



# Australian Strategic Approaches to the Indo-Pacific: National Resilience and Minilateral Cooperation

By Thomas Wilkins | 21 December 2021

## Key Issues

- Australian policy-makers and strategic analysts hold a largely pessimistic appraisal of the regional security environment in the Indo-Pacific.
- Australia is responding through an augmentation of its national defence capabilities and participation in a range of minilateral groupings, including the Quad, AUKUS, and the Trilateral Strategic Dialogue (TSD) among others.
- Though the AUKUS agreement has created friction with France, and this has spilled over into the EU, favourable prospects remain for European engagement with the series of minilaterals in which Australia is involved.

Australian strategic policy-makers have watched the deterioration of the region's security environment in the Indo-Pacific with mounting apprehension. Secretary of the Department of Home Affairs Mike Pezzullo stirred controversy when he warned during a national address that the "drums of war" are beating in the region. Whilst Prime Minister Scott Morrison declared that "The Indo-Pacific is at the centre of greater strategic competition, making the region more contested and apprehensive".

The current Australian government has become increasingly alarmed at assertive Chinese behaviour in the region, at a time when the strategic balance continues to tip in Beijing's favour. Chinese military and technological advances have emboldened the country to ramp up pressure

on its neighbours, particularly Japan, Taiwan, and India, and in the contested South China Sea (SCS). Canberra views such activities as dangerously undermining the "rules-based order" it is sworn to uphold. China's recent confrontational economic practices have also grievously undermined trust in Beijing. Australia itself has been subject to coercive economic statecraft as a result of its call for an independent, international enquiry into the origins of COVID-19 in April of 2020. This has been accompanied by a diplomatic offensive emanating from Beijing in which it has lambasted Australia and called for it to "correct its irresponsible behavior" and address a list of 14 "grievances" as a price to pay for a return to normal bilateral relations. The list included displeasure at Australia's new foreign interference laws, its banning

of Huawei from its communications network, and its outspoken criticism of Uighur detention in Xinjiang and Chinese activities in the SCS. Canberra appears unwilling to submit to Chinese demands to modify its behaviour, given that this would entail unacceptable compromises to its national sovereignty and ideological values.

Australia had heretofore relied chiefly on its alliance with the US to ensure its security, whilst profitably engaging with China for economic opportunity, and claimed rather disingenuously, that it “didn’t have to choose” between these two rivalrous superpowers. Widespread claims that we are entering a “new Cold War” are becoming harder to gainsay as events unfold, though Labor Shadow Foreign Minister Penny Wong and former Labor Prime Minister Paul Keating have been strongly critical of the current government’s confrontational posture towards China.

The aim of this policy brief is to highlight how Australian strategic policymakers have sought to respond to this deteriorating security landscape in the Indo-Pacific. Australian responses have taken the time-honoured form of internal mobilisation of national resources, in combination with a search for external support, through the formation of minilateral alignments. This brief examines these two modalities, in turn, before identifying how European countries (and the EU) can potentially engage with Australia minilaterally. Though the economic and security dimensions of strategic policy have become ever more intertwined, this brief will primarily focus on the latter, due to space constraints.

### **Boosting Australia’s national capabilities through an Indo-Pacific strategy**

With the Australian government’s official adoption of the “Indo-Pacific” construct to define its regional position in relation to geo-economics, geo-politics and geo-strategy, Canberra has shifted its national outlook. While there is no definitive and official “Indo-Pacific strategy” released by the government, as per the US or EU, or Japan’s Free and Open Indo-Pacific (FOIP), it is certainly possible to identify the mainstays of Australia’s strategic approach to the Indo-Pacific, drawing on related documents and

ministerial pronouncements. The 2016 *Defence White Paper*, 2017 *Foreign Policy White Paper* and 2020 *Defence Strategic Update*, together, provide good indicators of what a de facto Australian Indo-Pacific strategy entails.

As a “middle power”, there are evidently limits on what Australia can achieve independently. Hence the need for allies, partners and minilateral engagement. Nevertheless, Australia’s approach to the region, now defined as “Indo-Pacific” rather than “Asia-Pacific”, is actuated by maintaining regional stability and prosperity under a “rules-based order”. This extends to upholding international law and norms and refraining from provocative actions that change the status quo (including by force), or coercive economic practices. Canberra’s policy position is emphatic on these points.

