

## Chapter 5

# Australia and Security in the Pacific Islands Region

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### **Executive Summary**

- Australia has been the dominant power in the Pacific Islands region, or the South West Pacific, for at least three decades. Australia's continued regional dominance is assured in the medium term thanks to its prominent position as an aid donor, the strength of its trade and investment links, and the depth of its security cooperation efforts.
- The region has long attracted the interest of major powers. France and the United States hold territories of various statuses in the region. Japan has been a long-term player, and China and Taiwan have been on the scene for many years. There has been speculation that the power dynamics in the region are changing, but the region has not yet become an object of great power competition.
- The relative peace the Pacific Islands enjoy makes it difficult for the region's governments to attract international attention to the serious non-traditional security threats they face. It is in this area that Australia could do more to assist the region by assisting in mitigating and adapting to adverse effects of climate change; managing the impact of natural disasters; and supporting sustainability of the region's fisheries.

## Introduction

Australia, by dint of geography, trade and investment links, tourism, aid, defense assets and sport, has exercised a dominant influence in the Pacific Islands region, particularly in Melanesia, for at least three decades.

Australia's 2013 National Security Strategy identifies the nation's principal and enduring interests in the Pacific Islands region as "security, stability and economic prosperity." The strategy document doesn't address "hard threats," but rather economic, gender, social, governance, and security issues as those that hamper sustainable development and potentially undermine the region's stability.<sup>1</sup>

Future instability in the region — whether it is a further breakdown in law and order in the Solomon Islands; internal conflict in the Southern Highlands of Papua New Guinea; civil unrest in any island country; a return of anti-Chinese riots; or population movements driven by climate change — will demand an Australian response. Affected governments and citizens will look to Canberra for help or guidance. Similarly, other major powers will continue to rely on Australia to respond to crises in the region.

Australia may be the region's dominant player, but the balance of influence has changed since 2003 when Australia drove the establishment of the Regional Assistance Mission to Solomon Islands (RAMSI). China is a much more important player, even if not by strategic design.<sup>2</sup> The United States is more engaged. U.S. Secretary of State Hillary Clinton related at the 2012 Pacific Islands Forum — and the traditional powers and China likely agree — that they all have important contributions to make, and each have a stake in the region's successful advances in security, opportunity and prosperity.<sup>3</sup>

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1 Australian Government, Department of the Prime Minister and Cabinet, "Strong and Secure: a Strategy for Australia's National Security" (Canberra: Department of the Prime Minister and Cabinet, 2013), [http://apo.org.au/files/Resource/dpmc\\_nationalsecuritystrategy\\_jan2013.pdf](http://apo.org.au/files/Resource/dpmc_nationalsecuritystrategy_jan2013.pdf).

2 Jenny Hayward-Jones, "Big Enough for All of Us: Geo-Strategic Competition in the Pacific Islands," Lowy Institute Analysis (Sydney: Lowy Institute for International Policy, 2014).

3 Stephen Dziedzic, "US in Pacific for the Long Haul: Clinton," *ABC News*, September 1, 2012, <http://www.abc.net.au/news/2012-09-01/us-in-pacific-for-the-long-haul-clinton/4237756>.

## **Australia's Regional Economic Dominance**

Australia's dominant influence in the region is underlined by its status as the region's primary trading partner and aid donor, and most prominent investor. Australia's merchandise trade with the Pacific Islands was worth over AUD\$7 billion in 2013<sup>4</sup>.

Australia is a significant partner of the Pacific Islands Forum Secretariat (PIFS). In signing the Australia-PIFS partnership for 2014-2016 in April 2014, it pledged AUD\$21.6 million to support advancing regionalism, which includes regional security initiatives.<sup>5</sup>

### **Australia as the Dominant Aid Partner**

Nothing illustrates Australian predominance more than its aid commitment to the region. Australia committed more than AUD\$1.1 billion to the Pacific Islands in the 2014-2015 financial year; the vast majority of which is spent in Melanesia (principally Papua New Guinea and Solomon Islands).<sup>6</sup>

In 2012 — the most recent year for which comparative data is available from the Organization for Economic Co-operation and Development — Australia's net disbursements totaled US\$1.147 billion, which constituted 60 percent of the bilateral and 54 percent of the Pacific Islands region's total aid.<sup>7</sup> According to OECD Development Assistance Committee statistics for 2012, the next biggest OECD donors are the United States, New Zealand, Japan and France.<sup>8</sup>

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4 Department of Foreign Affairs and Trade, *Composition of Trade Australia 2013*, <http://www.dfat.gov.au/about-us/publications/Documents/cot-cy-2013.pdf>.

