The years after 2007 saw considerable policy continuity in Australia’s Association of Southeast Asian Nations (ASEAN) relations. Australia concluded a multilateral free trade agreement with ASEAN and New Zealand and joined new ASEAN-sponsored ministerial-level dialogues in economic cooperation and defence and security, the Regional Comprehensive Economic Partnership (RCEP) negotiations and the ASEAN Defence Ministers’ Meeting (ADMM) Plus Eight. ASEAN in this period was moving to consolidate its own cooperation through the development of a new Charter as it pursued the commitments it had made in 2003 to develop an ‘ASEAN Community’. Australia strengthened its institutional linkages with ASEAN and appointed an ambassador to the Association in 2008. Australia, however, also encountered substantial discord with ASEAN over a proposal for a wider regional ‘Asia Pacific Community’. A key theme recurred – the challenges for Australia in relating to ASEAN as an institution. To explore these issues, this chapter discusses in turn the Kevin Rudd Government’s ASEAN policies with particular reference to the Asia Pacific Community proposal and regional responses; the Julia Gillard Government’s approach to ASEAN including regional economic and security cooperation, increasing tensions in relation to the South China
Sea and developments in Myanmar; and Tony Abbott’s government, the 2014 Commemorative Summit and the continuing challenge of major power competition in Southeast Asia.

The Rudd Government, Southeast Asia and ASEAN

From December 2007 to September 2013, Australian policies towards Southeast Asia and ASEAN were directed by Labor governments led first by Rudd and then by Gillard (from June 2010), with Rudd making a brief return to office as prime minister (June to September 2013). Rudd as Opposition spokesperson on foreign affairs and then as leader of the Australian Labor Party from December 2006 had advanced a foreign policy for Labor based on ‘three pillars’—commitment to the US alliance, emphasis on engagement with the Asia-Pacific, and support for the United Nations (UN) and multilateral cooperation. This was effectively a restatement of long-standing Labor Party emphases in Australian foreign policy, rather than a new departure. Rudd was also highly critical of some of the John Howard Government’s foreign policies, especially its support for the US-led invasion of Iraq in 2003. In office after the elections of 24 November 2007, the Rudd Government placed special emphasis on Australia’s major power relations. Rudd reaffirmed the primacy of the alliance with the US as ‘our key strategic partnership and the central pillar of Australian national security policy’. The evolution of the US role in the Asia-Pacific and in particular its relationship with China was crucial; Rudd said in April 2008 of the US and China that ‘[f]or Australia, the single core question of whether ours will be a Pacific century rests on the long-term management of this most critical relationship’.

1 See Kevin Rudd, ‘Smart Power’, The Diplomat, February–March 2007.
5. FROM THE ‘ASIA PACIFIC COMMUNITY’ TO THE FORTIETH ANNIVERSARY SUMMIT

A key element in the Rudd Government’s approach to regional security challenges was its proposal for an ‘Asia Pacific Community’ (see below). In the multilateral arena, the government sought a seat on the UN Security Council (ultimately secured for the 2014–2015 term), gave special emphasis to the development of the G20 (Group of Twenty) grouping, and made substantial efforts through the G20 to coordinate approaches to the global financial crisis from late 2008 (the dominant concern for the government in 2008 and 2009). Australia sought to contain the dangers from nuclear weapons by supporting the International Commission on Nuclear Non-proliferation and Disarmament. In 2010, Australia also finally gained membership in the Asia–Europe Meeting (ASEM) process, as a part of the ‘Asian’ side of the dialogue. This brought to realisation for Australia a group membership – with an ‘Asian chair’ – that Australia had sought since Paul Keating’s government in the early 1990s, although by the time Australia joined the success was primarily symbolic since ASEM had not attained a profile among the first rank of Asian and Asia-Pacific regional forums.

With ASEAN, there were substantial areas of policy continuity in the Rudd Government’s approach. ASEAN itself had been moving to enhance its corporate character by adopting a new Charter. The Charter reaffirmed the key bases for ASEAN’s cooperation, made some revisions to the Association’s institutional structure and gave it a formal legal identity for the first time. A significant outcome of the Charter was an increased declaratory focus for ASEAN on human rights. In line with Article 14 of the Charter, the ASEAN Intergovernmental Commission on Human Rights was inaugurated in 2009. The commission followed long-standing ASEAN practices by

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5 Facing ASEAN opposition, this proposed ‘large C’ community became a discussion about a ‘small c’ community.
not including procedures for compliance or enforcement. ASEAN also issued a Human Rights Declaration in 2012. These developments were viewed as a cautious extension of ASEAN’s ambitions for regional dialogue.10

After the inauguration of the Charter, ASEAN was keen for dialogue partners to raise the profile of their institutional links with the Association. On 13 June 2008, Rudd visited the ASEAN Secretariat in Jakarta, and was the first head of government of a dialogue partner to do so. During the visit he announced the inauguration of the second phase of the ASEAN–Australia Development Cooperation Program through which Australia would provide high-level policy advice, research and implementation support to assist ASEAN in key areas of its economic cooperation, including harmonisation of standards, elimination of tariffs and reduction of non-tariff barriers. This assistance was a significant support for development of the ASEAN Economic Community, a key goal for the Association.11 In July 2008, the Minister for Foreign Affairs Stephen Smith announced that Australia would upgrade relations by nominating an ambassador to ASEAN. The ambassador would be a senior, Canberra-based diplomat whose duties would include participating in meetings at the ASEAN Secretariat and in other regional ASEAN meetings.12

The Rudd Government finalised the process begun under the Howard Government of negotiation of a trade agreement to link the ASEAN Free Trade Area with the Australia–New Zealand Closer Economic Relations (CER) and this was announced on 28 August 2008. The ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA) was introduced with an enthusiastic statement by the 12 trade ministers involved: ‘The Ministers noted that the Agreement is an important milestone in the long-standing ASEAN–CER comprehensive partnership. As a living document, the Agreement

brings to a new height the level of cooperation and relationship between the governments of ASEAN, Australia and New Zealand as well as its [sic] peoples.\textsuperscript{13}

The Australian Government saw substantial benefits for Australian traders, including extensive tariff reductions, regional rules of origin that could provide new opportunities for Australian exporters to tap into production networks in the region, promotion of greater certainty for Australian service suppliers and investors including through enhanced protection for Australian investors in ASEAN members, and additional economic cooperation and business outreach programs.\textsuperscript{14}

The AANZFTA came into force in January 2010.\textsuperscript{15} Its potential impact on trade varied, essentially because ASEAN had made more progress on liberalising trade in goods than in services. The agreement would also come into effect gradually, because some ASEAN members needed time to adjust their domestic frameworks of laws and regulations and because some areas of liberalisation would not be implemented fully until at least 2020. It was difficult to assess the likely long-term impact of the agreement, but it marked a major advance in the institutional relationship.\textsuperscript{16}

\section*{Australia’s ‘Asia Pacific Community’ proposal}

Other aspects of the Rudd Government’s approach proved controversial. As discussed in previous chapters, Australia’s relations with ASEAN have had tensions stemming from Australia’s interest in cooperation on a broader regional basis that can involve participation by ASEAN and the major powers (including Australia’s ally the United States).

\begin{flushright}
\textsuperscript{14} Australian Department of Foreign Affairs and Trade, ‘Overview and Key Outcomes of the ASEAN–Australia–New Zealand Free Trade Agreement’, Department of Foreign Affairs and Trade Speaking Notes for Presentation at Austrade’s ASEAN Now seminars, 15–30 October 2009; Minter Ellison Lawyers, ‘The ASEAN Australia New Zealand Free Trade Agreement: Our Overview and Assessment’, April 2009.
\textsuperscript{15} The parties to the AANZFTA signed a protocol in August 2014 to provide improved administrative efficiency for customs authorities and to encourage enhanced business utilisation of the agreement; see Australian Department of Foreign Affairs and Trade, ‘Signature of AANZFTA Protocol’, media release, 27 August 2014.
\end{flushright}
Some early tension was evident in 1973 and 1974 when Gough Whitlam’s government proposed an Asia-Pacific forum (as discussed in Chapter 1). ASEAN sensitivity about its identity and position were also issues in the negotiations that led to the advent of the Asia-Pacific Economic Cooperation (APEC) grouping and the ASEAN Regional Forum (ARF) in the period 1989–94 (discussed in Chapter 3). In 2008, Australian interests in regional institutional design again produced a contest with ASEAN.

