AUSTRALIAN ELECTION POLICY BRIEFS 2022

Our experts examine the big election issues for Australia in 2022, outline where the major parties stand, and offer policy recommendations.
The 2022 Australian federal election takes place at a time of global turmoil – a brutal war in Ukraine, confrontational relations between authoritarian China and the democratic West, the economic, political and human toll of the pandemic, and accelerating climate change.

How to navigate this rapidly shifting and dangerous new era will be a more prominent feature of campaigning than in recent past elections. The times are consequential, the foreign policy stakes are high.

Asia Society Australia is pleased to publish a series of election policy briefs to help illuminate these issues and the positions of the major parties on them.

Our intent is to capture the most significant foreign policy issues that will shape our engagement with Asia in the future and to contribute to an informed election debate on them.

Our authors are drawn from the Asia Society Australia family and from the academic and think tank community. The views expressed are the authors own and do not necessarily represent their organisations or Asia Society Australia.
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WHAT IS THE ISSUE?

Supply chains are invisible when society is functioning well. Disruption caused by the pandemic shone a light on supply chains as the essential enabler of all industry. At the same time, ‘supply chains’ became a catchcry for something unfathomably wrong, needing to be fixed urgently, by someone, somewhere. Australia’s governments stepped in to help, seeking top supply chain operations leadership to devise and implement emergency measures. Supply chain strategy is relatively new to Australia’s governments, as are operations.

For container freight trade, Australia is a small market, an exporter of high-grade perishable foods, and a remote ‘end destination port’ in the secondary (north-south) trade routes. Imports and exports must rely on sea or air transportation and Australia is more exposed in a crisis than many competitor nations. In March 2019, when Australia was ‘locked down’, freight transportation by air virtually ceased. Since then, freight services have been scarce, fuel prices are increasing, freight rates have skyrocketed and they are not expected to return to less than two times pre-pandemic prices in the foreseeable future. Australia’s exports are often left onshore as the shipping companies prefer to collect empty containers for repositioning into profitable trade routes.

Massive global trade backlogs and delays continue to build because of the virus, with recovery expected to take up to four years and maybe longer. The invasion of Ukraine significantly worsens COVID’s impact with skyrocketing fuel costs in Australia and even more interrupted global supply chains. The scale of major supply chain disruption is evident through the cost of the Suez Canal being blocked for six days in March 2021 by the huge container ship, the Ever Given. Lloyd’s List showed the stranded ship was holding up an estimated US$9.6 billion of trade along the waterway each day, compounding the impact of COVID delays globally.

WHERE DO THE MAJOR PARTIES STAND?

Since early 2019, the Australian Government’s International Freight Assistance Mechanism (IFAM)
has supported valuable import and export trade. It worked because it was led and directed by the country’s top supply chain and logistics experts. But IFAM is temporary, costly and unlikely to continue.

In preparation for the 2022 elections, the main political parties are developing policies to ensure future supply chain resilience, to protect national sovereignty and to protect our trade. Supporting modern manufacturing onshore is a policy position of both parties, but e-commerce and the purchasing power of consumers in global markets may limit the success of manufacturing in Australia where labour rates are high relative to manufacturing in developing nations.

Innovation in food production and value-adding to reduce product perishability are also supported by both major parties. At this stage, some pre-pandemic infrastructure policies are being rebadged as addressing the pandemic head on. This is worthy of debate as the current predicament requires new and different strategies. The policy positions of the major parties remain largely unclear for supply chain issues.

RECOMMENDATIONS

Now more than ever, to protect Australia’s quality of life, effective government policy must reflect the expertise and stated needs of our most proficient leaders in supply chain and logistics. Policy needs to be different and entirely realistic about our current situation and immediate predicament. Pre-pandemic strategies which focussed on increasing port capacity, long-term multimodal infrastructure construction, last mile productivity and finding new international demand for our products are no longer the priority.

Policy must focus on new methods to aggregate and consolidate freight, amassing freight for competitive rates and establishing cost-effective and agile landside logistics and transportation to get the newly consolidated volumes of cargo to Australia’s most competitive air and seaports. Innovation is essential to reduce the perishability and increase the shelf life of our premium food exports. We have new harsh challenges and rehashed policy will not help.

Apart from COVID-19, the greatest supply chain challenge is an ageing male-dominated workforce and the lack of a modern capability pipeline. Operations require practical experience as well as a better educated workforce to meet Industry 4.0 business transformation. This capability pipeline is critical to Australia’s future.

Investment in creating a capability pipeline for many different supply chain occupations, plus retaining and upskilling employees, is a top priority. It is difficult to recruit key supply chain staff with vital operations knowledge as well as data analytics capability and technology skills. Truck driver shortages are endemic and agriculture supply chains suffer worker shortages across the country. Policy and investment are needed to address critical workforce shortages across more than 150 roles (from basic wage to executive management) outlined in Wayfinder’s Supply Chain Career Map.

Dr Hermione Parsons is Advisor, non-executive Director and the former Director of Supply Chains and Logistics R&D centres at Deakin and Victoria Universities and an Asia Society Australia Supply Chain Fellow.
WHAT IS THE ISSUE?

The optimism of the halcyon days of global trade liberalisation in the 1990s has given way to an era of great power rivalry and a weakened global trade rules system. The current trajectory carries a high risk of a return to competing trading blocs and escalating protectionism.

The global trading system has changed significantly since 2001, with increased competition from developing countries, notably China, taking advantage of lower trade barriers. But many governments in the western world failed to adapt to these shifts. As working class incomes stagnated and wealth inequalities widened further, there was a popular backlash against globalisation, particularly in the US.

The US has retreated from its role as a global trade champion and is increasingly focused on countering the economic challenge from China. For its part, China has sought maximum advantage while refusing to take on obligations in the World Trade Organization (WTO) commensurate with its economic power.

The primary aims of US trade policy are to impose costs on China’s unfair trading practices, protect its economic assets, shift investment to the US, and block China’s campaign to achieve technological superiority. The Biden Administration recognises the value of coordinating trade strategy with others, but as shown by its recently released Indo-Pacific Economic Framework, it is unwilling to offer new access to its market – a key to incentivising others to join.

