John, and Andres Garcia, *Pacific Possible: Tourism*, Washington, World Bank, 2016.

¹⁷ Joanne Wallis, 'Building a liberal-local hybrid peace and state in Bougainville', *Pacific Review*, vol. 25, no. 5, 2012, pp. 613–35; Joanne Wallis, 'A liberal-local hybrid peace project in action? The increasing engagement between the liberal and local in Timor-Leste', *Review of International Studies*, vol. 38, no. 4, 2012, pp. 735–61.

institutions at the village and hamlet level that continue to remain the most effective and legitimate forms of governance for many Pacific Islanders.¹⁸

Security and defence

Australia's step-up is not just about development. There is also a strong security focus. Australia intends to commission a **dedicated vessel for humanitarian and disaster-relief** support, create an **Australian Defence Force Pacific Mobile Training Team** and create a Pacific Faculty of Policing at the Australian Institute of Police Management. Australia has also created a **Pacific Fusion Centre** to aid with sharing security-related information, and an **Australia Pacific Security College** at the ANU to train and enhance cooperation between Pacific Islands' security agencies.

Australia has committed to the expanded **Pacific Maritime Security Program** and to assistance focussed on threats to maritime and cyber security. Australia is also redeveloping Fiji's Blackrock Camp to train regional military forces engaged in peacekeeping activities, and has signed a memorandum of understanding with Papua New Guinea to redevelop the Lombrum Naval Base on Manus Island.

As I argue in my submission to the Committee's 'Inquiry into Australia's Defence relationships with Pacific Island nations', **Australia's Defence Cooperation Program (DCP)** is one of its most effective levers of influence in the region. This is because the DCP has been primarily directed at meeting what Pacific Island states identify as their needs in partnership with Australia, as opposed to what Australia has identified for them. **Lessons can be learnt from the cooperative approach of the DCP for Australia's broader aid program and other assistance to the region.**

Australia has provided extensive **law and order assistance** in the region over the last fifteen years, much of it by the Australian Federal Police (AFP). Yet, as the security situation in the region is now more benign, there have been cuts to the AFP's budget, particularly as it relates to the **International Deployment Group**. This will limit Australia's ability to deploy AFP officers in response to regional crises in the future. This suggests that **there is an opportunity to make more investment in policing, with that investment constant, rather than responsive to the perceived level of crisis in the region.** Consistent and sustained policing assistance could help to improve the capacity of Pacific Island police forces, and potentially mitigate against future civil conflict.

People-to-people connections

The step-up has included a welcome focus on people-to-people connections between Australians and Pacific Islanders, facilitated through **sports, church, media and education partnerships**, as well as through initiatives such as the Pacific Connect program.

But more needs to be done to address the **decline in people-to-people links between Australians and the Pacific Islanders**, with the most notable decline being with Papua New Guinea. As Sean Dorney reflected in his book, *The Embarrassed Colonialist*, 'few

¹⁸ Joanne Wallis, 'What role can decentralisation play in state-building? Lessons from Timor-Leste and Bougainville', *Commonwealth and Comparative Politics*, vol. 51, no. 4, 2013, pp. 424–46.

Australians seem to care of even know very much about their former colony'.¹⁹ Indeed, as far back as 2003 the Senate Foreign Affairs, Defence and Trade References Committee found that Pacific Islanders were frustrated 'with the levels of ignorance in Australia about Pacific affairs'.²⁰ The Committee observed the 'fundamental importance of person-to-person connection as the basis for more elaborate relationships—political, commercial, institutional, cultural'.²¹

People-to-people connections are vital for Australian diplomacy and for improving Australia's policy with respect to the Pacific Islands. They can help to combat the ignorance of Australians about the region and assist Australia to project its soft power in the region.

There are numerous opportunities to strengthen people-to-people links, including through **sending Australian volunteers into the region** via the Australian Volunteers for International Development program.

Building on the model of the military education and exchanges conducted under the DCP, Australia could also **expand opportunities for Australian public servants to interact with their Pacific Islander counterparts and develop personal links**,²² such as the programs already run for Pacific Islander electoral officers by the Australian Electoral Commission.

