

Section 5 Australia

1 General Situation

Australia maintains a special strategic partnership with Japan and shares universal values, such as strategic interests, respect for freedom and human rights, and democracy. It is allied with the United States, as are Japan and the ROK.

In Australia, in September 2015, Malcolm Turnbull was elected to lead the ruling Liberal Party. As a result, Prime Minister Abbott with a stagnant approval rating resigned, being replaced by the Turnbull administration from the conservative coalition. In July 2016, both the upper and lower houses were dissolved simultaneously for the first time in 29 years after a labor-related bill failed to pass in the upper house in April 2016. Therefore, Turnbull continues to be prime minister of a conservative coalition that controls the lower house.¹ The former Abbott administration criticized the defense spending cuts of the previous Labor Party administration, and signaled its intention to actively make investments which are deemed necessary for building a stronger defense force. This policy has continued under the Turnbull administration.

The Defence White Paper released in February 2016 during the Turnbull administration states that over the next two decades, the Australian Government will make important investments to maintain a high level of capability of the ADF, setting out a plan to continue to increase the troop strength and acquire high performance equipment. The white paper states explicitly that defense funding would be increased over the next decade, setting a specific target to reach 2% of Australia's GDP by 2020. With regard to Australia's international relationships, the white paper sets forth that Australia would aim to mature and deepen practical engagement with partners across the Indo-Pacific, including Japan, while continuing to give highest priority to its alliance with the United States. To achieve its strategic defense objective of contributing military capabilities to coalition operations that support Australia's interests in a rules-based global order, Australia makes proactive contributions to the peace and stability of the international community through the deployment of ADF to overseas operations, among other efforts.

2 Security and Defense Policies

The Australian Government launched its first National Security Strategy (the Strategy) in January 2013.² The Strategy provides a blueprint for national security over the next decade, presenting the recognition that responding to the economic and strategic changes in the Asia-Pacific region is vital to the national security of Australia. The Strategy defines four objectives for the country's national security: (1) to ensure a safe and resilient population; (2) to protect and strengthen

Australia's sovereignty; (3) to secure Australia's assets, infrastructure and institutions; and (4) to promote a favorable international environment. On this basis, the Strategy outlines the following priorities for the next five years: (1) enhanced engagement in the Asia-Pacific region;³ (2) integrated cyber policy and operations;⁴ and (3) effective partnerships.⁵

In February 2016, the Australian Government released its seventh new Defence White Paper.⁶ This

¹ In this election, the conservative coalition comprised of the Liberal, National, and other parties won a majority 76 out of the 150 lower house seats, resulting in Prime Minister Turnbull continuing on as leader, although the coalition lost a large number of seats from its initial total of 89. In the upper house, the coalition aimed to capture seats from minority parties through election reform but failed to obtain a majority, and may continue to encounter difficulties with government administration going forward.

² This strategy is based on the National Security Statement, announced in December 2008, which articulated Australia's national security agenda and set in motion reforms to strengthen the National Security Community. The national security strategy is scheduled to be revised every five years.

³ This includes: deepening the Australia-U.S. alliance; enhancing bilateral cooperation with influential regional countries such as China, Indonesia, Japan, the ROK, and India; and promoting the superiority and effectiveness of multilateral forums.

⁴ The Australian Cyber Security Centre (ACSC) integrates the capabilities of Australia's Department of Defence, Attorney-General's Department, and Federal Police and the cyber-related personnel of the Australian Crime Commission.

⁵ This includes sharing information securely and quickly with domestic and international partners and strengthening information sharing between government and business.

⁶ The Defence White Paper of Australia presents the government's future plan and measures for national defense. It was previously published in 1976 (Fraser Liberal Party administration), 1987 (Hawke Labor Party administration), 1994 (Keating Labor Party administration), 2000 (Howard Liberal Party administration), 2009 (Rudd Labor Party administration), 2013 (Gillard Labor Party administration), and 2016 (Turnbull Liberal Party administration) a total of seven times.

white paper presents an outlook of Australia's security environment over the next two decades. It then outlines the direction of Australia's defense strategy for dealing with this environment, and the development of the defense force pursuant to this strategy.

