Autumn 2017 witnessed Australia’s Indo-Pacific strategic focus in three settings. Firstly, the dispatch of a powerful Australian joint task group called Indo-Pacific Endeavour 2017; secondly was the release of the Australian White Paper on Foreign Policy; and thirdly was Australian readiness to reactivate the Quadrilateral Strategic Dialogue with India, Japan and the United States. Each illustrates Australia’s clear sense of the “Indo-Pacific” as being Australia’s primary strategic focus.

A common thread linking these three settings is that, although the Australian government has denied that any of them is directed at China, all three actions nevertheless attracted immediate criticism from Beijing and complaints that it was the target. In fact, all three illustrate an ongoing strategic hedging towards China by Australia, whereby Australia’s economic engagement with China is being supplemented by more robust military balancing.

From September to November, a powerful Australian flotilla operated as part of Indo-Pacific Endeavour 2017, carrying out humanitarian missions and hard-power military exercises in the Indian Ocean, the South China Sea, and the Pacific. The joint task group involved six ships and over 1,300 personnel, representing the largest coordinated such force from Australia to deploy to the Indo-Pacific region since the early 1980s. The naval group was led by the helicopter carrier HMAS Adelaide, Australia’s largest flagship, along at various times with the guided-missile frigates HMAS Darwin and HMAS Melbourne, the anti-submarine/anti-aircraft frigates HMAS Parramatta and HMAS Toowoomba, and the replenishment ship the HMAS Sirius.

The Ministry of Defence issued a press release on 4 September characterizing Indo-Pacific Endeavour 2017 as enhancing military cooperation with some of Australia’s “key regional partners.” Named specifically by the Defence Ministry were Brunei, Cambodia, the Federated States of Micronesia, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand, and Timor-Leste.

Politically, the absence of China on the list of partners was deliberate, but not inaccurate. Soft-power humanitarian support missions and friendly port calls were carried out in East Timor, Indonesia, Malaysia, Brunei, Yap, the Marianas, and Papua New Guinea. No port of call was made to China. More serious hard-power naval exercises were carried out with the India, the Philippines, South Korea, Japan, and the United States.

China’s Ministry of Foreign Affairs did not comment on the Indo-Pacific Endeavour 2017 exercise. However, Chinese state media was not shy about attributing Australia’s motives, running articles with headlines like the Global Times’ “Australia-led military drills show tougher China stance.” The People’s Daily was pointed about the nature of this Australian deployment, asking “what does Australia want to do

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with the largest military exercise encircling China in 30 years?"

China viewed the arrival of the Australian navy in the South China Sea with some unease, with state media warning that the “Australian fleet must be wary of meddling in South China sea affairs.” Zhao Xiao, a research fellow at the PLA Academy of Military Sciences, argued in the article that Australia “needs to practice prudence and avoid being mired in the muddy waters of disputed sea areas such as the South and East China Sea [...] and it should remain neutral instead of ganging up with other countries.”

The South China issue was on public view at the Trilateral Strategic Dialogue (TSD) meeting held between Australia, Japan and the United States on 7 August, 2017. Australia’s Foreign Minister Julie Bishop joined her Japanese and US counterparts in expressing “serious concerns” over “coercive” actions and reclamation projects being carried out by China, and urged China to accept the ruling against its claims by the UNCLOS tribunal. Finally they announced their intention to keep deploying in the South China Sea, into what they view as international waters, though China claims them as its own. Hence the Global Times articles with titles like “South China Sea issue drags Sino-Australian ties into rough waters.”

Even as Indo-Pacific Endeavour 2017 units ploughed across the western Pacific, on the sidelines of the ASEAN summit, Australian officials joined their US, Japanese and Indian counterparts on 12 November in a revived Quadrilateral Security Dialogue (QSD). The so-called “Quad” had previously emerged in April 2007 with meetings between officials from the four countries, again on the sidelines of the ASEAN summit. Later on that year, Australia joined in the Malabar series of exercises held in the Bay of Bengal alongside its three Quad partners. Canberra withdrew from the Quad initiative the following year, however, as well as participation in Malabar, though it has continued to strengthen bilateral and trilateral naval links with these three partners.

Beijing’s growing assertiveness in the South China Sea—and more recently in the wider Indo-Pacific as well—has provided the strategic imperative for
Australia to rekindle this quadrilateral format. This shared concern with its partners was clearly expressed by Australia’s Department of Foreign Affairs and Trade on 12 November, with their call for “upholding the rules-based order in the Indo-Pacific and respect for international law, freedom of navigation […] and upholding maritime security in the Indo-Pacific.”

Sharper comments

The official Chinese response from the Ministry of Foreign Affairs to the resumption of the Quad was understated, saying only “we hope that such relations would not target a third party.” However this was overlaid by sharper comments in the state media calling Australian participation unwise. The Global Times ran an article headlined “Australia rejoining the Quad will not advance regional prosperity, unity.”

On 23 November, 2017, Australia released its Foreign Policy White Paper. This showed a significant shift from its 2003 predecessor. The biggest change was the sustained adoption of the term “Indo-Pacific” as the focus for Australia’s strategic vision. On the one hand, the term was used 74 times. On the other hand, the term “Asia-Pacific” was virtually ignored, having been mentioned only four times, and then mostly in connection with the Asia-Pacific Economic Community (APEC).

