

Strategic & Defence Studies Centre ANU College of Asia & the Pacific





# Australia and New Zealand in the Pacific Islands: Ambiguous Allies?

**Joanne Wallis and Anna Powles** 



#### The Centre of Gravity series

#### About the Centre of Gravity Series

The Centre of Gravity Series is the flagship publication of the Strategic and Defence Studies Centre (SDSC) based at The Australian National University's College of Asia and the Pacific. The series aspires to provide high quality analysis and to generate debate on strategic policy issues of direct relevance to Australia. Centre of Gravity papers are 3,000-4,000 words in length and are written for a policy audience. Consistent with this, each Centre of Gravity paper includes at least one policy recommendation. Papers are commissioned by SDSC and appearance in the series is by invitation only. SDSC commissions up to 10 papers in any given year.



#### **About the Editor**

The Centre of Gravity Series is edited by Dr Andrew Carr, Senior Lecturer at the Strategic & Defence Studies Centre. He has published widely on Australian strategic and defence policy, Asia-Pacific Security and Middle Powers. The COG series was developed to improve the conversation and engagement between academic and policy communities and draw attention to the most significant strategic questions facing Australia and the Asia-Pacific. Any comments or suggestions about how to improve the series or topics of particular interest are warmly welcomed. Dr Carr can be contacted on:

- (E) Andrew.Carr@anu.edu.au
- (M) 0421 728 207

#### **Assistant Editor**

Peter Lee, Strategic and Defence Studies Centre

(E) peter.lee@anu.edu.au



#### Centre of Gravity series paper #43

Photos courtesy of Department of Defence, AirflowNZ via Wikimedia Commons, Governor-General New Zealand via Wikimedia Commons, Graham Crumb/Imagicity.com via Wikimedia Commons, the Pacific Islands Forum Secretariat, Steve via flickr.com, Auckland Museum via Wikimedia Commons, www.teara.govt.nz

© 2018 ANU Strategic and Defence Studies Centre. All rights reserved.

The Australian National University does not take institutional positions on public policy issues; the views represented here are the author's own and do not necessarily reflect the views of the University, its staff, or its trustees.

No part of this publication may be reproduced without permission in writing from the ANU Strategic and Defence Studies Centre. Please direct inquiries to andrew.carr@anu.edu.au

This publication can be downloaded for free at sdsc.bellschool.anu.edu.au/our-publications/centre-of-gravity-series

CRICOS#00120C

ISSN: 2208-7311 (Online) ISSN: 2208-7303 (Print)



#### **About the authors**

**Dr Joanne Wallis** is a Senior Lecturer and Director of Studies in the Strategic and Defence Studies Centre at the Australian National University. She is the chief investigator on two ARC Discovery Projects examining reconciliation and Australian involvement in peacebuilding in the Pacific Islands. She is the author or editor of five books, including Constitution making during State building (CUP 2014) and Pacific Power? Australia's Strategy in the Pacific Islands (MUP 2017), as well as many articles, chapters and commissioned research reports on peacebuilding, security and strategy in the Pacific Islands.



**Dr Anna Powles** is a Senior Lecturer in Security Studies in the Centre for Defence and Security Studies at Massey University. She is also the Director of Women In International Security New Zealand, and co-founder of the Security, Politics and Development Network. She is a member of the independent Pacific Reset Advisory Group which provides policy advice to the New Zealand Government on Pacific issues. She is the author or editor of three books, including *The United Nations Peacekeeping Challenge* (Routledge, 2015) and *Sea-Change or Status Quo? New Zealand's Pacific Reset* (VUP, 2019), a forthcoming book on private security governance in the Pacific and numerous chapters on the geopolitics of the Pacific Islands and the influences on the regional order.

This paper is based on a public lecture at the Australian National University on 12 September 2018, organised by the Strategic and Defence Studies Centre.

# Australia and New Zealand in the Pacific Islands: Ambiguous Allies?

Joanne Wallis and Anna Powles

#### **Executive Summary**

- → Divergences in Australia and New Zealand's policies and practices raise questions about the status of their 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. It is also not clear how the two states will reconcile their apparently different approaches to the United States and China, both in the region and beyond.
- ★ We identify four points of convergence between Australia and New Zealand in the Pacific Islands: a shared commitment to preserving and promoting the international rules-based order; a shared commitment to crisis management; a shared commitment to Pacific regionalism; and a shared commitment to regional trade liberalisation.
- ♦ We identify 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; and differing priorities on climate change and nuclear disarmament.