Rudd had come to office with a particular interest in relations among the major powers, especially the US and China, and in the potential for multilateral cooperation to help manage and stabilise regional and international relationships. In 2005, Australia had gained membership in the new East Asia Summit with the 10 ASEAN members, plus Japan, China, South Korea, India and New Zealand. On 4 June 2008, Rudd put forward a further ambitious proposal for multilateral cooperation. In a speech to the Asia Society AustralAsia Centre, he argued that it was desirable to review the long-term vision for the ‘architecture’ for the Asia-Pacific region. Strong and effective regional institutions, he suggested, were needed ‘that will underpin an open, peaceful, stable, prosperous and sustainable region’. Rudd said that ‘we need to have a vision for an Asia Pacific Community’, which he suggested should be achieved by 2020. This vision needed to embrace ‘a regional institution that spans the entire Asia-Pacific region – including the United States, Japan, China, India, Indonesia and the other states of the region’, and ‘a regional institution which is able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges related to security’. Rudd argued that ‘at present none of our existing regional mechanisms as currently configured are capable of achieving these purposes’ and proposed ‘a regional debate about where we want to be in 2020’.

On the sensitive issue of how such a concept might affect existing regional institutions, Rudd said:

Such a debate does not of itself mean the diminution of any of the existing regional bodies. APEC, the ASEAN Regional Forum, the East Asia Summit, ASEAN Plus Three and ASEAN itself will continue

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17  Kevin Rudd, ‘It’s Time to Build an Asia Pacific Community’, Address to the Asia Society AustralAsia Centre, Sydney, 4 June 2008.
18  Ibid.
to play important roles, and longer-term may continue in their own right or embody the building blocks of an Asia Pacific Community. There will be wide ranging views about this across the region – some more supportive than others. New bodies and new ideas will continue to emerge.\textsuperscript{19}

Rudd mentioned the example of the European Union (EU), saying that while it was not an ‘identikit model’, the European case showed that it was necessary to take the first step. ASEAN, Rudd argued, was an example of the benefits of a long-term vision. ‘In a diverse region, ASEAN has brought together a varied group and forged a common outlook on many questions. ASEAN has built habits of cooperation and dialogue. And ASEAN has played a critical role in building and maintaining peace in the region through its work.’\textsuperscript{20}

In this speech, Rudd had recognised and praised ASEAN. However, his speech could also be seen as an implicit criticism of ASEAN’s efforts so far in sponsoring the ARF and the East Asia Summit as useful but inadequate bases for longer-term institutional development.\textsuperscript{21} Rudd’s comment that regional groupings, including ASEAN, would ‘continue to play important roles’, might ‘continue in their own right’, or indeed even ‘embody the building blocks of an Asia Pacific Community’, could be seen as a surprisingly casual reference to East Asia’s leading regional group, whose members might well not have welcomed the idea of their Association being considered as a building block for a wider community that they had not proposed.

Rudd announced that he had appointed Richard Woolcott (former secretary of the Department of Foreign Affairs and Trade (DFAT) who had been Prime Minister Bob Hawke’s envoy during the development of APEC) as his special envoy to consult on the proposal. Woolcott later confirmed that he had less than one day’s advance notice about the speech and his own nomination as special envoy.\textsuperscript{22}

\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid.
\textsuperscript{22} Richard Woolcott, interview with Graeme Dobell, Sydney, October 2010 (used with the permission of Mr Dobell).
Early comments in the Australian media noted that the Asia Pacific Community proposal had been announced with little advanced preparation or consultation and at an early stage in the Rudd Government’s term in office. Michelle Grattan described the announcement as ‘breathtaking’ but added that ‘[r]egional countries might see Rudd’s initiative as the new boy on the block getting above himself. Best to wait awhile before you throw your weight around’.23

Some initial reactions in the ASEAN region were favourable. A senior Indonesian analyst, Hadi Soesastro, indicated support for the principles and vision underlying the proposal and said that Indonesia should back Australia on it:

Australian critics of Prime Minister Rudd’s Asia Pacific Community initiative have got it wrong about the idea not being well thought out. Kevin Rudd’s initiative should be seen as an invitation to other leaders, policy makers, and thinkers in the region to join ... in a serious discussion about how best the Asia Pacific region could be organized. If Rudd had come up with a fully-baked proposal, the exercise could be self-defeating. Evolving regionalism in Asia Pacific requires that all parties concerned should have an active part in the process, especially in the shaping of a new vision for the region ... Indonesia should support Rudd’s initiative and the process of deliberations that will follow from it.24

In early July 2008, Thailand’s Foreign Minister Noppadon Pattama expressed his country’s willingness to discuss the proposal: ‘Any idea that brings peace and stability to the region, we can’t see any reason why we shouldn’t study or deliberate the issue.’25

However, most reactions in ASEAN were critical. In July 2008, Prime Minister Abdullah Badawi of Malaysia suggested that it would be desirable to develop the existing regional institutions: ‘[w]e already have a forum, the ASEAN Regional Forum. We can continue with the existing institutions’. The Indonesian Government was also not supportive: Vice President Yusuf Kalla commented that ‘[f]or me, it’s not necessary to make a new body. We already have ASEAN and

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APEC. There is no need for all countries in Asia Pacific to make one objective.\textsuperscript{26} Indonesia’s official attitude was clearly notable given that country’s central role in ASEAN and its significance for Australia in collaboration on regional cooperation. In the same month Barry Desker, a Singaporean analyst and former senior official, said about Rudd’s proposal that ‘I would think it is dead in the water right from the very beginning. It would have been much more useful if it had been thought through before and conceptualised with regional leaders before it was presented as a bright new idea from Australia.’\textsuperscript{27}

At the time of ASEAN’s ministerial meetings in Singapore in late July 2008, the official spokesman for the meetings, Andrew Tan, commented that:

> On this subject of a pan-Asian regional forum, or whatever name it is to be called, I think ASEAN countries have said that they are still waiting for more details of this proposal. The region itself is already quite complex so if there can be another regional process that can help us better manage this, there is no reason why we should stop it from being developed, but it also has to take into account the region’s view as well as regional sensitivities and regional circumstance.\textsuperscript{28}

The United States’ reaction was also cool.\textsuperscript{29} John Negroponte, Deputy Secretary of State in the George W. Bush administration, commented in late June 2008 that the US did not have details of the Rudd proposal, but emphasised the importance to the US of its major bilateral relations in the Asia-Pacific region and that ‘[i]t makes sense to aspire towards more meaningful region-wide institutions, but I think we’re very much at the beginning of that process in historic terms’.\textsuperscript{30} Diplomatic cables released by WikiLeaks in late 2010 revealed that US officials in Canberra had been critical about the Rudd proposal; they were reported to have complained that the proposal reflected Rudd’s tendency to be ‘obsessed with managing the media cycle rather than engaging in collaborative decision-making’.\textsuperscript{31}

\textsuperscript{27} Patrick Walters, ‘Rudd Asia Plan “Dead in Water’”, \textit{The Australian}, 4 July 2008.
In subsequent statements, Rudd continued to advance his proposal, but with more explicit recognition of ASEAN’s contribution to regional cooperation. Speaking in Singapore in August 2008, Rudd placed strong emphasis on the contribution that had been made towards regional cooperation by ASEAN, which he called ‘an outstanding essay in institutional success’. In the latter part of 2008 and in 2009, Woolcott conducted a series of consultations in 21 countries to explore attitudes towards the Asia Pacific Community (the consultations included all ASEAN countries except Myanmar).

In an address to the Shangri-la Dialogue in Singapore in May 2009, Rudd presented preliminary findings from Woolcott’s consultations and argued that there had been broad agreement on the value of a focused discussion about how regional architecture should develop, and that there was recognition that there was at present no single forum for leaders to discuss the full range of political, strategic and economic challenges for the future. However, there was ‘no appetite for additional institutions’. He said that he would brief leaders at the forthcoming East Asia Summit and APEC meetings and that Australia would invite ‘key government officials, academics and opinion makers from around the region’ to attend ‘a one and a half track conference to further explore the idea of an Asia-Pacific community’. The speech marked the moment when the government made a symbolic change in the way they referred to the proposal; the ‘large C’ Community became a ‘small c’ community.

At the ‘one and half track’ meeting in Sydney on 3–5 December 2009, Rudd said that ‘ASEAN should be at the core of any future Asia Pacific community’. He sought to reassure Southeast Asian leaders that Australia’s diplomacy was not a threat to their regional significance: ‘Our ambition in Australia has been to open paths to dialogue rather than to close them off, to listen as much as to speak, to encourage

33 Woolcott visited Brunei, Cambodia, Canada, Chile, China, India, Indonesia, Japan, Laos, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, South Korea, Thailand, the US, and Vietnam. See John Faulkner, ‘Questions on Notice: Mr Richard Woolcott (Question No. 2123)’, in Commonwealth of Australia Parliamentary Debates, Senate, Official Hansard, No. 13, 17 November 2009, p. 8091.
34 Kevin Rudd, ‘Address at Shangri-La Dialogue’, Singapore, 29 May 2009. The use of a capital ‘C’ was discontinued partly because it was considered that it might produce some confusion between Rudd’s concept and cooperation patterns in Europe.
conversation rather than to dominate it.’35 One or more of the existing regional institutions might evolve in mission and composition to adapt to the needs of the region.