Many countries are more vulnerable to the impacts of the US-China rivalry and a weaker WTO. Some have attempted to reduce the risks by striking bilateral and regional deals, although such opportunities have diminished since COVID-19 and may be more limited in the future. While WTO reform efforts are continuing, so far consensus has been elusive.

WHERE DO THE MAJOR PARTIES STAND?

New market access is a priority for the Coalition, especially in the face of China’s trade coercion. It has undertaken to conclude FTA negotiations with the
European Union (EU), pursue agreements with the United Arab Emirates (UAE) and Israel, and to ramp up implementation of the Regional Comprehensive Economic Partnership Agreement (RCEP) and our FTA with ASEAN (AANZFTA). The Government hopes also to expand its recently concluded ‘interim’ trade deal with India. It will trigger WTO disputes in cases of serious non-compliance.

The Australian Labor Party’s (ALP) support for trade comes with the caveat that jobs, wages and conditions must be protected. It will legislate to guarantee labour rights in future free trade agreements (FTAs), and to enshrine labour market testing as a condition for the temporary entry of foreign workers. The ALP appears in favour of reopening existing FTAs to reinstate labour market testing and remove Investor-State Dispute Settlement provisions, an approach fraught with risk.

Both major parties are committed to support WTO reform efforts, recognising the importance of opposing further erosion of the institution’s authority.

In the Indo-Pacific, both major parties support CPTPP expansion. The ALP might view China’s application for CPTPP membership as an opportunity to explore the prospects for reversing the negative direction of the bilateral trade relationship.

In other areas, the Coalition will continue its initiatives on digital trade and supply chain resilience, and may upgrade investment attraction and export support programs.

The ALP supports a mutually reinforcing relationship between trade and climate change policies, emphasising the opportunities from decarbonisation. This could improve cooperation with the US and EU, and potentially smooth the path to an FTA with the EU.

RECOMMENDATIONS

Market diversification will be a major trade policy objective. While Australia has concluded a number of FTAs, Australia’s exports remain narrowly concentrated in terms of products and markets, and our top services exports have been hit by COVID-19. This represents a significant national vulnerability.

New FTAs should be part of the solution, notably with the EU and the United Arab Emirates. Reopening existing agreements must be avoided. Instead, efforts should be made to extract value from FTAs by pursuing in-built negotiating agendas and work programs. Dispute settlement action should be taken if partners have failed to comply with their obligations.

But market diversification will depend on business seizing new opportunities and adapting. Given the scale of the challenge, there is a strong case for more interventionist policy models. Resources should be directed to upgrading trade and investment promotion with a clear focus on attracting capital and talent needed to transform our economy. A whole of government program should be set up to incentivise firms to enter the global marketplace.

Trade policy should be mobilised to contribute to the development of globally competitive sovereign capabilities in priority sectors. A targeted program of sectoral agreements with partner countries should aim to drive investment and connect Australia to global value chains.

Given the prospect of further economic coercion, centralising all relevant trade instruments in a single portfolio should be considered. Externally, we should push to codify a common approach with like-minded partners for dealing with economic coercion, for example in a plurilateral agreement under WTO auspices.

In the Indo-Pacific, we should keep the door open while pressing the US to develop its Indo-Pacific Economic Framework to maximise its inclusiveness. On CPTPP membership, Australia should make clear to China that engagement rests on a shift away from China’s punitive approach. We should support membership negotiations with Taiwan and the UK and encourage others to apply, including Indonesia and Thailand.

Australia should remain at the forefront of efforts to reform the WTO, concentrating on tangible steps that will promote US engagement and the integrity of the existing rules.

Justin Brown is a former Deputy Secretary Trade, Investment and Economics, Department of Foreign Affairs and Trade and former Australian Ambassador to EU, Belgium, Luxembourg and NATO.
WHAT IS THE ISSUE?

The COVID-19 pandemic sent almost 100 million people globally into extreme poverty in 2020 alone. Eighty million are in the Indo-Pacific. At the same time, rates of inequality are increasing, particularly in middle-income countries across the Indo-Pacific. At first, the Pacific remained protected as its economies and livelihoods absorbed the blow of border closures. But that time has run out. For many low- and middle-income countries, the pandemic is just getting started. For Southeast Asia, despite relatively robust signs of early economic recovery, significant middle-income traps loom. And for the poorest countries, poverty rates are likely to worsen. Post-election, an incoming government will be greeted by a development portfolio experiencing a resurgence of relevance with like-minded partners. But it’s also a portfolio poised for a much needed refresh. As regional challenges operate at the intersection of security, the environment, economics and technology, classic development challenges of health, poverty, equality and education continue.

WHERE DO THE MAJOR PARTIES STAND?

The current Government’s leadership on development is most visible through two prisms: increased political engagement with the Pacific led by the Prime Minister, and a welcomed refocus on Southeast Asia over the past two years. The Government argues that its pandemic response has been swift, generous and successful. It launched a COVID-19-specific ‘Partnerships for Recovery’ development policy under which vaccines, health teams, direct budget support and PPE were deployed into the region alongside existing development projects. The policy unlocked temporary increases of the official development budget and other complementary measures such as loans and infrastructure support for both the Pacific and Southeast Asia. [1]

Critics of the government focus on its official development assistance expenditure, arguing that the budget increases started from an already inadequate development budget base and were not commensurate to the scale of the challenge facing the region. They argue that even when accounting for...
additional “temporary” COVID-19 official development assistance. Australia’s current development budget is only 0.2% of GNI, amongst the least generous of all OECD donors’ expenditure. The March budget revealed that this would only decrease in coming years.

Labor has committed to “rebuild Australia’s international development program” and increase assistance to internationally-accepted levels of at least 0.5% of GNI, starting from its first budget. Labor will use the globally recognised Sustainable Development Goals as a blueprint for development, focusing on accountability, transparency, and program effectiveness.

