



Background Memo

Avoiding Conflict in the Indo-Pacific: An Australian Perspective

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The U.S.-China bilateral relationship is the critical determinant of whether large-scale conflict in the Indo-Pacific will occur. An active discussion is happening in Australia on what steps the United States can take to reduce the risk of catastrophic conflict. Although more than one potential flashpoint exists, conflict in Taiwan is widely considered to be the most dangerous scenario. Current U.S. approaches to reducing the likelihood of conflict include

- strengthening deterrence in coordination with the United States and allied countries. This includes approaches such as deterrence by denial, deterrence by punishment, narrow military deterrence, or integrated deterrence, which focuses on broadening coalitions;
- establishing guardrails for managed strategic competition—essentially, establishing mutually recognized red lines and maintaining intensive closed-door dialogue, as former Australian Prime Minister Kevin Rudd has proposed;
- leader-level coordination between U.S. President Joe Biden and Chinese President Xi Jinping. This is particularly important, as White House Indo-Pacific Coordinator Kurt Campbell said in 2021 that Chinese Foreign Minister Wang Yi was “nowhere near, within a hundred miles” of Xi’s inner circle;
- confidence-building measures, such as the Code for Unplanned Encounters at Sea or military-military hotlines that can help address and prevent uncertainties. However, many analysts question the utility of these mechanisms given that, according to U.S. National Security Advisor Jake Sullivan, Chinese military vessels and aircraft have undertaken a sharp increase in unsafe and unprofessional behaviour in 2022, suggesting a limited willingness by China to lower the risk of conflict; and
- diplomatic commitment to shaping the region around China, rather than shaping China’s own behaviour, as detailed in the United States’ 2021 Indo-Pacific strategy.

Australia’s Perspective

Australian Foreign Minister Penny Wong said in a recent speech to the UN General Assembly, “So I say to small and medium sized nations like my own: we are more than just supporting players in a grand drama of global geopolitics, on a stage dominated by great powers.” In other words, “we cannot leave it to the big powers.” This statement reiterates a speech she gave in Jakarta in 2019, in which she said, “The rest of us are not just in the slipstream.”

The questions remain as to what exactly this means in practice, and if there actually is much that other countries such as Australia can do to prevent conflict. Australia has advanced several approaches:

- *Contributing to collective deterrence.* Since 2019, Australia has articulated the view that the United States alone cannot maintain deterrence, and that collective action is required. AUKUS, the trilateral technology partnership between Australia, the United States, and the United Kingdom, reflects this logic of collective deterrence. However, the timeline for Australia to upgrade its military capabilities through AUKUS is lengthy, which could mean that Australia would have limited capability to contribute to U.S. efforts if a conflict over Taiwan occurred in the next decade.
- *Privately encouraging both the United States and China to avoid taking action that could lead to conflict.* As a close U.S. ally, Canberra has historically had some limited influence in shaping Washington's approach to the Indo-Pacific, although less so in relation to the U.S. bilateral relationship with China. It should be noted that Australia has only resumed political-level dialogue with China since the election of a new government in Australia in May 2022.
- *Supporting the rules-based order and international law.* Australia has consistently sought to call out instances of using force or coercion, and attempts to resolve disputes by non-peaceful means in concert with other nations. For example, in August 2022, Australia issued a joint statement with Japan and the United States expressing concern about China's large-scale military exercises in the Taiwan Strait.
- *Promoting transparency.* Australia has sought to be transparent in formulating its defense and strategic policies. For example, in 2020 it issued a Defence Strategic Update that articulated Australia's concerns about the growing—although still small—risk of high-intensity conflict in the Indo-Pacific. Australia could do more to explain the purpose of some of its policies and approaches, such as AUKUS, to reduce the likelihood that they are misunderstood.
- *Supporting inclusivity in regional groups.* Australia has long been a supporter of inclusive regional groups such as the Asia-Pacific Economic Cooperation, East Asia Summit, and the Group of Twenty (G20), seeing them as an opportunity for dialogue that could reduce the risk of conflict. However, optimism about the role that these groups can play has diminished over the past ten years.
- *Supporting Taiwan.* To avert a Taiwan conflict, Canberra maintains strong unofficial ties and economic links with Taipei.
- *Advocating for more robust crisis avoidance:* Some scholars have argued that Australia needs to advocate for more robust crisis avoidance, management and confidence-building measures, including in coalition with potential like-minded regional countries such as Japan and Singapore and Japan to avert conflict over Taiwan. However, Australia has notably not taken forward any major diplomatic initiative explicitly focused on reducing the risk of conflict.