At the Sydney meeting, there was considerable interest in reviewing existing institutional arrangements and a former prime minister of South Korea, Han Seung-soo, proposed setting up an eminent persons’ group ‘capable of devising a concrete plan for the eventual creation of an Asia-Pacific community’.36 The meeting, however, did not arrive at a consensus. Controversy arose over a summing up presentation by Michael Wesley, the Australian co-chair, in which he referred to the concept of a ‘concert of powers’ as a means to manage relations in the Asia-Pacific. Wesley said just after the conference that ‘I believe people misinterpreted what I was saying. I think while the great powers in the region need to come together, the smaller powers also must be involved’.37 Some delegates, however, saw the comments as a challenge to ASEAN’s identity and role.38 In particular, a senior Singaporean figure, Professor Tommy Koh, in a critical account published shortly after the meeting, strongly reasserted ASEAN’s claim to a primary role in regional diplomacy and institutional development:

ASEAN is acceptable to all the stakeholders as the region’s convenor and facilitator because it is neutral, pragmatic and welcoming. We in ASEAN feel the grouping’s long-term goal of peace and stability and the dividends obtained to date should not be minimised or marginalised. The conference in Sydney did not provide us with the clarity or reassurance we had hoped for.39

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35  Kevin Rudd, ‘Address to the Asia Pacific Community Conference’, Sydney, 4 December 2009.
36  Peter Hartcher, ‘Rudd Puts Lesson in Rat Cunning to Use’, Sydney Morning Herald, 8 December 2009.
37  Paul Kelly, ‘Diplomatic Activist Reshapes Region’, The Australian, 12 December 2009; Michael Wesley, interview with the author, Canberra, July 2015. The term ‘concert of powers’ reflects assessments of the state of international relations in Europe between the Congress of Vienna in 1815 and the advent of the First World War in 1914. Key elements of a ‘concert of powers’ are a commitment by the powers involved to maintain the status quo, an agreement not to use war (or its threat) to solve problems (or to contain and minimise any conflict that does develop), and agreement that a concert is an informal arrangement based on enlightened self-interest rather than formalised norms; see Sandy Gordon, ‘The Quest for a Concert of Powers in Asia’, Security Challenges, 8(4) 2012: 36.
38  Tan, Multilateral Asian Security Architecture, pp. 50–3; see also Kelly, ‘Diplomatic Activist Reshapes Region’.
In the following months, Australia’s ideas continued to be discussed, but the eminent persons’ group proposal did not eventuate. It was notable that Indonesia continued to be unenthusiastic about the proposal. During a visit to Australia in March 2010, President Susilo Bambang Yudhoyono told Rudd that while the Asia Pacific community was ‘an intriguing idea to explore’, Jakarta’s priority was to strengthen ASEAN and he suggested that the matter should be discussed at foreign minister level. By June 2010, when Singapore’s Foreign Minister George Yeo visited Australia, Rudd said that he was now quite happy to leave ASEAN to discuss how the original concept should evolve. ASEAN was indeed moving to consider how to associate the US and Russia more closely with its multilateral cooperation. Yeo said that while Singapore had differed with aspects of Rudd’s initial proposal, the two countries were now ‘almost in complete agreement’:

There was some question in the original proposal over whether [ASEAN] was central to [Rudd’s vision for an Asia-Pacific community] and we were naturally worried about that. But that was quickly clarified and I think Australia’s happy to leave it to ASEAN to discuss how that original configuration should evolve.

Having challenged ASEAN’s role as the arbiter of regional institutional building, Australia had accepted the Association’s central role in this area. Australia had shifted from a Community concept to a community conversation conducted by ASEAN.

Rudd’s proposal for a new mode of regional cooperation encountered problems and resistance for several reasons. Rudd and the government had not prepared the ground among regional governments and opinion leaders for the advancement of new ideas and proposals and the abrupt announcement left many in the region bemused and sceptical. The use of the term ‘community’ was problematic because there was no common and agreed concept of how a regional ‘community’ should be defined and sought, and whether it might evolve on either an East Asian or an Asia-Pacific basis. Sheryn Lee and Anthony Milner have argued that many in East Asia considered that a ‘community’ should be pursued more appropriately among East Asian states rather than

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40 Mark Dodd, ‘SBY Cold on Rudd’s Asia Plan’, *The Australian*, 10 March 2010.
in a broader Asia-Pacific grouping. It was therefore problematic for Rudd to have appeared to assume that a constituency already existed for considering development of a ‘community’ in the Asia-Pacific.\textsuperscript{43}

An additional issue was that Australia did not have collaborators within ASEAN willing to give diplomatic support and to join in advancing the proposal. Instead, Australia encountered opposition. Indonesia, whose support for and collaboration with Australia in previous regional initiatives (including the Cambodian peace process and the development of APEC and the ARF) had been vital, was not enthusiastic about the Rudd concept (as Yudhoyono had indicated). In public discussions on the Rudd proposal, Singapore was a prominent critic, possibly because it saw a wider regional grouping not clearly identified with and led by ASEAN as a challenge to its own influence in ASEAN and Southeast Asia.\textsuperscript{44} In the debate about the Asia Pacific community, it had been reaffirmed that ASEAN’s prime role in sponsoring regional dialogues and institutions had to be acknowledged and recognised by Australia.

ASEAN and changing US approaches to multilateral cooperation

By mid-2010, it was clear that the Rudd Government’s attempted initiative on institutional adaptation had not been accepted by ASEAN. However, by that time, the context for discussions about regional dialogue had changed, particularly because of developments in the approach of the United States under Barack Obama’s administration to Southeast Asia and to ASEAN. These developments led to an important expansion of the membership of the East Asia Summit to include the US and Russia.

The Obama administration had come to office in January 2009 wanting to upgrade the US’s profile in East Asia and to take a more active role in multilateral cooperation.\textsuperscript{45} During the period of the Bush administration, the US had been preoccupied heavily by


\textsuperscript{44} Woolcott, interview with Dobell.

the impact of the terrorist attacks in September 2001 and then by military involvements in Afghanistan and Iraq. After 2001, the US had expanded its bilateral linkages and cooperation with a number of members of ASEAN. However the Bush administration had shown comparatively less interest in Asian multilateral cooperation; for example, Secretary of State Condoleezza Rice had to miss two meetings of the ARF (in 2005 and 2007) because of other commitments. At the same time, China had been advancing its relations in Southeast Asia, both bilaterally and through cooperation with ASEAN, including through the China–ASEAN Free Trade Agreement. While the US was preoccupied in the Middle East, China was seen to be enhancing its position in Southeast Asia. The US accordingly pursued an increased diplomatic involvement in Southeast Asia, and from 2011 announced a ‘pivot’ (subsequently termed a ‘rebalance’) towards the Asia-Pacific that would insulate US defence commitments to the region from budget cuts, increase the presence of US forces, including on a rotational basis, and enhance the US’s economic ties with the region through a multilateral economic agreement, the Trans-Pacific Partnership (TPP).

These developments had important implications for US approaches towards multilateral cooperation and ASEAN. In February 2009, Hillary Clinton became the first US secretary of state to visit ASEAN headquarters in Jakarta. In an important step, the US acceded to the ASEAN Treaty of Amity and Cooperation (TAC) in July 2009. This opened the way for US participation in the East Asia Summit, since ASEAN had made accession to the treaty a prerequisite for such membership. The US’s capacity for discussions with all ASEAN members was facilitated by the opening of direct dialogue between the US Government and Myanmar, which included a visit to the country by US Deputy Secretary of State Kurt Campbell in early November 2009. US presidents had previously been unwilling to

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meet with ASEAN leaders on a joint basis because of the unpopularity of the Myanmar regime, which had recently been exacerbated by that regime’s repression of demonstrations in 2007. During his visit to East Asia in November 2009, President Obama held the first summit meeting between the US and all ASEAN members in Singapore. In his speech on US regional policies in Tokyo, Obama stated that:

As an Asia-Pacific nation, the United States expects to be involved in the discussions that shape the future of this region, and to participate fully in appropriate organizations as they are established and evolve ... And the United States looks forward to engaging with the East Asia Summit more formally as it plays a role in addressing the challenges of our time.  

Japan’s Prime Minister Hatoyama Yukio (September 2009 – June 2010) added to the debate about regional cooperation by raising the concept of an ‘East Asia Community’. Hatoyama suggested an informal and staged approach towards a regional community. He proposed to follow a phased path, starting with economic ties and then moving through issues-based cooperation towards eventual institutionalisation. Hatoyama did not make clear exactly what membership was envisaged: he initially did not appear to envisage US participation, although he later did assure the US that it would not be excluded. While Hatoyama’s concept did not move beyond the proposal stage before he left office, his suggestion added to reassessments of institutional consultation in East Asia and the Asia-Pacific.