The platform is widely regarded as a positive step towards enhancing development effectiveness for Australia. The budget commitment will see a steadily growing development program. But critics who advocate for a more focused development program are cautious of the broad goals set out, and sober about how the budget will be rebuilt given fiscal pressures and the challenge of shifting development practice in the immediate term.

RECOMMENDATIONS

Geopolitical competition is turbo-charging the relevance of development programs in the Pacific and Southeast Asia. France, the US, the UK and China are all increasing their development footprints. Australia’s development program is the most visible indicator of Australia’s appetite to support regional recovery and resilience.

The adequacy of Australian support to the region’s recovery and resilience ought be measured against: the scale of health, social and economic crises and its severe impacts on the region if human development indicators spiral downwards; the implications for Australia and Australians of those impacts; and whether our developmental architecture, policy and delivery capability can be relied upon for the next wave of challenges.

On these measures, neither party has shown a strong indication of long-term analysis or planning. An incoming government faces a strategic choice on development: Will government increase the priority of long term regional resilience through its development program? Or will the program snap back to pre-pandemic routines? The answer will likely come down to how each party judges the development, diplomatic and security rewards derived from development investments.

[1] The Government conceives of its development footprint as a combination of (1) baseline official development assistance that hovers just above $4b, (2) temporary additional assistance for COVID-19 of approx. $460m in 2022-23, and (3) a range of complementary measures which contribute to regional development but which are not administered or accounted for in internationally agreed development financing terms (for example, cable support to Timor Leste and Palau, defence cooperation and loans made outside of the official development program). Whether analysts include this third category of expenditure in development program calculations drastically alters the perceived size and scale of Australian support, but most have been hesitant to do so given this is not the international norm.

Bridi Rice is Founder & CEO of the Development Intelligence Lab and Visitor at RegNet, Australian National University’s College of Asia and the Pacific.
WHAT IS THE ISSUE?

It is an exaggeration, but only just, to say that Australia’s China policy is Australia’s foreign policy, such is its dominance in the nation’s external affairs.

A structural clash of interests and values with a more powerful, nationalist and ideological China is keeping the bilateral relationship bumping along the bottom, with no high-level political engagement and no apparent end to China’s coercive trade actions against Australian exports.

The nation faces a tough contest for influence and power in the Indo-Pacific, where China seeks to displace the United States and weaken its regional alliances and partnerships. China’s entente with Russia is propelling further change in global order and sharpening the divide between the democratic and autocratic worlds.

WHERE DO THE MAJOR PARTIES STAND?

The Coalition touts a three-part policy response to these challenges: building a larger, more powerful defence force; partnerships in the Indo-Pacific to balance China’s power and sustain Australia’s influence; and, strengthening “national resilience at home with policies that reinforce both economic and national security goals into the future”. This last portfolio includes ramped up efforts to support trade diversification and a suite of policies aimed at domestic security covering issues such foreign interference, 5G networks, foreign investment in critical infrastructure, and cyber security. Prime Minister Morrison argues this agenda is “brave and world leading”. Expect more of the same if the government is returned.

The government spends little time talking about bilateral ties with China because the relationship currently has so little life in it. Morrison’s team declares it is open to dialogue and discussing differences but won’t compromise on national interests.
Despite a febrile election gambit to paint Labor as soft on China, the Opposition has stuck with the government on all major China-related policy issues, including 5G, foreign interference, human rights, the Indo-Pacific strategy, the Quad and AUKUS, and new defence capability.

This alignment gives Labor less space to differentiate, but it has criticised the government for a lack of “delivery” in defence capability and for attempting to use China policy for political advantage. Labor charges the government with fuelling a debate that is “frenzied, afraid and lacking context” and that has reduced “our complex environment to cold war analogies”.

Labor hopes that more controlled public messaging on China will help lower the temperature of the bilateral relationship. The Opposition has also pledged to invest more “financially and intellectually” in Southeast Asia and the Southwest Pacific, arguing Australia’s “regional engagement is also critical to how we manage the China relationship.”

**RECOMMENDATIONS**

Beijing might see the election as a possible moment to “reset” bilateral ties. Any such approaches should be treated with a healthy dose of caution and scepticism – China’s intent would be to re-gear the relationship on terms more favourable to it. Early and clear messaging about Australian bottom lines will be important. Still, in the unlikely event it could be achieved without compromising both vital interests and values, it would be in Australia’s national interests to have China’s trade measures lifted and high-level political dialogue resumed – after all, this would simply bring Australia back to par with close partners like Japan.

On the economic front, trade diversification is here to stay whatever the election outcome, along with investment controls and efforts to develop “trusted” supply lines for critical technologies. But Australian businesses are also told to hold on to market share in China where they can. Even in a slowing Chinese economy, demand for Australian exports will stay strong.

Navigating these at times contradictory messages, along with the re-wiring of globalisation currently underway and the heightened risk of doing business with China, is challenging work: Australian businesses will need clear guidance and advice from government. This extends to the education sector, where government policy will need tweaking to ensure sustainable levels of Chinese students within a diverse international student population. The next government will also need a clear plan for managing applications by China and Taiwan for membership of the CPTPP trade deal.

Whichever party wins the election will need to be prepared, institutionally and intellectually, for any number of acute challenges in China policy. The relationship will remain inherently volatile and prone to disruption: managing through crises is the new norm. Australia’s new sanctions legislation will create pressure on China for human rights abuses in Xinjiang province. Australia could face a crisis in the Taiwan Straits of one form or another.

The possible election of another “America First” Republican President in 2024 could also have far-reaching consequences for US global standing and influence and US-China relations. In such circumstances, the government must remember that while Australia’s interests are closely aligned with the United States on China, they will not always be identical.

Australia’s partnerships in the Indo-Pacific will require constant attention and investment of both political attention and ideas. The health and strength of these relationships hedges both against Chinese assertiveness and possible US unreliability. Australia hasn’t been sitting on its hands in Southeast Asia or the Pacific during the Coalition’s term, as Labor sometimes likes to suggest. Still, nothing will be more important to Australia’s long-term security and prosperity than the effectiveness of our efforts to manage relations with China and protect our interests and influence in the broader Indo-Pacific. The scale and significance of this task requires nothing less than a determined whole-of-nation endeavour backed by consistent, creative and well-resourced diplomacy.

