Abstract

This paper explores policy options for Australia to engage with India. It offers a number of policy proposals that aim to mature Australia’s friendship with India to the point where becomes a valued, and mutually beneficial, strategic partnership.

This paper is 54 pages long.
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Introduction

In 1956 former Australian Foreign Minister RG Casey noted that ‘India [is] winning the fear but not the friendship of her neighbours.’ A quarter of a century later, some commentators believe that Casey’s premise has been overturned. Australia now embraces its friendship with India, and there are a number of initiatives at many levels across society and government taking place. However, Australia needs to take this further and achieve a genuine strategic level relationship with India. This paper will explain why the India-Australia strategic partnership is important for Australia, and it proposes an Australian National Security Engagement Plan for doing so, which it terms ‘Engagement Plan India’.

The purpose of this policy paper is to develop and apply a well-reasoned security policy framework on which to build Australia’s strategic partnership with India. Lack of space limits this paper’s examination of the India-Australia security relationship to an Australian policy perspective.

This paper concurs with Sandy Gordon’s assessment that the major factors influencing the India-Australian strategic partnership are essentially ‘trade and people-to-people relations’ and that these are ‘fundamentally self-directing and require only the facilitation of governments rather than active intervention’.

In facilitating a strategic engagement with India, this paper identifies knowledge partnerships, improved economic relations, support for India’s permanent member bid for the United Nations Security Council, and a review of Australia’s position on selling uranium, as four important components of a strategic partnership.

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Indeed, ‘Engagement Plan India’ is designed to place support Australia’s stated desire to secure India in the ‘front rank of Australia’s international partnerships’.4

‘Engagement Plan India’ should be considered as an extension of traditional security arrangements beyond conventional arrangements between defence forces and other security agencies. This paper will demonstrate that security is, increasingly, a whole-of-nation responsibility.

This paper recommends that appropriate Australian Government agencies and, where appropriate, private sector partners, lead the proposed policy implementation. The paper also acknowledges foreseeable opposition to policy proposals, and recommends ways to alleviate such opposition. Finally, this paper outlines supporting financial and resource considerations for the proposed policy changes.

Part 1: Why the India-Australia Strategic Partnership is important for Australia’s security

It has been argued that ‘it has been a rule of thumb among Australian diplomats that every Australian Government will “discover” India at least once in its term of office’.5 Yet it remains that Australia’s ‘ignorance [of India] is epic’,6 which needs to be addressed so that Australia can ‘fix and advance a relationship [with India] that should be great but often isn’t’.7 For example, in 1997 the Howard Government stated that Australia saw the need to ‘most substantially engage’ India while simultaneously taking a ‘leading role against India’s application to join the Asia Pacific Economic Community (APEC)’.8 Others have argued that India and Australia have ‘resisted developing close partnerships with each other...since each broke the connection with Britain: at independence in the case of India [in

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6 Greg Sheridan, ‘A nation adrift in Asia literacy’.
8 Hamish McDonald, ‘INDIA: Beyond the Sea Wall – Chronic Neglect and Australia-India relations’, p. 3.
1947] and for Australia as a result of Britain’s loss of global reach after World War II.\(^9\)

Yet using the Purchasing Power Parity GDP Index, India is the world’s fourth largest economy,\(^10\) and the ‘fastest growing destination for Australian exports since 2001’ and represents significant economic, trade and technical opportunities for Australia.\(^11\) In 2009, Australia had a $15.5 billion trade surplus with India,\(^12\) and two-way trade in goods and services totalled nearly $22 billion.\(^13\) Further the former foreign minister forecast in 2010 that India was set to become Australia’s third largest export market in the next few years.\(^14\) Positive changes in India’s wealth and population mean that Australia has an opportunity to diversify its trade and economic relations which may, also reduce Australia’s national vulnerability to ‘any downturn’ in China.\(^15\)

Australia simply needs to pay more attention to India but ‘India remains Australia’s great “strategic blind spot”, and Australian policy makers, long transfixed by a rising China, need to develop comprehensive policies that support an India-Australia relationship.\(^16\) Adding to the ‘strategic blind-spot’, and despite many shared political values, (and shared sporting and cultural interests), a lack of close ties between India and Australia is a legacy of divergent Cold War interests, with Australia perceived by India as a ‘mere camp follower of the United States (US)’ and India in a ‘\textit{de facto} alliance with the Soviet Union’.\(^17\) Even in the post Cold War international environment India-Australia relations have not always

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\(^10\) Economy Watch, ‘The World’s Largest Economies’, available at: <http://www.economywatch.com/economies-in-top>, accessed 17 October 2010. Purchasing Power Parity or PPP GDP, takes into account that one dollar can buy more in some countries and less in others. However, using the GDP Real Growth Rate Index, India has the tenth largest economy, see the CIA World Factbook available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>, accessed 20 March 2011.


\(^12\) Neville Roach, ‘Rudd needs to make a deal with India’, \textit{The Australian}, 24 September 2010, online. Note all dollar figures in this paper are in Australian dollars.


\(^14\) Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’,


been close, as exemplified by Australia’s ‘hostile response to India’s nuclear tests in May 1998’ which further undermined the development of a mature India-Australia relationship.\textsuperscript{18}

India’s economic development is a key to Australia’s future prosperity and security, especially in providing a balance to Australia’s considerable reliance on China’s continued growth, and considering that India’s GDP is expected to ‘quadruple in size from 2007 to 2020’.\textsuperscript{19} Further, India has ‘chosen an energy intensive growth paradigm’ that requires large quantities of imported natural resources, such as oil, liquid natural gas and coal, and currently ‘over nine percent of India’s power sector is fuelled by renewable energy sources’.\textsuperscript{20} India’s demand for natural resources therefore suits ‘Australia’s traditional approach to engaging with major Asian powers’, which involves selling resources to resource-intensive developing economies, and enabling ‘buyer and seller [to] get used to doing business: a reliable exporter and a reliable importer’.\textsuperscript{21} This was ‘the path followed by Australia with Japan, and then with China’.\textsuperscript{22}

In addition, Australia has a role in upgrading India’s infrastructure, with opportunities for Australian companies in 2008-2009 worth more than $50 billion.\textsuperscript{23} Demographically, it is predicted that by 2030 India will overtake China to become the world’s most populous country; approximately 40 per cent (450 million) Indians are younger than 20, compared to 20 per cent (admittedly still 400 million)

\textsuperscript{18} C Raja Mohan, ‘India in the Emerging Asian Architecture – Prospects for Security Cooperation with ASEAN and Australia’, p. 54. Australia recalled the High Commissioner from New Delhi, and suspended a range of diplomatic and military links. Notably, when Pakistan conducted its own nuclear tests a few weeks later, Australia reacted along similar lines.

\textsuperscript{19} John Lee, ‘Unrealised Potential: India’s ‘Soft Power’ Ambition in Asia’, \emph{Foreign Policy Analysis}, The Centre for Independent Studies, No. 4, 30 June 2010, p. 3.


\textsuperscript{21} Gary Smith, ‘Australia and the rise of India’, p. 568.

\textsuperscript{22} Gary Smith, ‘Australia and the rise of India’, p. 568.

