

# GOOD NEIGHBOURS?

## AUSTRALIA'S PACIFIC POLICY



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**W**ITHIN a week of the Australian Labour Party (ALP) winning the 21 May 2022 federal election, Australia's new Foreign Minister Penny Wong was en route to Fiji to meet with Fijian Prime Minister Frank Bainimarama and the Secretary General of the Pacific Islands Forum Henry Puna. Wong's visit was not merely a friendly courtesy call to members of Australia's claimed 'Pacific family'. It sought to counter a simultaneous tour through seven Pacific Island countries (PICs) (plus Timor-Leste) by Chinese Foreign Minister Wang Yi.

Wang's tour generated consternation in Australia even before it began. In the lead-up, drafts of a communique and five-year action plan that China had proposed to the ten PICs with which it has diplomatic relations were leaked in the media. In Australia these drafts were widely perceived to represent

China attempting to expand its influence in the Pacific Islands by deepening cooperation on a range of security and economic matters. The leaked documents struck a raw nerve in Australia, which was still reeling from the news, in April 2022, that Solomon Islands had signed a security agreement with China. Many Australian commentators interpreted this as confirming their anxieties about China developing a military presence in the region. Although the agreement did not mention it, reports in Australia declared the agreement a 'precursor' to China building a naval base as a 'home port' from which the People's Liberation Army-Navy (PLA-N) could operate.

Anxieties about China's naval presence in the Pacific Islands had been building since April 2018 rumours that China was in talks to build a military base in Vanuatu. They were bolstered by Solomon Islands and Kiribati switching their diplomatic relations to China in 2019, and then by China

promptly attempting to lease a World War II-era Japanese naval base in Solomon Islands and to update strategically located airstrips in Kiribati.

Australia's anxieties about these developments highlight two enduring dynamics of its Pacific Islands policy.

First, anxiety stretching back to the founding of settler-colonial Australia about a potentially hostile power establishing a presence in the region from which it could threaten Australia or its air and sea lanes of communication. This fear almost came to fruition during the Second World War, and has motivated Australia's long-term pursuit of strategic denial, a policy that aims to restrict real or potential adversaries – recently, China – from pursuing their military objectives in the Pacific.

Second, a misunderstanding of both PICs and Australia's ability to exercise power over them.

Underpinning both dynamics is the sheer size of the Pacific Islands region and Australia's difficulties of projecting force in this massive maritime domain. The region occupies 15 per cent of the Earth's surface and PICs are spread over 30 million square kilometres. Crucially, 98 per cent of the region is ocean, as the combined land mass of its 22 states and territories is less than 600,000 square kilometres (84 per cent of which is Papua New Guinea (PNG)). The entire region has a combined population of only 11.2 million, nearly nine million of whom are in PNG.

Although Australia has vastly more material resources than its neighbours – it represents 94.5 per cent of the region's gross domestic product (GDP); 98 per cent of defence and security spending; 60 per cent of population; and contributes 60 per cent of all development assistance – it has an increasingly constrained ability to influence events in the region.

The Australian government was reminded of this after the news of the Solomon Islands-China security agreement leaked. A defiant Solomon Islands Prime Minister Manasseh Sogavare delivered a blistering speech to his nation's parliament in which he criticised Australia for its lack of action to tackle climate change and for claims in the Australian media that Canberra should 'invade' Solomon Islands and 'topple its government'. Using an evocative image to describe how Solomon Islands had responded, Sogavare justified the security agreement by arguing that, 'When a helpless mouse is cornered by vicious cats, it will do anything to survive.'

Then Australian Prime Minister Scott Morrison's furious lobbying of Sogavare and other regional leaders, including PNG Prime Minister James Marape and Fijian Prime Minister Frank



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Bainimarama, did not persuade Solomon Islands to abandon the deal. Indeed, Bainimarama has form resisting Australian power – he ignored and side-stepped Australian pressure to return Fiji to democracy after leading a military coup in 2006. He initiated elections in 2014 only after he had amended the Fijian Constitution to virtually guarantee that his party would win government. And in 2018 Marape accepted that Australia would fund and build the Coral Sea Cable to link PNG's internet network to Solomon Islands and Australia, which Australia offered to prevent Chinese telco Huawei doing the job. But Marape's government then contracted Huawei to build PNG's domestic network – which connects to the cable – anyway.

Many credited Wong's visit to Fiji, and June 2022 visits to Samoa, Tonga, and Solomon Islands, with persuading PICs to reject China's draft communique and action plan. However, the rejection was instead primarily due to PICs exercising their agency to reach a consensus region-wide decision. In the last decade PICs have become increasingly assertive on the international stage, making clear their desire not to be

used as geopolitical pawns. As Bainimarama commented after Wong's visit, 'geopolitical point-scoring means less than little to anyone whose community is slipping beneath the rising seas.'