*Richard Maude is Executive Director, Policy at Asia Society Australia and a senior fellow at Asia Society Policy Institute.*
WHAT IS THE ISSUE?

Much has been written about the khaki tinge of the upcoming federal election, with the Morrison Government seeking to differentiate itself on defence and national security while the Opposition emphasises the similarity of their positions and asks that national security be above partisan politics.

In the midst of this, it’s pleasing that there is recognition of the importance of other elements of statecraft – diplomacy and development – for maximising Australia’s foreign policy influence. Defence alone cannot manage the range of international issues that face the next government.

WHERE DO THE MAJOR PARTIES STAND?

There has been increased use of “3D” language across both sides of politics.

Prime Minister Morrison speaks about using all elements of statecraft to shape the world we want to see; Minister for International Development and the Pacific Zed Seselja commits to use “all the tools of statecraft”; and Minister for Foreign Affairs Marise Payne describes Australia’s response to COVID-19 in the region as a “whole-of-government framework” that draws on “the full suite of our development, diplomatic, and defence capabilities.”

This is mirrored across the aisle with Shadow Minister for International Development and the Pacific Pat Conroy MP calling for “greater coordination between development, diplomacy and defence policy” and “more strategic and joined-up thinking between the domains of diplomacy, defence and development.” In Shadow Minister for Foreign Affairs Penny Wong’s words:

“Maximising our influence means we need to use all the tools we have. Military capability matters... But we need more than that. We need to deploy all aspects of state power – strategic, diplomatic, social, economic... Foreign policy must work with other elements of state power to succeed – in this the whole is greater than the sum of the parts.”
The key difference is that the Opposition explicitly focuses on the need to rebuild Australia’s diplomatic and development capacity. Leader of the Opposition Anthony Albanese has outlined a vision for international engagement that “rebuilds our diplomatic service [and] revitalises our international aid program”, while Shadow Minister for Foreign Affairs Penny Wong has called for “a rebuilding of our development assistance program” and diplomatic capacity.

Answering questions after his address to the Lowy Institute, Anthony Albanese said that Australia “need[s] to step up in terms of our diplomatic efforts”, lamenting the “short sighted” budget cuts that had undermined the capacity of the Department of Foreign Affairs and Trade to “engage in soft diplomacy” and “build relations over a period of time.” Albanese said there would be “a much bigger effort, both in terms of quantity but also in terms of quality” to reverse “the marginalisation that has occurred.”

Beyond this, the Opposition is cautious about entering into detail, focusing in broad terms on perceived Labor strengths like engagement with Asia, multilateralism and the alliance with the United States.

**RECOMMENDATIONS**

While a khaki election will forefront foreign policy issues, it will likely emphasise defence and national security over diplomacy and development.

However, behind the scenes, consensus is building on the need to apply all arms of statecraft, which implies both sufficient investment and effective coordination in support of common strategic objectives.

Whether discussed or not, rebuilding Australia’s diplomatic and development capacity will be a big part of the job of the next Minister of Foreign Affairs, whoever it is.

On the diplomacy side, this might include a diplomatic capability review and focus on recruitment. On the development side, it could include building development leadership (e.g. by appointing an Associate Secretary for Development and deploying senior development people to key posts) and rebuilding evaluation capacity (e.g. by reestablishing the Office of Development Effectiveness and the Independent Evaluation Committee). For both diplomacy and development, there needs to be a clear sense of direction and purpose, ideally through a single international strategy such as the United Kingdom’s integrated review.

The overall aim must be a Department of Foreign Affairs and Trade with the people, the knowledge, the skills and vision to navigate the times ahead.

If Prime Minister Morrison is right that “Australia faces its most difficult and dangerous security environment in 80 years”, we can’t afford to have anything less than the full complement of tools of statecraft at our disposal.

*Melissa Conley Tyler FAIIA is program lead and Tom Barber is program officer at the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D), a new initiative that provides a platform for constructive dialogue, fresh ideas and future-focused debate on Australia’s role in the Asia-Pacific.*
WHAT IS THE ISSUE?

“Tech policy” is an increasingly important but difficult term to define as the influence of tech in our lives is constantly growing in depth and complexity. Consequently, policymaking in the tech space is increasingly entangled with many other policy domains. In the last parliamentary term, the nuanced approaches to tech policy that this complexity requires have too often been lost in public policy debate. This has resulted in tech policies that are narrowly targeted at specific problems or technologies, without sufficient consideration of impacts beyond the trigger issue.

WHERE DO THE MAJOR PARTIES STAND?

The two major political parties in Australia have been actively promoting and legislating new tech policy proposals that deal with a wide range of digital technologies. Most policies announced by the government have been endorsed by, or met little resistance from, the opposition and minor political parties.

These policies fall into two distinct categories – those that deal with technologies that are critical to our national prosperity, economic recovery, and sovereign capability (for example, policies for innovation or research and development); and technologies that are a threat to our society, democracy, and way of life (for example, policies for safety or security).

The former includes the Digital Economy Plan, AI Roadmap, Clean Energy Technology Roadmap, and Consumer Data Right initiative. The later includes the Media Bargaining Code, Online Safety Act, Social Media (Anti-Trolling) Bill, and Critical Infrastructure Protection Bill. The Critical Technologies List straddles the innovation and security narratives.

Both the government and opposition have their own positions on innovation and research and development, with the main difference being how they will budget for them, and which technologies have priority. Policies related to safety and security have proven more complicated. Labor and the Australian Greens have avoided producing contrary policies in favour of working at the edges to make small but important amendments to Coalition policies. For example, the amendments to the Assistance
and Access Act and the push to extend the Media Bargaining Code to the Australian Broadcasting Corporation (ABC) and Special Broadcasting Service (SBS).