\textsuperscript{23} Rowan Callick, ‘Asia will support the long-term picture’, \emph{The Weekend Australian}, 14-15 August 2010; Australian Government, Austrade, ‘New report for exporters eyeing India’s infrastructure and resources sectors’, \texttt{Austrade media release}, 10 April 2008, available at: \texttt{http://www.austrade.gov.au/New-report-for-exporters-eyeing-India-s-infrastructure-and-resources-sectors/default.aspx}, accessed 28 August 2010. A number of Australian infrastructure and resources companies are doing business in India. They include: Arrow Energy (India) Private Limited; Australian Road Research Bureau (ARRB); BHP Billiton India; Daryl Jackson Architecture; GHD; Hydro Tasmania; Leighton India; Micromine Private Limited; Rio Tinto India Private Limited; SMEC India Private Limited; Surpac Software (India) Pvt. Ltd; Taiyo Membrane Corporation; Tata BlueScope Steel Limited; and Thiess India Private Limited.
Chinese.\textsuperscript{24} Rising Indian migration to Australia, including large student populations, has benefitted both countries’ economies.\textsuperscript{25} However, this paper argues that the challenge for Australia is in analysing opportunities that India’s development provides, while creating policies that also enhance Australia’s security through genuine strategic engagement.

Of key importance to future India-Australia relations is the expansion of Australian defence relations with India. In the decade separating the release of the 2000 and 2009 Australian Government Defence White Papers, the emphasis on Australia’s security engagement with India changed dramatically. In White Paper \textit{Defence 2000 - Our Future Defence Force (Defence 2000)}, India is mentioned on 13 occasions including: as one of the region’s ‘major powers’; its relations with Russia; economic growth; nuclear capability; strategic competition with China; the ‘risk of war’ with Pakistan; importance to the ‘wider regional strategic balance’; and, its interest in Australia’s ‘distinctive approach and outlook on regional security affairs’.\textsuperscript{26} Significantly, \textit{Defence 2000} made no mention of the Indian Ocean. It is clear in \textit{Defence 2000} that India was important to Australia; but \textit{Defence 2000} was vague about the value India could provide Australia, showed little interest in the Indian Ocean, and perhaps patronisingly considered that India may learn from Australia’s ‘distinctive approach’ to regional foreign policy.\textsuperscript{27}

In comparison, the \textit{Defence White Paper 2009 - Defending Australia in the Asia Pacific Century: Force 2030} (\textit{Defence White Paper 2009}) mentions India on 14 occasions and the Indian Ocean on 13 occasions. Importantly, the \textit{Defence White Paper 2009} demonstrates a maturing of Australia’s approach to India in two areas. First, it sees India’s influence in the Asia-Pacific region as that of a growing power, one with considerable economic potential, a country with an interest in security cooperation – yet noting also that the continuing, and particularly escalating, animosity between India and Pakistan being a major concern.\textsuperscript{28} Second, it emphasises the importance of India-Australia security engagement, especially in terms of: ‘global influence’; a ‘security partnership’; shared democratic values;


‘bilateral maritime cooperation’ in the Indian Ocean; the commitment to combating regional and global terrorism and maintaining a rules-based global security order; and for Australia to understand ‘Indian strategic thinking’.29

Linking Australia’s two most recent Defence White Papers is Australia’s first National Security Statement, released in December 2008, which emphasises the growth in importance of ‘security policy cooperation’ in India-Australia relations.30 Within 12 months of the National Security Statement’s release, two additional policy documents were jointly signed on 12 November 2009 which agreed ‘to take the [India-Australia] relationship to the level of a strategic partnership’.31 These two documents are: the Joint Statement between the Prime Minister of India, Manmohan Singh, and the former Prime Minister of Australia, Kevin Rudd (the Joint Statement); and the India-Australia Joint Declaration on Security Cooperation. While these policy documents provide a number of good ideas, many of the policy proposals are minimalist, with neither the Joint Statement nor the Joint Declaration on Security Cooperation mentioning India-Australia relations in the Indian Ocean region.

Despite improving relations over the last decade, Australia’s engagement with India as part of a security relationship can be seen as being underdeveloped. The most apparent reason for this underdevelopment is that both countries have little apparent or agreed strategic convergence, and each face many national and international security issues outside of any India-Australia relationship. For India, security concerns are mostly South Asian; tensions with Pakistan, separatists in Kashmir, simmering internal insurgencies and maintaining a genial relationship with China.32

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29 Department of Defence, Defence White Paper 2009, pp. 43, 95 and 96.
Australia’s main security issues on the other hand involve a major commitment in Afghanistan, a number of regional peacekeeping missions, and maintaining the security of Australia’s borders.\textsuperscript{33} As a result of such divergent interests, it is understandable that a comprehensive India-Australia security policy framework in support of the fundamental needs of both countries has not emerged. However, as noted in the November 2009 Joint Statement – India’s and Australia’s shared interests, shared values, close regional integration, expanding bilateral economic relationship, agreed views on reforming multilateral institutions, and people-to-people links – means that there is now an impetus to develop an India-Australia strategic partnership.\textsuperscript{34}

While this paper has focussed on Australia’s perspectives and oversights, it is important to note that India has also been accused of neglecting its relationship with Australia. Writing in 2000, Kuruppu argued that India’s attitude to Australia had not changed since 1947-1949, when:

\textit{... non-aligned India, with its major international stature and its sheer size in population, was neither conscious of being neglected by Australia, nor particularly interested in upgrading the relationship. Australia did not excite the attention needed to figure in India’s global interests. To say otherwise is to skirt the truth.}\textsuperscript{35}

In fairness, India was indeed one of the leaders of the Non-Aligned Movement during the Cold War period, and therefore, understandably held non-Western strategic interests.\textsuperscript{36} Further, it can be argued that India’s interaction with Australia might be better to be considered in the context of India’s:

broader neglect of its relationship with Asia in the years before the 1992 adoption of the ‘Look East’ policy which was developed following the collapse of the USSR and

\textsuperscript{36} Peter Abigail quoted in Sandy Gordon, ‘Widening Horizons – Australia’s new relationship with India’, p. 1.
was essentially designed to further Indian engagement with members of the Association of South East Asian Nations (ASEAN).37

The ‘Look East’ policy sought to expand India’s interests into Southeast Asia and engage countries in Southeast and East Asia by joining most regional security organisations in the East Asian region.38 India’s revived regional, and by extension Australian, engagement includes the so-called ‘Singh Doctrine’ which was coined in 2006 and ‘equates an economically strong India with a strategically secure India’.39 Through both the ‘Look East’ policy and the Singh Doctrine, India seeks to integrate countries around its periphery into a framework of regional economic cooperation, and wants greater international status and influence commensurate with its growing economic power.40 For example, India argues that, as the world’s largest democracy, and with a strong role in the World Bank and World Trade Organization, it should achieve a permanent UNSC seat with full veto powers.41 Australia as a major exporter of natural resources, an Indian Ocean neighbour, and the largest (and arguably the most significant) country in the south-west Pacific and Oceania region, is well positioned to support the momentum of these Indian policies and ambitions.

The historical neglect of India’s and Australia’s relationship with each other is mirrored in the misalignment of India’s four key ‘fundamental determinants’ of security planning and Australia’s four principal tasks for the Australian Defence Force (ADF). India’s fundamental determinants of security planning are: (1) ‘a two front obligation ... [to] borders with Pakistan ... [and] China’; (2) a non-aligned status which allows ‘a certain independent deterrent capability’; (3) ‘internal security functions on a relatively large scale’; and (4) ‘interests in the North Indian Ocean’.42 Australia’s four principal tasks for the ADF are to: (1) deter and defeat

41 Sandy Gordon, ‘Widening Horizons – Australia’s new relationship with India’, p. 12.
armed attacks on Australia; (2) contribute to stability and security in the South Pacific and East Timor; (3) contribute to military contingencies in the Asia-Pacific region, ‘which stretches from North Asia to the Eastern Indian Ocean’; and, (4) contribute to military contingencies in the rest of the world.43

Most significantly, India’s interests in the North Indian Ocean and Australia’s interests in the Asia-Pacific region overlap. The lack of common security interests between India and Australia will always make security agreements, based on purely military matters, problematic. Therefore the policies as put forward in this paper that include whole-of-nation stakeholders, may more likely to succeed in emphasising the value, to both nations, of an India-Australia strategic partnership.