Specifically, the white paper maintains that while there is little prospect of a military attack on Australian territory in the period to 2035, Australia will face new complexities and challenges.⁷ Based on this understanding, three strategic defense interests are identified, namely: a secure, resilient Australia (including the security of sea lanes); a secure nearer region; and a stable Indo-Pacific region and rules-based global order. Additionally, three strategic defense objectives are given, which are: (1) Deter, deny, and defeat attacks on or threats to Australia and its national interests; (2) Make military contributions to support the security of maritime Southeast Asia and support the governments of South

Pacific countries to build and strengthen their security; and (3) Contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order. To maintain the ADF's high level of capability needed to achieve these objectives, the Government will make important investments. In addition to increasing the troop strength by approximately 4,400 personnel,⁸ Australia will acquire high performance equipment, including 12 new submarines,⁹ 3 air warfare destroyers (Aegis vessels), 72 F-35 Joint Strike Fighters, and 7 MQ-4C unmanned patrol aircraft. Simultaneously, Australia will seek to strengthen ISR capabilities, electronic warfare capabilities, and cyber security capabilities, as well as strengthen the functions of its bases in northern Australia and elsewhere. To support these programs by funding, the white paper also presents the concrete target of increasing defense funding to reach 2% of GDP by 2020.

3 Relations with Other Countries

In the Defence White Paper 2016, Australia subscribes to the view that Australia's security and prosperity are directly linked to the development of the nearer region, the Indo-Pacific region, and the global strategic environment. Based on this view, Australia will build and maintain international security relationships to achieve its strategic defense objectives. In particular, Australia will aim to mature and deepen practical engagement with partners across the Indo-Pacific region, including Indonesia, Japan, the ROK, New Zealand, India, and China, while continuing to give the highest priority to its alliance with the United States.

Q See Part III, Chapter 2, Section 1-4-1 (Japan-Australia Defense Cooperation and Exchanges)

1 Relations with the United States

In the Defence White Paper 2016, Australia states that its alliance with the United States pursuant to the Security Treaty between Australia, New Zealand and the United States of America (ANZUS)¹⁰ is based on shared values and will continue to be the centerpiece of Australia's defense policy. Australia notes that the United States, which remains the pre-eminent global military power over the next two decades, will continue to be its most important strategic partner, and the active presence of the United States will continue to underpin the stability of the region. It is stated that Australia thus welcomes and supports the critical role of the United States in ensuring stability in the Indo-Pacific region.

Since 1985, the two countries have been regularly

⁷ The white paper identifies six factors that will shape the security environment of Australia over the next two decades: (1) the roles of the United States and China in the Indo-Pacific region and the relationship between them; (2) challenges to the stability of the rules-based global order; (3) the threat of terrorism to Australians at home and abroad; (4) state fragility caused by uneven economic growth, crime, social, environmental and governance challenges, and climate change; (5) the pace of military modernization and the development of more capable regional military forces; and (6) the emergence of new complex, non-geographic threats (e.g., cyber threats). With regard to (5), the white paper notes that in the Indo-Pacific region, half of the world's submarines and at least half of the world's advanced combat aircraft will be operating and more countries may acquire ballistic missile technology.

⁸ According to the white paper, over the next decade, the number of active duty ADF personnel would be increased to approximately 62,400 personnel from the current approximately 58,000 personnel. If this is realized, the ADF would return to its largest size since 1993.

⁹ The Defence White Paper refers to the submarines to be acquired as "regionally superior submarines." It explains that Australia would select the submarine classification by the end of 2016, and that the first submarine would begin entering service in the early 2030s. Japan, Germany, and France participated in the submarine Competitive Evaluation Process. In April 2016, the Australian Government announced that the French company DCNS was chosen as the partner for building the submarines. In August 2016, it was found that confidential DCNS documents on its submarine order for the Indian Navy had leaked, resulting in rising calls in Australia for a review of the deal. Prime Minister Turnbull emphasized that the submarines being built for Australia are a different type than the one leaked, refuting the need for a review.