Canberra is adamant on the need to prevent the outbreak of a regional conflict but, if it arises, is determined to enhance its ability to manage one. Defence Minister Peter Dutton has highlighted the need to prepare for “the threat of conflict”. To this purpose, there is a “hard edge” to Australia’s strategic approach. A combination of earlier pressure from US President Trump to contribute to the allied “defence burden”, and a realisation that the Australian Defence Force (ADF) is in many ways underprepared and underequipped to fight if necessary, has led to greater efforts in this sphere. The 2021 Defence Budget has been increased to 2.1% of GDP (up 15% from 2020), at A\$44.62bn, and new capabilities are being acquired or sought. Yet, some strategic analysts, such as Hugh White, have suggested that Australia will need to raise its defence spending from its current to 3-4% of GDP to acquire the capabilities it needs to confidently defend itself.

One of the centrepieces of Australian military modernisation is the replacement of its aging *Collins*-class submarines through the Future Submarine Program. The Indo-Pacific is primarily a maritime environment and Australia needs to keep pace with other countries’ military acquisitions in order to provide for national defence and regional deterrence, as well as make contributions to the US alliance or other coalitions if required. The controversial decision to acquire a nuclear-

powered submarine fleet, in substitute for the aborted Franco-Australian agreement to build conventionally powered boats, is the subject of the AUKUS pact. In addition, the Future Frigate Program is another centrepiece of Australian Defence Force (ADF) maritime aspirations. Australia has expressed its desire to upgrade its stand-off/strike capabilities through the acquisition of long-range missiles, including by developing the capacity to manufacture such missiles indigenously, having allocated A\$1bn to this purpose.

Essentially, Australia recognises that without military “teeth”, its “voice” in regional strategic affairs, as well as its capacity to deter or retaliate, will be limited. This is why it also needs partners, the question to which we now turn.

influence, alongside a range of bilateral “strategic partnerships”.

Exclusive minilateral alignments, comprising a small, select number of security partners, have proliferated in recent years since they offer the advantage of more practically focussed cooperation between countries with jointly shared interests and values. The most prominent, and until recently most headline-grabbing, minilateral arrangement that Australia has joined is the Quadrilateral Security Dialogue, or “Quad”, with the US, Japan, and India (established in 2007, renewed in 2017). Australia’s membership of the Quad is actuated by a desire to build a united front to resist challenges to the rules-based order, particularly in the maritime sphere. The Quad, like other minilaterals, has been misperceived as an



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### **A new phase of Australian minilateralism**

Australia has always been an active participant in security-related regional multilateral organisations, such as the ASEAN Regional Forum (ARF) and East Asia Summit (EAS). But as these inclusive multilateral dialogue fora become paralysed by internal divisions and continue to struggle to address, let alone resolve, pressing security concerns in the region, Australia, like several other countries, has turned to more exclusive and practically focussed [minilateral arrangements](#). [The Lowy Institute Power Index](#) points out that regional alliance networks and defence networks are one of Australia’s greatest strengths, and Canberra has increasingly sought to multiply these external assets still further to augment its regional

“alliance” designed to “contain” China. It is true that the Quad is motivated by concerns about Chinese expansionism, which all its members share, as well as to present a united democratic front in the face of rising authoritarianism. However, despite its high profile, the Quad is far from a conventional military alliance as it lacks any formal treaty or combined political or military command. Though the members have some experience of joint naval operations (e.g. MALABAR exercises), the military forces of India and the US, and its allies, are not well attuned to interoperability in the event of conflict. Moreover, India is regarded with some circumspection in terms of its reliability and commitment by the other members, including Australia. The Quad is valuable and has great potential as a counterweight to China, but should

not be overestimated, since it is still far away from becoming an “Asian NATO”.

The newest arrival to Australia’s minilateral network, and one that has attracted significant attention and controversy, both domestically and internationally, is the 2021 AUKUS agreement with the US and UK. Though commentators have been off the mark in defining it erroneously as an “alliance” (since it lacks a mutual defence treaty), and have naturally fixated on the pivotal [nuclear submarine deal](#) it encompasses, it is important to examine AUKUS more scrupulously. Huge controversy erupted over the decision to acquire nuclear-powered submarines from the UK or US, in place of the cancelled contract with France to provide conventionally powered boats, with several countries highlighting concerns over nuclear proliferation. This triggered a diplomatic spat of epic proportions with France and the French Foreign Minister Jean-Yves Le Drian talked of Australia’s “betrayal”. Paris has not hesitated to magnify the perceived affront, but this loses sight of the essential fact that AUKUS better provides for Australian defence needs in the view of the Australian government, albeit with an unacceptably long lead-time. The first boats are not anticipated until 2040.