Further, even outside officially declared Indian-Australian national interests there are significant shared concerns. For example, India and Australia are both concerned about terrorism, nuclear proliferation, the dangers of a rising and militaristic China, stability in Afghanistan—and concomitantly—stability in Pakistan, Indian Ocean trade, population growth, energy needs, water security; and the effects of climate change. Some of these concerns were mentioned in the 2009 Joint Statement; although substantive policy initiatives are yet to emerge from either country. These shared security concerns therefore remain a significant opportunity upon which to broaden and expand India-Australia relations.

India’s growing significance is becoming apparent to many, and an India-Australia strategic partnership faces competition from other countries.44 As Hugh White notes, any Australian perception of having a unique strategic friendship with India would be complacent and risky, especially as he sees the region moving from a period of US primacy to a more multipolar era, coupled with the wide-ranging implications of the rise of both India and China.45

Therefore opportunities for an improved India-Australia strategic partnership may not last, especially as India has long historical connections with Southeast Asia and growing relations with China and the US. India has recently ‘reached out to integrate with the Asian economies despite the fact that its domestic economy is less open and faces huge legacy problems left over from its socialist past’.46 Opportunities therefore must be seized through substantial and achievable

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44 ‘Australia’s relationship with India as an emerging world power’, Joint Standing Committee on Foreign Affairs, Defence and Trade, July 2009, p. 6.
enterprises that provide real value to the India-Australia strategic partnership and which build on the initiatives already undertaken. In short, if Australia does not seize opportunities with India, others will take advantage of the vast opportunities that India provides.

There could of course be risks for Australia in bounding into a security relationship with India. Saran, for example, describes India as a ‘premature power’, as a nation with a ‘large global footprint’ based on GDP, global trade, and a technically skilled workforce, but ‘in terms of domestic economic and social indices’, such as per capita income, India ‘remains a developing country’.47

Even so, this should not preclude moves towards a more developed relationship between the two countries. Perhaps some modesty is required, reflecting Australia’s quest to demonstrate what it sees as ‘creative middle power diplomacy’. ‘Creative middle power diplomacy’ is one of seven national security policy principles announced in the 2008 National Security Statement, and is described as ‘an active foreign policy capable of identifying opportunities to promote Australia’s security and to prevent, reduce, or delay, the emergence of national security challenges’.48 As former Prime Minister Kevin Rudd noted, ‘in recent years [Australia] has been pursuing a multi-strand approach to Asian security problems...[and] has been attempting to grow separate and distinct strategic relationships with each of the four big players – the US, China, Japan and India’.49

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48 Kevin Rudd, ‘The First National Security Statement to the Parliament’. The enduring principles for Australian national security interests identified in the statement are: 1. self reliance; 2. US alliance; 3. regional security; 4. bilateral relationships and regional institutions; 5. creative middle power diplomacy; 6. risk-based approach; 7. partnership with Australian states and territories. Michael Evans argues that Australia: ‘as an advanced liberal democracy with a large economy but limited demography ... is a prototypical ... middle power ... that possesses worldwide and regional interests alongside a political influence that belies both its relatively small population and its limited capacity to generate hard power. Australia’s domestic prosperity depends on secure foreign trade and broader international stability ensuring that a commitment to “forward security” to protect its interests abroad will always be to the fore in diplomacy and strategy’. See Michael Evans, ‘The Closing of the Australian Military Mind: The ADF and Operational Art’, Security Challenges, Vol. 4, No. 2, Winter 2008, p. 122.

Further, economic security should not be overlooked. Indeed the National Security Statement sees security as including ‘the maintenance of our fundamental capacity to advance economic prosperity for all Australians’.\(^{50}\)

It is therefore increasingly apparent that both India and Australia are at a point where articulating a stronger and better defined relationship would be beneficial to both countries, for a range of security-related reasons, and that this would be in keeping with Australia’s articulated interests. This paper therefore argues that Australia should develop a strategic narrative on India. This narrative should emphasise that an India-Australia strategic partnership is important for a number of mutually beneficial reasons.

**Recommendation 1: A statement explaining why an India-Australia Strategic Partnership is important for Australia’s security.**

The Department of Foreign Affairs and Trade, supported by the Department of Defence and other government agencies, should develop a statement, and from this a narrative that is designed from a whole-of-nation security perspective, to influence key stakeholders in the India-Australia strategic partnership, including the public and private sectors, and citizens of both countries.

**Part 2: Defining the India-Australia strategic partnership in security terms**

The 2008 National Security Statement recognised the ‘the rise of India’, and India’s role in regional ‘strategic stability’, and emphasised Australia’s wish ‘to expand ... our security policy cooperation with India’.\(^{51}\) As noted in Part 1 of this paper, within 12 months of Australia acknowledging the Indian relationship as important, it signed two more agreements that identified the relationships as both a ‘strategic partnership’ and ‘a comprehensive framework for the enhancement of security cooperation between the two countries’.\(^{52}\) Yet, to date, Australia has not defined

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\(^{50}\) Kevin Rudd, ‘The First National Security Statement to the Parliament’.


\(^{52}\) Manmohan Singh and Kevin Rudd, *Joint Statement - Prime Minister of India and Prime Minister of Australia*. 
what it means by the term ‘strategic partnership’ with India. In contrast, an example of how a security policy framework can be derived from a Joint Declaration of Security Cooperation, can be found in India’s relationship with Japan. In December 2009, and based on their Joint Declaration, India and Japan agreed, to an ‘Action Plan to Advance Security Cooperation’, which includes a strong focus on maritime cooperation and disaster management.53

The Australian Government’s broad whole-of-nation approach to security means that Australian policy should support the India-Australia strategic partnership beyond traditional areas of defence relations. Engagement with India should include non-defence and security areas such as knowledge partnerships, and improving economic relations, in a whole-of-nation approach. In short such engagement could provide the India-Australia strategic partnership with a hitherto missing comprehensive security policy backdrop.

Further, to build a more comprehensive India-Australia security policy framework it is important to consider what is meant by the term ‘strategic partnership’. India uses the term strategic partnership to ‘characterise its most important bilateral partnerships, including with the US, the European Union, China, Russia, and Japan’.54

Yet in the Indian Defence Annual Report 2009-2010 only the United States and Russia are mentioned as strategic partners.55 The same report says: ‘India and Australia enjoy good relations as members of the Commonwealth and as countries sharing a democratic political set up’.56 Therefore it would seem that India does not consider Australia a strategic partner.

While this might seem to be a matter of mere semantics, Australia does need to articulate why, and on what basis, it is partnering with India. The term ‘strategic partnership’ is widely used by India, even if it does not seem to be used consistently, and Australia needs to be clear in its own understanding of the term.


54 ‘Australia’s relationship with India as an emerging world power’, p. 13.
Defining what the India-Australia strategic partnership means for Australia will help set Australia’s strategic direction with India. Once Australia articulates its own position, it will likely be in a stronger position to seek effective bilateral strategic engagement with India.