¹⁰ A trilateral security treaty among Australia, New Zealand, and the United States, which went into effect in 1952. Since 1986, the United States has suspended its obligation to defend New Zealand due to its adoption of a non-nuclear policy. The treaty is thus effective only between Australia and the United States and between Australia and New Zealand.

convening the Australia-United States Ministerial Consultations (AUSMIN) to discuss major diplomatic and security issues. On the operational front, the two countries have made efforts to increase interoperability through joint exercises, including Exercise Talisman Saber.¹¹ Since April 2012, the U.S. Marine Corps have conducted rotational deployments to northern Australia.¹² On the equipment front, the two countries have been simplifying the export procedures associated with equipment deals pursuant to the Australia-U.S. Defence Trade Cooperation Treaty that entered into force in May 2013. In addition, the two countries are considering the joint development of the F-35 JSF and missile defense cooperation.¹³ Furthermore, bilateral cooperation is being advanced in areas such as ISR, space,¹⁴ and cyber.¹⁵ Since the Abbott administration that was inaugurated in September 2013, Australia has continued to pursue the further deepening of bilateral relations. In August 2014, the two sides signed the Force Posture Agreement which provides a legal framework for the rotational deployment of the U.S. Marine Corps. From October 2014, the ADF has been participating in the combat mission of the U.S.-led operation against ISIL. In July 2015, the two countries conducted a training in which B-52 strategic bombers of the U.S. Forces were flown from the U.S. mainland to drop bombs on an air weapons range in Australia and then returned to the United States. Under the Turnbull administration, at the 30th AUSMIN in October 2015, the two sides signed a joint statement on defense cooperation¹⁶ to serve as a guideline for future defense cooperation, and reaffirmed their strong bilateral cooperation. In October

2016, cost-sharing negotiations for the Force Posture Initiatives were concluded in principle.

Under the Trump administration, AUSMIN was held in June 2017 where they decided to further expand defense and security cooperation. As a result, the detailed progress of these efforts will be a focus of attention in the future.

2 Relations with China

In the Defence White Paper 2016, Australia states that its relationship with China is crucial in different ways from its relationship with the United States, and that it welcomes China's continued economic growth and the opportunities this is bringing for Australia and other countries in the Indo-Pacific. It goes on to say Australia is committed to continuing the development of Australia's defense relations with China, and working to enhance mutual understanding, facilitate transparency, and build trust.

Based on such a policy, Australia and China continuously hold dialogues among their defense authorities,¹⁷ along with exchanges to develop the cooperative relations between their defense forces, including joint exercises and mutual visits by vessels.¹⁸ In April 2016, Prime Minister Turnbull visited China for the first time since taking office where he met with his counterpart Premier Li Keqiang. During the Australia-China summit meeting, an announcement was made about connecting China's "One Belt, One Road" concept with the development of infrastructure in northern Australia.

¹¹ Exercise Talisman Saber, started in 2005, is a biennial combined U.S.-Australia training designed to improve combat readiness and interoperability. About 33,000 U.S. Forces and ADF personnel participated in the exercise held in July 2015.

¹² By way of the Force Posture Initiatives of November 2011, the United States and Australia announced that the U.S. Marine Corps would conduct rotational deployments approximately every six months to Darwin and northern Australia. Accordingly, approximately 200 U.S. Marines were deployed in 2012 and 2013, 1,150 Marines in 2014 and 2015, approximately 1,250 Marines in 2016 and 2017. The Defence White Paper 2016 sets out that the size would be increased to approximately 2,500 Marines by 2020. In addition, under this same initiative, access to Australian military facilities and areas in northern Australia by U.S. Air Force aircraft was set to be expanded, together with opportunities for joint exercises and training. Accordingly, in February 2017, 12 F-22 fighter aircraft were deployed to Australia.

¹³ While Australia considers that the threat of an ICBM attack on Australia is low, it deems there is a possible threat of an attack on Australian territory by a long-range or submarine-launched ballistic missile or cruise missile, as well as attack on the deployed ADF by a short-range ballistic missile or cruise missile. To counter such threats, Australia and the United States have launched a working group to study options that could contribute to missile defense in the region.

¹⁴ Since signing the Space Situational Awareness Partnership in November 2010, Australia and the United States have promoted space cooperation, including the relocation of the U.S. C-band ground-based radar system and the Space Surveillance Telescope to Australia.