5 "Australia and Pacific Islands Forum sign new agreement," <http://www.forumsec.org/pages.cfm/newsroom/press-statements/2014-1/australia-pacific-islands-forum-sign-new-agreement.html>

6 Senator the Hon Brett Mason, "Deputy Prime Minister Truss and Parliamentary Secretary to the Minister for Foreign Affairs to attend the Pacific Islands Forum Leaders' Meeting," news release, July 28, 2014, [http://ministers.dfat.gov.au/mason/releases/Pages/2014/bm\\_mr\\_140728.aspx](http://ministers.dfat.gov.au/mason/releases/Pages/2014/bm_mr_140728.aspx).

7 Organization for Economic Co-operation and Development, "Oceania," *Development Aid at a Glance: Statistics by Region*, 2014, <http://www.oecd.org/dac/stats/documentupload/6.%20Oceania%20Development%20Aid%20at%20a%20Glance%202014.pdf>, 2.

8 Ibid.

Australia is the region's leading donor by a significant margin, but new development assistance is coming from as far as Russia, South Korea, India, United Arab Emirates, Kuwait and Qatar.

## China

China's global aid program has grown as has its economy and defense spending. From 2006 to 2011, it gave approximately \$850 million to the eight Pacific Island states that recognize it as the "one China," making it the region's fifth largest donor over this period.<sup>9</sup> In contrast, in that same period, Australia gave more than five times that amount: \$4.8 billion. The United States gave \$1.27 billion, New Zealand provided \$900 million, and Japan gave \$869 million.<sup>10</sup>

China's growing engagement in the Pacific Islands has fueled talk of a power struggle in the region. But viewing China's regional activities in geo-strategic terms is inappropriate and potentially counterproductive. China has not been disruptive — in a security sense — in Pacific Island countries; it has been a largely constructive partner, with its aid and investment largely concentrated in building infrastructure.<sup>11</sup>

## The Traditional Security Domain

Australia is the key security partner for many Pacific Island states. More broadly, it bears much of the security responsibility for the South Pacific, which it identified in the 2013 Defence White Paper as one of Australia's four key strategic interests.<sup>12</sup>

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9 Hayward-Jones, Big Enough.

10 Ibid.

11 Ibid.

12 Australian Government, Department of Defence, *Defence White Paper 2013* (Canberra: Department of Defence, 2013), [http://www.defence.gov.au/whitepaper2013/docs/WP\\_2013\\_web.pdf](http://www.defence.gov.au/whitepaper2013/docs/WP_2013_web.pdf), 25. The Defence website is currently undergoing a redevelopment and upgrade and the page cannot be opened.

In support of these strategic interests, Australia spends \$53 million per annum on defense cooperation with Papua New Guinea and other Pacific Island countries, and \$130 million on securing the neighborhood.<sup>13</sup>

The United States, while it retains primacy in the Asia-Pacific region as a whole, looks to Australia to take the lead on regional security for the South West Pacific, while it retains direct responsibility in the North Pacific. New Zealand provides for the security of Cook Islands, Niue, and Tokelau, while France guarantees the security of the French Pacific with defense forces based in New Caledonia and French Polynesia.

Australia, New Zealand and France actively cooperate on defense, disaster relief and regional maritime surveillance under the FRANZ arrangement, in place since 1992.<sup>14</sup> There are also cooperative arrangements between Australia, New Zealand, France and the United States that coordinate surveillance in the region.

Japan demonstrates renewed strategic interest in the region by its participation in Pacific Partnership humanitarian missions and its aid to Pacific Island countries. It has also shown interest in the PNG's Liquid Natural Gas Project, highlighted by Prime Minister Shinzo Abe's visit to Papua New Guinea in July 2014, and cooperation on military training with the Australian Defense Force, PNG Defense Force and U.S. Armed Forces.<sup>15</sup>

China's contributions include refurbishing barracks in and providing military uniforms, vehicles and other non-lethal equipment to Fiji, Papua New Guinea and Tonga. China also provides some training to the Fiji military.<sup>16</sup>

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13 Jenny Hayward-Jones, "Dreaming of China in the Pacific Islands," *The Interpreter* (blog), May 16, 2013, <http://www.lowyinterpreter.org/post/2013/05/16/Dreaming-of-China-in-the-Pacific-Islands.aspx>.