#### **Policy Recommendations**

- ♣ 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.

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' and the New Zealand government says it has 'no closer ally'. 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'.

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.⁵ It is also not clear how the two states will reconcile their apparently different approaches to the United States and China, both in the region and beyond.



There are increasingly distinct differences between Australia and New Zealand.

This paper addresses two questions: are the two 'natural allies' actually 'ambiguous allies'? And, what does this mean for their relationship in the Pacific Islands in the future? This paper will explore the convergences and divergences in the trans-Tasman relationship to argue that there are increasingly distinct differences between Australia and New Zealand which could potentially undermine cooperation in the Pacific Islands region.

#### The alliance

Australia and New Zealand's relationship constitutes an alliance; the two states are perceived to share important historical, cultural, social, political, economic and geopolitical similarities, as well as similar strategic interests.

People-to-people connections are strong due to the *Trans-Tasman Travel Arrangements* (1973), which permit citizens of both countries to live and work in either country without restriction. Consequently, it is estimated that 15 percent of New Zealand's population lives in Australia. These links are reflected at an official level; the two Prime Ministers meet annually, the Foreign, Trade and Defence Ministers meet regularly, as do other ministers and officials. Trade and investment links are also strong, facilitated by the *Closer Economic Relations Trade Agreement* (1983) which establishes substantially free trade in goods and services between the two states. The two states are also deepening economic links via a process of Single Economic Market negotiations.

Defence is the most symbolically important aspect of the relationship and the basis of the alliance. Security cooperation dates to the conception of the ANZAC legend on the battlefield of Gallipoli during World War I. Australia

and New Zealand have since cooperated in numerous international and regional military operations. The alliance was formalised in the *Australia-New Zealand Agreement* (Canberra Pact) in 1944 and the *Australia, New Zealand, United States* (ANZUS) *Treaty* in 1951. After the United States suspended its obligations to New Zealand under ANZUS in 1986, Australia and New Zealand implemented the *Closer Defence Relations Agreement* in 1991, which sets out the broad strategic framework for the defence relationship. Consultation on defence has been enhanced based on the recommendations of the *2011 Review of the Australia-New Zealand Defence Relationship.*<sup>7</sup>

#### Differences between the allies

Although Australia and New Zealand are commonly assumed to share numerous similarities, their different histories, both as colonies and as colonial powers in the Pacific Islands, have shaped their contemporary identities and their reputations and relationships in the region. They also have different demographics. In Australia, only 3.3 percent of the population identifies as Aboriginal or Torres Strait Islander,<sup>8</sup> whereas in New Zealand 15.6 percent of the population identifies as Maori.<sup>9</sup> In Australia, only 0.88 percent of the population identifies as having Pacific Islands ancestry,<sup>10</sup> whereas in New Zealand 7.8 percent does.<sup>11</sup> New Zealand's much larger Pasifika population, coupled with its indigenous Maori population, has generated a sense of 'identity as a Pacific nation', which is largely absent in Australia.<sup>12</sup>

Australia and New Zealand are assumed to share numerous similarities.

The size of the two states is also substantially different. Australia has a population of 25.1 million people, compared to New Zealand's 4.7 million people. Australia's GDP in 2017 was US\$1,390.2 billion, while New Zealand's was US\$200.9 billion. This allows Australia to spend substantially more on defence, and it has approximately 59,000 permanent defence force personnel, while New Zealand has 9,000. Australia also has a much more sophisticated defence force, and significantly more capability to conduct air and maritime operations in the Pacific Islands.<sup>13</sup>

Australia and New Zealand also differ in their relationships with third-party security allies. The United States alliance remains central to Australia's strategic planning. Australia has consistently provided troops in support of US military adventurism. Australia also hosts the important Joint Defence Facility Pine Gap and United States military training, with up to 2,500 US marines regularly rotating through Darwin. The United States has rewarded Australia with access to defence technology and by entering into the *Australia-United States Free Trade Agreement* in 2005.