¹⁵ At the AUSMIN in September 2011, the two nations signed a joint statement on cyberspace and confirmed that, mindful of their longstanding defense relationship and the ANZUS Treaty, the two would consult together and determine appropriate options to address threats in the event of a cyber attack that threatens the territorial integrity, political independence, or security of either Australia or the United States.

¹⁶ The statement envisions that greater competition for resources and territorial disputes will increase the possibility of miscalculation and the potential for conflict in the Asia-Pacific and Indian Ocean regions, and states that the two countries would further deepen their defense relationship to deal with this. Specifically, the statement sets forth: deeper interoperability; strengthened policy and intelligence cooperation; increased collaboration in science and technology, capability development, and defense industry engagement; and coordinated multilateral engagement.

¹⁷ In July 2014, Fan Changlong, Vice Chairman of the Central Military Commission of the Communist Party of China, visited Australia, and held talks with then Prime Minister Abbott, then Minister for Defence David Johnston, and others. The two sides agreed to hold a U.S.-China-Australia trilateral joint exercise. In addition, Australia and China have regularly convened the Defence Strategic Dialogue since 1997. At the 19th Dialogue held in October 2016, Australian officials, including Air Chief Marshal Mark Binskin, Chief of the Defence Force, and Dennis Richardson, Secretary of the Department of Defence, visited China, where they met with Fang Fenghui, Chief of Joint Staff of the PLA.

¹⁸ In January 2016, three PLA Navy vessels visited Brisbane, Australia to take part in navigation training together with RAN vessels. In August 2016, following on from the previous two years, KOWARI 2016, the third survival training among the United States, China, and Australia, was conducted in northern Australia, with ten personnel participating from each country. In September 2016, Exercise Pandaroo designed to build teamwork, friendship, and trust between the Australian and Chinese forces was carried out in southeastern Australia, with ten personnel participating from each country.

Similar cooperation was brought to light also during the Australia-China Foreign and Strategic Dialogue held in February 2017.

Meanwhile, like the previous Abbott administration, the Turnbull administration has been making Australia's position on China very clear. The Joint Statement of the AUSMIN in October 2015, referring to China by name, expresses strong concerns over recent land reclamation and construction activity in the South China Sea, and calls on all claimant states to halt militarization. When the United States conducted the Freedom of Navigation Operation in the South China Sea in the same month, Minister for Defence Marise Payne of Australia issued a statement expressing strong support for rights to freedom of navigation and overflight under international law.¹⁹ In July 2016, Minister for Foreign Affairs Bishop announced, with regard to the final ruling by the Arbitral Tribunal on the case between the Philippines and China, that Australia would support the rights of all countries that resolve disputes peacefully following international law, including the UNCLOS, and that Australia would continue to exercise its rights related to the freedom of overflight and the freedom of navigation pursuant to international law. In the Defence White Paper 2016, Australia asserts that it will be important for regional stability that China provides reassurance to its neighbors by being more transparent about its defense policies, and expresses particular concern with the unprecedented pace and scale of China's land reclamation activities in the South China Sea.

In October 2015, the Government of the Northern Territory leased to a Chinese company the rights to operate the commercial wharfs of the Darwin Port, also utilized by ADF and U.S. Force vessels. After it became clear that the Australian federal government did not lodge objections, saying there were no security concerns, people expressed uneasiness within and outside of Australia.²⁰ Later, deals involving Chinese companies seeking to acquire Australian facilities continued to emerge.²¹ In January 2017, the federal government of Australia

announced the establishment of a dedicated center within the Attorney General's Department, which will identify facilities requiring surveillance and carefully manage the risks for advising related institutions in order to block the sale of important infrastructure related to national security, including specific ports and harbor facilities, to companies from other countries.²²

3 Relations with India

In the Defence White Paper 2016, Australia states that it welcomes India's increasingly active role in the Indo-Pacific region, and that it sees India as a key security partner. Australia notes that it aims to further mature its defense relationship with India in support of their shared strategic interests.