The New Colombo Plan, which aims to increase knowledge of the Indo-Pacific region by supporting Australian undergraduates to study and do internships in the region, including in Papua New Guinea, Samoa, Fiji and Vanuatu, represents an example of how Australia can develop people-to-people links. **More should be done to develop knowledge of the Pacific Islands within Australia**, particularly among school-aged children, and in Australia's universities, as only the ANU offers a significant Pacific Studies program.

Australia can also do more to **develop a cadre of experienced diplomats with strong relationships in the region**. There are only a handful of Australian diplomats with deep knowledge of, or experience in, the region, with postings to the Pacific Islands being seen as less desirable than elsewhere. Given that diplomats are the day-to-day representatives of Australia in the Pacific Islands, this suggests that Australia must build more diplomatic expertise in the region.

Bridging the gap between Australian and Pacific Islands' priorities

While Australia is now making a much more concerted effort to partner with Pacific Island states, and to tailor its assistance to meeting their priorities, there is still a **significant gap between Australian and Pacific Islands' priorities** which threatens to undermine the success of the step-up.

¹⁹ Sean Dorney, *The Embarrassed Colonialist*, Penguin Books, Melbourne, 2016, p. 87.

²⁰ Senate Foreign Affairs, Defence and Trade References Committee, *A Pacific Engaged: Australia's Relations with Papua New Guinea and the Island States of the South-West Pacific*, Parliament of Australia, Canberra, 2003, p. 208.

²¹ *Ibid.*, p. 209.

²² Independent Task Force, *Engaging our Neighbours: Towards a New Relationship between Australia and the Pacific Islands*, Australian Strategic Policy Institute, Canberra, 2008.

Differing strategic perceptions

Pacific Island states and Australia often have **differing perceptions about their strategic interests**, including of their choice of partners.

In the 2013 Defence White Paper, the Australian Government identified its **zone of strategic interest as the 'Indo-Pacific'**, which it described as 'connecting the Indian and Pacific Oceans through Southeast Asia'.²³ That formulation was repeated in the 2016 Defence and the 2017 Foreign Policy White Papers²⁴ and is increasingly used by the United States, India, Japan and Indonesia. Yet the question of how the Pacific Islands fit into this strategic region has largely been overlooked in Australian strategic discourse, with the workshop that I co-organised at the ANU in June 2019 the only major forum in which it has been considered in detail.²⁵

Both Dame Meg Taylor, Secretary General of the Pacific Islands Forum, and Samoan Prime Minister Tuilaepa Sailele Malielegaoi have expressed their concern that the **Indo-Pacific formulation encourages external powers to overlook the particularities and interests of the Pacific Islands** and to see the region primarily through the lens of geostrategic competition between major powers.²⁶ According to Taylor, a "friends to all approach" is commonly accepted' in the Pacific,²⁷ although it is questionable whether this is sustainable, should tensions between great powers harden.

Moreover, while the concept of the 'Indo-Pacific' is often interpreted in Australia to imply an effort to draw in states such as the United States, Japan and India to counterbalance an increasingly assertive China, **some Pacific Island states welcome China's increased activity in the region**. In fact, Pacific island states have developed 'tactical, shrewd and calculating approaches' to exercising their agency in relation to the 'often ignorant and patronizing attitudes' of partners such as China and Australia.²⁸

And this is an important point for Australians to remember in discussions about the potential for a 'new Cold War'.²⁹ While it is important not to be too relativistic and treat Australia and China as morally equivalent—one is a liberal democracy and the other is an authoritarian

²³ Department of Defence, *Defence White Paper 2013*, p. 7.

²⁴ Department of Defence. *2016 Defence White Paper*; DFAT, *2017 Foreign Policy White Paper*.

²⁵ For findings, see: Wallis and Batley (eds.), "How does the 'Pacific' fit into the 'Indo-Pacific'?"; Wallis, Batley and Seaton, *How Does the 'Pacific' Fit into the 'Indo-Pacific'?*. Recordings are available at: <http://bellschool.anu.edu.au/news-events/events/6833/workshop-how-does-pacific-fit-into-pacific-changing-geopolitics-pacific>.