Bainimarama's comment highlighted that PICs are more concerned about the consequences of climate change than they are geopolitics. Indeed, when making a major statement about their concerns in the Boe Declaration adopted at the 2018 Pacific Islands Forum leaders' meeting, Pacific leaders articulated 'an expanded concept of security inclusive of human security' (which includes humanitarian assistance and protecting the rights, health, and prosperity of Pacific people), 'prioritising environmental security, and regional cooperation in building resilience to disasters and climate change'. Of these concerns, the Declaration identified that 'climate change remains the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific'.

Pacific leaders have adroitly leveraged the geopolitical concerns of partners such as Australia to pursue progress on

addressing climate change. While in the Pacific, Wong emphasised repeatedly – a point echoed domestically by Prime Minister Anthony Albanese – that Australia intends to take concrete climate action.

Pacific leaders have also used geopolitical competition to pursue other interests. Although PICs did not agree to China's communique and action plan, several signed a series of bilateral agreements with China. These agreements seek to advance PICs' specific security and development interests.

PICs have had similar success encouraging Australia to change elements of its Pacific policy to respond to their priorities. Conscious that Australia's role in the region was being challenged by other partners, the Australian government implemented a 'Pacific step-up' in 2018.

The step-up has included initiatives focused on enhancing development, security, diplomatic, and people-to-people links. This built on Australia's provision of approximately half of all development aid to the region. A dedicated cross-agency Office of the Pacific was created in the

Department of Foreign Affairs and Trade in 2019 to oversee implementation.

Apparently to counter China's Belt and Road Initiative lending, Australia created a A\$2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFC) and allocated an extra A\$1bn to its Export Finance and Insurance Corporation to support investment. However, implementation of these initiatives was slow, with the first AIFFC funding agreement only signed in 2021. This reflected a common complaint amongst PICs about Australia's finance to the region – that it is held-up by excessive regulatory controls and 'red tape'. This is often contrasted to less arduous procedures involved in securing finance from Chinese lenders.

Beyond the AIFFC, Australia committed funding to major infrastructure projects, including: the PNG Electrification Partnership under which Australia, Japan, the US, and New Zealand undertook to increase the proportion of PNG's population connected to electricity from 13 per cent to 70 per cent by 2030; the Coral Sea Cable; and to redevelop the Republic of Fiji Military Forces' Blackrock Camp as a regional peacekeeping training centre. The latter two projects were reportedly direct counters to offers by China. Australia is also financing its telco, Telstra, to buy the Pacific's largest telco, Digicel, after Chinese telco Huawei expressed an interest.

The security aspects of the step-up included creating the Australia Pacific Security College in Canberra to train regional security officials, and the Pacific Fusion Centre, initially in Canberra, before it moved to Vanuatu, to share information and enhance maritime domain awareness.



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Australia also committed to maintain a larger military presence, including through an upgraded Pacific Maritime Security Program, under which it provides patrol boats, sustainment, and technical assistance to PICs to help them police their exclusive economic zones. It is also working with the US to redevelop the Lombrum Naval Base on Manus Island, PNG, to accommodate the new, larger patrol boats that it is rolling out under the upgraded program.

Australia also agreed to a security treaty with Solomon Islands in 2017, a vuvale (friendship) partnership with Fiji in 2019, and a comprehensive strategic and economic partnership with PNG in 2020. In June 2018 Australia and Vanuatu began negotiations on a bilateral security treaty.

But while Australia's Pacific 'step-up' was intended to improve its relationships in the Pacific Islands in response to a perception that it had lost ground in the region, it was undercut by policy mistakes and missed opportunities under the Coalition government that lost the May 2022 election.

The Coalition government's most obvious mistake was failing to take serious action to address climate change, and indeed at times acting as spoiler on regional climate efforts, particularly within the

Pacific Islands Forum, of which it is a member. But its broader mistake – often replicated by past governments of both political persuasions – was to misunderstand both PICs and Australia's ability to exercise power over them.

Australia has long assumed that PICs are 'small', 'fragile', and 'vulnerable'. This has underpinned its strategic understanding of the region, and between 1997 and 2017 encouraged Australia to lead interventions of varying intrusiveness and effectiveness in Solomon Islands, PNG, and Nauru, a peace monitoring mission in the Bougainville region of PNG, and to embark on increasingly coercive developmental policies elsewhere.

This assumption has encouraged Australia to assume that the increasingly visible presence of the Chinese state, corporations, and people in PICs will generate potentially coercive influence for China. Although frequently debunked, claims that China could engage in 'debt-trap' diplomacy by instrumentalising its civilian infrastructure projects in the region for military purposes have been prominent in Australian Pacific debates.

But there is not a neat causal relationship between a state having a 'presence' in the Pacific Islands (such as by giving aid,

making loans, or building infrastructure) and gaining 'influence' that might allow it to coerce or interfere in a PIC.

If there was, then Australia should also be able to exercise more influence in the region, especially given that it is the largest donor. The limits of what influence Australia's influence can 'buy' were demonstrated by its failure to dissuade Solomon Islands from signing the security agreement with China. Australia has long had the most substantial presence of any state in Solomon Islands, not least through the 2003-2017 Regional Assistance Mission.