The Australian commentator Rory Medcalf sees a strategic partnership as ‘a relationship in which each country contributes greatly to the other’s resilience and strength’, and as a ‘halfway house’ denoting countries that are not allies, but which enjoy a special or privileged bilateral relationship. Others see a strategic partnership as a ‘long-term commitment by two important actors to establish a close relationship across a significant number of policy areas...this does not mean that there will be no differences between the partners...but that the partners recognise the importance of their commitment to each other and are prepared to try and reach common ground wherever possible’. Further, strategic partnerships are not self-evident enterprises in international relations, especially between states with different political systems and societies, and that strategic partnerships may involve ‘coordination’ or ‘cooperation’, and will ‘present goals and projects’. Significantly, strategic partnerships should not obviate the need for multilateral cooperation, especially on global issues such as nuclear non-proliferation, energy security, and, global financial and monetary architecture.

Strategic partnerships are those that are of profound importance to a country, yet it is clear that there are a range of views on the definition of a ‘strategic partnership’. The Australian Government should work to be clearer as to what a strategic partnership means for Australia, particularly in terms of its security engagement with India.

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61 François Godement, ‘Forum on China-EU Strategic Partnership: Turning Challenges into Opportunities’, p. 3.
**Recommendation 2: Defining the Agreed India-Australia Strategic Partnership in Security Terms**

The Department of Foreign Affairs and Trade, supported by public and private sector stakeholders, should develop a working definition of strategic partnership, including what such a relationship with India means for Australian national security. This definition should distinguish a strategic partnership from other bilateral relations that Australia seeks, such as alliances, understandings, and engagements. Key elements that define a strategic partnership should include: how a strategic partnership relates to the National Security Statement; whole-of-nation requirements to support a strategic partnership; how a strategic partnership would mutually benefit the resilience and strength of a bilateral relationship; and, measures of success for a strategic partnership, including requirements for bilateral strategic alignment, coordination, cooperation, problem solving and recognising common interests.

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**Part 3: Developing security policy areas that support Australia’s strategic engagement with India**

As noted earlier, four areas in this paper’s proposed engagement, based on building on knowledge partnerships, improving economic relations, supporting India’s UNSC permanent member bid and enhancing cooperation on security issues, are all designed to ensure the rapid development and consolidation of policies to support the security aspects of an India-Australia strategic partnership. These four policy areas are expanded below.

**Engagement Plan India Policy 1: Support Knowledge Partnerships**

The Joint Statement announced the development of a knowledge partnership between India and Australia. This should not to be overlooked as a means of enhancing security between the two countries.

These knowledge partnerships ranged from ‘developing collaborative projects in education from primary school up to university, to conducting joint research...[including] science and technology cooperation’, especially via the
Australia-India Strategic Research Fund (AISRF). AISRF is Australia’s largest bilateral research fund for science and technology and sponsors a fellowship program and innovative research in the areas of: information and communication technology, micro-electronic devices and materials, earth sciences; nanotechnology, astronomy, and biotechnology. A ministerial dialogue on education will include representatives from education institutions and industry. The AISRF includes $50 million that will be matched by India to ‘support joint research in some of the grand challenges facing the two countries, like energy, food and water security, and the environment’, and $20 million for the ‘Australian Centre for International Agricultural Research (ACIAR) to undertake joint research in dry-land agriculture in India’. The ACIAR is key contribution to India where ‘agriculture contributes 21 per cent to the national GDP, accounts for 11 per cent of total exports and employs 56.4 per cent of the total workforce’.

An India-Australia knowledge partnership provides an opportunity to support Australia’s security interests through enhanced trust, deeper understanding, and comprehensive interaction between both countries. Therefore Australia should consider integrating multiple India-Australia knowledge partnerships into Engagement Plan India. Defining whole-of-nation governing principles for knowledge partnerships would help to support such integration.

The recommended lead agency for the developing these whole-of-nation governing principles is the Department of Innovation, Industry, Science and Research (DIISR). DIISR is tasked to ‘encourage the sustainable growth of Australian industries by developing a national innovation system that drives knowledge creation, cutting edge science and research, international competitiveness and greater productivity’. Supporting DIISR in this task is the Department of Education, Employment and Workplace Relations (DEEWR) which is the ‘lead government agency providing national leadership in education and

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62 Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.
workplace training, transition to work and conditions and values in the workplace’.67

Once the governing principles for knowledge partnerships are clearer, Engagement Plan India should develop policies that create whole-of-nation knowledge partnerships in order to add value to the India-Australia strategic partnership. For example, while seemingly controversial, greater sharing of intelligence between India and Australia needs to occur. While this is not a traditional area of India-Australia cooperation, it is an important area at least for Australia, and especially as the Office of National Assessments ‘is said to be struggling to build its analytical expertise on India’.68 India-Australia intelligence sharing should occur on issues such as transnational crime, counter-terrorism, cyber crime, piracy, people trafficking and smuggling, illicit drug trafficking, infectious disease, natural disasters and humanitarian assistance. In addition, India’s economic interests in Afghanistan mean that Australia and India would benefit from mutual intelligence cooperation on Afghanistan.59 Mutual intelligence cooperation would be a practical demonstration of a mature knowledge partnership.

Finally, a key element of India-Australia knowledge partnerships should include assuring Pakistan that while Engagement Plan India is actively pro-India, this does not make it anti-Pakistan (nor, for that matter, anti-China). This assurance will require Australia to continue its comprehensive engagement of Pakistan, including giving consideration to the development of an Engagement Plan Pakistan.

In supporting whole-of-nation knowledge partnerships, the private sector is critically important. The Joint Statement agreed to constitute an India-Australia Chief Executive Officers (CEO) Forum which is intended to ‘involve prominent companies from each country across the spectrum of key economic sectors’.70

68 Hamish McDonald, ‘INDIA: Beyond the Sea Wall – Chronic Neglect and Australia-India relations’, p. 6.
70 Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.
Unfortunately, this forum has not met despite the 4 May 2010 agreement by the Indian Union Minister of Commerce & Industry, and the Australian Trade Minister to ‘expedite constitution of the India-Australia CEO Forum’. This proposed forum is probably modelled on the US-India CEO Forum, which was initiated by former US President George W Bush and Manmohan Singh in July 2005, as an initiative for enhancing bilateral trade and investment between the two countries. The US-India CEO Forum comprises 10 CEOs each, from both countries, and it was ‘given a mandate to develop a roadmap for increased partnership and cooperation between the India-US at a business level’.

Based on the progress of the US-India CEO Forum and this paper’s proposed imperative to develop India-Australia knowledge partnerships, swift action is warranted. The Department of Foreign Affairs and Trade should take the lead in the development of an India-Australia CEO Forum, supported by the Australia-India Council, Australia India Business Council, Business Council of Australia, and Australian Industry Group. The Australia-India Council (AIC) was established on 21 May 1992, and its purpose is to broaden the relationship between Australia and India by encouraging and supporting contacts and increasing levels of knowledge and understanding between the peoples and institutions of the two countries. The AIBC is a ‘business association that exclusively promotes, develops and maintains bilateral trade and business relationships between Australia and India’. The BCA is an association of CEOs of 100 of Australia’s leading corporations, which together have a combined national workforce of almost one million people. The Ai Group is a leading industry association in Australia. Ai Group member businesses employ around 750,000 staff in an expanding range of industry sectors. These organisations would be required to ensure that an India-Australia CEO Forum is fully integrated into a strategic level security relationship in order to support policy aims of the Indian and Australian governments, especially regarding knowledge management.