²⁶ Dame Meg Taylor, 'Keynote Address, State of the Pacific Conference', Australian National University, Canberra, 8 September 2018, <https://www.forumsec.org/keynote-address-by-secretary-general-meg-taylor-to-the-2018-state-of-the-pacific-conference/>; Tuilaepa Sailele Malielegaoi, 'Speech on Pacific Perspectives on the New Geostrategic Landscape', Lowy Institute, Sydney, 30 August 2018, <https://www.lowyinstitute.org/publications/speech-hon-prime-minister-tuilaepa-sailele-malielegaoi-pacific-perspectives-new>.

²⁷ Dame Meg Taylor, 'Keynote Address. The China Alternative: Changing Regional Order in the Pacific Islands Symposium', University of the South Pacific, Fiji, 8 February 2019, <https://www.forumsec.org/keynote-address-by-dame-meg-taylor-secretary-general-the-china-alternative-changing-regional-order-in-the-pacific-islands/>.

²⁸ Steven Ratuva, 'Pacific Island Agency in the Global Game of Competitive Geo-political Bidding', *Australian Outlook*, 6 June 2019, <https://www.internationalaffairs.org.au/australianoutlook/pacific-island-agency-in-the-global-game-of-competitive-geo-political-bidding/>.

²⁹ Minxin Pei, 'The high costs of the new cold war', *The Strategist*, 16 March 2019, <https://www.aspistrategist.org.au/the-high-costs-of-the-new-cold-war/>.

state—for many Pacific islanders, Australia is not seen as inherently 'good'. **Australia can't assume that its attempts to exercise leadership will result in Pacific islands' 'followership'**.³⁰

Over recent years, Pacific Islands' leaders have developed and advanced the concept of the '**Blue Pacific**'. This formulation is intended to encourage Pacific Island states to act as a 'Blue Continent' based on their 'shared stewardship of the Pacific Ocean'.³¹ Taylor has argued that this could see Pacific Island states 'exercising stronger strategic autonomy', 'understanding ... the strategic value of our region' and 'maintain[ing] our solidarity in the face of those who seek to divide us'.³²

Different security priorities

Australia is often perceived to be primarily focused on traditional geostrategic concerns at Pacific Island countries' expense. Indeed, while aware of the implications of the changing geostrategic environment, **Pacific Island states are primarily concerned about non-traditional – human – security challenges**. This was clearly enumerated in the *Boe Declaration on Regional Security* made by Pacific Islands Forum leaders at their 2018 meeting.³³ In that declaration they outlined an '**expanded concept of security** inclusive of human security, humanitarian assistance, prioritising environmental security, and regional cooperation in building resilience to disasters and climate change'.

Most significantly, in the *Boe Declaration* Pacific Islands Forum leaders identified that '**climate change remains the single greatest threat**' to the region and committed Forum members (including Australia) to 'progress the implementation of the Paris Agreement'. As Collin Beck, Permanent Secretary of the Solomon Islands' Ministry of Foreign Affairs and External Trade, passionately outlined in his keynote at the June 2019 workshop I co-organised at the ANU, climate change poses an existential threat to the region.³⁴ While Australia's efforts at climate adaptation in the Pacific Islands are significant, there has been less emphasis on climate mitigation, which is a priority in the region.

Counterproductive domestic policies

And this is where Australia's step-up starts to falter. While it has committed to implementing the Paris Agreement, **Australia's failure to take serious domestic action** to meet its Paris Agreement targets raises questions about our commitment to our Pacific 'family' and does not instill much confidence in the region.³⁵

³⁰ Graeme Dobell, *Australia's Pacific Pivot: Special Report*, Canberra: Australian Strategic Policy Institute, 2019, <https://www.aspi.org.au/report/australias-pacific-pivot>.

³¹ Pacific Islands Forum, Forum Communiqué. Apia, Samoa, 5–8 September 2017, https://www.forumsec.org/wp-content/uploads/2018/02/Final_48-PIF-Communique_2017_14Sep17.pdf.

³² Taylor, 'Keynote Address, State of the Pacific Conference'.

³³ Pacific Islands Forum, *Boe Declaration on Regional Security*, Nauru, 2018, <https://www.forumsec.org/boe-declaration-on-regional-security/>.

³⁴ HE Collin Beck, 'Geopolitics of the Pacific Islands: How Should the Pacific Islands States Advance Their Strategic and Security Interests', keynote speech at the Australian National University, Canberra, June 2019, <http://bellschool.anu.edu.au/news-events/podcasts/video/6949/pacific-geopolitics-workshop-keynote-collin-beck>, reproduced in *Security Challenges*, Vol. 16, No. 1, pp. 11-16.