In this climate of debate and reconsideration, ASEAN began to consider ways of including the US and also Russia in regular discussions with the Association and its other dialogue partners. At the 16th ASEAN Summit in Hanoi in April 2010, Clinton made it clear that the US wanted to join the East Asia Summit. There was debate within ASEAN on whether it would be best to include the US in the Summit or whether it would be desirable to pursue a separate

50 Barack Obama, ‘Remarks by President Barack Obama at Suntory Hall’, Tokyo, Office of the Press Secretary, The White House, 14 November 2009.
53 Ibid.; Woolcott, interview with Dobell.
meeting with the 16 members of the Summit and the US and Russia in an ASEAN Plus Eight forum. This forum, it was suggested, could be held every two years, alongside the APEC leaders’ meeting when that was being held in an ASEAN country (given that the annual meetings of APEC alternate between ASEAN and non-ASEAN members). This arrangement would maximise the likelihood of regular participation by the US president, given that he/she would be able on the same visit to attend APEC and also the mooted ‘ASEAN Plus’ gathering. Singapore was a strong advocate of the ASEAN Plus Eight formula but other members (including Indonesia, Malaysia, Laos and Vietnam) preferred the option of inviting the US and Russia into the East Asia Summit. This was adopted as ASEAN’s approach and the US and Russia duly joined the Summit in November 2010.54

Many questions remained on how the expanded East Asia Summit might develop. However, the concept of a leaders’ dialogue forum with a membership including ASEAN, the Northeast Asian states, India, the US, Russia, Australia, and New Zealand had been realised. Looking back on his role as special envoy, Woolcott felt that the changing major power environment – and particularly the interest of China, Russia and the US in participating in a dialogue through the East Asia Summit – had been relevant to Rudd’s policy goals. He commented in October 2010 that ‘the times have worked quite well for Rudd … because they are three of the major powers’ and India had also wanted to join the Summit.55

In a speech in December 2010, Rudd (now foreign minister in the Gillard Government) expressed his satisfaction at the expansion of the East Asia Summit. He stated that:

This was our core objective in proposing the concept of an Asia Pacific community … a regional institution with sufficient membership and mandate, and meeting at summit level, to begin to carve out a rules-based order for the future … [W]ith the EAS’ [East Asia Summit] expansion, we achieved the core of that objective. The challenge now is to build this emerging institution’s agenda.56

54 Kersten and Tow, ‘Evolving Australian Approaches’.
55 Woolcott, interview with Dobell.
56 Kevin Rudd, ‘Future Stability and Security in the Asia Pacific Region’, Address to the Brisbane Institute, 8 December 2010.
The question remained, however, as to whether the climate of relations among the East Asia Summit members, particularly between the major powers, would enable the Summit to begin in Rudd’s words to ‘carve out a rules-based order’ for East Asia and the Asia-Pacific and the outlook for this was uncertain.

**ASEAN relations 2010–13: Consolidation and caution**

Gillard replaced Rudd as prime minister on 24 June 2010 and led the government for the next three years. In a comment in early July on her policy approach, Gillard said that she did not envisage major changes in foreign relations and that her government would not be emphasising Rudd’s recent pursuit of an Asia Pacific community. The Gillard Government, however, continued to focus heavily on major power relationships and the implications of these for the Asia-Pacific and East Asia. The government supported strongly the US recommitment through its ‘rebalance’ to the Asia-Pacific and welcomed Obama’s announcement in November 2011 in Canberra of an increased presence of US forces in Australia, including the rotation of US Marines through Darwin. Gillard also sought to consolidate relations with China and achieved an annual high-level strategic and economic dialogue with that country (announced in April 2013).

In the period from 2010, the Australian Government made another adaptation in Australia’s approach towards defining its interest in relation to regions. Alongside ongoing references to the Asia-Pacific, there was increasing discussion of the ‘Indo-Pacific’ as a frame of regional reference. Reference to the Indo-Pacific reflected the growing profile of India both for Australia’s bilateral relationships and as a factor in Asia overall. Rudd, foreign minister in the Gillard Government from June 2010 to February 2012, noted in November 2010 that ‘we have long looked east across the Pacific to our long-standing allies the United States … equally now Australia must now look west to the great challenges and opportunities that now present

58  Carlyle A. Thayer, ‘Australia, the ANZUS Alliance and US Rebalancing to the Asia-Pacific’, Keynote Paper presented to the International Conference on Australia–Asia Relations under Prime Minister Tony Abbott, National Cheng Chi University, Taipei, 31 March – 1 April 2015.
themselves across the Indian Ocean region’. The government’s 2013 Defence White Paper gave extensive emphasis to the Indo-Pacific as a regional reference, stating that:

[A] new Indo-Pacific strategic arc is beginning to emerge, connecting the Indian and Pacific oceans through Southeast Asia. This new strategic construct … is being forged by a range of factors. Notably, India is emerging as an important strategic, diplomatic and economic actor, ‘looking East’, and becoming more engaged in regional frameworks. Growing trade, investment and energy flows across the broader region are strengthening economic and security interdependencies. These two factors combined are also increasingly attracting international attention to the Indian Ocean, through which some of the world’s busiest and most strategically significant trade routes pass.

While the concept of ‘Indo-Pacific’ was still being debated, this discussion suggested that Australia’s ASEAN relations would be pursued alongside regional contexts that now extended to the Indian Ocean as well as the Western Pacific.

Institutional relations and economic cooperation

The Gillard Government from 2010 continued to build on relationships with ASEAN. While Australia itself did not seek institutional innovation, it joined two new ASEAN-sponsored ministerial-level dialogues – the negotiations for RCEP and the ADMM-Plus process, and a new dialogue at senior official level on maritime issues. Australia faced some significant issues in its ASEAN relations, including the impact of increasing major power competition, which was clearly evident in relation to the South China Sea, and the process of change in Myanmar. The dilemma of people movements and irregular migration, a highly contentious issue in Australian domestic politics, also saw some strain in key Australian bilateral relations in the ASEAN region.

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In engagement with ASEAN after 2010, another milestone in interactions was reached in Hanoi on 30 October 2010 with the holding of a further ASEAN–Australia summit at leadership level. This was only the third such heads of government summit between Australia and ASEAN, after those held in 1977 and (along with New Zealand) in 2004. The meeting's joint statement expressed ASEAN's appreciation for Australia's ‘steadfast friendship’ since 1974. After a period of some controversy in relations, the statement affirmed that ‘ASEAN Leaders appreciated Australia’s continued support for ASEAN’s institutional strengthening’ and for ASEAN’s ‘central role in the regional architecture in responding to regional and global challenges’.62

The meeting reviewed and reaffirmed the wide areas of ongoing cooperation between the parties. Prime Minister Gillard announced three initiatives: aid to the Greater Mekong Sub-Region ‘to assist in connecting the rural poor to new markets, including by upgrading, rehabilitating and maintaining roads, bridges and rail links in the region’; support for the International Labour Organization to protect migrant workers; and aid for the ASEAN Intergovernmental Commission on Human Rights that had been established the previous year.63 The Gillard Government made a further commitment to advance relations in its October 2012 White Paper, which announced the establishment of a position of resident Australian ambassador to ASEAN who would be based in Jakarta to facilitate close liaison with the ASEAN Secretariat.64

In a further institutional linkage, Australia joined with ASEAN in negotiations for a new economic cooperation enterprise, RCEP, which was designed to be a regional free trade agreement to include the 10 ASEAN members along with the countries that currently had free trade agreements with ASEAN – Australia, China, India, Japan, South Korea and New Zealand. RCEP’s vision was to be a ‘high-quality’ and mutually beneficial economic partnership agreement that would broaden and deepen current free trade agreement arrangements. The RCEP concept grew out of two previous proposals for regional trade agreements

63 Ibid.
based around the 13 ASEAN Plus Three members and also the original 16 members of the East Asia Summit (that is, the membership before the US and Russia joined). As an ASEAN process, RCEP was to be guided by the ‘ASEAN way’ of consensus and voluntary adherence to agreements. It would also likely seek to accommodate the varying levels of economic development of the participants by avoiding commitments that the less-developed economies would find hard to meet. By sponsoring RCEP, ASEAN sought to bolster its centrality in regional economic integration although at the time of writing it was not clear how the negotiations would evolve and how effective the negotiations would be in producing significant liberalisation.

By participating in RCEP, Australia continued its long-term support for ASEAN’s economic goals. In a joint statement on 20 November 2012 while in Phnom Penh for ASEAN-sponsored meetings, Prime Minister Gillard and the Minister for Trade Craig Emerson congratulated ASEAN on the initiative. They noted that RCEP participating countries include nine of Australia’s top 12 trading partners and account for almost 60 per cent of Australia’s two-way trade and 70 per cent of exports.

As Gillard and Emerson also noted, Australia was participating in RCEP alongside bilateral trade agreements and also an additional negotiation, the US-sponsored TPP. The TPP is a multilateral negotiation that is intended to achieve a process of liberalisation more ambitious in scope than RCEP. The Obama administration was an active supporter of the TPP, which it saw as a key part of its rebalance towards the Asia-Pacific that could bolster US economic ties after a period when US trade interests had been affected adversely by the development of bilateral and regional free trade agreements.

