

CHAPTER 5  
**Foreign Policy under the Coalition**  
Turbulent Times, Dwindling Investments

*Susan Harris Rimmer*

When Malcolm Turnbull was sworn in as Prime Minister in late 2015, there were expectations of an increased cosmopolitanism in Australian foreign policy. Pundits expected a touch of Davos after Tony Abbott's insular term. Mr Abbott had greatness thrust upon him in foreign policy terms with Australia's United Nations (UN) Security Council term and the G20 presidency in the Brisbane 2014 summit secured by the Labor Government under Rudd and Gillard. However, Abbott never warmed to the role of global diplomat, more engaged in the foreign policy issues arising from boat turn-backs. By 2016, Foreign Minister Julie Bishop had carved out a leading role in foreign policy that Malcolm Turnbull was happy to continue, due to simmering unrest within the party requiring his constant attention.

Despite the more liberal internationalist tendencies of Turnbull, and Bishop, the Coalition government continued a more transactional foreign policy than its predecessor. Foreign Minister Julie Bishop and Trade Minister Andrew Robb repeatedly explained during this period how the concept of 'economic diplomacy' guided Australia's international engagement. 'Strong economic outcomes' were the priority; shared prosperity was the objective (DFAT 2019a).

Despite Bishop's competent term as Foreign Minister and sustained economic growth, this period of Australian foreign policy will be considered a time when investment and political energy dwindled despite the clear need for innovative diplomacy. Some of the issues faced by the Turnbull government were unforeseen—and to a large extent unforeseeable—and had to be faced as best the government could. As Turnbull stated in June 2017, 'the economic, political and strategic currents that have carried us for generations are increasingly difficult to navigate' (Turnbull 2017).

Some issues challenging Australia's international impact were home-grown. It is somewhat ironic that Australian foreign policy suffered at the hands of the dual citizenship saga in the Turnbull government. Moreover, no white paper, however insightful, can protect Australia from the damage to our international reputation over our constant turnover of prime ministers. Hopefully, that phenomenon is finally over.

### **Standing at the Fiveways**

There were five defining issues in the 2016–19 international relations of the Coalition government, representing future foreign policy pathways. First, our closest allies gave us serious trouble, throwing off their usual mantle of leadership. Australia's strongest alliances with the United States and the United Kingdom were challenged by the UK's Brexit vote in June 2016 and the unexpected election of Donald Trump in November that year, with ramifications from both that would last the whole of the 45th parliament and beyond.

Second, China's rise was challenging in complex ways for Australia during this 'Indo-Pacific' era (Gyngell 2017). It was expected that the Turnbull–Bishop team would nurture Australia's relationship with China, its largest non-allied trading partner, with a good beginning at the 2016 G20 summit in Hangzhou. Instead, over the subsequent three years, China put Australia in the 'deep freeze', due to rhetoric and legislation targeting foreign influence in Australian politics, among other factors. This is despite the strong and continued focus on economic diplomacy and trade, often at the expense of human rights concerns, as part of the Coalition's 'open for business' nation brand. Turnbull had pressed the 'reset button' with China just before the leadership spill when he was replaced by

Morrison in August 2018. The controversy within the Coalition over Chinese warships visiting Sydney Harbour in early June 2019, directly after the election, indicates that this relationship will also prove difficult for Morrison.

Third, and related to China's rise, Prime Minister Morrison announced the 'Pacific step-up' in November 2018, which is likely to be his foreign policy legacy. While the 2017 white paper discussed below laid out a stepping-up in engagement, long overdue, with the Pacific, it was China's increasing influence in the region that lent a sense of urgency and scale to the announcement.

Fourth, Australia's leadership churn turned into an external reputational problem. When Scott Morrison unexpectedly assumed the prime ministership in late 2018, he was plunged into the global ambassador role. Patience with Australia's frequent prime ministerial changes had run out for many in the international community. However, Julie Bishop's strong term as Foreign Minister ameliorated some of these issues, and her legacy is examined.

Finally, I examine the *2017 Foreign Policy White Paper* as a chance to set a strategic direction for future foreign policy, as well as the transition from Peter Varghese to Frances Adamson as Secretary of the Department of Foreign Affairs and Trade (DFAT). DFAT continues to deal with its merger with the Australian Agency for International Development in 2013 and the deep cuts to the aid program.