Australia's other significant relationship is with China, which it describes as a strategic partner. China is Australia's largest two-way trading partner, largest export market and largest source of imports, enhanced by the *China-Australia Free Trade Agreement* signed in 2015.<sup>15</sup> However, there is a continuing debate in Australia about its relationship with China, and Australia has recently taken a more overtly critical approach, particularly with respect to China's activism in the South China Sea.





# New Zealand considers its relationship with China as crucial to its economic prosperity.

New Zealand's relationship with the United States has strengthened considerably over the past decade. The normalisation of diplomatic relations between Wellington and Washington culminated in the signing of the Wellington Declaration (2010) which established a new United States-New Zealand strategic partnership to shape future practical cooperation and political dialogue, particularly in the Pacific region; followed by the Washington Declaration (2012) which specified priority areas of military cooperation, although this remains nonbinding allowing New Zealand some diplomatic discretion. Both declarations effectively re-establish a "de facto alliance" between the two countries and although New Zealand holds concerns that the Trump Administration is a disrupting force within the international liberal order,<sup>16</sup> New Zealand views the United States as a key Pacific partner.

New Zealand considers its relationship with China as crucial to its economic prosperity. New Zealand was the first developed country to negotiate a free trade agreement in 2008 and then a FTA upgrade with China. China is New Zealand's largest trading partner, with two-way trade valued at over USD17.72 billion in 2018 and ninth-largest source of foreign direct investment (at USD656 million in 2017). In 2017 New Zealand signed a non-binding Memorandum of Arrangement with China on strengthening cooperation in support of the Belt and Road Initiative – a move which has been viewed with some concern by New Zealand's Five Eyes partners. Since early 2018, however, New Zealand has adopted more robust language towards China, citing it as a potential disruptor to the international rules-based order.<sup>17</sup>

#### **Points of convergence**

Australia and New Zealand's alliance in the Pacific Islands is based on several shared principles. We identify four points of convergence which demonstrate how the two states work together to advance their common interests and priorities.

#### 1. Preserving and promoting the international rules-based order

Our first point of convergence is Australia and New Zealand's shared commitment to preserving and promoting the 'rules-based international order'. The phrase has been generally read to mean the 'Western' rules and principles established by the United States and its allies after World War II and bolstered by the brief period of American unipolarity following the Cold War.

The underlying narrative is that this order is preferable to one in which China is the main player. The growing sense of threat regarding China's presence in the region is most evident in Canberra, exemplified by the media storm generated by the report in April 2018 that China was in talks to build a military base in Vanuatu. Vanuatu's Foreign Minister Ralph Regenvanu denied and criticised the report and the Chinese government described it as 'ridiculous'. 19

The 'China threat' has gained pace in the Australian media, with reports that China plans to build a port on Manus Island leading one commentator to claim that: 'there's a full-on Chinese play to control the key strategic approaches through the Pacific to the Chinese mainland'.<sup>20</sup> Claims such as this have encouraged Australia to announce that it will 'compete' with China to fund infrastructure projects in the region with the purported aim of protecting the sovereignty of Pacific Island states.<sup>21</sup> In June 2018 Australia agreed to fund an undersea internet cable between Australia, Solomon Islands and Papua New Guinea. Tellingly, Solomon Islands had been in negotiations with Huawei, a Chinese company, to lay the cable. Australia is also said to have blocked China from funding the redevelopment of the Fiji Military Black Rock Camp, which is planned to become a training hub for Pacific Island militaries.<sup>22</sup>

#### 2. Crisis management

Our second point of convergence is Australia and New Zealand's shared commitment to crisis management, driven largely by their concern about the perceived security risk posed by Pacific Island states experiencing internal challenges, including to their governance institutions.

Australia and New Zealand have cooperated to undertake direct interventions in the region, beginning with support for the Bougainville peace process. Buoyed by its perceived success and concerned about the purported risk of a 'failed state' in the region, in 2003 Australia led the Regional Assistance Mission to Solomon Islands (RAMSI). Although New Zealand contributed personnel to RAMSI, it was not willing to make a significant military commitment as it did not favour a military intervention. In 2006 Australia and New Zealand were then requested to intervene to help restore security in Tonga, when major riots broke out in the capital, Nuku'alofa.