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The pursuit in parallel of both RCEP and the TPP was yet another example of the pluralism and competition in regionalism in East Asia and the Asia-Pacific with groupings with differing memberships pursuing cooperation goals in parallel.\(^70\) In this case, in 2015 RCEP included China but not the US (because it did not have a multilateral free trade agreement with ASEAN), while the TPP process included the US but not China (although other countries in the Asia-Pacific can join the process with the agreement by consensus of the existing participants).\(^71\) Australia was one of a number of countries participating in both processes, along with Japan, New Zealand and four ASEAN members (Brunei, Malaysia, Singapore and Vietnam). Gillard and Emerson suggested in November 2012 that Australia saw value in both parallel processes: ‘Australia’s participation in each of these negotiations will add momentum to the process of competitive trade liberalisation.’\(^72\) However, at the time of writing, neither process had been completed so their contribution to trade and economic interactions had not yet become clear.\(^73\)

Security dialogue and the East Asia Summit

After 2010, ASEAN initiated a further ministerial-level cooperation dialogue in the area of defence and security. The ADMM-Plus process brought together the defence ministers of the same 18 countries who meet in the East Asia Summit. Australia took part in the inaugural meeting in Hanoi in October 2010 and took up the role of co-chair (with Malaysia) of the ADMM-Plus Maritime Security Experts Group that examined maritime cooperation and subsequently co-chaired (with Singapore) an Experts Working Group on counter-terrorism.\(^74\)

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\(^{70}\) Ibid.
\(^{71}\) Das, ‘RCEP and TPP’.
\(^{72}\) ‘Australia Joins Launch’.
\(^{73}\) On 6 October 2015, it was announced that agreement had been reached on the terms of the TPP after talks in Atlanta; the TPP agreement now needed to be ratified by the participants in the negotiations before it could come into force and be implemented. See Malcolm Turnbull, ‘Historic Asia-Pacific Trade Agreement Opens New Era of Opportunities’, media release, Canberra, 6 October 2015; Peter Drysdale and Shiro Armstrong, ‘What Comes After the Atlanta Deal on the Trans-Pacific Partnership?’ East Asia Forum, 19 October 2015.
The ADMM-Plus process was considered to be a promising new dialogue that could potentially foster some useful practical cooperation among defence ministers and senior officers. Australia’s ambassador to ASEAN, Simon Merrifield, commented that:

[w]ith disputed territories in our region giving rise to the risk of miscalculation, the ADMM+’s fostering of mil-mil [military-to-military] cooperation at the operational level is of immense value – its efforts on building relationships and familiarity between services has a vital role to play in regional security, complementing both the ARF and the EAS.76

The premier security dialogue continued to be the East Asia Summit, and its profile was enhanced when the United States and Russia participated for the first time in 2011. The Summit was continuing to develop areas of dialogue in a cautious manner. The key event was the annual meeting, of about three hours duration. The Summit was pursuing working groups and projects in six priority areas: regional economic and financial integration, education, regional disaster response, energy and environment, health, and connectivity. The Summit was supported in its economic and financial areas from 2008 by the Economic Research Institute for ASEAN and East Asia, established with backing from Japan. However, the Summit remained very limited in institutional terms; it had no secretariat of its own and relied on assistance from ASEAN’s Secretariat, and it had no annual membership fees or budget to support its agenda and to ensure coherence and continuity. The Summit therefore remained very much a work in progress.77

76 Simon Merrifield, ‘Australia and ASEAN: Past, Present and Future’, Remarks by Australian Ambassador to ASEAN, Foreign Service Institute, Manila, 27 March 2015. A further dialogue was initiated at senior official level among the same 18 countries participating in the ADMM-Plus, the Expanded ASEAN Maritime Forum, to develop additional avenues for cooperation in areas including maritime search and rescue; the forum met for the first time in 2012, with Australian participation.
Australia made several proposals for East Asia Summit cooperation in ‘non-traditional security’ areas. At the sixth East Asia Summit on 19 November 2011, agreement was reached to endorse a joint proposal by Australia and Indonesia to strengthen regional responses to natural disasters, working with other regional groupings. Minister for Foreign Affairs Senator Bob Carr commented that ‘[t]his is a major priority for our region, as well as an important area of potential soft security cooperation between the emergency services and the armed forces of the region’.

At the seventh East Asia Summit in Phnom Penh (20 November 2012), Gillard announced additional cooperative measures to combat trafficking in persons and a contribution to the Asia-Pacific Leaders’ Malaria Alliance for action to combat the disease.

Carr discussed in measured terms the potential long-term value of the East Asia Summit in an article in July 2012: ‘The concept of common security is as much a habit as it is a concrete doctrine guiding specific actions. The habits of regular leaders-led dialogue on an agenda that includes security policy is [sic] itself inherently normalising.’

The question remained, however, as to whether a ‘normalising’ process could progress very far amid continuing major power tensions and competition, for example in the South China Sea.

ASEAN and the South China Sea

The need for greater coordination and dialogue among the major powers and regional states, and also the obstacles to pursuing this goal, were highlighted by the increasing contestation over the South China Sea.

80 Carr, ‘The East Asia Summit’.
The South China Sea has been a focus for close attention in ASEAN since the 1990s and this intensified after 2009. Six littoral parties have claims in the South China Sea: China and Taiwan and four ASEAN members – Brunei, Malaysia, the Philippines and Vietnam. In 1992 China reasserted its claim to most of the area of the sea by passing its ‘Law of the Territorial Sea and Contiguous Zone of the People’s Republic of China’: China’s claims conflicted with those of the four ASEAN member state claimants. After clashes between China and Vietnam over disputed areas in the sea, ASEAN in the same year issued a ‘Declaration on the South China Sea’, which called for restraint and urged the parties to pursue cooperation without prejudicing matters of sovereignty. The declaration called on all parties to respect ASEAN’s TAC and to develop a ‘code of international conduct’ for the sea. ASEAN’s declaration, however, did not deter China from expanding its presence by assuming effective control of Mischief Reef in 1995 (in an area also claimed by the Philippines). After 1995, ASEAN’s capacity to maintain a unified position on the South China Sea issue declined after its expansion in membership (because the new members included Cambodia, Laos and Myanmar, who were not claimants, and were comparatively less concerned with South China Sea issues).

After 1992, ASEAN tried to develop its proposal for a formal code of conduct but did not secure China’s participation. ASEAN was compromised by the fact that its own claimant members had overlapping claims in the South China Sea. In place of a formal code of conduct, ASEAN and China in 2002 signed a non-binding Declaration on the Conduct of Parties in the South China Sea. The declaration advocated the building of trust and confidence among and between the signatories; the parties also reaffirmed ‘that the adoption of a code


85 Carlyle A. Thayer, ‘ASEAN, China and the Code of Conduct in the South China Sea’, *SAIS Review of International Affairs*, 33(2) 2013.
of conduct in the South China Sea would further promote peace and stability in the region and agree to work, on the basis of consensus, towards the eventual attainment of this objective’. The declaration did not deal with sovereignty questions and did not attempt to establish any sanctions for breach of its terms. ASEAN subsequently had great difficulty in trying to move beyond this non-binding declaration. A key factor has been that China has consistently wished to deal with the issue of competing claims on a bilateral basis and as Christopher Roberts has written, ‘China has mustered the potential to splinter any sense of collective identity in ASEAN’s elite-level strategic identity’.

Tensions over the South China Sea were fuelled after 2009 by increasing attention on competing claims, rising nationalist sentiments among claimants, and an increase in interest in the area by major powers including the US and Japan. ASEAN sought support for a code of conduct but faced challenges stemming from the differing perceptions among its members, including between the claimant and non-claimant members. As Ian Storey argued in 2013:

Lack of progress on the South China Sea is not only due to intransigence on China’s part, but also the lack of consensus within ASEAN on how to deal with the problem. This lack of consensus stems from differing national interests and their varied relationships with China. The ten members of ASEAN have differing interests in and positions on the South China Sea: Vietnam and the Philippines view the problem as a major national security concern; fellow claimants Malaysia and Brunei tend to downplay tensions; Indonesia and Singapore have both called on China to clarify its claims; the four non-claimants in mainland Southeast Asia – Thailand, Myanmar, Cambodia and Laos – do not perceive a direct stake in the dispute and in any case wish to avoid jeopardizing close economic and political links with China by taking positions inimical to China’s interests.