14 New Zealand Government, Ministry of Foreign Affairs and Trade, "Key Pacific Issues – Disaster Relief" (Auckland: Ministry of Foreign Affairs and Trade, 2013), <http://www.mfat.govt.nz/Foreign-Relations/Pacific/0-disasterrelief.php>.

15 Jemima Garrett and Liam Cochrane, "Thousands greet Japanese Prime Minister Shinzo Abe as he visits a World War II Battlefield in PNG," *ABC News*, July 11, 2014, <http://www.abc.net.au/news/2014-07-10/japan-pm-shinzo-abe-arrives-in-png/5588602>.

16 Hayward-Jones, *Big Enough*.

Military cooperation between Australia and China beyond the Pacific Islands suggests China will not seek a disruptive security presence in the region. Australian troops, alongside New Zealand and U.S. forces, are due to train on the ground in China for the first time. Chinese troops are also coming to Darwin to train with Australian soldiers and U.S. Marines.<sup>17</sup> China also invited two Australian Defence Force (ADF) doctors to join their People's Liberation Army (PLA) hospital ship *Peace Ark* on its 2014 humanitarian mission in the Pacific Islands.<sup>18</sup>

## Australia's Dominant Security Role

The Regional Assistance Mission to Solomon Islands (RAMSI) is the most striking example of Australian security dominance and influence in the Pacific Islands. It cost Australia AUD\$2.6 billion over a decade, with Australian funding making up 95 percent of overall mission costs. The nation spent AUD\$2.2 billion on law and justice operations alone — 83 percent of overall costs. Defence absorbed AUD\$406 million, while the Australian Federal Police (AFP) spent almost AUD\$1.5 billion. It was a high price to pay for restoring stability in a small country. There were nevertheless many laudable achievements for RAMSI, the most important of which was the value of working with the whole region. The cooperation of defense and police forces from every country in the region was vital to the mission's success.<sup>19</sup>

Defence support is underpinned by 24 Royal Australian Navy maritime surveillance and technical advisers located across the Pacific Islands (two additional participants are Royal New Zealand Navy personnel). In June 2013, a new training contract was established for the provision of training

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17 Jesse Dorset, "Chinese Troops to Train with Australian Army and US Marines for First Time," ABC News, July 18, 2014, <http://www.abc.net.au/news/2014-07-18/chinese-troops-to-train-with-australian-army/5605982>.

18 Australian Government, Department of Defence, "ADF Deploys with Chinese Navy Hospital Ship," news release, Sept. 9, 2014, <http://news.defence.gov.au/2014/09/09/adf-deploys-with-chinese-navy-hospital-ship/>

19 Jenny Hayward-Jones, "Australia's Costly Investment," Lowy Institute for International Policy, May 8, 2014, <http://www.lowyinstitute.org/publications/lessons-ramsi>.

services in support of the program.<sup>20</sup>

More recently, the government approved almost AUD\$594 million in purchase costs and AUD\$1.38 billion for maintenance and personnel costs over the next thirty years of the updated Pacific Maritime Security Program.<sup>21</sup>

The program, which replaces the Pacific Patrol Boat Program, assists Pacific Island countries in managing their exclusive economic zones. The program is a key element of Australia's defense engagement in the Pacific Islands region and provides financial, technical, logistics, maintenance, training, and other support to 22 patrol boats across 12 Pacific Island countries. The boats are the sovereign assets of Pacific Island countries and are used principally for maritime surveillance and law enforcement tasks.<sup>22</sup>

## **Pacific Islands Defense Forces**

Among Pacific Island nations, only Papua New Guinea, Fiji and Tonga have their own military forces, although the Vanuatu Police have a paramilitary wing. These militaries are small and lightly equipped; none would be capable of defending their nations against a foreign military force. In Fiji, the military itself has been a major contributor to domestic instability. In Papua New Guinea, certain undisciplined forces have instigated violence against civilians.

The Tongan military benefits from a close relationship with the U.S. and Australian militaries, and has deployed to Afghanistan and Iraq, but has only done so with significant financial and material assistance from the United States and Australia.<sup>23</sup>

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<sup>20</sup> Australian Department of Defence, Defence Annual Report 2012-13, [http://www.defence.gov.au/annualreports/12-13/part\\_two/program\\_1\\_1.asp](http://www.defence.gov.au/annualreports/12-13/part_two/program_1_1.asp).

