

**AUSTRALIAN FOREIGN POLICY IN  
THE INDO-PACIFIC CENTURY:  
OPPORTUNITIES AND  
CHALLENGES**

Gabriele ABBONDANZA

*EAI Background Brief No. 1654*

## Executive Summary

1. The Indo-Pacific is increasingly gaining traction as the geopolitical and geoeconomic centre of international affairs. Australia is a significant but contested actor in the region. The country's new Labour government led by Prime Minister Anthony Albanese is presented with substantial opportunities but also significant challenges.
2. Opportunities for constructive Australian-Chinese relations are plentiful and range from evident trade benefits to socio-cultural relations and people-to-people links. However, trade disputes, weaponised economic dependence and broader security risks have been increasing since 2017, and complicate a potential rapprochement.
3. Relations between Canberra and Washington are deep-rooted and provide Australia with enhanced technology and protection, common goals and strengthened socio-cultural traditions. Marked challenges include fear of abandonment, risk of entrapment, path dependency, contrasting views over Australia's regional identity and limited openness to new regional partnerships.
4. Australia's security partners of the Anglosphere, "quasi-allies" and minilaterals' members provide, to a lesser extent, similar benefits to those deriving from the United States. However, such partnerships involve only countries that are allied or aligned with the United States, which polarises regional perceptions of Australia.
5. Relations with members of the Association of Southeast Asian Nations (ASEAN) are cordial, and provide significant opportunities for trade, common values and goals, middle power and G20 multilateralism, and untapped potential in many fields. Australia's focus on regional security architectures, ASEAN's eschewal of them and clashing socio-cultural backgrounds represent considerable challenges.
6. Opportunities for Australia in the South Pacific, such as political convergence in forums, extension of Australia's influence through aid and cooperation, and implementation of regional policies, abound. Obstacles include its securitised

regional vision, controversial climate change policies, unsteadiness of its regional engagement and China's exploitation of politically unstable island nations.

7. Australian-European relations benefit from multi-level alignment, substantial complementarity, and potential cooperation with EU and European countries' Indo-Pacific strategies. Nevertheless, Australia's unwavering adherence to the Anglosphere, Europe's recent wariness of Canberra's reliability and internal foreign policy differences between European states preclude greater cooperation.