³⁵ Dermot O'Gorman, 'Australia's standing in Pacific has plummeted because of our climate change failure', *The Guardian*, 8 June 2019,

Australia's approach to **broadcasting in the Pacific** represents another step-back. After gutting the ABC's Pacific radio and television broadcasting capacity,³⁶ the government's announcement that it will instead fund commercial television broadcasts in the region has been met with scepticism.³⁷ Similarly, Australia's **policy of processing and attempting to resettle refugees on Manus Island and Nauru** undermines its stated desire to enhance democratic governance and the rule of law in the region.³⁸

Working with New Zealand

Alongside the United States, **New Zealand is one of Australia's two formal defence allies and our most important partner in the Pacific Islands region.**

Australia and New Zealand are often assumed to be as close as any two states in the international system; the Australian government describes them as 'natural allies'³⁹ and the New Zealand government says it has 'no closer ally'.⁴⁰ During a March 2018 speech in Sydney, New Zealand Foreign Minister Winston Peters reminded Australia that 'there has never been a time since 1945 when **Australia and New Zealand need to work together more closely in the Pacific**'.⁴¹

But, divergences in Australia and New Zealand's policies and practices raise **questions about the status of the alliance and how the two states will work together** to address challenges in the Pacific Islands. It is not clear how compatible New Zealand's purportedly principles-based 'Pacific Reset' is with Australia's more security driven plan to step-up its engagement in the region.

Driven by this concern, with Dr Anna Powles (Massey University) I am undertaking a three-year Australian Research Council Discovery Project that analyses the operation and endurance of the Australia-New Zealand alliance in the Pacific Islands. Our preliminary findings⁴² suggest that there are **four primary points of convergence** between Australia and New Zealand in the Pacific Islands:

- a shared commitment to preserving and promoting the international rules-based order;

<https://www.theguardian.com/environment/commentisfree/2019/jun/08/australias-standing-in-pacific-has-plummeted-because-of-our-climate-change-failure>.

³⁶ Graeme Dobell, Geoff Heriot and Jemima Garrett, *Hard news and free media as the shape edge of Australian soft power*, Canberra: Australian Strategic Policy Institute, 2018, <https://www.aspi.org.au/report/hard-news-and-free-media>.

³⁷ Prianka Srinivasan, 'Questions raised over Australian Government's new TV funding for Pacific', *ABC Pacific Beat*, 23 January 2019, <https://www.abc.net.au/radio-australia/programs/pacificbeat/australian-governments-pacific-broadcasting-deal-questioned/10738822>.

³⁸ Joanne Wallis and Steffen Dalsgaard, 'Money, Manipulation and Misunderstanding on Manus Island', *The Journal of Pacific History*, Vol. 51, Iss. 3, 2016, pp. 301-329.

³⁹ DFAT, New Zealand country brief, <http://dfat.gov.au/geo/new-zealand/Pages/new-zealand-country-brief.aspx>.

⁴⁰ New Zealand Ministry of Defence, Defence White Paper 2016, Wellington: New Zealand Government, 2016, para 3.48.

⁴¹ Winston Peters, "Shifting the Dial", *Eyes Wide Open, Pacific Reset*, speech to the Lowy Institute for International Policy, 1 March 2018, <https://www.lowyinstitute.org/publications/winston-peters-new-zealand-pacific>.

⁴² Joanne Wallis and Anna Powles, *Australia and New Zealand in the Pacific Islands: Ambiguous Allies?* Canberra: Strategic and Defence Studies Centre, Australian National University, 2018, http://sdsc.bellschool.anu.edu.au/sites/default/files/publications/attachments/2018-10/cog_43_web.pdf.

- a shared commitment to crisis management;
- a shared commitment to Pacific regionalism; and
- a shared commitment to regional trade liberalisation.

We have also identified **four points of divergence** between Australia and New Zealand in the Pacific Islands:

- differing approaches to regional diplomacy;
- New Zealand's Pacific identity as a domestic driver of foreign policy;
- differing priorities on climate change; and
- differing attitudes to nuclear disarmament.