Tensions have arisen during crisis management. Throughout the Bougainville peace monitoring process some Australian personnel resented New Zealanders' tendency to characterise themselves as having a better understanding of the region. This claim was bolstered by the presence of Maori and Pasifika service personnel, who shared cultural affinities with Bougainvilleans. These resentments were echoed at the government level, with an Australian perception that New Zealand presented itself as having a special

affinity with Pacific Islanders and therefore greater leverage than Australia. Indeed, there are claims that New Zealand has acted as the 'good cop' to Australia's 'bad cop' in the region.<sup>23</sup> However, the Bougainville conflict also saw New Zealand realise that its comparatively small size and limited military capability mean that it needs to cooperate with Australia to respond to regional crises.

Australia and New Zealand also cooperate to respond to natural disasters in the region. Since 1992 they have also cooperated with France to provide HADR in the Pacific Islands under the 1992 *France, Australia and New Zealand Arrangement*. Australia and New Zealand also cooperate with France and the United States to coordinate maritime surveillance support to Pacific Island states through the Quadrilateral Defence Coordination Group.

Australia and New Zealand have cooperated to undertake direct interventions in the region.





#### 3. Pacific regionalism

Our third point of convergence is Australia and New Zealand's shared commitment to Pacific regionalism, particularly within the Pacific Islands Forum. Since the early 2000s Australia and New Zealand have promoted greater regional integration, which manifest in the Forum's 2005 *Pacific Plan*. Australia and New Zealand favoured economic integration, but Pacific Island states were more cautious, and questions were raised regarding whether the plan considered the values of the people it sought to represent. The Pacific Islands Forum subsequently adopted the *Framework for Pacific Regionalism* in 2015, which seeks to broaden conversations about regionalism beyond the Forum and to widen the range of issues discussed beyond the *Pacific Plan's* technocratic focus on integration. Reflecting the desire of Pacific Island states to dilute the influence of Australia and New Zealand, at the 2018 Forum leaders' meeting a *Sustainable Funding Resolution* was agreed which provides that by 2021 Pacific Island states will provide 51 percent of Forum funding.

Despite the apparent scepticism of Pacific Island states about enhanced regional integration, in its 2017 Foreign Policy White Paper Australia signalled its intention to help 'integrate Pacific countries into the Australian and New Zealand economies and our security institutions', including through the extension of certain Australian government services into the region. At the 2018 Forum leaders' meeting it was agreed that Australia would establish a Pacific Fusion Centre that will build on current regional frameworks to strengthen information sharing and maritime domain awareness. Australia also intends to establish the Australia Pacific Security College to enhance regional security cooperation by training officials from the region. While Pacific Island states have accepted the proposed Fusion Centre, it is unclear whether they would accept greater integration in other areas, particularly if it involved the perceived surrender of their sovereignty.

Access to
Australia remains
comparatively
difficult for Pacific
Islanders.

#### 4. Regional trade liberalisation

Connected to this shared interest in Pacific regional integration, our fourth point of convergence is Australia and New Zealand's pursuit of trade liberalisation, primarily under the 2017 *Pacific Agreement on Closer Economic Relations* (*PACER*) *Plus*. Only eight Pacific Island states have signed *PACER Plus*, with PNG and Fiji withdrawing from negotiations citing a lack of flexibility from Australia and New Zealand.

A key aspect of the PACER Plus negotiations was labour market access. This reflected the reliance of Polynesian states on remittances from migrant workers and the need of Melanesian states to gain access to labour markets to provide economic opportunities for their rising populations. As Australia and New Zealand appear to have concluded that including labour mobility in PACER Plus would create a precedent for other free trade agreements, they were not willing to include them in the trade talks. New Zealand has taken a more generous approach to labour market access via its Recognised Seasonal Employer scheme. While Australia has introduced and then expanded its own Seasonal Worker Programme, and more recently, Pacific Labour Scheme, access to Australia remains comparatively difficult for Pacific Islanders, both for work and for other reasons.

#### Points of divergence

There have always been differences between Australia and New Zealand's approach to the Pacific Islands. We identify four points of divergence which highlight how those differences are testing the allies' relationship in the region.