The Australia-India relationship was elevated to strategic partnership in November 2009, and the two countries have regularly conducted strategic dialogues, mutual visits by senior military officers, interactions among military services, and mutual dispatches of students to military educational organizations. More recently, in November 2014, Prime Minister of India Narendra Modi visited Australia, marking the first visit to Australia by an Indian Prime Minister in 28 years. The two leaders agreed to extend defense cooperation to cover research, development, and industry engagement, to hold regular meetings at the level of Defense Minister and conduct regular maritime exercises, and to convene talks between each of their military services. Accordingly, in June 2015, two Indian Navy vessels made a goodwill visit to Australia, and in September 2015, the first bilateral joint naval exercise AUSINDEX 15 was conducted off the east coast of India.²³ Mutual exchanges between the two countries are steadily progressing, with a contingent from India participating in KAKADU 16, a multilateral maritime training exercise hosted by Australia in September 2016.

 See Chapter 2, Section 7-1-2 (Military Affairs)

¹⁹ In response to China's announcement of the "East China Sea ADIZ" in November 2013, Minister for Foreign Affairs Julie Bishop issued a statement saying Australia has made clear its opposition to any coercive or unilateral actions to change the status quo in the East China Sea.

²⁰ In addition, opposition parties and think tanks raised concerns over the fact that this Chinese company is thought to have close ties with the Communist Party of China and the PLA, and over the fact that the U.S. Forces that utilize Darwin Port were not consulted in advance. According to press reports, then President Barack Obama requested Prime Minister Turnbull to provide advance notice.

²¹ The Government of Australia has struck down the acquisition of a farming company, S. Kidman & Co., which owns land equivalent to about 1% of Australia's landmass and the acquisition of major power company Ausgrid by Chinese companies due to reasons of national security.

²² The newly established Critical Infrastructure Centre is viewed as supporting the Foreign Investment Review Board (FIRB) which screens individual projects and advises the Government.

²³ From Australia, three RAN vessels including a submarine and one patrol aircraft participated. From India, three Indian Navy vessels and one patrol aircraft participated.

4 Relations with Southeast Asia and South Pacific Countries

In the Defence White Paper 2016, Australia regards a secure nearer region encompassing maritime Southeast Asia and South Pacific as its strategic interest. In particular, Australia considers that instability and conflicts in Southeast Asia have the potential to threaten Australia's security and economic relations with countries. Furthermore, Australia depends on maritime trade with Southeast Asian countries and maritime trade that transits Southeast Asia. In this regard, Australia perceives that the security of these sea lanes must be ensured alongside freedom of navigation. Based on this understanding, Australia seeks to make military contributions to support the maritime security of Southeast Asia and support the governments of South Pacific and other countries to build and strengthen their security.

Australia has been deepening its relations with Indonesia in the security and defense fields following the signing of the Lombok Treaty in November 2006, the elevation of their relationship to strategic partnership in March 2010, and the conclusion of the Defence Cooperation Arrangement in September 2012.²⁴ However, issues have emerged, including differences in their responses to stowaways from Indonesia, the case of wiretapping of the Indonesian President and others by Australia's intelligence agency, and the issue of the execution of Australian nationals in Indonesia.²⁵ Consequently, cooperative relations in the security and defense fields stalled intermittently between the two countries. Subsequently, in the second half of 2015, mutual visits by ministers and higher-level officials resumed, including the visit to Indonesia by Prime Minister Turnbull. The Foreign and Defense Ministerial Meeting (2+2) was held in November 2016, and the bilateral relationship is seeing further improvements.²⁶

With Singapore and Malaysia, Australia carries out regular joint combined exercises in the South China Sea and other areas²⁷ under the framework of the Five Power Defence Arrangements.²⁸ Australia considers that Singapore is its most advanced defense partner, and that they share Australia's interest in a secure maritime trading environment. Defense cooperation is also deepening, including the signing of a memorandum of understanding concerning military training and training area development in Australia under the comprehensive strategic partnership in October 2016. As regards Malaysia, Australia stations the ADF in Royal Malaysian Air Force (RMAF) Base Butterworth, and contributes to maintaining regional security and stability through patrol activities in the South China Sea and the northern Indian Ocean.²⁹

Australia plays a leading role in assisting Papua New Guinea, Timor-Leste, and the South Pacific countries in fields such as security maintenance, coping with natural disasters, and maritime patrol.³⁰ In particular, in the field of maritime patrol, Australia still regularly deploys ADF assets to the South Pacific to assist with patrol activities. In addition, in June 2014, Australia unveiled a plan to replace the 22 patrol vessels it provided to these countries in the past.