Labor recently endorsed the Tech Council of Australia’s target of 1.2 million tech-related jobs by 2030. Further, Labor plans to work with the tech sector on an ‘industry plan’ focused on strengthening tech companies, supporting startups, and growing tech jobs. However, Labor has kept to a small target strategy and made minimal other tech policy announcements.

Labor intends to meet the tech jobs target through fee-free TAFE places, fee-free university places in select areas, and support from its National Reconstruction Fund. Labor has also committed to government procurement reform to use their proposed Buy Australian Plan to support the Australian tech sector.

In a potential shift from the bipartisan safety and security narrative, Labor has announced funding for the “eSmart Digital License+” program and an “eSmart Media Literacy Lab” program for school students to improve online safety and engagement with news online, respectively.

RECOMMENDATIONS

A lack of technical expertise, coupled with the complexity of issues presents a barrier to robust public debate and alternative policy proposals. Even when there is nuanced contention over legislation between the parties, the political impetus to “do something” constrains public debate, politicians don’t want to be seen as blocking action or being weak on tech issues.

To address this, the following recommendations are made.

Nuanced, fit-for-purpose tech policy requires a mature tech policy ecosystem in the political, policy, regulatory, industry and civic realms. This can be progressed by fostering better shared understandings of the challenges and opportunities across these domains.

Political parties should engage more robustly in the public tech policy debate, particularly by challenging and questioning key assumptions.

Greater skills, awareness, and experience with tech and tech policy issues in parliament is essential to more nuanced interrogation of tech policy issues.

The quality of tech policy making could be improved through greater access to expertise and a better understanding of critical and emerging technologies at all levels of government, including the interdependences of these technologies with broader social, security, economic, environmental systems.

Dr Harry Rolf is Centre Manager, and Ben Gowdie is Research Assistant at the Tech Policy Design Centre, Australian National University.
WHAT IS THE ISSUE?

In the contest for strategic foreign policy advantage, Southeast Asia holds increasing significance. Australia’s challenge – to demonstrate its credentials as a trusted regional “security, economic and development partner” – continues to intensify.

WHERE DO THE MAJOR PARTIES STAND?

Despite concerns that a ‘stepped up’ focus in the Pacific would redirect Australia’s attention away from Southeast Asia, the current government has – with a reasonable measure of credibility – kept Southeast Asia on the agenda.

Diplomatic attention towards key bilateral relationships in the region, particularly with Indonesia, Singapore and Vietnam has yielded positive results. The launch of the Indonesia-Australia Comprehensive Economic Partnership (I-A CEPA) in 2019, accompanied by reciprocal high-level visits and growing business engagement represents a major achievement.

Multilateral engagement has further expanded. The establishment of a Comprehensive Strategic Partnership with ASEAN in 2021, following on from the 2020 agreement to annual Australia-ASEAN summits, has opened the way for new initiatives in diplomatic, trade and business, education and strategic engagement. Australia’s support for ASEAN-led economic integration via the Regional Comprehensive Economic Partnership (RCEP) will, with ongoing attention, deliver a return on diplomatic and economic capital.

The government has clearly articulated the value of ‘ASEAN Centrality,’ within a range of strategic Indo-Pacific initiatives, including within the Quadrilateral Security Dialogue (the QUAD). Though here tensions also emerge. Australia’s emphasis on national security concerns, and explicit pushback on China’s influence agenda, present points of tension for Southeast Asian leaders. Clumsy execution of the AUKUS announcement amplified the concerns. Some leaders were confused, others aggravated.

Beyond rhetoric, Morrison’s signing-off on a substantial package of economic, development and security support including vaccine access and
support in November 2020, provided a tangible gesture of commitment to the region’s future. Even so, in the context of a long COVID-19 recovery, the extension of “targeted, temporary and supplementary” development assistance measures, tapered down in coming years, points overall to a worrying downward trajectory in Australian aid. While ad hoc approaches to development assistance may suit the domestic political agenda, the absence of a long-term investment commitment further hampers Australia’s credibility and reputation.

Set against the backdrop of bipartisan foreign policy, Labor is hard pressed to differentiate its position on Southeast Asia beyond the scale of development assistance to the region. Supporting the broad thrust of Australia’s national security narrative, Albanese has explicitly committed to lift Australia’s diplomatic capability in the region and has identified Indonesia, Singapore, Malaysia and Vietnam as priority partnerships.

Labor has said it will grow the aid budget and criticised the temporary nature of recent Morrison Government spending in the region. The Opposition has highlighted economic recovery needs along with vaccines and health security. Albanese has announced a “$200m climate and infrastructure partnership” with Indonesia and has said Labor will “deliver the economic expansion that the Indonesia-Australia Comprehensive Economic Partnership Agreement promised but has not yet delivered.” Shadow Minister for Foreign Affairs Penny Wong has also announced that, if elected, Labor will appoint an ASEAN Special Envoy – “a roving high-level representative, respected in the region, to complement our diplomatic network, and forge close relationships with capitals”.

RECOMMENDATIONS

A narrow strategic window exists for Australia to shift the dial on Southeast Asia engagement. Doing so requires political leaders who are prepared to look and invest beyond the narrow parameters of national security.

ASEAN, as a platform for cohering political perspectives, and brokering support for the principles of a rules-based agenda (albeit unevenly), offers an important starting point. Other opportunities exist, including for example, in backing Indonesia’s G20 leadership through 2022 (now troubled by a possible boycott of the summit if Russia attends).

Investing in long-term recovery in Southeast Asia will provide further ballast to Australia’s engagement success. New models, like multi-stakeholder private-public partnerships that can address grand challenges should be tested. Australian institutions, business and civil society can play to emerging and established strengths in this space. The challenges are many—from advancing renewable energy technologies, to improving women’s economic empowerment, or cultivating entrepreneurship and innovative capacity. The aim is to enable collaborative action intended to deliver more sustainable and inclusive outcomes for region as a whole.

Finally, Australia’s ability to capitalise on the recovery and growth opportunities presented in Southeast Asia requires an investment in capability. Australia has lost some ground in this space through COVID-19. The opportunity to re-engage – via education mobility, research collaboration, cultural, science and sporting exchange as the region re-opens – is compelling and should be a priority.