#### 1. Differing approaches to regional diplomacy

Despite a shared commitment to regionalism, there are differences in how New Zealand and Australia are responding to perceived strategic competition in the neighbourhood. National security interests and

shared strategic anxieties about Chinese influence in the Pacific may have underpinned both Australia's step-up and New Zealand's Pacific Reset but the form and substance of these Pacific Islands policy recalibrations is distinct. New Zealand is uncomfortable with the security imperative that is driving Australia's policy. Displeasure over Canberra's foghorn diplomacy towards the region following reports of a Chinese base in Vanuatu, coupled with the securitisation of aid to develop undersea communications, and the piggybacking of security initiatives onto the new regional security agreement, the Boe Declaration on Regional Security, signed at the 2018 Pacific Islands Forum, raise concerns that Australia's approach could potentially backfire on trans-Tasman activities in the region and conflict with the five guiding principles laid out in New Zealand's Pacific reset.<sup>25</sup> These concerns have been shared by regional leaders and reflect a potential tension between Australia's security priorities and the expanded concept of security proposed in the Boe Declaration.

New Zealand's foreign policy has long been informed and shaped by its place in the Pacific Islands in a way that Australia's identity is not.



#### 2. New Zealand's Pacific identity

Our second area of divergence is New Zealand's strengthening identity as a Pacific country. New Zealand's long-standing claim that it is part of the region with a 'shared Pacific destiny'<sup>26</sup> is driven by three factors: geography; constitutional obligations towards the Cook Islands, Niue and Tokelau; and its indigenous Maori and later migrant *tagata Pasifika* populations. New Zealand's *Pasifika* partly underpins the growing sense of a Pacific identity. Pasifika are the fourth largest ethnic group in New Zealand and by 2026 it is estimated that the Pasifika population will have grown to 10 percent compared to the current 7.8%. Consequently, New Zealand's Pasifika population is reshaping the domestic political landscape, as evidenced by the Pacific caucus within New Zealand's coalition government. New Zealand's biculturalism is also redefining its relationship with the region and shaping how the rest of the Pacific Islands perceives New Zealand. There are also calls for a Treaty of Waitangi-led foreign policy which incorporates the Treaty principles of partnership, participation and protection. Moreover, since the 1970s, New Zealand has pursued a policy of pro-active engagement with the Pacific Islands, recognising that its international reputation is directly linked to its regional influence. New Zealand's foreign policy has long been informed and shaped by its place in the Pacific Islands in a way that Australia's identity is not.

#### 3. Differing approaches to climate change

Turning to issue-based divergences, our third point of divergence is climate change. Prime Minister Jacinda Ardern has described climate change as her generation's 'nuclear free moment'<sup>27</sup>. As part of the Green Party coalition agreement, James Shaw was appointed Climate Change Minister and climate change was one of the first issues tackled under the auspices of the Pacific Reset. Minister Shaw stated that New Zealand's climate change stance was 'the most significant thing New Zealand can do for our Pacific whanau.'<sup>28</sup> Climate change was also cited as one of the core complex disruptors in New Zealand's 2018 Ministry of Defence Strategic Defence Policy Statement. The statement cites



Pacific Islanders continue to live with the consequences of atmospheric nuclear testing.

the US withdrawal from the Paris Agreement as undermining global efforts to mitigate the impacts of climate change, with potentially negative consequences for the security of Pacific states. Paperts from the 2018 Pacific Islands Forum that Australia sought to 'water down' the forum communique's statement on climate change demonstrate the widening gap between Wellington and Canberra on the issue regarded as the 'greatest threat to the livelihood, security and well-being of Pacific people. 1st the domestic level, strong support for climate change action as a defining aspect of New Zealand's foreign policy indicates that, like New Zealand's antinuclear stance, climate change will become embedded in New Zealand's identity.

#### 4. Attitude to nuclear presence in the region

This brings us to our fourth point of divergence: attitudes to a nuclear presence in the Pacific. The ANZUS split had its roots in the New Zealand government's anti-nuclear policy and its consequent refusal to allow USS *Buchanan* to visit during an ANZUS naval exercise in 1985. In contrast, Australia has sought to balance the anti-nuclear stance of Pacific Island states with its strategic interest in maintaining its US alliance, particularly by ensuring the maintenance of passage rights for nuclear-armed or nuclear-powered US ships.

Pacific Islanders continue to live with the consequences of atmospheric nuclear testing. The issue has largely slipped from Australia's attention and Australia has at times obstructed Pacific Island states attempts to act. In December 2016, Australia opposed a UN General Assembly resolution co-sponsored by eight Pacific Island states to establish a treaty banning nuclear weapons.