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Encouragingly, a Track 2 dialogue between Australia and India has been in place since 2001. Initially co-chaired by the Australian Strategic Policy Institute and more recently by the Lowy Institute, and in collaboration with Indian partner organisations, these roundtables are good example of people-to-people diplomacy. They enhance trust building, identify and explore mutual areas of interest, and result in knowledge sharing. While frank and interpersonal discussions are important, more concrete, policy-relevant outcomes, and even commonly-agreed benchmarks, would be a welcome development.

Finally, a key element of any knowledge partnership is education, and there have been an increasing number of Indian students coming to Australia for their further education. This worked well for many years, but in 2008-2009 it became apparent that Australia had not provided a safe and secure environment particularly for Indian students undertaking educational programs in Australia. There were a number of what were seen as racially-motivated attacks against Indians, particularly students, and while the numbers of casualties remains unclear, media coverage was high and the matter did strain relations between the two countries.

Thankfully, the Joint Statement addresses this issue and places a high priority on the safety, security and well-being of the entire Indian community in Australia, which is estimated by the Indian Government to be 450,000 people.

Former Australian foreign minister Stephen Smith reinforced the intent of the Joint Statement during his February 2010 address to the Australian Parliament when he noted the creation of an international student strategy in response to ‘recent contemptible attacks on Indian students and others of Indian origin in Australia’. In what was primarily a Ministerial Statement on the Australia-India Relationship, Mr Smith noted that ‘there were over 120,000 Indian student enrolments in Australia in 2009’. The Australian government acknowledges that anti-Indian


While known under various different names, it is now called the Australia-India Roundtable, and is currently chaired by the Lowy Institute for International Policy. It is anticipated the next meeting of the Roundtable will be before the end of 2011.

Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’

Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’. In the Joint Statement, former Prime Minister Rudd noted ‘the efforts of the Australian Government and its state government counterparts to enhance law enforcement, extend student welfare measures, re-register all education providers, vocational education and training institutions, and strengthen the integrity of the visa system’. Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.

Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’.

Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’.
crimes or attacks in Australia have had ‘a negative impact on Australia’s broader image, reputation and standing in India’, and put at risk India’s $14 billion contribution as Australia’s ‘second-largest source of foreign students’. With more compassion, he said:

>[t]hese attacks are inexcusable. On behalf of the Australian Government and the Australian people I again express publicly, as I have privately to my counterpart External Affairs Minister SM Krishna, my deep sympathy and condolences to those Indians who have had family members in Australia attacked and in some tragic cases, murdered. Police forces in Australia are investigating all incidents so that we can bring those responsible to justice. We have zero tolerance for racism in this country.

The crisis caused by the anti-Indian attacks in Australia helped to remove bureaucratic inertia and facilitated the rapid development of a range of policies to support, and better regulate, international student education. Despite this progress, a new bureaucratic hurdle in Australia’s dealing with Indian students has emerged, with the ‘sudden and extreme tightening of the rules governing applications by overseas students for permanent residence’ which is estimated to affect 40,000 Indian students. Neville Roach, chair emeritus of the Australia-India Business Council rightly points out that sending these students back would generate considerable ‘ill-will’ towards Australia, and that a general amnesty in this permanent residence policy would ‘not only benefit our relationship with India, but with other countries in our region’.

In addition, and as an act of goodwill to India, Australia should broaden DEEWR’s four year $62.4 million National Asian Languages and Studies in Schools Program to include India; at present only those ‘wanting to study China, Indonesia, Japan and Korea may apply’. Professor Robin Jeffery finds this exclusion of India appalling, and notes that it is a reversal, if not a contribution to, the fact that

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81 Stephen Smith, ‘Ministerial Statement of the Australia-India Relationship’.

82 Neville Roach, ‘Rudd needs to make a deal with India’.

83 Neville Roach, ‘Rudd needs to make a deal with India’.

twenty years ago you might have found fifteen universities...to study India in Australia; today you’ll be lucky to find three.85

Recommendation 3. To avert future crises in India-Australia knowledge partnerships, any engagement plan should be framed to support, encourage and nurture the bilateral dialogue underpinning the India-Australia strategic partnership. The Department of Education, Employment and Workplace Relations is recommended as the lead department for the implementation of knowledge partnerships into Engagement Plan India.

Engagement Plan India Policy 2: Improve Economic Relations

The plethora of nascent or incomplete trading agreements between India and Australia are confusing, wasteful and threaten to weaken the economic prosperity, and thus the security interests, of both countries. To overcome these challenges, India and Australia need simplified, robust and workable trading agreements. While it could be argued that trade relations are complex and challenging, and therefore require multiple approaches to an end goal of liberalised free trade, this paper contends that the present trade agreements between India and Australia need stronger coherence. Further, while Australia’s merchandise exports to India have been slowly increasing, imports have remained fairly constant. Australian exports have increased from around $6,000 million in 2006 to closer to $16,000 million in 2009-2010, imports hover around or below the $2,000 million mark.86

A principle aim of Engagement Plan India is to reduce unnecessary competition between ideas, workloads and resources. This includes Australia’s current efforts to develop multiple Free Trade Agreements (FTA) with or involving India. Ultimately, Australia’s business and diplomatic resources should be focussed on appropriate, viable and achievable policies that support trade development, and help to realise an India-Australia strategic partnership that is cooperative, symbiotic and wealth creating.

Importantly, in establishing an agreed India-Australia priority for these trading agreements, Australian policy makers must remain sensitive to India’s ‘Look East’ policy. Since 1991-1992 this policy has led to India’s post-Cold War trade and

85 Robin Jeffrey, ‘The good, the bad and the Section 420s’, Inside Story.
security engagement with ASEAN, Australasian based FTAs, the East Asia Summit (EAS), the ASEAN Regional Forum (ARF) and APEC. The ‘Look East’ policy should be taken into consideration in any drive for renewed India-Australian policy arrangements.

While seemingly generous in scope, the Joint Statement groups a number of trade opportunities available in the India-Australia relationship, but does not set priorities or resources to any of the opportunities. This paper suggests that priorities should be made. There are three trade agreements already in existence, and they could easily be incorporated into a strategic plan. They are listed here in a recommended priority order: (1) Comprehensive Economic Partnership in East Asia (CEPEA); (2) ASEAN-India-Australia-New Zealand FTA (AIANZ FTA); and (3) an India-Australia FTA. Australia should also consider supporting India’s membership of APEC. The Department of Foreign Affairs and Trade and the Department of Finance and Deregulation should undertake discussions with the Indian government on the best ways to progress these four trade opportunities.

The first India-Australia trade agreement priority is the CEPEA. This partnership, which was welcomed in the Joint Statement, was raised by East Asia Summit leaders on 25 October 2009, when they agreed ‘to convene an EAS Finance Ministers’ meeting and to have officials consider a CEPEA’. The Joint Statement recognises the value that a CEPEA would bring to the 16-member EAS, and aligns with the views of the Asian Development Bank Institute (ADBI) which is developing concepts that see ‘merits in forming a region-wide FTA as a means to consolidate the plethora of bilateral and plurilateral agreements’. Notably, the 16-member EAS collectively represents nearly half of the world’s population, accounts for over 30 per cent of global GDP, and receives nearly 65 per cent of Australia’s total exports.

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87 Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.
Support from India and Australia would bolster the CEPEA against the ASEAN plus China, Japan, and, South Korea (ASEAN+3) free trade idea. A firm India-Australia commitment to the CEPEA may attract some ASEAN+3 members, especially those who recognise the mutual benefits of free trade with India and Australia.