Caitlin Byrne is the director of the Griffith Asia Institute.
WHAT IS THE ISSUE?

Australian foreign policy is ever more driven by values in addition to interests, with both the government and Labor opposition highlighting Australia’s “shared values” with like-minded states. On human rights, often referred to as a shared value, the new government will face several challenges and opportunities in Asia.

First, the new government will have to defend human rights norms at the United Nations and within our region. Just as illiberalism is on the rise in Asia, Human Rights Watch has documented how Chinese authorities are rewriting existing norms and manipulating procedures to reduce human rights scrutiny globally.

Second, calling out human rights abuses and violations in countries with which Australia shares values or in which Australia has significant bilateral national interests. For instance, Amnesty International has noted that the government and the Department of Foreign Affairs and Trade significantly understate the serious human rights abuses taking place in India’s Kashmir and Jammu regions and against the Muslim minority. In parliament, these issues have been raised by the Greens but by neither major party.

Third, the next government will need to consider how best to make further use of the new Magnitsky-style sanctions regime.

WHERE DO THE MAJOR PARTIES STAND?

The government has stated its belief in “a liberal, rules-based global order. One that favours freedom over autocracy and tyranny. Universal human rights, opportunities for all, and the sovereignty of all nations.” The government has emphasised “shared values and respect for universal human rights” with its fellow Quad members the United States, India, and Japan.

The government has condemned human rights violations in Xinjiang and Hong Kong, joining the diplomatic boycott of the Beijing Winter Olympics partly due to human rights concerns. Prime Minister
Morrison has warned against a “new arc of autocracy”, alluding to Russia and China.

Labor has confirmed that its “approach to international affairs ... will be informed by our values: our belief in democracy, liberty, the rule of law and human rights” and has vowed to “work with likeminded democratic nations to uphold and defend democracy”. Shadow foreign minister Penny Wong has claimed the government has abdicated a leadership role in the region, promising to reprise Australia’s global multilateral leadership on human rights should Labor win the election.

On China, Labor has stated, “we must engage effectively with China while always standing up for our democratic values, including human rights.” Penny Wong has also pushed the government to clarify whether the abuses in Xinjiang constitute genocide, indicating a Labor government might label it as such, and called for targeted sanctions against those “directly profiting from Uyghur forced labour and other human rights abuses”. The opposition has also advocated for additional targeted sanctions to be applied to military leaders in Myanmar.

RECOMMENDATIONS

To counter the erosion of global human rights norms, Australia should take a leading role at the United Nations. The new government should build broad, flexible coalitions to counter China’s drafting of norm-eroding resolutions, call for greater scrutiny of all rights abusers at the UN Human Rights Council, and protect human rights defenders. The new government should seriously consider putting Australia forward as a candidate for the Human Rights Council (Australia’s last term ended in 2020) and Security Council (Australia’s last term ended in 2014).

From the return of fundamentalists, military coups, and shrinking civic space, illiberalism is on the rise in Asia. A larger Australian aid budget, which is at an all-time low, would allow Australia to better fund initiatives to safeguard democracy with programs focused on the rule of law, media, and support for civil society. Women’s leadership and participation are already supported through a specific gender equality budget line, which should be boosted alongside the general aid budget.

The new government will need to continue to find a balance between working with its partners and speaking out on human rights abuses everywhere. Australia should be less timid about raising human rights concerns with those partners with whom we have “shared values” or in whom we have national interest.

The newly adopted Magnitsky-style law enables Australia to sanction individuals and entities under specific themes, which include serious human rights abuses and violations. The current government first used them on 29 March to sanction Russian individuals engaged in corruption and responsible for the death of Sergei Magnitsky, who inspired these laws. Possible next targets for these sanctions include the four Chinese government officials sanctioned for abuses in Xinjiang by the United States, United Kingdom, European Union, and Canada. Retaliatory sanctions by China would be likely. Australia should also consider imposing more sanctions against the coup leaders and military officials in Myanmar.

Dominique Fraser is a Research Associate at the Asia Society Policy Institute and previously worked as Researcher at the Asia-Pacific Centre for the Responsibility to Protect.
WHAT IS THE ISSUE?  >

The anticipated “khaki” election campaign from the Coalition has so far been overshadowed by the Solomon Island government’s decision to enter into a security arrangement with China.

The Coalition wants to refocus the narrative back to its “record” Defence spending and “historic” initiatives to strengthen alliances and partnerships. But significant questions remain on the nation’s Defence preparedness, including major capability acquisition programs that are almost all delayed and over budget.

Whichever party finds itself in government will face the immensely difficult challenge of reconciling the likely need for Australia to increase defence spending even further at a time of global economic uncertainty, competing social policy needs, and a federal budget deep in deficit.

WHERE DO THE MAJOR PARTIES STAND?  >

The 2020 Defence Strategic Update articulated the case for a stronger Australia defence posture to supplement the US position in the Indo-Pacific. The 2021 AUKUS announcement added significant weight to this policy not seen since the ANZUS Treaty. While this overall policy approach is supported by the opposition, Labor likely will deliver a new Defence White Paper and has pledged a Force Posture Review if elected (unlike the Coalition).

The Coalition has been muscular in its rhetoric, with announcements to increase personnel numbers, advance missile programs, expand Navy shipbuilding programs, develop a Defence Space program, build autonomous platforms (including submarines), and invest in emerging technologies. The Minister for Defence, Peter Dutton, has backed this up with tough talk around China, including an Anzac Day address comparing the Gallipoli campaign and the rising dictatorships of the 1930s to the current “arc of authoritarianism”.

The Coalition’s main attack point has been around Defence spending, which fell to 1.58 percent of GDP – the lowest amount since 1938 – under Labor. The Coalition has lifted spending to two percent and Labor’s support for this has taken some of the sting out of the political point scoring.

Labor has focused on the capability gaps that Australia will face (and therefore our ability to support allies and partners) – most major new Defence capabilities are still almost a decade away, with the first of the nuclear-propelled submarines unlikely to be ready until about 2040.