Despite this, talks went ahead, resulting in the *Treaty on the Prohibition of Nuclear Weapons*, which was opened for signature in September 2017. Mindful of its US alliance and perhaps reflecting persistent domestic debates about acquiring its own nuclear weapons, Australia has so far refused to sign the treaty, which declares the use of nuclear weapons illegal. In contrast, New Zealand has signed and ratified the treaty.

#### Conclusion

While the strength of the Australia-New Zealand alliance is not ambiguous, there have always been divergences between them, which are becoming starker. Although the Pacific Islands are presently stable, the referendum on Bougainville's political future scheduled for 2019 may generate instability to which Australia and New Zealand are called upon to respond. The best way for Australia and New Zealand to play an effective and legitimate role in the Pacific Islands that meets both their interests and those of the island states is to work together, capitalising on points of convergence and openly acknowledging and seeking to bridge points of divergence. Most importantly, their commitment to each other and the region cannot be ambiguous. We recommend four ways in which the alliance could be strengthened to benefit Australia, New Zealand and the Pacific Islands.



Australia has long criticised New Zealand for relying on Australia as both the buffer protecting New Zealand from external threats and as New Zealand's security guarantor. This has enabled New Zealand to spend far less than Australia on defence – approximately 1% of GDP – just under \$4 billion compared to Australia's aim of 2% of GDP and \$35 billion. This equates to Australians accepting a higher cost - and risk - with Australians each contributing A\$1,438 to their defence and New Zealanders only spending NZ\$426.32 There is less interoperability between New Zealand and Australian defence forces now than three decades ago and that gap is widening in critical

Pacific Island
states want Australia
and New Zealand
to play a less
dominant role.

capability areas, including technology, equipment interoperability and sophistication, and capacity. New Zealand's defence capabilities are at odds with the challenges facing the Pacific, particularly in the maritime domain in the areas of surveillance, resource protection, search and rescue, HADR and interdiction. The recent purchase of the four P-8 Poseidon maritime patrol aircraft to replace the aging P-3 Orions is a good first step towards addressing this capability and interoperability gap. From a security cooperation and crisis management perspective, it is likely that there will be demands on Australia and New Zealand which will result in longer and more complex commitments and we recommend increased alignment, interoperability and coordination.

#### 2. New Zealand's Pacific soft power and Australia's hard power

As a small state, New Zealand has had to rely on good relationships and persuasion to gain influence in the Pacific Islands, whereas Australia, as a middle power, can also utilise its military and economic might. New Zealand's soft power in the region is also underpinned by its growing identity as a Pacific country and an issues-based regional diplomacy which aligns with Pacific Islands states on key issues such as climate change and disarmament. Our second recommendation is that Australia and New Zealand work creatively to capitalise on the combination of New Zealand's soft power and



Australia's hard power in the Pacific. This could be achieved by identifying issues of shared concern and creating the enabling environment in which to discuss them. For example, it would be useful to establish a *talanoa* dialogue process to discuss common concerns that Pacific Island states may share about Chinese influence in the region. New Zealand, given its size, trade dependence on China, and its alignment with the Pacific on critical issues such as climate change, would be well-placed to take the lead in initiating such discussions.

#### 3. Regionalism

Australia and New Zealand have at times promoted an agenda of regional integration that has been at odds with the wishes of the island states. Consequently, Pacific Island states want Australia and New Zealand to play a less dominant role, particularly within the Pacific Islands Forum. We recommend that Australia and New Zealand work together to find creative ways to engage with Pacific Islander 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 work together to engage China and other non-traditional powers that are increasingly active in the region. While China has signed the Pacific Islands Forum's 2008 *Kavieng Declaration on Aid Effectiveness*, which aims to localise the OECD's 2005 *Paris Declaration on Aid Effectiveness*, it has declined to sign the Forum's 2009 *Cairns Compact on Strengthening Development Coordination in the Pacific*, which Australia, New Zealand and the United States use to coordinate with regional partners. Australia and New Zealand should work to encourage more cooperation to take place under the auspices of regional institutions, which may also provide settings in which Pacific Island states can pool their resources and work together to manage their relationships with China and other partners.