Internal tensions within ASEAN were evident in 2012 when ASEAN was unable to agree on a joint communiqué after its annual meeting of foreign ministers in Phnom Penh in July. Cambodia, the chair of ASEAN for that year, prevented the explicit mention of South China

86 Cited in ibid., p. 77.
87 Christopher B. Roberts, ASEAN Regionalism: Cooperation, Values and Institutionalization, Abingdon: Routledge, 2012, p. 81.
Sea issues in the draft communiqué and for the first time in ASEAN’s 45-year history, no joint foreign ministers’ meeting communiqué was issued. Cambodia was seen to have been serving China’s preferences. ASEAN subsequently settled on a set of agreed principles on the South China Sea but continued to make no effective progress towards a code of conduct.\(^89\)

The Australian Government maintained a position that emphasised the desirability of dialogue and negotiation, supported development of a code of conduct and supported second track discussion on maritime confidence-building measures.\(^90\) However, the government saw little scope for further initiatives in relation to the South China Sea. Carr said in July 2012 that:

> I don’t think it is in Australia’s interest to take on for itself a brokering role in territorial disputes in the South China Sea. I don’t think that is remotely in our interest. I think we should adhere to the policy we have got of not supporting any one of the nations making competing territorial claims and reminding them all that we want it settled, because we have a stake in it – 60 percent of our trade goes through the South China Sea.\(^91\)

**ASEAN and Myanmar**

Australia in this period was closely interested in another of ASEAN’s most important concerns: the situation in Myanmar. After joining ASEAN in 1997, Myanmar’s government had continued to remain largely aloof from the rest of Southeast Asia. The regime’s repressive policies had been a source of criticism among some of ASEAN’s dialogue partners, particularly the US and the EU, and ASEAN’s relations with those partners had as a result been affected adversely.\(^92\) The regime had repressed demonstrations in 2007 and had been reluctant to accept external assistance after the devastation caused by Cyclone

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\(^89\) For a detailed account of this meeting, see Carlyle A. Thayer, ‘ASEAN’s Code of Conduct in the South China Sea: A Litmus Test For Community Building?’ *Asia-Pacific Journal: Japan Focus*, 10(34) 20 August 2012.

\(^90\) See Australian Strategic Policy Institute, ‘Maritime Confidence Building Measures in the South China Sea Conference’, Special Report, Canberra: ASPI, September 2013.

\(^91\) ABC Radio Australia, ‘Australia Should Stay out of South China Sea Dispute says Carr’, Transcript, 30 July 2012.

Nargis in early 2008. ASEAN had subsequently played a mediating role in facilitating the transfer of much needed aid to the country. The Myanmar Government had produced a new constitution that retained a strong role for the long-dominant military and announced elections. The elections in November 2010 resulted in a thoroughly predominant position for the ruling party, the military-aligned Union Solidarity and Development Party. However in the period after the elections a process of liberalisation developed in which political restrictions eased. The prominent opposition leader Aung San Suu Kyi was released from home detention and was then able to run successfully for parliament in April 2012. ASEAN was keen to see the liberalisation proceed and for this to be recognised and supported internationally.

In an area of significant interest to ASEAN, Australia gave strong support to change in Myanmar after the 2010 elections. The Australian Government welcomed the reforms implemented after the inauguration of the new Myanmar Government in March 2011. Carr visited Myanmar on 5–8 June 2012 to assess what more Australia could do. During the visit, Carr announced that Australia would lift its travel and financial sanctions on Myanmar (a decision that took effect on 3 July 2012) although an embargo on arms sales or transfers was maintained; he also announced a doubling of Australia’s bilateral aid to A$100 million.

Australia also supported ASEAN by pressing the EU to lift permanently its sanctions on Myanmar. Australia’s effort included discussions with the US, the UK, Canada, France, Germany and Holland. Greg Sheridan wrote in February 2013 that ‘Senator Carr’s activism has won strong support among ASEAN officials’. When the EU lifted its sanctions in April 2013, Carr noted his satisfaction, while also expressing concern about incidences of inter-ethnic violence involving the minority Rohingya people.

96 Greg Sheridan, ‘Carr Goes All Out to Bring Myanmar in From the Cold’, The Australian, 7 February 2013.
In an address on Australia’s foreign policy priorities to the National Press Club in Canberra in June 2013, Carr commented on Australia’s policy on Myanmar as an illustration of the Labor Government’s current overall approach towards ASEAN:

I’ve said to ASEAN foreign ministers when I’ve met them in various forums: that’s an example of Australia moving its policy in alignment with the policy struck with the ten nations of ASEAN, that’s habits of consultation. And it’s an ingrained habit. And it means that you don’t lecture them. You don’t harass them. You speak to them, taking account of their concern for ASEAN centrality. And we’ve been doing that. But it’s something that will have a cumulative effect as we go on. And Myanmar is a good working example of an Australian policy settled on after consultation, and after recognition of what the ten nations of ASEAN were doing.  

Carr’s comments could clearly be seen as an implicit recognition of criticism of some recent Australian policy emphases in regional relations, including the Asia Pacific community proposal.

Irregular migration and Australia’s regional relations

While Australia pursued many areas of cooperation with Southeast Asia and ASEAN in this period, the issue of approaches towards irregular migration was, under the Rudd and Gillard governments, a source of both intense domestic controversy within Australia and of discord with some key regional states.

The Howard Government’s policies of tightening border controls and pursuing regional cooperation on irregular migration through the Bali process had by 2003 contained the flows of people to Australian territory by boat. In 2001, 5,516 people had arrived in Australia by boat, but in the next six years, only 288 people arrived in this way. However, while the Howard policies had been successful in reducing the numbers of arrivals by boat, aspects of the policies (including offshore processing of asylum-seekers) were the subject of criticism and controversy in Australia. When the Rudd Government came to office at the end of 2007, it modified and loosened the control regime

98 Bob Carr, ‘Australia’s Foreign Policy Directions’, Address to the National Press Club, Canberra, 26 June 2013.
of the previous government, particularly by ending the transfer of irregular migrants to processing centres offshore (the ‘Pacific Solution’) and by increasing the rights of asylum-seekers. These moves coincided with an upsurge in people seeking to travel by boat to Australia, particularly among those fleeing from Afghanistan and Sri Lanka (after the traumatic end of the civil war in May 2009). In 2009, 2,726 people arrived by boat and from 2010 to 2013 the number was 48,911.100

The Rudd Government did not succeed in managing or containing the rise in flows of irregular arrivals by boat. The issue played a significant role in a loss of public support for the Rudd Government, and, as mentioned earlier, Rudd was replaced as prime minister by Gillard in June 2010.101 The Gillard Government from June 2010 sought an increased emphasis on regional cooperation on irregular migration, particularly through the Bali process (discussed in Chapter 4), which had been downplayed by Rudd. Progress was made in early 2011 on a new Regional Cooperation Framework through the Bali process (a grouping that included Australia and all the ASEAN members but whose membership and scope went well beyond ASEAN to include states in the South Pacific, South Asia and the Middle East, along with China and the US).102 The Gillard Government also renewed emphasis on offshore processing but it encountered major setbacks in these efforts. A suggestion that East Timor might accept asylum-seekers for processing was rejected by that government. The Australian Government then reached an agreement with Malaysia under which Malaysia would accept 800 persons who had arrived in Australia in return for Australia accepting from Malaysia 4,000 people who had been determined to be refugees. The Gillard Government considered that this agreement would be a valuable additional measure to deter boat arrivals (in that the 800 people would be seen to have been denied asylum in Australia) but the agreement was declared to be invalid by

the Australian High Court. The incidence of arrivals by boat remained a highly contentious issue up until the time the Labor Government lost office in September 2013.103

The Australian Government in this period discussed the issue of irregular migration with ASEAN (for example, through dialogue with the heads of the ASEAN members’ departments of immigration and with the ASEAN Immigration Intelligence Forum), but the main avenue for multilateral discussion and negotiation was through the wider Bali process.104 While Australia had been able to cooperate with ASEAN on the outflows of people from Indochina in the 1970s (outflows that had originated within Southeast Asia), the sources of asylum-seekers after the late 1990s were primarily outside Southeast Asia and cooperation on the issues accordingly needed to encompass a wider grouping of countries. The discord over policies towards irregular migrants clearly had the potential to impact adversely on some of Australia’s relations with ASEAN members, for example when the proposed agreement with Malaysia was debated in acrimonious terms in Australia.105 The issue was a further example of how Australian domestic political debates could impact on regional relations in Southeast Asia.

In overall terms, the Gillard Government had thus been less ambitious in approaching regional and ASEAN relations than its predecessor, the Rudd Government. It had not sought to initiate any new institution and had accepted ASEAN’s role as sponsor of institutional development. In line with this approach, Australia had welcomed ASEAN’s move to widen the membership of the East Asia Summit, had joined new ASEAN-sponsored dialogues in both economic and security areas and had supported ASEAN diplomatic goals, for example in relation to Myanmar.