The second proposed India-Australia trade agreement priority is an ASEAN-India-Australia-New Zealand Free Trade Agreement (AIANZ FTA). An AIANZ FTA would formally link separate agreements already negotiated between ASEAN members, and Australia and New Zealand and ASEAN members and India. The ASEAN-Australia/New Zealand FTA (AANZFTA) was signed on 28 August 2008, and the ASEAN-India Trade in Goods (TIG) Agreement entered into force on 1 January 2010. The AANZFTA is ‘Australia’s first multi-country ( plurilateral) FTA [and is] the first time ASEAN has embarked on comprehensive FTA negotiations covering all sectors including goods, services and investment, intellectual property simultaneously’. The ASEAN-India TIG progresses the establishment of one of the largest FTAs in the world: ‘ a market of almost 1.8 billion people with a combined GDP of US$2.8 trillion...’ and the ‘ASEAN-India FTA will see tariff liberalisation of over 90% of products traded’. It has been said that this will help address India’s growing marginalisation in the world’s most economically dynamic region.

An AIANZ FTA is a quick and substantial policy option available to the Indian and Australian Governments to consolidate the India-Australia strategic partnership. An AIANZ would be viewed favourably by India which presently attracts only 2.5 per cent of ASEAN’s trade, compared to China’s 11.6 per cent trade with ASEAN. An AIANZ FTA would represent a form of ‘trilateralism’ which means that ASEAN-India-Australia [and New Zealand] ‘would forge a series of arrangements or even policy-specific regimes [beyond an FTA], underwritten by a commonality of interest, derived from increasingly shared

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91 Department of Foreign Affairs and Trade, Australia/NZ - ASEAN Free Trade Agreement Australian Government, Negotiations - Negotiations Conclude.
94 Evan Feigenbaum, ‘To be a force in Asia, Delhi must do the Business’, The Australian, 1 October 2010.
democratic values, economic concerns, and geopolitical relativities’. Expanding on this view, ‘trilateralism’ beyond an AIANZ FTA should include cooperation on anti-terrorism, maritime arrangements, water, energy and food security; and the development of democracy. A united approach by India and Australia, supported by New Zealand, to a broader FTA with ASEAN members would provide a compelling argument to ASEAN, while simultaneously providing FTA benefits to India and Australia.

Arguably, bilateral FTA have restricted utility and grew in popularity in the late 1990s ‘partly in response to emerging difficulties with getting a new multilateral free trade round off the ground’. The progress on the Australia-India FTA has been slow, with a joint ‘feasibility study’ on the ‘merits of a free trade agreement between India-Australia’ conducted between August 2007 and May 2010. The feasibility study, after 34 months of consideration, recommended that the ‘Australian and Indian Governments consider negotiation of a comprehensive bilateral FTA that includes trade in goods, trade in services, investment and other trade and investment facilitation measures as a single undertaking’.

Recommendation 4. Engagement Plan India's trade agreement priorities should be the Comprehensive Economic Partnership in East Asia, an ASEAN-India-Australia-New Zealand Free Trade Agreement and possibly an India-Australia bilateral Free Trade Agreement.

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98 Department of Foreign Affairs and Trade, Australia-India FTA Feasibility Study.

99 Department of Foreign Affairs and Trade, Australia-India FTA Feasibility Study.
The Joint Statement reaffirmed Australia’s ‘firm support for India’s membership of the APEC grouping when the membership moratorium ends’ in 2010.\textsuperscript{100} While the Australian Government is beginning to doubt the utility of APEC,\textsuperscript{101} it still remains a significant forum. Admittedly, over time, the future economic authority in the Asia-Pacific region could be the EAS and CEPEA, and not APEC.\textsuperscript{102} Despite other regional cooperation opportunities, Australia should nonetheless support India’s view on APEC membership, regardless of how negatively APEC may be viewed in some quarters.\textsuperscript{103}

\begin{boxedquote}
Recommendation 5. Australia should support India's membership of APEC.
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**Engagement Plan India Policy 3: Support India’s UNSC Permanent Member Bid**

Australian support for India’s bid to hold a permanent seat on the United Nations Security Council (UNSC) was reiterated in the Joint Statement.\textsuperscript{104} In addition, India recently secured a non-permanent UNSC seat via ‘uncontested votes’, and arguably this achievement could ‘increase pressure for change at the UN’.\textsuperscript{105} This fits well with Australia’s own interests in furthering UN Security Council reform, and despite the challenges implicit in such an undertaking, Australia should nonetheless support India’s bid for a permanent UNSC seat.

Australia should also continue with its own bid for a non-permanent seat on the UN Security Council for 2013-2014. This is important, not least because, strategic partnerships should not be confused with the continuing need for multilateral

\textsuperscript{100} Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.

\textsuperscript{101} For example, former Prime Minister Rudd suggested APEC meetings should have foreign ministers attend, rather than leaders. See for example Dennis Shanahan, ‘Downgrade APEC, says Rudd’, \textit{The Australian}, 20 May 2010.


\textsuperscript{103} Rob Laurie, Former Ambassador to India, personal communication with the author on 19 August 2010.

\textsuperscript{104} Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.

\textsuperscript{105} ‘UN Security Council primed for change’, \textit{The Australian}, 14 October 2010.
cooperation. Should Australia find itself successful in winning a non-permanent UNSC seat in 2013-2014, India could be a like-minded ally on the reform issue.

While such an endorsement of India would require Australia to carefully consider how this might be received by others – not least Beijing, Tokyo, Islamabad and Washington – on balance it could well result in a positive outcome for all.

**Recommendation 6: Australia should support India’s bid for a permanent seat on the UNSC.**

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**Engagement Plan India Policy 4: Reconsider Australia’s Current Position on Selling Uranium to India**

The Joint Statement reaffirmed that the India and Australia have a ‘shared vision of a world free of nuclear weapons and agreed to work together in a spirit of partnership on global disarmament and non-proliferation’. In addition, Australia as a member of the Nuclear Suppliers Group (NSG) supported the September 2008 NSG decision to ‘permit civilian nuclear trade with India’. In 2007, the liberal-coalition Howard government agreed to overturn what had been Australia’s longstanding practice not to sell uranium to countries outside of the United Nations Nuclear Non-proliferation Treaty. However with the change of government later that year, this was overturned. This produced some ‘indignation in India at the unreliability of Australia as a partner’. Therefore, Australia’s simultaneous support for India’s civilian nuclear development while blocking of uranium sales to India, is arguably ‘an inconsistent, anachronistic and dogmatic

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106 Manmohan Singh and Kevin Rudd, ‘Joint Statement - Prime Minister of India and Prime Minister of Australia’.
stance, and an unnecessary slight against India’, and it displays ‘a serious lack of trust in India’, and is ultimately an ‘obstacle to closer relations [with] India’.

Australia’s position on this is not consistent: ‘the fact that Australia has ... agreed to sell uranium to China - which New Delhi regards as less sound on horizontal nuclear proliferation than India - only increases the importance of the issue of Australia selling uranium to India’. In addition, India’s nuclear doctrine includes the ‘No First Use’ principle for the employment of nuclear weapons.

From an environmental perspective, Australian uranium sales to India would significantly reduce India’s greenhouse gas emissions, and it is estimated that the reduction in Indian ‘carbon dioxide emissions resulting from India’s increased nuclear energy supply by 2020 as equivalent to all 26 European Union states observing the Kyoto Protocol commitments’.