# There is a tendency to gloss over some of the differences between Australia and New Zealand.

#### 4. Space for conversations

Our fourth recommendation is that Australia and New Zealand provide more space for conversations between their officials and others about the Pacific Islands. We see particular potential for more track 1.5 dialogues, given the depth of Pacific Island expertise in academia, think tanks and civil society in both states. More opportunities for these groups to engage with each other and with government may help to create better informed government policy. There is a tendency to gloss over some of the differences between Australia and New Zealand during existing conversations. We encourage more open acknowledgement of these differences as this is the best way to ensure that they are bridged.



#### **Policy Recommendations**

- ♣ 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.

#### **Endnotes**

- 1 DFAT, New Zealand country brief, http://dfat.gov.au/geo/new-zealand/Pages/new-zealand-country-brief.aspx.
- 2 New Zealand Ministry of Defence, Defence White Paper 2016, Wellington: New Zealand Government, 2016, para 3.48.
- 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.
- 4 Peters, "Shifting the Dial".
- 5 DFAT, 'Stepping up Australia's Pacific engagement', http://dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx.
- 6 DFAT, New Zealand country brief.
- 7 Review of the Australia-New Zealand Defence Relationship: Joint Report to Defence Ministers, 2011, http://www.defence.gov.au/review/ausnzrelationship/docs/Joint%20Report%20on%20AS-NZ%20Review.pdf.
- 8 Australian Bureau of Statistics, 3238.0.55.001 Estimates of Aboriginal and Torres Strait Islander Australians, June 2016, http://www.abs.gov.au/ausstats/abs@.nsf/0/9E334CF07B4EEC17CA2570A5000BFE00?Opendocument.
- 9 Stats NZ, National Ethnic Population Projections: 2013(base)-2038, http://archive.stats.govt.nz/browse\_for\_stats/population/estimates\_and\_projections/NationalEthnicPopulationProjections\_HOTP2013-38/Commentary.aspx.
- 10 Australian Bureau of Statistics, ABC.Stat, http://stat.data.abs.gov.au/Index.aspx.
- 11 Stats NZ, National Ethnic Population Projections.
- 12 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. 231.
- 13 Mark Thomson, New Zealand, Australia and the ANZUS alliance: Interests, identity and strategy, Canberra: Australian Strategic Policy Institute, 2018.
- 14 Department of Defence, 2016 Defence White Paper, Canberra: Commonwealth of Australia, 2016.
- 15 DFAT, China Country Brief, https://dfat.gov.au/geo/china/pages/china-country-brief.aspx.
- 16 Ministry of Defence, Strategic Defence Policy Statement, Wellington: New Zealand, 2018, http://www.nzdf.mil.nz/downloads/pdf/public-docs/2018/strategic-defence-policy-statement-2018.pdf.
- 17 Ministry of Defence, Strategic Defence Policy Statement.
- 18 Department of Defence, 2016 Defence White Paper, Canberra: Commonwealth of Australia, 2016; New Zealand Ministry of Defence. Defence White Paper 2016.
- 19 Ben Smee and Dan McGarry, ''Impossible': China denies planning military base in Vanuatu', *The Guardian*, 10 April 2018, https://www.theguardian.com/world/2018/apr/10/concerns-china-in-talks-with-vanuatu-about-south-pacific-military-base?CMP=share\_btn\_tw.
- 20 Paul Maley, 'PNG port plan stokes fears of China military build-up', *The Australian*, 28 August 2018, https://www.theaustralian.com.au/national-affairs/png-port-plan-stokes-fears-of-china-military-buildup/news-story/f0fa6fc36a1dbfc8d8acfe2bb4ea2907.
- 21 David Wroe, 'Australia will compete with China to save Pacific sovereignty, says Bishop', *Sydney Morning Herald*, 18 June 2018, https://www.smh.com.au/politics/federal/australia-will-compete-with-china-to-save-pacific-sovereignty-says-bishop-20180617-p4zm1h.html.