104  Joint Standing Committee on Foreign Affairs, Defence and Trade, Inquiry into Australia’s Relationship with ASEAN, Canberra: Commonwealth of Australia, June 2009, pp. 18–20.
105  Carr, Winning the Peace, pp. 130–1; Kelly, Triumph and Demise, pp. 390–1.
The Abbott Government and the 2014 Commemorative Summit

The Labor Government (led again by Rudd from June 2013) was replaced in elections on 7 September 2013 by a new Liberal–National Party Coalition administration led by Tony Abbott. The Liberal–National Party policy statement issued before the elections asserted the importance of relations with Australia’s allies, regional partners and major trading associates. On regional policy approaches overall, the Coalition document declared: ‘[t]he Coalition will work cooperatively within our neighbourhood to make existing institutions work better to serve the national interest and the interests of our region rather than creating new ones.’ The Coalition also reaffirmed recent Australian official interest in the regional concept of the ‘Indo-Pacific’ by saying that Australia’s neighbourhood will be defined as the Asia Pacific-Indian Ocean region. We will focus diplomatic, development, trade and security efforts in parts of the Indian Ocean rim that have the capacity to advance Australia’s interests.106

The Abbott Government in office reaffirmed the broad directions of Australian foreign policy, including commitment to the US alliance and an endorsement of the US ‘rebalance’ towards the Asia-Pacific. Strong emphasis was placed on Japan, which Abbott declared early in his term to be Australia’s ‘best friend in Asia’ and relations were advanced by a visit by Prime Minister Abe Shinzo in July 2014 and by agreements to enhance defence cooperation.107 The government continued to pursue close relations with China and with the other key Northeast Asian states and during 2014 achieved success in completing negotiations on bilateral trade agreements with South Korea, Japan and China.108

The new government maintained emphasis on engagement with Southeast Asia and with ASEAN, with a focus on the lead-up to the fortieth anniversary of multilateral relations in 2014, to which the

108 Ibid.
government gave considerable attention. Minister for Foreign Affairs Julie Bishop affirmed the value placed on the ASEAN connection in comments at the time of the anniversary in April 2014 and pursued a commitment to visit all member states in the lead-up to the planned Commemorative Leaders’ Summit in November 2014.\textsuperscript{109} The government added a new element to Australian education policies and to ASEAN relations with its New Colombo Plan designed to increase greatly the numbers of young Australians who could live and study in Asian countries. The program was notable as a concrete indication that interactions with neighbouring countries would involve an increased emphasis on learning by Australians about Asia. The program would cover many Asian countries including all the members of ASEAN and was expected to have a strong impact on enhancing personal connections between Australia and the ASEAN countries.\textsuperscript{110}

Progress was made in some key bilateral relations with ASEAN members. Australia’s relations with Malaysia were enhanced by the extensive role that Australia played in leading efforts to locate Malaysian Airlines flight MH370 after its disappearance in March 2014.\textsuperscript{111} Australia and Vietnam reviewed and agreed to enhance further their relationship during the visit of Prime Minister Nguyen Tan Dung to Australia in March 2015.\textsuperscript{112} Relations with Singapore were reaffirmed and extended by an agreement in June 2015 to establish a Comprehensive Strategic Partnership between the two countries.\textsuperscript{113}

Australia, however, experienced another phase of tension in its often sensitive relationship with Indonesia. Abbott in Opposition had been intensely critical of the former Labor Government over border control and the influx of irregular migrants by boat; one of his key pledges was to ‘stop the boats’, including by if necessary turning boats approaching Australia back to Indonesia. The government implemented ‘Operation

\textsuperscript{111} Adam Davies, ‘Australia Spent $100 Million to MH 370 Search So Far’, \textit{The Northern Star}, 7 August 2015.
Sovereign Borders’ in late 2013 and this included a willingness to tow boats back to Indonesian waters, a policy that resulted in criticism both from UN representatives and from Indonesia.¹¹⁴ The government’s approach effectively halted the flow of vessels towards Australia, but the tow-back policy produced substantial criticism in Indonesia.¹¹⁵ An additional area of bilateral sensitivity with Indonesia was opened up when a major release of US intelligence material by Edward Snowden in late 2013 included revelations that Australian intelligence had sought to intercept the telephone of Indonesia’s President Yudhoyono in August 2009: interceptions were also pursued on the phone of the president’s wife.¹¹⁶ Abbott in Parliament refused to detail Australian intelligence operations or to apologise for them. In response, Indonesia suspended military and intelligence cooperation and withdrew its ambassador from Canberra. A process of negotiations followed on the development of a code of conduct on intelligence issues and agreement was reached by October 2014, before President Yudhoyono left office. The two sides agreed not to use surveillance capacities to harm the interests of either party and resolved to promote intelligence cooperation in accordance with their laws and regulations.¹¹⁷ The agreement appeared to resolve this issue and Abbott attended the inauguration of Yudhoyono’s successor, Joko Widodo, in October 2014 (continuing the practice of his predecessors as prime minister, in 2004 and 2009).¹¹⁸ The potential for discord in relations nonetheless persisted and was illustrated again by the disagreement between the two governments in early 2015 over the execution of two convicted Australian drug traffickers. After the executions, Australia withdrew its ambassador in protest for one month, but the need to maintain and consolidate relations was also clear.¹¹⁹

¹¹⁷ Dobell, ‘Australia–East Asia/US Relations: China Bumps, Indonesia Breach, Japan as Ally’.
The fortieth anniversary Commemorative Summit: November 2014

The celebrations of the fortieth anniversary of Australia’s multilateral relations with ASEAN culminated in a fortieth anniversary Commemorative Summit on 12 November 2014 in Nay Pyi Taw, Myanmar. In the joint ASEAN–Australia leaders’ statement, the two sides ‘agreed to elevate our comprehensive partnership to a strategic level, founded on common interests in regional peace and prosperity’ and affirmed a number of areas of common engagement and cooperation. Australia and ASEAN agreed to support the realisation of the ASEAN Community by 2015, to ‘support ASEAN’s centrality in the evolving regional architecture and strengthen all ASEAN-led mechanisms’ and to work to strengthen the East Asia Summit. The leaders endorsed other areas of cooperation including in counter-terrorism, good governance and human rights, maritime cooperation, combating transnational crime, promotion of economic integration through the AANZFTA and RCEP, and continuing efforts to support reduction of development gaps within ASEAN and to combat infectious diseases. These statements were very much an affirmation of established policies. The statement declared that the parties would ‘hold regular leaders summits in the future’ although detailed arrangements were not announced.120

In comments on 13 November 2014, the day after the summit, Abbott said:

Australia has been a partner to the countries of our region in every way. We’ve been an economic partner, obviously. We’ve been a security partner and we’ve been almost a spiritual partner given the increasing links, the increasing understanding, between the countries of our region and ourselves. It was interesting that in the summit I attended, almost every ASEAN nation mentioned the New Colombo Plan, which is already sending hundreds of Australians to the universities of our region and in the years to come we’ll be sending thousands, perhaps tens of thousands, of Australians into our region … I’m very proud of

this initiative, it’s very much a signature initiative of this Government and it was something that was very much talked about yesterday at the Australia ASEAN Summit.\textsuperscript{121}

In the period after the Commemorative Summit, the two sides moved to follow through the key areas of agreement. They discussed the implementation of the Strategic Partnership announced at the summit, although this was expected to consolidate rather than substantially change relations. At the ASEAN Post-Ministerial Conference in Kuala Lumpur on 5 August 2015, Australia and ASEAN reaffirmed a number of major areas of cooperation including responding to natural disasters. ASEAN welcomed Australia’s continuation of support for the ASEAN Coordinating Centre for Humanitarian Assistance. The ministers also followed up on the agreement at the Commemorative Summit by announcing that meetings at heads of government level would now be held on a regular basis, every two years, with the first of the new series to be held in Vientiane in late 2016. This was expected to add further profile to the relationship overall.\textsuperscript{122}

In the lead-up to ASEAN’s declaration of the inauguration of the ASEAN Community at the end of 2015, the Australian Government issued a report in August 2015 on the economic significance for Australia of the ASEAN economies and of the ASEAN Economic Community (AEC).\textsuperscript{123} The report highlighted the status of the ASEAN economies as collectively Australia’s second largest trading partner (15 per cent of trade overall), surpassed only by China (23 per cent). If economic growth continued to follow recent trends, the ASEAN market would grow substantially, and the numbers of households defined as ‘middle class’ (with an annual household income of over US$7,500 in 2005 in terms of purchasing power parity) could be expected to increase from 80 million in 2015 to 160 million by 2030.\textsuperscript{124} The report identified a number of areas in which Australian business can participate in ‘regional value chains’ involving business activities and production networks operating in multiple countries across ASEAN. This created

\textsuperscript{121} Tony Abbott, ‘Doorstop Interview, Naypyidaw, Myanmar’, Transcript, 13 November 2014.
\textsuperscript{122} ASEAN, ‘Chairman’s Statement of the ASEAN Post-Ministerial Conference (10+1 Sessions) with the Dialogue Partners’, Kuala Lumpur, 5 August 2015.
\textsuperscript{124} Ibid., p. 9.
the potential for further Australian investment in the ASEAN region although the report noted that while ASEAN investment in Australia had reached US$111 billion in 2015, Australian investment in ASEAN was only US$29 billion: the report noted that ‘considering ASEAN’s proximity to Australia and the complementarities of our economies, two way investment is much lower than might be expected’.125 The AEC was a ‘work in progress’ that would need much further development after its formal inauguration in 2015 but it ‘will mean that Australian companies with operations in ASEAN will find it easier to invest, move staff within the region, and to manage and build regional supply chains’.126