Labor has pledged to boost defence capability and “deliver a frank assessment of our capabilities and pipeline on arrival in government”. Detail on what this looks like, funding required and specific capabilities are not yet forthcoming.

On regional Defence engagement, Labor has stated that it “will deepen our regional defence cooperation with close partners – including Japan, India, Singapore and others – to bolster our joint capabilities, shape our strategic environment and uphold the rules of the road”. Again, there is little detail, but one proposal is to establish a Pacific Defence School to deliver practical training for non-commissioned officers.

The Coalition will continue to point to AUKUS, the Reciprocal Access Agreement with Japan and other Defence Cooperation Program projects in the region to demonstrate its regional credibility. To date, there have been few new initiatives announced.

RECOMMENDATIONS

Australia doesn’t have the luxury of waiting for new platforms to be delivered in the 2030s. More urgency must be injected into our Defence capability program and, if necessary, Australia should buy off-the-shelf platforms that can be procured quickly. For example, the MQ-9B Reaper drone project that was inexplicably cancelled but could have provided armed and remotely piloted drones in the mid-2020s.

This decision is even more puzzling when we look at some of the lessons learned from the conflict in Ukraine. Ukraine’s most effective weapons have been portable and asymmetric in nature – drones, anti-aircraft, anti-ship and anti-tank missiles, and high powered long-arm rifles.

In addition to a Force Posture Review, perhaps a revised Force Structure Review is warranted to learn from these lessons. For example, on current planning the Australian Army will receive an additional 75 Abrams tanks. While different to the Russian tanks deployed in Ukraine that proved vulnerable to small, inexpensive man-portable weapons, perhaps this decision needs to be reviewed. It is notable that the United States is moving towards more agile capabilities (the US Marine Corps is cutting all three of its tank battalions).

There has never been a more important time to match rhetoric with action to support our allies and partners, especially the United States. It is clear that the United States would like a larger footprint in northern Australia. The head of the US Marine Corps, General Berger, emphasised this during a recent visit to Darwin. Other US military leaders have made similar statements and there is a sense of frustration at the lack of speed with which Defence is responding.

Japan is another key relationship that deserves greater attention. There has been good progress in the bilateral Defence relationship, but more can be done. The government should provide Japan with specific proposals for getting the Self-Defense Force to Australia routinely, support enhanced training and exercising, establish a permanent presence embedded within the Australian Defence Force (ADF), and support the required infrastructure. Japan is embracing a more normal defence posture and forging strategic partnerships across the Indo-Pacific, so now is the time to cement ourselves as a trusted partner of choice.

Finally, after decades of focus on the Middle East, there needs to be greater Indo-Pacific literacy built in the ADF and creative, practical initiatives developed in the region, especially with Indonesia and Pacific Island nations.

Defence needs to stop delaying decisions through studies, reviews and incremental approaches to alliance support and infrastructure planning, especially in northern Australia.

There will be political and public perception hurdles to overcome but now is the time to think and act boldly.

Guy Boekenstein is Northern Australia Fellow at Asia Society Australia.
WHAT IS THE ISSUE?

The International Panel on Climate Change recently underlined the scientific consensus that human induced climate change is widespread, rapid and intensifying, and that the vulnerability of ecosystems and communities worldwide is growing. UN Secretary General Guterres describes the Panel’s conclusions as a “code red” for humanity, and an atlas of human suffering. Australia is identified as among the most vulnerable countries.

How should Australia respond? The challenge engages key responsibilities for government: security for our communities; the strength of our economy as the global economy transitions; and managing the massive social challenges accompanying transition.

The challenge will increasingly engage our foreign policy: the geopolitics of climate action – where we already face pressure from the EU, UK, US and Pacific Island countries; the geo-politics of the changing global energy landscape, underscored by the war in Ukraine; our trade and investment interests as the new economy accelerates, not least in Asia; and our contribution to the global rules based order, as combating climate change needs effective multilateralism.

The magnitude of this challenge makes it the challenge of our generation. The science is clear, to have any hope of success we need a reduction in global emissions of 50 per cent by 2030 – this decade is critical to reaching net-zero emissions by 2050 at the latest.

WHERE DO THE MAJOR PARTIES STAND?

The governing coalition has committed to net-zero emissions by 2050 and kept its 2030 commitment at a 26-28 per cent reduction of emissions on 2005 levels. Its policy centrepiece of a $20 billion investment in new technologies, for example hydrogen and low carbon steel, over the decade is a necessary element but by no means sufficient for the economy-wide transformation required. In the pre-election budget, climate change barely got a mention.
The coalition has begun to talk up trade and investment opportunities associated with decarbonisation, but is making slow progress on announced cooperation agreements with key countries in the region such as Japan, India and Indonesia. There will be no departure from this overall caution as the coalition continues to tread warily in the face of scepticism to climate action from parts of its constituency, particularly in regions most threatened by climate transition, such as coal centres in New South Wales and Queensland.

With seats in play in these regions for the opposition Labor party, it is tempering its ambition since the last election. It has a 43 per cent target for 2030, with a centrepiece investment of $20 billion to improve the national electricity grid to support an influx of renewable energy. It will introduce a modest cap and trade system to reduce industry emissions and make some investments in clean technologies, carbon offsets and electric vehicles. Internationally, it has committed, without detail, to ad hoc initiatives such as hosting the UN Climate Conference, strengthening climate cooperation as part of the US alliance, investing $200 million in a partnership with Indonesia and assessing the implications of climate change on national security.

