

Conclusion

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This book has illustrated the primacy of the Asia-Pacific region in Russia's developing foreign energy strategy. While not necessarily a 'pivot' to the East, the Kremlin's new-found perception of its energy export potential as flexible and agile enough to move between both Europe and Asia warrants further attention. After all, increased Russian product dilutes the potential market share for others. While some may argue that competition is good for markets, with consumers and end users winning in the energy price 'wars' that result from over-supplied markets, from an energy security perspective, weathering such shifts requires a clear, cohesive national energy strategy—something Australia still lacks.

On the doorstep of vast reserves, the Asia-Pacific will account for the majority of growth in terms of future energy demand. For Moscow, this is a welcome reorientation of economic growth and energy demand. Russia's energy sphere accounts for more than a quarter of its gross domestic product and almost two-thirds of the Russian export market. Moscow is planning for the Far East to account for 40 per cent of Russia's oil and gas exports. Russian liquefied natural gas exports to Asia are expected to rise from 6 per cent to 30 per cent by 2035, which is fitting given the future of global energy demand is also to be found in the Asia-Pacific.

An array of direct and indirect implications for Australia stem from Russian foreign energy strategy in Asia. Of course, the starkest is that Australia is set on a potential collision course when it comes to fuelling the Asia-Pacific. The Australian Government should watch Russia's Northern Sea Route (NSR) development closely, as a key component of Russia's new energy strategy (as outlined by Tatiana Romanova) is the creation of a new global energy corridor for Asia. This has substantial implications for Australia. The Asia-Pacific currently relies on the Malacca Strait

corridor to receive goods and most of our energy needs. This corridor is congested, poorly secured and has long lead times—all of which factor into increasing transportation costs. These costs are carried over to the consumer. Russia's NSR, which can currently operate 3–4 months of the year for Asia (and year-round for Europe), offers a viable alternative to fuel the Asian market in terms of liquefied natural gas (LNG). Thanks to climate change, in the coming years the NSR will be passable year-round. This reorientation of global energy corridors provided by the NSR will ultimately make Australia an extremely expensive import and export market.

In both supply and demand terms, Canberra is at the mercy of market shifts and geopolitical developments in the Asia-Pacific (and, in some places, contested, regional sea lines of communication), and is facing increased LNG competition from allies and adversaries alike, not to mention the increased threat posed by cyber-attributed attacks on critical infrastructure internationally. Australian energy security is at risk in numerous ways: for example, targeted attacks on shipping logs, and logistical platforms tracking or calculating fuel at sea on its way to Australia. A tanker's navigation system might be targeted, the energy major's cyber system could be infiltrated and Australian fuel delivery orders doctored. Climate change is evidently eroding Australia's coastal communities, which will no doubt impact the port infrastructure we rely upon to receive fuel supplies.

Australia's mining boom was great while it lasted. But policymakers failed to futureproof Australian energy security during those days, and the window for action during today's LNG advent is closing swiftly. Of course, it is easy to argue that competing states have undermined our energy security position, particularly Russia in the Asia-Pacific LNG sphere. However, the real hurdle is overcoming the national 'she'll be right' mentality that permeates all energy stakeholders—policymakers, energy firms and the private sector as well as the local citizen consumer.

Further areas for research into this complex challenge include questioning the utility of nationalising the Australian energy sector. The state leaves (what little energy security planning we do) to the private sector to manage. Australia is the only member state of the International Energy Agency to consistently fail to uphold its obligation to have adequate emergency fuel stockpiles. In early 2020, Canberra made some moves to rectify this national challenge—by tapping into the US emergency oil stockpile.

Given the vast array of regional stockpile options at hand—India or South Korea, for example—the turn to America clearly demonstrated the influence of politics.

The year 2020 also ushered in another variable to the energy security picture: COVID-19. The pandemic has further underscored the strategic primacy of supply security and sea lines of communication. Conversely, energy demand has contracted to the point that there is a global supply glut, driving down energy prices and eroding Australia's export market demand. This strategic shock has highlighted the need to think long term and in 'new ways' about energy security. Self-sufficiency is back in vogue and Australia is increasingly talking about green energy economies and renewables in our energy mix. Society is also warming to increased discussion around the role of nuclear energy in Australia's energy future.

The Asia-Pacific will account for the majority of growth in terms of future global energy demand. For Moscow, this is a welcome nearby sphere for economic growth and energy demand. Russia's edge remains its cheaper gas product, geographical proximity to Asia's growing market and clear strategic policy for energy exports. Australia could craft a viable energy export policy and seek to develop a cheaper product, but it cannot change geography. Canberra needs to rethink the paradigm.

To ensure energy security for the nation, Australia should be looking to avenues to end its energy import over-reliance. As well as developing an indigenous energy alternative—whether nuclear or using our own LNG exports—Australia needs to reduce its over-dependency on foreign energy supplies. On the export side, Australia must innovate with regards to the Asia-Pacific market. Noting the Pacific Step-Up strategy of the Australian Government, priority could be assigned to developing green energy economies with our nearby Pacific Island neighbours.

Crafting a serious energy security strategy is not an insurmountable task for Australia—anything would be an improvement. That said, there is great opportunity and agility to think outside the box and table a strategy that gets the energy security balance just right—for the long haul. Russia views energy as a strategic commodity; for Australia to have a fighting chance at securing its energy future, Canberra ought to start doing the same.

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