Major power competition and the South China Sea

While Australia and ASEAN had reaffirmed their partnership, the regional and international context for their relations continued to be challenging. Wesley has commented that:

> The rapid economic growth of China, coupled with its large investments in military modernisation and increasingly assertive actions around its maritime boundaries has triggered competitive responses from the United States and most of its neighbours in Asia … Clashes between China and its neighbours over territorial disputes in the South China Sea and East China Sea, not to mention bouts of hostility on the Korean Peninsula, have raised the prospect of conflict in Pacific Asia to its highest level since the end of the Vietnam war.127

The situation in the South China Sea continued to be a key concern for ASEAN and for Australia. A further stage in the contest for influence in the area developed in 2013. From September 2013, China began to transform seven features in the Spratlys into artificial islands and developed civilian and military infrastructure including harbours, radar and surveillance systems, buildings and airfields. China was not the first country to reclaim land and develop facilities in the area; the Philippines had pursued such activities in the 1970s, Malaysia in the 1980s and both Vietnam and Taiwan after 2013. However, China’s

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126 Ibid.
reclamation program was by far the most extensive; by mid-2015 it was estimated to have involved over 800 hectares of land. These projects were expected to assist China to enforce its South China Sea territorial and jurisdictional claims. China argued that it was acting within its sovereign rights and was merely catching up with the activities of other claimants.128

The Philippines and Vietnam criticised China’s actions (with the former being the most vocal).129 ASEAN also expressed criticism: at the 26th ASEAN Summit in April 2015, the chairman’s statement did not refer to China specifically but expressed ‘serious concern’ that the land reclamation projects ‘eroded trust and confidence and may undermine peace, security and stability in the South China Sea’. The pressures facing ASEAN from South China Sea issues were again evident at its ministerial meetings in Kuala Lumpur in August 2015. The release of the annual foreign ministers statement was delayed for two days amid reports of internal differences over the issues.130 In the statement, the ASEAN foreign ministers said: ‘[w]e took note of the serious concerns expressed by some ministers on the land reclamation projects in the South China Sea, which have eroded trust and confidence, increased tensions, and may undermine peace, security and stability in the South China Sea.’131 At the meeting, China declared that its reclamation program had been completed but China’s position in the area had clearly already been enhanced.132

The Australian Government continued to express its concern about the tensions in the South China Sea, for example in comments in June 2015 by the Minister for Defence, Kevin Andrews, and by Prime Minister Abbott.133 During ASEAN’s August 2015 ministerial meetings, Foreign Minister Bishop reaffirmed the government’s position:

129  Ibid.
131  ASEAN, ‘Joint Communiqué, 48th ASEAN Foreign Ministers Meeting’, Kuala Lumpur, 4 August 2015.
132  AFP, ‘Beijing Dilutes ASEAN’.
I made it plain that Australia does not take sides in territorial claims, but we urge all nations to halt reclamation work … We are deeply concerned that there may be militarisation of artificial reefs and structures and we called for a halt to that as well … We call on the countries of South East Asia and China to respect freedom of navigation, freedom of over-flight and to reject any coercive or unilateral behaviour that can lead to increased tensions.\textsuperscript{134}

However the prospects for alleviation of tensions and for productive negotiations remained very uncertain and the potential for increased strain and clashes among contending parties continued.

The Liberal–National Party led by Abbott had therefore reaffirmed established patterns of the ASEAN relationship.\textsuperscript{135} The New Colombo Plan had added a new element to relations by promising to contribute to the depth and breadth of personal interactions and knowledge in the Australian community about the ASEAN members. The foreshadowed more regular leadership meetings would help give ASEAN a greater profile in the Australian Government and community. Relations, however, were continuing to be influenced by the shadow of serious major power tensions.

**Australia: A possible future member of ASEAN?**

A further and speculative question that during the period after 2007 received some discussion (in 2012) was whether Australia might at some future point be considered (and consider itself) as a possible member of ASEAN. Given the obvious differences in societies, economic structures and political systems between Australia and ASEAN members, this has not been a question that has generally gained much attention in discussions about the relationship. As noted in Chapter 3, the issue of Australian membership had been mentioned as a long-term possibility by President Fidel Ramos of the Philippines in 1994. In 1996, Prime Minister Goh Chok Tong of Singapore raised the issue of Australia as a possible ASEAN member during a visit to

\textsuperscript{134} Julie Bishop, ‘Doorstop Interview: East Asia Summit, Kuala Lumpur’, Transcript, 5 August 2015.

\textsuperscript{135} The Abbott Government’s term in office concluded with the replacement of Abbott as prime minister by Malcolm Turnbull on 14 September 2015.
Singapore by Prime Minister Keating, but Goh made it clear that he had been thinking in a very long-term manner and that there had been no proposal advanced, and no discussions had been held on the matter.

In 2012, several figures in Australia mentioned the concept of Australian membership as a possibility, including former Prime Minister Keating and a former senior Australian ambassador with extensive regional experience, John McCarthy. Keating stated in November 2012 that ‘[t]his grouping represents the security architecture of south-east Asia, the one with which we can have real dialogue and add substance. In the longer run we should be a member of it – formalising the trade, commercial and political interests we already share’. The potential of Australia to become an ASEAN member was also referred to in a presentation in Australia in August 2012 by the senior Singaporean analyst Kishore Mahbubani, who argued that while membership at present seemed ‘unthinkable’ to Australia’s elite, in the long-term such an approach would strengthen Australia’s position in relation to Asia.

Minister for Foreign Affairs Carr in late 2012 indicated that membership of ASEAN was not on the agenda for Australia. In an interview on 25 November 2012, Carr was asked whether he endorsed Keating’s suggestion that Australia should seek to join ASEAN and he said: ‘[i]t’s fair enough as a vision’, but added:

It’s fair enough to be out there floating as an incentive but in the meantime the practical work is to be done on trade relations involving Australia, New Zealand and others with ASEAN and on the coordination of foreign policy … if I said today or the Prime Minister said we want to be in ASEAN the chances are we would be rebuffed and ASEAN would say ‘that doesn’t fit our vision’. The point is to work at it and work on trade, on foreign policy alignment, on consultation, so that when it happens it’s an organic thing, a natural thing.

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Carr later wrote that DFAT in a submission had made clear that they did not consider membership as a realistic or feasible goal for Australia. The department had suggested that the minister should clarify that ‘Australia has no plans to seek or even consider membership even in the long term and that doing so is not necessary to pursuing closer engagement with the region’. DFAT argued that membership in ASEAN would subordinate aspects of Australian foreign policy to ASEAN. It would require Australia to refrain from any real criticism of ASEAN governments (e.g. on human-rights issues) and from putting forward alternatives to ASEAN positions. It would require Australia to accept other ASEAN countries, notably the ASEAN Chair, representing Australia in discussions with external parties such as the United States, China and international organisations.

The submission also warned that ASEAN members would be strongly opposed to Australia joining the Association.139

While the discussion in 2012 of the concept of Australian membership in ASEAN was interesting, it was clearly in the realm of long-term speculation. Since there are a number of policy areas and institutional means through which closer Australian interests with ASEAN can be and are being pursued, an ongoing process of cooperation and closer coordination seemed for the foreseeable future the best path for Australia and its ASEAN partners to pursue.

Conclusion

Relations after 2007 illustrated that closeness can produce partnership but can cause discord and contest. The Rudd proposal for an Asia Pacific Community met substantial resistance. The concept was seen as a challenge to ASEAN’s corporate interests and was not supported by Indonesia, often a key partner for Australia in its regional engagements. However in a climate of increased major power competition and contest for influence in Southeast Asia (including in relation to the South China Sea), the Rudd proposal was followed from 2009 by a rise in interest in regional multilateral associations by the US. ASEAN

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was able to capitalise on rising interest in wider and more inclusive dialogues by inviting the US and Russia to join the existing East Asia Summit.

With disagreement over the Asia Pacific Community proposal resolved by mid-2010, Australia continued to develop its multilateral ASEAN relations with a further leadership summit meeting in 2010 and participation in new ASEAN-sponsored forums, the ADMM-Plus process and the negotiations for RCEP. This phase in relations culminated in the 2014 Commemorative Summit that reaffirmed key areas of cooperation and foreshadowed more regular dialogues at leadership level, which were announced in August 2015. It was notable in the summit’s joint statement that both sides endorsed ASEAN’s ‘centrality’ in regional architecture and committed themselves to ‘strengthen all ASEAN-led mechanisms’. This was closeness expressed as agreement and partnership. A key question, however, continued to be whether and how ASEAN and Australia could cooperate to develop the role of ASEAN’s dialogues, particularly the expanded East Asia Summit.
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