Moreover, the [AUKUS agreement](#) has additional dimensions that are highly significant, with PM Morrison describing it as a “forever partnership”. Reading the fine print reveals a commitment to cooperate on “deeper integration of security and defence-related science, technology, industrial bases, and supply chains”. Moreover, it indicates collaboration on “cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities”. Such coordination signals a deep strategic intimacy and is symbolic of Australia’s long-standing tendency to seek the protection of “great and powerful friends” to safeguard its security. However, not all Australian commentators have been persuaded of the value of the AUKUS pact. Former Labor Prime Minister Paul Keating made a controversial intervention speaking at the National Press Club in November 2021, stating that “eight submarines against China when we get the submarines in 20 years time – it’ll be like throwing a handful of toothpicks at the mountain”.

Though it attracts less attention than the Quad, the [Trilateral Strategic Dialogue](#) (TSD) between Australia, the US and Japan, is perhaps more significant, given the uncertainties over India indicated above. This is a closer partnership between two US treaty allies, who are themselves joined by a deep bilateral “Special Strategic Partnership” of their own. Like the Quad, the TSD is committed to upholding “free, open, prosperous and inclusive Indo-Pacific region” and the “rules-based order”. Maritime security and capacity building assistance to South East Asia and the South Pacific are key aspects of its agenda. Yet there is something more substantive, but scrupulously unadvertised, behind the TSD. Though the TSD lacks the additional strategic weight brought to the table by India, it represents far closer alignment in terms of defence cooperation and joint military interoperability. This would make it a potentially powerful and effective military coalition. Given the breadth and depth of trilateral relations, it would not be a step too far to characterise it as amounting to a “virtual alliance”.

Together, these minilateral fora magnify Australian influence and capabilities across the region, and in the most important examples, they serve to strengthen the US alliance by expanding and networking it, whilst in others, they act as a limited diversification outside it.

### **Prospects for European engagement with minilateralism**

As the EU collectively, and several member states individually, seek to raise their profile and presence in the Indo-Pacific region, it is useful to conclude by looking at some of the actual and potential intersections with the Australian minilateral approach described above.

France, Germany and the Netherlands have all recently announced their own national Indo-Pacific Strategies, which have clear intersections with Australia’s national and minilateral approaches. These formed the basis of the EU’s new approach. With territorial and military assets located in the region, France has taken the lead and saw the Australian submarine deal as a key prop of its regional engagement. It seems that it will take time to repair the Franco-Australian Strategic

Partnership, though optimistic commentators have pondered whether France may yet be brought in to AUKUS, coining it “FAUKUS”. One writer suggested the provision of nuclear reactors based on the French model for the future Australian submarine, with non-weapons-grade uranium fuel, to resolve concerns about nuclear weapons proliferation, though this seems an unlikely prospect. Nevertheless, France has entered into a trilateral with Australia and India (IFA), tapping into many of the commonalities between the Quad/FOIP adherents and showing its appetite to participate in relevant minilaterals where possible. Notably, France has also participated in Quad naval exercises, *La Perouse*, in April 2021.

As the EU has launched its own dedicated [Strategy for Cooperation in the Indo-Pacific](#), it has taken a greater interest in the burgeoning network of minilaterals. There are obvious intersections between the EU strategy and the unifying FOIP principles of the Quad. For example, the EU document highlights concerns for the rules-based order and maritime [security](#). At first glance, the EU could potentially form part of the extended “Quad-Plus” network, formed around the four-country core alongside Vietnam, South Korea and New Zealand. In terms of economic connectivity and non-traditional security (NTS) objectives, such as cooperation on climate change, piracy, cyber security, technology, and vaccines, the EU has expressed interest in participating in Quad-led initiatives. Given China’s perception of the Quad as an anti-China “containment” mechanism however,

the EU may shy away from direct formal association in favour of less high-profile cooperation or coordination on select issues. It is important to remember that the EU, as an organisation, can play an important role in tandem with AUKUS or Quad-led “normative” matters, especially international law and the rules-based order, whilst focussing on less controversial NTS issues, as opposed to “hard” military-defence coordination.

Thus, it is likely that more defence-related cooperation, such as minilateral military exercises, will devolve to individual European states where they have the capacity and will to participate, such as France. But the Quad is not the only game in town, the EU has acquired a prodigious number of Partnership and Cooperation Agreements (PCAs) with countries and groups, such as ASEAN, Japan, Korea, India and China, which contribute to a networked approach to regional engagement. Lastly, though some alarm was raised in the EU about the AUKUS minilateral – drawing inferences about American “abandonment” in a European context – the agreement is unlikely to detrimentally affect any of Europe’s core interests in the Indo-Pacific, other than its temporary impact on France’s prestige. The EU did however show its displeasure at the handling of the AUKUS announcement by pausing free trade talks with Canberra until 2022. Once the diplomatic dust has settled however, it could be possible for the EU, or more likely individual European states, to find a modus operandi in tandem with the “Anglosphere” AUKUS partners, given the obvious alignment of interests and values between them.



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