With or without Australian supplied uranium, India ‘expects to supply 25 per cent of its electricity through nuclear power generation by 2020’, and the ‘NSG resolution has made India less dependent on Australia, as it can easily meet its uranium needs from numerous other countries’. Importantly, Australian uranium sales to India cannot be considered in isolation from Australia’s relations with nuclear capable Pakistan, a rival of India, which from Australia’s perspective plays a ‘key role in the global fight against terrorism’. As discussed earlier, pro-India policies by Australia are not anti-Pakistan, and therefore Engagement Plan India should be mutually supported by engagement plans with other key countries, including Pakistan.

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110 Hamish McDonald, ‘INDIA: Beyond the Sea Wall – Chronic Neglect and Australia-India relations’, p. 5.
111 Neville Roach, ‘Rudd needs to make a deal with India’, p. 10.
112 Sandy Gordon, ‘Widening Horizons – Australia’s new relationship with India’, p. 5.
115 ‘Australia’s relationship with India as an emerging world power’, p. 31.
116 Neville Roach, ‘Rudd needs to make a deal with India’, p. 10.
117 Department of Foreign Affairs and Trade, Pakistan country brief.
The Australian Government must include considerations for the sale of uranium to India as a key element of the India-Australia strategic partnership, and it is pleasing to see the Australian Labor Party appears set to debate this issue at its national conference in 2011. In the meantime, the Department of Foreign Affairs and Trade should be tasked, in conjunction with the Australian Nuclear Science and Technology Organisation (ANSTO) and the Australian Uranium Association (AUA), to consider policies that re-examine Australia’s contradictory position of not selling uranium to India while supporting civilian nuclear trade with India.¹¹⁸ The Department of Foreign Affairs and Trade (DFAT), ANSTO and the AUA should, work to ensure Nuclear Non-Proliferation Treaty (NPT) style safeguards on the Indian nuclear power industry are enforced.

**Engagement Plan India Policy 5: Develop India-Australia Bilateral Security Arrangements**

The Joint Declaration on Security Cooperation, which builds on an India-Australia Memorandum of Understanding (MOU) on Defence Cooperation was signed in March 2006.¹¹⁹ Security declarations are ‘essentially a non-binding joint declaration of principles and understandings in security matters...without the need for binding treaty obligations’.¹²⁰ The Joint Declaration on Security Cooperation aims to strengthen cooperation in a wide range of security-related areas listed as:

1. Information exchange and policy coordination on regional affairs in the Asia region and on long-term strategic and global issues;
2. Bilateral cooperation within multilateral frameworks in Asia, in particular the East Asia Summit and the ASEAN Regional Forum;
3. Defence dialogue and cooperation within the framework of the Memorandum of Understanding on Defence Cooperation signed in March 2006;
4. Efforts to combat terrorism;

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5. Cooperation to combat transnational organised crime;
6. Disaster management;
7. Maritime and aviation security; and
8. Police and law enforcement cooperation.\footnote{121}

In keeping with this sentiment, this paper acknowledges that India-Australia relations require ‘a greater focus on matters of a bilateral concern that are not, in the main, military in nature’\footnote{122}.

Security cooperation between India and Australia, especially in the Indian Ocean, is a significantly underdeveloped policy area. Picking up on the argument that India-Australia trade and people-to-people relations are fundamentally self-directing, a similar argument can be made for India-Australia security relations, especially when led by Defence. The Australian Defence Organisation has extensive experience and expertise in multinational operations, international training exercises, regional relationships, and multilateral educational programs, which means that Defence is well placed to conduct effective interactions with India, both in the Indian Ocean and beyond.

The opportunity for international security cooperation is a competitive space, and Australia must act swiftly to develop security related polices with India. The urgency of this policy development requirement for Australia is demonstrated by India’s expanding views of the world including the 2005 adoption of a ‘Look West’ policy. In line with the successful ‘Look East’ policy, ‘Look West’ supports Indian defence, diplomatic, trade and energy engagement with members of the Gulf Cooperation Council and with Israel, and it could potentially be a more attractive option for engagement than Australia.\footnote{123}

The Joint Declaration on Security Cooperation outlines ‘mechanisms of cooperation’ through which a comprehensive security framework would work. These mechanisms include:

1. Exchange of visits at high levels, including by foreign ministers;
2. Defence cooperation, which includes:
   a. Defence policy talks (Senior Officials level);
   b. Staff talks and service-to-service exchanges, including participation in exercises as agreed.

\footnote{121} Manmohan Singh and Kevin Rudd, \textit{India-Australia Joint Declaration on Security Cooperation}, New Delhi, 12 November 2009.
\footnote{122} Sandy Gordon, ‘Widening Horizons – Australia’s new relationship with India’, p. 5.
3. Consultations between the National Security Advisors of Australia and India.
4. Bilateral consultation to promote counter-terrorism cooperation through such means as the Joint Working Group on Counter-terrorism.
5. Sharing knowledge and experience in disaster prevention and preparedness and relevant capacity building.\textsuperscript{124}

Despite these listed mechanisms, the scope of the Joint Declaration remains narrow. For example, it can be inferred that the reference to ‘police and law enforcement’ means the Australian Federal Police (AFP), but it is not clear which other government agencies might be involved. Therefore, it does not articulate a comprehensive federal approach to security cooperation, nor one based on employing all the elements that could be harnessed to progress the national interest. Such elements are not only military, but also cultural, diplomatic, economic, and communication-based.

It is therefore recommended that Engagement Plan India not only supports, but enhances the Joint Declaration on Security Cooperation, and develops a policy for a comprehensive approach to India-Australia security cooperation. Such an approach will need to include all of Australia’s national security agencies, beyond Defence and the AFP. Australia’s National Security Agencies website names more than 15 government departments and agencies, beyond Defence and AFP, at federal, state, and local levels of government that are involved in national security issues.\textsuperscript{125} Therefore Australia’s enthusiasm for, and experience in, the whole-of-government approach to national security, while admittedly still developing, could well be a useful experience to draw upon.

\textsuperscript{124} Manmohan Singh and Kevin Rudd, \textit{India-Australia Joint Declaration on Security Cooperation}.
\textsuperscript{125} \textit{Australia’s National Security Agencies}, National Security Information, available at: <http://www.nationalsecurity.gov.au/agd/WWW/NationalSecurity.nsf/AllDocs/FC464B72CC01283DCA256FAB001B33D8?OpenDocument>, accessed 16 June 2010. These 15 government departments and agencies are: Prime Minister and Cabinet; Attorney-General’s Department; Emergency Management Australia; Australian Customs and Border Protection Service; Border Protection Command; Australian Fisheries Management Authority; Australian Quarantine and Inspection Service; Australian Radiation Protection and Nuclear Safety Agency; Australian Safeguards and Non-Proliferation Office; Australian Security Intelligence Organisation; Department of Foreign Affairs and Trade; Department of Health and Ageing; Department of Immigration and Citizenship; Department of Infrastructure, Transport, Regional Development and Local Government; Australian Government Information Management Office; plus welfare agencies and other federal, state and territory agencies.
**Recommendation 7:** The Department of The Prime Minister and Cabinet, with the support of other departments involved in national security, should be the lead agency for sharing experience of whole-of-government approaches to security.

Any security policy also needs to enhance India-Australia relations in the Indian Ocean area, especially as the *Defence White Paper 2009* directs Defence to understand, and plan for, the ‘growing strategic competition within the Indian Ocean, along its periphery, and through the straits leading to and from it’.

Engagement Plan India would include the development of an India-Australia Maritime Engagement Plan for the Indian Ocean in order to support transparency, cooperation, and mutual training benefits for both nations. Defence should lead the development of an India-Australia Maritime Engagement Plan for the Indian Ocean in conjunction with the Indian Armed Forces, involving the Indian Ocean Naval Symposium (IONS), supported by The Department of The Prime Minister and Cabinet (PM&C) and, where appropriate, other departments involved in national security.