Our initial recommendations are that:

- Australia and New Zealand need to recognise that **relationships are the greatest currency in the Pacific Islands** and that Pacific Islander agency will determine robust regionalism. This starts with the trans-Tasman relationship. With increased external interest in the region, comes greater opportunities for disconnect and divergence. Ongoing Track 1.5 dialogues on the trans-Tasman relationship, including in the context of the Pacific Islands, are a critical place to start the conversation.
- Australia and New Zealand should work together to find creative ways to **engage with Pacific Islands' concerns about existing regional institutions** and to support the strengthening of regional and subregional institutions that are valued by Islander leaders. **Regional institutions can also offer a forum for Australia and New Zealand to engage China and other non-traditional powers** that are increasingly active in the region.
- Australia and New Zealand need to **explore increased opportunities for burden-sharing** in the Pacific Islands region as wider demands, including in Antarctica and the Southern Ocean, call for more robust capabilities. Australia and New Zealand need to identify areas to combine capabilities and efforts, with obvious areas such as the maritime domain. Burden-sharing however is not only about hardware. New Zealand is well placed to develop its expertise in the cultural domain – capabilities which will be increasingly critical in the region and highly useful to both Australia and New Zealand.

Recommendations

For every step forward that Australia takes to improve its approach in the Pacific Islands, it continues counterproductive policies that seem to constitute two steps back. Those counterproductive policies are dictated primarily by what the government identifies that it can present domestically as being in the national interest. But in an increasingly crowded and complex geostrategic environment, the government needs to realise that **Australia's national interest in maintaining or enhancing its influence in the Pacific Islands is best served by policies that also serve the national interests of Pacific Island states.**⁴³

⁴³ Joanne Wallis, 'Australia needs to reset its Pacific policy', *East Asia Forum*, 1 June 2018, <https://www.eastasiaforum.org/2018/06/01/australia-needs-to-reset-its-pacific-policy/>.

So, what does this mean for Australia's strategic and foreign policy approach towards the Pacific Islands?

First, it suggests that Australia needs to **consider how its use of the Indo-Pacific framing is perceived by Pacific Island states**, and bear in mind the interests of those states – both collectively and individually – in describing its region of strategic interests. The Blue Pacific framing might provide a useful alternative entry point for Australia to engage with Pacific Island states about our shared interests in the Pacific Ocean.

Second, Australia needs to be **circumspect about our ability to exercise influence** and not assume that the strategic interests of Pacific Island states will necessarily mirror our own.

Third, Australia needs to **engage in more conversations with Pacific Island states about our legitimate strategic interests** in the region and the potential implications of China's increased assertiveness, as well as facilitate opportunities for Pacific Island states to participate in geopolitical debates.

Fourth, Australia needs to be **wary of creating a self-fulfilling prophecy of competition with China in the Pacific Islands**, or more broadly. Instead of the Indo-Pacific framing being read as one in which Australia has to choose between the US and China, or form a coalition to counterbalance China, it should be reframed as one that seeks opportunities for partners to work together to build confidence and diffuse tensions. The Pacific Islands seems an ideal location in which this could take place, with Pacific Island states already using creative diplomatic tools to engage with Australia, China and other partners.

Fifth, to ensure the success of its step-up in the Pacific Islands, Australia needs to ensure that the significant investments it has committed to make are **perceived to meet the needs of the region as well as its own interests**. This should include continuing to develop a **more cooperative approach** with Pacific Island states, including an emphasis on **meeting the priorities and needs of Pacific Island states**. Climate change is the most obvious point of friction that raises questions in the Pacific Islands about our commitment and attitude to the region, but there are others such as our policy of processing and resettling refugees in Papua New Guinea and Nauru, and our policy of criminal deportations to the region.

Sixth, Australia needs to be aware that **not all Pacific Island states necessarily share the same security priorities and strategic perceptions**. The (over)use of the collective expression 'the Pacific Islands' might pay insufficient respect to individual Pacific countries' interests and concerns, and might indeed mask tensions between regional and bilateral approaches to managing their security interests.

Seven, **Australia should work more with its partners**, particularly New Zealand. This may help to mitigate against **concerns that Pacific Island states have about being overwhelmed by poorly coordinated, overlapping and ill-targeted assistance** as Australia and other partners rapidly increase their presence in the region.