<sup>21</sup> Minister for Foreign Affairs and Minister for Defence, Australia, "Maritime security strengthened through Pacific Patrol Boat Program," news release, June 17, 2014, <http://www.minister.defence.gov.au/2014/06/17/minister-for-foreign-affairs-minister-for-defence-maritime-security-strengthened-through-pacific-patrol-boat-program/>.

<sup>22</sup> Karl Claxton, "Boats to Patrol the Pacific," The Strategist (blog), April 7, 2014, <http://www.aspistategist.org.au/boats-to-patrol-the-pacific/>.

<sup>23</sup> U.S. Department of State, Bureau of East Asian and Pacific Affairs, "US Relations with Tonga" (Washington: U.S. Department of State, 2014), <http://www.state.gov/r/pa/ei/bgn/16092.htm>.

The PNG military's main roles are enforcing internal law and order, and border protection. It has been careful to maintain its independence from the nation's famously unstable political situation, but is not consistently reliable.

Although Fiji's military contributes to UN operations, most prominently in the Sinai and Golan Heights, it is lightly equipped and suffered suspension from the Australian Defence Force's (ADF) Defence Cooperation Program after the 2006 coup.

The ADF maintains an approximately AUD\$27 million Defence Cooperation Program (DCP) with Papua New Guinea, comprised of training, exercises, technical advice and infrastructure upgrades. This was enhanced in May 2013 with the signing of the Defence Cooperation Arrangement, which provides a framework of principles as a point of reference for future cooperation between the two countries.<sup>24</sup>

In the wider Pacific Islands, the AUD\$31 million Australian DCP assists defense and police forces through the provision of advisers, capability, infrastructure development, and support for exercise participation.<sup>25</sup>

Defence and security issues are increasing in profile in the region. South Pacific defense ministers met for the first time formally in Tonga in May 2013. The meeting included participation from Australia, New Zealand, Papua New Guinea, Tonga, France, and Chile. Ministers agreed it was important to build within the region's traditional and new partners an awareness about the region's unique security challenges.<sup>26</sup> The meeting also resulted in the announcement of the new "Povai Endeavour," a cooperative arrangement between the ADF and Pacific Island militaries to carry out regional exercises.<sup>27</sup>

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24 Australian High Commission Papua New Guinea, "Senator Feeney's Visit to Papua New Guinea" (Port Moresby: Australian High Commission Papua New Guinea, 2013), <http://www.png.embassy.gov.au/pmsb/72.html>.

25 Hayward-Jones, "Big Enough."

26 Australian Government, Department of Defence, South Pacific Defence Ministers' Meeting Joint Communiqué (Canberra; Department of Defence, 2013), <http://www.minister.defence.gov.au/files/2013/05/South-Pacific-Defence-Ministers-Meeting-Joint-Communique2.pdf>.

27 Ibid.

At this time, it is difficult to see state-to-state conflict arising in the Pacific Islands region. Australia's National Security Strategy 2013 identifies the more likely risk to its interests as "another state seeking to influence Australia or its regional and global partners by economic, political or military pressure."<sup>28</sup> The 2013 Defence White Paper states Australia needs to ensure "that no major power with hostile intentions establishes bases in our immediate neighborhood from which it could project force against us."<sup>29</sup>

The nation's forthcoming 2015 Defence White Paper is likely to reconfirm the strategic importance of the Pacific Islands region to Australia, but may have more to say about cooperation in regional security.

Most island states in the region (with the possible exception of Fiji) are not seeking to change the existing security order, even if they could; although, they are keen to attract new external aid and commercial partners. Their attitude was best summed up by Papua New Guinea Prime Minister Peter O'Neill, who said his nation's paramount strategic and security relationships were with Australia and the United States, but his country will continue to look for economic growth opportunities throughout Asia, as well as in Australia.<sup>30</sup>

## **Non-traditional Threat Domain**

The Pacific Islands region is widely regarded as being peaceful, which means it is not on the radar of international security experts or on the agenda of the UN Security Council. In a world distracted by security crises in the Middle East and Ukraine, and China's activity in East Asia, it's difficult to attract much-needed international attention to non-traditional security threats affecting the Pacific Islands region.

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28 Department of Prime Minister and Cabinet, "Strong and Secure," 11.