### **Australia's allies: with friends like these**

Very few Australian commentators predicted Trump winning the US presidential election or the Brexit vote in the United Kingdom. Trump's election meant that diplomacy expert Alan Henrikson's (2016: 13) adage rang even more true—that nowadays and for the foreseeable future, 'diplomacy will be about reacting to the United States'. Trump's erratic Twitter diplomacy, the leaked first phone call with Turnbull (excruciating on both sides) and sudden shifts on policy have eroded Australian public support for US foreign policy (Lowy Institute 2018). The United States made unilateral decisions to withdraw from the Paris climate accord, the Trans-Pacific Partnership, the UN's Human Rights Council and its Educational, Scientific and Cultural Organization (UNESCO) during this period.

The year 2017 also saw North Korea fire 23 missiles during 16 tests, with one launch on 29 November landing in Japan's exclusive economic zone. These included North Korea's first test, on 4 July, of an intercontinental ballistic missile, which it claimed could reach 'anywhere in the world' (Martino, Byrd & Spraggon 2019). President Trump tweeted about who had the bigger button. Prime Minister Turnbull immediately referred to the Australia–New Zealand–United States (ANZUS) alliance:

The ANZUS treaty means that if America is attacked, we will come to their aid and if Australia is attacked, the Americans will come to ours. We are joined at the hip. The American alliance is the bedrock of our national security (SBS News 2017).

The US–North Korea tensions continue in a heightened state as of 2019, as does the situation in Iran. Even more than usual for an Australian prime minister, Malcolm Turnbull had to expend significant personal time and energy on the US relationship, even confirming on Twitter that Australia had been given an exemption from the US global steel and aluminium tariffs on 10 March 2018.

The Brexit vote was less extreme in direct impact but still had rippling consequences for Australia's relations with the European Union (EU). Mr Turnbull said at a press conference in London that Australia 'had been the first on the phone' to call for a free trade agreement with the United Kingdom following Britain's decision to leave the EU (BBC News 2017). DFAT also set up a Brexit Task Force (DFAT 2019b).

These issues would have been difficult enough without China's increased activity on the global stage, as well as India's confidence in the region bolstered under Prime Minister Narendra Modi. As Caitlin Byrne states:

China's power projection across a range of political, economic and military spheres dominated the agenda. By contrast, the US' appearance of retreat, set to the beat of Trump's 'America First' mantra, raised serious doubts

about US strategic leadership and engagement in the region. The reverberations of this shifting order were felt across the globe, undermining accepted rules and established patterns of behaviour while fanning the flame of populist politics from West to East (Byrne 2018: 293).

### China rising

China continued to exert economic influence through the Belt and Road Initiative, to which the state of Victoria suddenly became a signatory in October 2018. To date, Australia's official stance has been not to join the investment initiative. DFAT Secretary Frances Adamson represented Australia at the Belt and Road Forum in April 2019. The then Trade, Tourism and Investment Minister, Steven Ciobo, attended the forum in May 2017; that September, he signed a memorandum of understanding on cooperation in third-party markets. China displayed an increased military assertiveness, especially in relation to the South China Sea. The Royal Australian Navy flagship *Canberra* reported an encounter there in May 2019 while trailed by a Chinese warship: its helicopter pilots were hit with lasers from what appeared to be fishing vessels. This period also saw the consolidation of political and ideological power under President Xi Jinping.

During the *Foreign Policy White Paper* launch in late 2017, Prime Minister Turnbull used strong language regarding China's behaviour in the South China Sea and said Australia would defend itself against interference and coercion in our domestic affairs and democratic processes. These strong words followed allegations of Chinese interference across Australian political, academic, media and business institutions aired by the ABC's *Four Corners* program in June 2017. The passage of the *Espionage and Foreign Interference Act 2018* was of universal application, but parliamentarians clearly identified the legislation in parliamentary debate as pertinent to Chinese activities in Australia. Subsequently, China put Australian Cabinet ministers in the 'deep freeze' for some months. It was in this context that new Prime Minister Scott Morrison announced the Pacific step-up policy in late 2018.

### Stepping up in the Pacific

The Pacific-focused announcement made on 8 November 2018 included \$2 billion of new funding for infrastructure and \$1 billion to entice Australian businesses back into the region, adding five new diplomatic missions, enhancing labour mobility opportunities and creating an 'office of the Pacific' with whole-of-government oversight. Further, Australia, Japan, New Zealand and the United States promised to connect electricity to 70 per cent of Papua New Guinea's population by 2030 (Prime Minister of Australia 2018).