RECOMMENDATIONS

To meet the challenge of our generation, there needs to be a step-change and systemic, scaled policy approaches for success. Four things would significantly drive this:

• aligning with the science, which means commitment for a 50 per cent reduction in emissions by 2030 (the EU is at least 55 per cent and the UK is at 68 per cent)

• development of an economy-wide national strategy to reach net zero emissions by 2050, supported by sector-based policies that concretely put us on track this decade with particular priority on a national energy policy that provides investor confidence, a national transport policy including vehicle emissions standard caps, and industry policy that prices the cost of carbon as the global economy factors this in and key economies, such EU and US, contemplate carbon border taxes for those that do not

• aligned with such a strategy, significantly sharper focus and proactive prosecution of climate transition opportunities for our international trade and investment and economic diplomacy, particularly in the Asian region as the centre of global growth and the decarbonisation challenge for the foreseeable future, and where we have immense comparative advantages such as in clean energy, agriculture and critical minerals

• integration of climate action into our foreign and security policy commensurate with the importance it will have on our future, geo-politics and key relationships, with a start on a comprehensive strategy for engaging with Pacific Island countries as they have been asking for over two decades.

Absent a transformative approach, we will fail.

Patrick Suckling is a non-resident Senior Fellow of Asia Society Policy Institute and former Australian Ambassador for the Environment
Australia faces the gravest set of economic, strategic and environmental challenges to its future security and prosperity than at any point since the end of the Second World War.

Navigating this period safely will be an immense task, requiring diplomacy that is more than just tough-minded, defence capabilities that are delivered on time and not just programmed, and economic policy settings that are more than just business as usual. We will need knowledge, creativity, energy, flexibility and deep pockets. As a nation, we will need to be at our very best.

Regrettably, the election debates failed to generate a comprehensive national discussion on how we should secure our future. Both major parties are aligned in their assessment of Australia’s international environment, but have not presented a compelling strategy that brings together all elements of Australia’s national power – diplomacy, defence, economy and international citizenship.

The broad parameters of our challenge are understood. The US-China competition is accelerating. The break-down in our relationship with China is long-term and structural. Russia’s war in Ukraine, China’s support for it, and reluctance of many of our Asian neighbours to condemn it, further undermine rules-based order in Asia. The global economic outlook is weak. The COVID pandemic is persistently present in Asia. Climate change poses an existential threat to Asia, and its immediate impact is felt across the region.

Australia’s response to these challenges should not be underestimated. In recent years, we have seen significant shifts in our foreign and domestic policy settings to support Australia’s sovereignty and resilience, enhance diplomacy in the Pacific and Asia, and strengthen and expand our trade partnerships beyond China.

These are necessary steps, but not sufficient. In this, the last of our election policy briefs, we offer an Asia Society Australia view on the way forward.
We believe the next Australian government should start with the idea of Asia as a “shared region”, in which Australia is an active member and a responsible regional citizen shaping its security and prosperity with its neighbours.

Australia and Asia share a region with the world’s greatest economic potential. Asia’s rise – disrupted by COVID and the global economic headwinds – can continue, if the region remains committed to economic openness and rules-based trade system. But Asia also needs to call out and resist economic coercion and prevent the bifurcation of technologies, rules and standards.

A shared region means assuming shared responsibility for security in Asia. It means recognising the reality of a more fragmented and divided region in security terms, but working across those divides where we can. That means even stronger investment in bilateral and regional relationships especially in South-East Asia, India, Japan and Korea. It means recognising the interests and sensitivities of our neighbours and their reluctance to be caught in great power rivalry. Maintaining our trade and some semblance of diplomacy with China will be our hardest challenge in a shared region.

A shared region means accepting that some of the most consequential global challenges - pandemics, economic inequality and climate change - can only be solved together, and building our relations with the Asian partners on that basis.

Finally, Australia must continue to be a champion of people-to-people connections in our shared region. Australia has been a champion of migration, tourism, education and professional mobility for decades. Recognising and reaffirming the benefits of openness of our system to movement of talent and ideas ought to be a central tenant of Australia’s foreign policy for the 21st century.

Our capability to pursue a shared region vision will depend on how well we know countries, people and cultures of Asia. But we need to change how we engage and learn about our region.

The Asia literacy debate has failed to capture Australia’s attention. It’s been dismissed by the foreign policy community as an unnecessary distraction from hard security and foreign policy challenges. It is ignored by Australian business as irrelevant to commercial performance and outcomes. Persistent policy apathy – by both major parties – has seen any attempts to lift Asia literacy through the education system largely stalled or regressed.

Faced with debt and rapidly rising defence budget, it is unlikely the future Australian governments will make significant investments in our Asia capabilities.

The solution is four-fold.

First, we must redefine Asia literacy as a combination of formal academic studies, engagement and empowerment of our Asian Australian communities and leaders, lived experiences of travelling, studying and working in Asia, and fully utilising digital technologies.

Second, we must assume a shared responsibility to build our Asia capabilities. Australian governments and universities should lead the charge, but business, philanthropy, technology companies and the community at large must get on board.

We should apply the same “Team Australia” approach to a critical task of diversification of our trade and investment partnerships in Asia and to lift our business performance in a more competitive region, as we outlined in the Asia Society Australia-Business Council of Australia Asia Taskforce report ‘A Second Chance: How Team Australia can Succeed in Asia’.

Third, as we argue in the ‘Reimagining Australia’s Asia Engagement Capability’ Asia Taskforce Discussion Paper in 2021, we must spotlight, secure and – when possible – scale up those existing Asia capability-building programs and institutions that have proven to deliver results.

Finally, our policies, institutions and programs must focus on young Australians. As the ‘Keeping Connected’ report demonstrates, youth engagement complements and enriches our diplomatic, economic and societal links with Asia. Empowering our young leaders’ connections with Asia is an investment in our future.

The 2022 Australian federal election takes place at a critical period for Australia.

We hope that our collection of election policy briefs and the daily work of our organisation not only examine the most significant foreign policy issues that will shape our engagement with Asia in the future, but also illuminate policy options and stimulate a robust national conversation about Australia’s place and responsibilities in our shared region.

Philipp Ivanov is CEO of Asia Society Australia.
ASIA SOCIETY AUSTRALIA

Asia Society Australia is a business and policy think-tank and membership organisation dedicated to Asia. We are a national, independent, non-partisan, and non-political institution with a national centre in Melbourne, an office in Sydney, and programs accessible in Australia and globally through digital and face-to-face platforms.

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