Key elements of an India-Australia Indian Ocean Maritime Engagement Plan should include security measures to protect trade, ports and maritime infrastructure, joint surveillance and security of national maritime lines of communication, intelligence exchanges, exercise opportunities with countries

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beyond the India-Australia bilateral partnership; and capacity building with other Indian Ocean region countries. The overall outcome is to enhance Indian-Australian ‘maritime security and capabilities’.\footnote{128 Aldo Borgu in ‘Shared Interests: Australia-India relations in the twenty-first century’, \textit{Proceedings of the Australia-India Security Roundtable}, Australian Strategic Policy Institute, Canberra 11-12 April 2005, p. 53.}

Finally, India and Australia can use this multifaceted strategic partnership as articulated in this paper, to lead the revitalisation of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). The 18-member IOR-ARC was established in 1997, with the aim that it ‘might become a forum for economic and trade cooperation, similar to APEC’.\footnote{129 Sam Bateman and Anthony Bergin, ‘Our western front: Australia and the Indian Ocean’, \textit{Australian Strategic Policy Institute}, March 2010, pp. 14 and 70. Members of the IOR-ARC, 18 Indian Ocean littoral States: Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates and Yemen. The Seychelles withdrew from the association in July 2003. China, Egypt, France, Japan and the United Kingdom are dialogue partners of the IOR-ARC.} While this aim has not yet been realised, and key states such as Pakistan, Burma, Saudi Arabia, and Somalia are not members, the IOR-ARC remains an organisation that should be employed in support of the interests of both India and Australia. India will Chair, and Australia will Vice Chair, the IOR-ARC in 2011-12, and in 2012-13, Australia will assume Chair responsibilities from India.\footnote{130 Stephen Smith, ‘Australia next Vice Chair of the Indian Ocean Rim Association for Regional Cooperation’.} This joint leadership of IOR-ARC by India and Australia should provide an opportunity for both countries to show leadership and even develop joint policies for the Indian Ocean region. For example, the IOR-ARC should enhance dialogue and cooperation among Indian Ocean rim countries on common interests. These could include: disaster management; scientific research; education; tourism; sea lines of communication security and safety; energy security; illegal trafficking; fisheries management and illegal fishing; agriculture; tourism; and offshore infrastructure security.\footnote{131 Sam Bateman and Anthony Bergin, ‘Our western front: Australia and the Indian Ocean’, pp. 47-48.} A revitalised IOR-ARC could lead to enhanced India-Australia cooperation, trust and understanding and thus would be in support of an India-Australia Maritime Engagement Plan.
**Recommendation 8:** The Department of Foreign Affairs and Trade, supported by The Department of Prime Minister and Cabinet and Defence, should be the lead agencies to support an enthusiastic Australian involvement in the Indian Ocean Rim Association for Regional Cooperation, especially while Australia holds such key roles in the association.

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**Considering Possible Opposition to Engagement Plan India**

Opposition to Engagement Plan India could emanate from stakeholders in India, stakeholders in Australia, and international stakeholders.

Stakeholders in India, whether from the government, public or private sectors, may perceive the proposals as suggested in this paper as Australia trying to dictate arrangements with India. This is not the intent of this paper; its overarching goal is to present options that are mutually beneficial and egalitarian. Nonetheless, to counter this perception, Australian policy-makers must ensure transparency in the development and implementation of Engagement Plan India. Second, Australian policy-makers should ensure that the policies that are developed demonstrably add value to the India-Australia relationship. Achieving some early quick wins such as convening the India-Australia CEO Forum, would be a good first step,

Opposition in Australia could develop if engagement with India is perceived to be in competition with Australia’s relations with other significant allies, such as the United States, China and Japan. In addition, stakeholders in government, public or private sectors may be concerned that the policies proposed in this paper will divert resources from other current areas of interest or effort. To counter these perceptions, this paper, emphasises that Australia needs to develop a comprehensive engagement plan with all key countries in the region, and therefore the development of National Security Engagement Plans, which includes India, are important. Further, any engagement plan must also be accompanied by a detailed cost-benefit to ensure that Australian stakeholders are aware of expected resource requirements, so that all are aware of the synergies, savings and benefits that are expected to accrue.

External stakeholders may oppose Engagement Plan India because they perceive that an enhanced India-Australia security relationship may lead to a reduction in their own engagement with Australia. But, this paper would argue that
engagement with India is not a zero sum game in which India wins at the expense of other countries. Australian foreign policy is broad enough to concurrently and comprehensively engage many countries in meaningful strategic relationships.

Conclusion

This paper makes recommendations and policy proposals in support of an India-Australia strategic partnership which it terms Engagement Plan India. In the competitive world of international relations, Australian policy makers from the public and private sectors must seize new opportunities. One such new opportunity is Australia’s ability to emphasise the growth in scope, complexity and importance of Indian-Australian security relations. As shown throughout this paper, India, via the Joint Statement, has already committed to a strategic partnership with Australia. It now stands as a challenge for Australia’s whole-of-nation stakeholders to turn this commitment into a valuable and enduring relationship which benefits the security and wealth of both countries.

In sum, this paper proposes that DFAT, supported by Defence and other government agencies should both develop a working definition of a strategic partnership, including what this partnership means for national security, and second, develop a whole-of-nation security narrative designed to influence key stakeholders in the India-Australia strategic partnership. These outcomes will stretch, but not exhaust, existing departmental resources.

Indeed DFAT receives significant tasking throughout this paper, and much of DFAT’s additional workload is identified as coming from ‘within existing departmental resources’. The reasons for this articulation, and justificiation, are because DFAT is Australia’s lead diplomatic agency. Many tasks identified in this paper have to be DFAT-led, supported by other departments, and therefore cost-benefitted and cost-shared with other government agencies. Some areas, such as FTA rationalisation should save DFAT resources due to reduced policy duplication. This may well be welcome considering the DFAT budget is a mere $2 billion annually - as opposed to $25 billion for Defence.132

In relation to knowledge partnerships, there may be some resource implications, particularly regarding shared intelligence between Indian and Australian security agencies. However, knowledge partnership costs involving the private sector, such as the India-Australia CEO Forum, which could potentially bring significant

value to Australian business from access to the Indian market, and this would bring benefits across the broader economy. In addition, realigning Australia’s domestic policies to ensure a world class, safe and tolerant environment for international student education will bolster the student education system in Australia as a whole, and hence help generate wealth for what should be seen as an important Australian industry.

This policy paper also argues a strong case in favour of the Australian government re-examining its position on selling uranium to India. When, rather than if, Australia abandons its current opposition to selling uranium to India, this will gain favourable reactions from India, and it will provide export opportunities for the AUA.

A PM&C-led policy for a comprehensive approach to security cooperation with India can be developed from existing departmental resources. A Defence-led policy on enhancing India-Australia relations in the Indian Ocean region, including an India-Australia Maritime Engagement Plan, can also be achievable from within existing departmental resources. There will be additional costs associated with DFAT, supported by PM&C and Defence, in revitalising the IOR–ARC. However, given that Australia is already a member of the IOR–ARC, and will hold Chair/Vice-Chair roles over 2011-2013, Australia has an opportunity to help mould an IOR–ARC that is both more robust and relevant.

Ultimately, Engagement Plan India offers Australia a range of strategic security options that should enhance this important international relationship. If Australia does not seize opportunities with India now, others will no doubt take advantage of the vast opportunities India provides; possibly to Australia’s detriment.
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