- 22 Primrose Riordan, 'Australia beats China to funding Fiji base', *The Australian*, 7 September 2018, https://www.theaustralian.com.au/nationalaffairs/defence/australia-beats-china-to-funding-fiji-base/newsstory/60d05ca8eb2bec629080c2c844255bbd.
- 23 Nicola Baker, 'New Zealand and Australia in Pacific regionalism', in Fry and Tarte (eds), *The New Pacific Diplomacy*, pp. 137–48, 141.
- 24 Australian Government, 2017 Foreign Policy White Paper, Canberra: Commonwealth of Australia, 2017, p. 8.
- 25 Peters, "Shifting the dial".
- 26 Peters, "Shifting the dial".
- 27 Isobel Ewing, "Jacinda Ardern: 'Climate change is my generation's nuclear-free moment'," *Newshub*, 20 August 2018, https://www.newshub.co.nz/home/election/2017/08/jacinda-ardern-climate-change-is-my-generation-s-nuclear-free-moment.html.
- 28 Minister James Shaw, Climate Change Minister's speech to Pacific Climate Conference, 21 February 2018, https://www.beehive.govt.nz/speech/climate-change-ministers-speech-pacific-climate-conference.
- 29 Ministry of Defence, Strategic Defence Policy Statement.
- 30 Kate Lyons and Ben Doherty, 'Australia tried to water down climate change resolution at Pacific Islands Forum: leader', *The Guardian*, 6 September 2018, https://www.theguardian.com/world/2018/sep/06/australia-tried-to-water-down-climate-change-resolution-at-pacific-islands-forum-leader.
- 31 Pacific Islands Forum, Boe Declaration on Regional Security, 26 September 2018, https://www.forumsec.org/boe-declaration-on-regional-security/.
- 32 Mark Thomson, "The Australia-New Zealand defence partnership: a net assessment," The Strategist, 21, Feb 2018, https://www.aspistrategist.org.au/australia-new-zealand-defence-partnership-net-assessment/.



### MASTER OF STRATEGIC STUDIES

# Australia's foremost Strategic Studies program, offered by the Strategic & Defence Studies Centre, at the Coral Bell School of Asia Pacific Affairs

A graduate degree combining the theoretical and practical expertise of leading academics and policymakers. Develop the analytical frameworks you need to tackle the regional and global strategic and security challenges of your career, and graduate a leader in your field. Students looking to undertake a major research essay under the supervision of a leading Strategic Studies scholar should consider the Master of Strategic Studies (Advanced) program.

#### Major courses include:

## STST8002 The New Power Politics of Asia



Course
Convenor:
Professor
Brendan Taylor

Asia is in the throes of a major power-political revolution, as a radical change in the distribution of wealth and power overtakes the old order and forces the creation of a new one. Explore three areas of the new power politics of Asia: the nature of power politics as a mode of international relations; the power politics of Asia today, what is happening and where it is going; and concepts that can help us better understand power politics.

## STST8010 Strategic Studies Concepts and Methods



Course Convenor: Professor Evelyn Goh

Explore inter-disciplinary concepts, theories and methods that inform Strategic Studies academic research. Using the overarching empirical theme of the Cold War, investigate three areas: understanding critical developments during the Cold War; historiographical and methodological debates in the study of the Cold War; and theoretical and conceptual methods employed by scholars in the most influential works in Strategic Studies.

# STST8027 Insurgency & Counterinsurgency in an Age of Terror



Course
Convenor:
Dr Garth
Pratten

To understand contemporary insurgencies in places such such as Iraq and Afghanistan this course establishes a strong historical framework by examining earlier conflicts from North America to Southeast and South Asia. It encourages students to evaluate contemporary counter-insurgency practice, including those campaigns being waged as part of the attempt to defeat transnational terrorism, against the backdrop of the evolution of counterinsurgency strategies.

Other courses you can study in your degree include: Strategic Studies; The Resort to Force: Understanding Military Power; Australian Strategic and Defence Policy; Building a Defence Force: Defence Force Structure Planning and Acquisition; Strategy and Southeast Asia: Defence and Security Dynamics; Alliances in Asia: Theory, History and Practice; Making Grand Strategy; Great and Powerful Friends: Strategic Alliances and Australian Security; Strategic Studies Internship; Intelligence and Security; Nuclear Strategy in the Asian Century; and China's Defence and Strategic Challenges.

For more information visit: programsandcourses.anu.edu.au

Coral Bell School of Asia Pacific Affairs ANU College of Asia & the Pacific

T 02 6125 7017 E sdsc@anu.edu.au W sdsc.bellschool.anu.edu.au