These goals must be realised in a spirit of true partnership. Pacific researcher Tess Newton Cain (2018: 16) points out that Australia often misses the right tone of respect and partnership in its announcements to the region. Moreover, without climate leadership, many commentators are concerned that the region will distrust Australian efforts. Still, however overdue, and whatever the motivation, this is a good direction for Australian diplomacy.

### 2017 Foreign Policy White Paper: 'Today, China is challenging America's position'

The most likely legacy of the Turnbull-Bishop era in foreign policy is the 2017 white paper, which, after a long pause and significant uncertainty created by the presidency of Donald Trump, attracted strong domestic interest outside the usual 'business and boffins' types that follow the DFAT portfolio. The white paper is filled with the usual 'risk ... but opportunity' stock phrases, but at moments it is also unusually blunt in tone and stark in its delineation of options. For example, it says: 'The government is publishing this white paper to chart a clear course for Australia at a time of rapid change'. It goes on to name a most significant change: 'The United States has been the dominant power in our region throughout Australia's post-Second World War history. Today, China is challenging America's position' (Australian Government 2017: 1).

Prime Minister Malcolm Turnbull addressed the Trump in the room in his foreword (Australian Government 2017: ii): 'More than ever, Australia must be sovereign, not reliant. We must take responsibility for our own security and prosperity while recognising we are stronger when sharing the burden of leadership with trusted partners and friends'.

But whom should we trust? The question of what we should do is relatively clear, and uncontroversial: promote an open, inclusive and prosperous Indo-Pacific region in which the rights of all states are respected; deliver more opportunities for our businesses globally and stand against protectionism; ensure Australians remain safe, secure and free in the face of threats such as terrorism; promote and protect the international rules that support stability and prosperity, and enable cooperation to tackle global challenges; and step up support for a more resilient Pacific and Timor-Leste. The question is *how* we should do it.

The guidance in the white paper (Australian Government 2017: 12) sounds remarkably as if Australia should just keep being itself—strong economy, strong borders, strong institutions (like parliament?)—and everything will turn out fine: 'The government will act to protect the sovereignty, integrity and transparency of our institutions. We will ensure that national decision-making and institutions remain free from foreign interference'. The closest the white paper gets to a plan is to double down on the US relationship, and trust that the Trump administration is a blip. Still, the government had to land somewhere, and waiting Trump out is a defensible place to land. Acknowledging 'friction' between our stronger engagement with China and our 'different interests, values and political and legal systems' (Australian Government 2017: 41) might be the best Australia can do at present.

The white paper showed the Coalition's weakness around climate diplomacy. There is surely a top contender for understatement of the decade in the section headed 'An Environment under Strain', which states: 'The coming decade will likely see an increased need for international disaster relief' (Australian Government 2017: 33). Other nations and international organisations, such as the EU Global Strategy, have underlined the strategic risk climate poses to the conduct of foreign policy in a clear-sighted and comprehensive manner.

What was also missing was the will to invest in diplomacy. A white paper ignites a domestic conversation about foreign policy, and this one is certainly substantive and to be welcomed. But there is little point in a foreign policy white paper if it largely apes the 2016 *Defence White Paper* and the viewpoint of the intelligence

community—as this one does. It should align, certainly, but it should also add value;—namely, the perspective gained from experienced statecraft about non-traditional security threats and relationship-building.

There is more depth in the trade section of the paper, perhaps reflecting the increasing dominance of the trade agenda over the other parts of DFAT. The economic vision of the paper is clear—will maintain an open economy and manage the winners and losers from this policy. ‘Strength through openness’ is a strong narrative.

Multilateralism is treated warily. The ‘cumbersome’ UN (Australian Government 2017: 84) is treated with a level of ambiguity and grudging acceptance. The government foreshadows that Australia will run for another Security Council term in 2029. Nonetheless, there is an encouraging focus on supporting international law and the rule of law. In a breakthrough from the previous white paper in 2003, there is a section on gender equality. It is expressed as a development issue rather than a strategic foreign policy issue and comes at the end of a 100-page-plus document. But it is still a step forward and reflects Julie Bishop’s legacy.