In fact, the ability of PICs to, to quote Professor Steven Ratuva, use 'tactical, shrewd and calculating' approaches towards using their agency to exploit geopolitical competition, demonstrates that influence attempts are not unilinear. The targets of influence attempts – in this case, PICS – can also instrumentalise them for their own interests. The Solomon Islands government has leveraged concerns about its security agreement with China for both domestic and international gain.

While China's attempt to secure a regional communique and action plan failed, it will inevitably try again. Given that Australia's broader relationship with China is tense, Australia's anxieties about China's presence in the Pacific Islands are unlikely to abate any time soon.

The new ALP government entered the election with a plan to 'Build a Stronger Pacific Family' that outlined policies likely to enhance Australia's standing in the region, including: greater climate finance and development assistance; reforming Australia's labour mobility programs for Pacific workers, including improving the treatment of workers and allowing longer-term workers to

bring their families to Australia; offering routes for permanent Pacific migration to Australia; and a commitment to increase funding for Australian broadcasting in the Pacific (which had been slashed by the Coalition government).

The tone struck by Prime Minister Albanese, Minister Wong, and Minister for International Development and the Pacific Pat Conroy in their initial public statements has been positive, with each emphasising respect for the autonomy of PICs, the importance of listening to PICs, and a desire to improve the implementation – rather than just the announcement – of Australian initiatives in the region. Underpinning these shifts is the ALP’s broader policy commitment to take climate action.

But whether this is sufficient to enhance Australia’s relationships in the Pacific Islands remains unclear. PICs have heard Australian governments announce big policy resets before, but remain understandably sceptical about how much implementation follows, and importantly, whether Australian attitudes to, and assumptions about, the region will substantively change. There is also concern that the ALP’s climate commitments may not be as extensive as the PICS would like – or indeed, need – to help prevent catastrophic climate change.

And while Wong’s recent visits to the Pacific have been important to symbolically reset Australia’s relations with the PICs, unless they are backed-up

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by concrete policies they will not be enough. For example, although Wong announced an eight-year development partnership and the donation of a new patrol boat while in Samoa, she announced no new Australian assistance in Solomon Islands. Notably, Wong secured a friendly press conference with Samoan Prime Minister Fiamē Naomi Mata’afa, but not with Solomon Islands Prime Minister Manasseh Sogavare.

But more spending is not the only answer for how Australia should improve its relationships with PICs, and consequently advance its strategic interests in the region. There also needs to be a corresponding rethink of the assumptions that have underpinned Australia’s Pacific policy, and a broader reimagining of Australia’s approach to the region.

Such a reimagining could draw on the concept of the ‘Blue Pacific’, which Pacific Islands Forum leaders have articulated to emphasise the agency, autonomy, and potential of PICs. This suggests that Australia needs to find ways to respect the autonomy and resilience of PICs, including how they are exercising their agency to shape their own futures in their relations with

other powers. This would require some humility from Australia, including an acknowledgement that it does not have the power to compel PICs to follow its lead, and that other powers have a role to play in the region.

PICs emphasise regional cooperation and collective diplomacy as part of their Blue Pacific concept. As one of the only two non-island state members of the Pacific Islands Forum, Australia is well-placed to facilitate regional coordination to respond to geopolitical and other security challenges. For example, although the 2018 Boe Declaration commits PICs to create national security strategies, and many PICs have done so (often with Australian assistance), Australia is yet to reciprocate. Doing so would provide an opportunity for Australia to have conversations with the PICs about how it understands security, and to bolster the regional security architecture coalescing around the Boe Declaration.

In the spirit of humility Australia should also recognise that it can learn from PICs’ experiences and perspectives when making its Pacific policy. The ALP government has put a welcome emphasis on ‘listening’ to PICs, but to reset Australia’s

relationships in the region that needs to be followed by understanding – and action. There are myriad opportunities for Australia to respond to Pacific proposals relating to, for example, greater education and skills training, improved trade pathways, enhanced civil society partnerships, and opportunities for digital development and transformation.

This reimagining would also require greater empathy from Australia, including recognising that its behaviour – particularly as the colonial power in PNG and Nauru – has contributed to several of the challenges that the region now faces. The ALP government has made welcome statements about development of a First Nations foreign policy that would incorporate ‘First Nations identities, perspectives, and practices into Australia’s overseas engagement’. This approach has already been welcomed by several Pacific leaders, but it faces the challenge of Australia’s own incomplete domestic reckoning with its settler-colonial history.

While PICs are developing relationships with other actors, they continue to welcome Australia to their family meetings – with its membership of the Pacific Islands Forum evidence of this. A reimagined approach to the Blue Pacific that sees the Pacific not just through the lens of its strategic anxieties is within Australia’s grasp, and with it the improved relations that are necessary for it to advance its interests in the region.