²⁴ The Lombok Treaty is a security cooperation framework that espouses wide-ranging cooperation in the defense field. It entered into force in February 2008. The Defense Cooperation Arrangement covers strengthened cooperation in counter-terrorism and maritime security.

²⁵ In November 2013, it was reported that an Australian intelligence agency wiretapped the telephone calls of Indonesia's previous President Susilo Bambang Yudhoyono, Mrs. Yudhoyono, ministers, and others. The Indonesian Government lodged strong protests, including summoning the Australian Ambassador to Indonesia and demanding an apology to the Australian Government. The Government also announced the suspension of military exchanges and intelligence cooperation with Australia. In April 2015, two Australians were executed in Indonesia for helping to smuggle drugs, and the Australian Government strongly protested to Indonesia.

²⁶ In January 2017, there was also the incident in which Indonesia announced the temporary suspension of cooperation with the ADF, stating that the curriculum it used contained disparaging remarks about the five founding principles of Indonesia.

²⁷ See Chapter 2, Section 6, Footnote 9.

²⁸ In Exercise Bersama Shield held in April 2016, approximately 200 personnel, vessels including a submarine, and patrol aircraft of the ADF participated. In October 2016, Exercise Bersama Lima was held in Malaysia, Singapore and South China Sea in which approximately 400 personnel, vessels, and patrol aircraft of the ADF participated.

²⁹ See Chapter 3, Section 3-6.

³⁰ Australia has extended proactive assistance for the political and social stability of Timor-Leste since 1999, when the momentum for independence heightened in Timor-Leste. The ADF led the International Stabilization Force (ISF) since 2006, and with the stabilization of the security situation in Timor-Leste, the withdrawal of the ADF was completed in March 2013. In the Solomon Islands, the ADF extended assistance for their stabilization since July 2003 through the Regional Assistance Mission to Solomon Islands (RAMSI). The ADF withdrew from the country in August 2013, when the military activities of RAMSI were completed.

With New Zealand, Australia has an alliance pursuant to the ANZUS Treaty. The two countries hold regular meetings by their leaders and defense ministers, and have maintained close cooperative relations in the security and defense fields through joint exercises and joint activities in the region.

 Chapter 2, Section 6 (Security and Defense Policies of Each Country)

5 Overseas Activities

In the Defence White Paper 2016, Australia identifies the following strategic defense objective: contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order. In line with this objective, as of late June 2017, about 2,350 of Australia's approximately 57,800 force strength³¹ are deployed and are conducting operations overseas.

In Iraq, to support the airstrikes conducted by the U.S. Forces against ISIL in northern Iraq, Australia began air-dropping humanitarian supplies in August 2014 and participating in combat missions such as airstrikes from

October 2014. In addition, Australia has been advising and assisting, as well as providing capacity building assistance to the Iraqi Security Forces on the military front since May 2015. As of late June 2017, about 780 personnel (of which approximately 400 personnel are engaged in assistance in the United Arab Emirates), 6 F/A-18 fighter/attack aircraft, 1 E-7A early warning and control aircraft, 1 KC-30A refueling aircraft, among other assets are carrying out activities in Iraq.

In Afghanistan, since October 2001, approximately 1,550 ADF personnel on average have engaged annually in reconstruction assistance activities and the trainings of the Afghan National Security Forces (ANSF), under the International Security Assistance Force (ISAF). With the completion of ISAF's activities in the end of 2014, about 270 ADF personnel now train, advise, and assist NATO-led Afghan forces. In July 2016, Australia announced that it would extend its support in the region until 2020 in order to solidify the progress that has been made in Afghanistan to date.

³¹ According to "Military Balance (2017)." The breakdown by service is as follows: approx. 29,000 Army personnel; approx. 14,400 Navy personnel; and approx. 14,400 Air Force personnel.