The Foreign Policy White Paper complemented the Defence White Paper released in February 2016, where the Indo-Pacific was mentioned 70 times and the Asia-Pacific not at all. This represents a continuing Indo-Pacific focus now evident in Australian strategic deliberations; first seen in the Defence White Paper of 2013, which had pinpointed “a new Indo-Pacific strategic arc” running from India to Japan, linking the Indian and Pacific Oceans through the South China Sea. Within that strategic arc, China sits as the implied challenge.

It was significant that the 2017 Foreign Policy White Paper listed Australia’s “Indo-Pacific partnerships,” in which “the Indo-Pacific democracies of Japan, Indonesia, India and the Republic of Korea are of first-order importance to Australia” as “major partners.” China’s absence from this list of Indo-Pacific partners was revealing. Balancing considerations were tacitly acknowledged in the 2017 White Paper: “To support a balance in the Indo-Pacific favorable to our interests and promote an open, inclusive and rules-based region, Australia will also work more closely with the region’s major democracies, bilaterally and in small groupings. In addition to the United States, our relations with Japan, Indonesia, India and the Republic of [South] Korea are central to this [balancing] agenda.”

The Indo-Pacific Endeavour 2017 itinerary of port calls and exercises was part of this Australian balancing. China was again absent from this list, which was no surprise given how the White Paper noted that “Australia is particularly concerned about the unprecedented pace and scale of China’s activities. Australia opposes the use of disputed features and artificial structures in the South China Sea for military purposes.”

In China, this was immediately rejected by the Ministry of Foreign Affairs as “irresponsible remarks on the South China Sea issue. We are gravely concerned about this.”

Clear messages

Australia has finished the year with three clear messages. Firstly is a readiness to operate within an Indo-Pacific frame of reference, be it militarily through the itinerary taken by the Indo-Pacific Endeavour 2017 joint task group, policy-wise through the rhetoric of the Foreign Policy White Paper, or diplomacy-wise through reactivation of the Quadrilateral Strategic Dialogue.

There are two particular things for Australia to de-
velop from the Quad setting. Firstly, Australia should push for the Quad to be moved up to the ministerial level. Secondly, Australia should seek to overcome Indian reluctance for it to join in the Malabar setting where India, Japan, and the United States now operate. Australia expressed a strong desire to participate in the Malabar exercise held in the Bay of Bengal in April 2017, but came up against Indian resistance, citing their concerns about Australia’s readiness to stand up to China.

With a new Quad now resurrected, the door should be open for a matching quad naval framework to be operational for the Malabar exercise scheduled for 2018. These four countries already enjoy bilateral and trilateral naval exercises, so a quadrilateral format would merely tidy that up.

The second clear message is that Australia is prepared to take a more active security role on the Korean peninsula. The Australia-South Korea 2+2 Foreign and Defence Ministers’ Meeting held in mid October witnessed Julie Bishop and Marise Payne moving to give greater military support to South Korea, through a greater number of deployments of Australian military units to the Korean peninsula, already exemplified in the Indo-Pacific Endeavour 2017 operations. North Korea was explicitly named by Australia as the “immediate threat” to security in the region, with North Korea denouncing this greater Australian involvement as “dangerous moves.”

The third clear message is that Australia is ready to supplement its policy of economic engagement with China with a policy of prudent balancing. This will represent hedging, hoping for the best (through economic engagement) but preparing for the worst (through balancing, as an insurance policy). If North Korea is an immediate threat, China is the potential “long term” threat.

This prudent balancing is showing itself in Australia’s strengthening of its military forces (technically called internal balancing). This was pointed to by Defense Minister Marise Payne in her speech at the Seapower Conference held in Sydney on 3 October. Payne announced “the most ambitious upgrade of our naval fleet in Australia since the Second World War” to create “a regional superior future naval force being built in Australia.”

In this vein, Australia’s “most powerful” air warfare destroyer HMAS Hobart was commissioned on 23 September, 2017, with the second of this class, the Brisbane beginning sea trials off the coast of southern Australia in late November 2017. Delivering the new frigates and submarines will be an important challenge for Australia in 2018. This prudent balancing is showing itself in Australia’s strengthening security partnerships around China (technically called external balancing). It also shows itself in the special emphasis on working with India, Japan, and the United States in bilateral, trilateral, and now quadrilateral settings.

**Working with partners**

This balancing by Australia is also bringing the country into greater involvement in the South China Sea. Policy decisions here could, and should, involve Australia in carrying out Freedom of Exercise deployments in the South China Sea. This was precisely the call made by Vice Admiral Tim Barrett, Chief of Naval Staff, in a speech he delivered at a Law of the Sea Convention Conference held in Canberra. Australia should also carry out some of its trilateral naval exercises with Japan and the United States in the South China Sea, as it did in 2011 and 2016. China of course will not like this, and may well threaten economic pressure, (coercive diplomacy, in other words) against Australia. China may well try and target Australia as the weakest member of the Quad, that is more susceptible to economic threats and economic allurements. Australia will need to be ready to stand firm in its resolve.