It is worth looking at the section on ‘soft power’ at the very end of the document, an important addition. It covers science diplomacy, sports and creative diplomacy, international education, digital engagement, and people-to-people links, as well as the New Colombo Plan. This plan will be Julie Bishop’s strongest legacy. By 2020, the New Colombo Plan will enable up to 40 000 young Australians to live, study and work in the Indo-Pacific. The outcomes of the DFAT Soft Power Review may be a strong contribution by the Morrison government.

### **Julie Bishop’s legacy**

Bishop is widely considered to have performed extremely well in the foreign affairs portfolio, despite presiding over difficult issues like swingeing aid cuts and a departmental restructure, complex conflict in the Middle East and regional tensions. Bishop was one of the few Cabinet ministers without disruption in the portfolio and had previously prepared for the role for many years as shadow minister since 2009. She is known for her e-diplomacy and embrace of emojis, which has in turn made her something of a celebrity. Her landmark

policies include the New Colombo Plan, a new alliance with middle powers in MIKTA (Mexico, Indonesia, Korea, Turkey and Australia), and a real focus on gender equality. Bishop pledged \$50 million to the Gender Equality Fund of the Australian aid program in the 2015 Budget alongside a \$320 million commitment to the Pacific Women’s Empowerment Program, thus maintaining Julia Gillard’s signature policy. The Coalition kept the Rudd legacy of an Ambassador for Women and Girls, with Bishop appointing Natasha Stott Despoja and then Sharman Stone in the role. In February 2016, Bishop announced the first-ever gender equality and women’s empowerment strategy, and then an internal Women in Leadership Strategy. She appointed the first female DFAT Secretary in Frances Adamson and increased the number of female ambassadors to 40 per cent.

Career highs would certainly include her masterful performance in the UN Security Council over the downing of Flight MH17 in Ukraine. This is ironic, as she resisted Australia’s Security Council membership, famously disagreeing with Kevin Rudd over it when in other matters they often displayed bipartisanship.

Her lows were most certainly her visits to China, where she received receptions that were frosty to the point of being painful, usually due to Australian policy settings devised outside her portfolio relating to the South China Sea and the relationship with Japan. She was not prone to gaffes, but sought advice widely and had a good working relationship with her department, despite the cuts.

### **Highlights and low points of the Turnbull–Morrison term**

Many of the highlights from this term stem from Bishop’s legacy. Australia made a positive contribution to the Security Council, including working to gain consensus on Resolution 2165. This enabled UN agencies to deliver humanitarian assistance to Syrian civilians without the consent of the Syrian authorities—the first resolution of its kind (True 2018).

As noted, in July 2014 Malaysian Airlines Flight MH17 was shot down over Ukraine, leading to the deaths of more than 200 civilians, including 41 Australians. Jacqui True writes:

Bishop worked around the clock to secure an immediate Resolution 2166, adopted unanimously, condemning the

act and calling on Ukrainian separatists at the crash site to ensure the bodies of the victims were treated with dignity and respect. A year later, Bishop returned to New York, making a powerful speech that the Security Council establish an independent, international tribunal to prosecute those responsible for bringing down MH17. Rebuking Russia, she said that the use of its veto power was 'an affront to the memory of the 298 victims of MH17 and their families and friends' and that any 'excuses and obfuscation ... should be treated with the utmost disdain'. In light of the MH17 tragedy, Bishop put people and Australian citizens first in international affairs while building a strong multilateral alliance for the Australian position (True 2018).

Australia was elected to the UN Human Rights Council for a three-year term in 2017, on a platform including promoting gender equality, good governance, freedom of expression, the rights of indigenous peoples and strong national human rights institutions. Justice Michael Kirby's work on human rights in North Korea and Chris Sidoti's work on the Rohingya crisis were important outcomes assisted by Australia's membership.

However, the low points were also visible. Prime Minister Turnbull declared an aspiration to make Australia one of the world's top 10 weapons exporters within the next decade by investing \$3.8 billion in a new Defence Export Facility. Controversy was sparked by allegations that Australia was selling arms to Saudi Arabia that could potentially be used against civilians in Yemen.

Some traditional security issues were not handled well. The southern Philippines was important to Australian policymakers, but the seizure of the city of Marawi by the Islamic State (IS)-inspired militant groups, Abu Sayyaf and Maute, in May 2017 shocked many. The government struggled to deal with the return of foreign fighters from Syria, or their children.