29 Department of Defence, Defence White Paper 2013, 25. No file, see above footnote 12.

30 Peter O'Neill, "Papua new Guinea in the Asian Century" (speech, Lowy Institute for International Policy, Sydney, November 29, 2012).

Australia can continue to play an important role in working with the Pacific Islands region on non-traditional security issues. Australia, together with New Zealand and France, under the terms of the “FRANZ” arrangement, are usually the first foreign responders after cyclones, earthquakes and tsunamis hit countries in the region, quickly mobilizing defense and aid assets to assist affected populations.<sup>31</sup>

Australia has made sizable aid contributions to assist Pacific Island countries in responding to climate change challenges. However, Australia’s current lack of attention to climate change on a global scale has disappointed Pacific Island states.<sup>32</sup> They have urged Australia to alter its climate change policy.<sup>33</sup> The region’s leaders look to Canberra to take a leading role in acting on this issue and advocating for the needs of small island states in international forums.

Another regional issue — illegal, unreported and unregulated fishing — is the main reason for reduction in the region’s fish stock. Australia has cooperated in fisheries surveillance, largely through the Pacific Islands Forum Fisheries Agency, and in monitoring the exclusive economic zones of respective Pacific Island countries through the Pacific Patrol Boat Program, now known as the Pacific Maritime Security Program.<sup>34</sup>

## Fiji

Fiji’s isolation from the region since the 2006 coup has led it to pursue relationships with other powers and emerging economies, and promote sub-regional arrangements that do not include Australia. This approach

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31 New Zealand Ministry of Foreign Affairs and Trade, Key Pacific Issues – Disaster Relief, <http://www.mfat.govt.nz/Foreign-Relations/Pacific/0-disasterrelief.php>.

32 Nick O’Malley, “Australia is a Pacific island - it has a responsibility,” *The Sydney Morning Herald*, September 21, 2014, <http://www.smh.com.au/world/australia-is-a-pacific-island--it-has-a-responsibility-20140921-10jwdw.html>.

33 Catherine McGrath, “Pacific nations urge climate change action, ask Australia for help,” Australian Broadcasting Corporation, May 26, 2014, <http://www.abc.net.au/news/2014-05-27/pacific-countries-make-climate-change-appeal/5481050>.

34 “Pacific Island Forum Fisheries Agency,” <https://www.ffa.int/about>.

served to diminish Australia's role in dominating the regional conversation about security issues. For example, Fiji has sought military assistance from China, Russia, United Arab Emirates, and Israel because of the suspension of defense cooperation with Australia. The Fiji government has signed memorandums of understanding on military cooperation with China, Russia, and United Arab Emirates, and has approached Brazil about a similar arrangement.

Australia is re-establishing defense cooperation ties with Fiji following the island state's Sept. 17, 2014, democratic elections. In the lead up to the elections, Australia ensured that Fiji received Australian intelligence and other cooperation during international efforts to secure the release of 44 Fijians captured in the Golan Heights.<sup>35</sup> The 44 were participating in a UN Disengagement Observer Force.<sup>36</sup> Additionally, Vice Admiral Ray Griggs, ADF vice-chief, visited Fiji in December 2014, holding talks with Timoci Natuva, Fiji's Minister of Defense, National Security and Immigration. It was Australia's first senior officer visit to Fiji since 2006.<sup>37</sup>

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35 Minister for Foreign Affairs, Australia, "Detention of Fiji Peacekeepers," news release, August 30, 2014, [http://foreignminister.gov.au/releases/Pages/2014/jb\\_mr\\_140830b.aspx](http://foreignminister.gov.au/releases/Pages/2014/jb_mr_140830b.aspx).

36 Ibid.

37 "Aust, Fiji move to resume defence ties," news.com.au, December, 9, 2014, <http://www.news.com.au/national/breaking-news/aust-fiji-move-to-resume-defence-ties/story-e6frku9-1227149922471>.

## **Conclusion**

Australia may not always be the Pacific Islands region's most influential player from an economic perspective, but is the Pacific Islands region's **in-dispensable** power from a security perspective.

Australia, like other dominant players in their own regions, will always be both damned and praised for its various actions. It has led important security interventions, including helping restore and build peace in Bougainville and restoring law and order in the Solomon Islands. But, it has not done as well as it could in responding to climate change concerns.

Australia has much work to do in understanding security from a Pacific Island viewpoint; it remains, however, the power most able and most likely to guarantee regional security in the interests of the Pacific Islands region's people.