At the macro level, the Coalition has moved to rapidly alter the balance of Australia's foreign policy spending. The aid-to-defence spending ratio reached 20 per cent towards the end of the previous Labor government. Following three successive cuts to the aid budget,

that ratio is projected to halve, to around 10 per cent, within the next two years. The largest of the three cuts was announced in December 2014, as a part of general budget savings in the Mid-Year Economic and Fiscal Outlook. These cuts, reflected in the 2015 Budget, mean that Australia's aid budget has fallen to \$4 billion, down from a peak of \$5.6 billion in 2012-13.

The government's budget cuts mark both the largest ever multi-year aid cuts (33 per cent) and largest ever single-year cut (20 per cent, or \$1 billion, in 2015-16). Australian aid will fall to 0.22 per cent of gross national income (a global measure of donor generosity) in 2017-18, the lowest level in Australia's history.

This comes only a handful of years after both sides of politics were promising to double the aid budget to \$8 billion to reach 0.5 per cent of GDP by 2015. Such rapid changes in comparative outlays on development, defence and diplomacy betray how limited the discussions have been in Australia about the most suitable international policy investment mix to generate shared prosperity in the contemporary environment. A reduced aid budget equates to the forsaking of real opportunities in foreign policy terms. In the long term, this could make the savings look miniscule compared with the opportunity costs.

### Conclusion

As Danielle Chubb (2017: 283) wrote following the 2016 election, 'despite the liberal internationalist proclivities of the Prime Minister and Foreign Minister, foreign policy under a newly elected Turnbull government has been extremely cautious'. Policy differences, as described in a recent headland speech by Shadow Minister for Foreign Affairs Penny Wong, go to whether Australia's relationships with Asia are too 'transactional', lack a narrative, and are not geared towards deeper and more entwined relationships where Australia gains true acceptance as being part of the region. Then Shadow Treasurer Chris Bowen outlined a 'FutureAsia' manifesto to revive the Gillard-era *Australia in the Asian Century White Paper* and strengthen Asian literacy in Australia. Turnbull had mixed results from hosting the Association of Southeast Asian Nations (ASEAN)-Australia Special Summit in Sydney in March 2018, but it was a good direction.

Despite these differences, there remains considerable bipartisanship in foreign policy. The Coalition rejected the *Australia in the Asian Century White Paper* in 2012 but kept the ASEAN ambassador and maintained a priority interest in ASEAN, the East Asia Summit, and bilateral relationships with China, Japan and Indonesia. The Coalition has focused on economic diplomacy, pursuing free trade agreements with Japan, South Korea and China, and presently focusing on India. Yet at the same time, Australia has reduced its official development assistance to the Asian region as part of dramatic overall cuts.

Byrne (2018: 294) writes that the white paper 'carefully levers Australia away from its transactional patterns towards a strategic coherence tied to an Indo-Pacific design and underpinned by liberal internationalist values.' Morrison talks of values in foreign policy but has demonstrated early that he is not averse to transactional deals, especially in relation to boat arrivals.

Morrison's first months in office showed a leader who speaks without due care to the reactions of foreign governments—floating the idea of shifting the Australian embassy in Israel from Tel Aviv to Jerusalem was the most glaring example. Morrison attended the ASEAN and East Asia summits in Singapore, then hosted Japanese Prime Minister Shinzo Abe's historic visit to Darwin before jetting off for the Asia-Pacific Economic Cooperation Summit in Papua New Guinea. This power week was followed by the G20 Summit in Buenos Aires in November 2018. It was clear at that point that the international community had lost patience with Australia's constant change of leader, so Morrison and Foreign Affairs Minister Marise Payne have a serious job to do in building recognition and trust.

The 2019 election itself was almost silent on foreign policy, except for some anxiety expressed in debates about the US-China trade wars. After the election, Prime Minister Morrison visited the Solomon Islands, attended D-Day celebrations in the United Kingdom, and held leadership discussions in Singapore from 2-7 June. In his speech in Singapore, Morrison stated:

I've said before that our foreign policy must not be simply transactional. It's about our character and values. Who we are in the world, and what we believe in.

We believe in the rule of law, in equality of choice and opportunity.

We believe in peace and liberty through the prosperity of private capital, property rights, free and open markets.

We believe in being good neighbours and we are a partner that pulls its weight.

We want to see an open, rules-based Indo-Pacific where the rights of all states are respected.

A vision like that is admirable but does not just happen. It requires investment in skilled diplomacy and the overall aid program, and in building political capital with world leaders. This is Morrison's challenge now.

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