

BLACK SWAN

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DEFENCE AND SECURITY THROUGH AN INDO-PACIFIC LENS



ROK-Australia Defence and Security Ties: Prospects and Reflections on the 60th Anniversary of Diplomatic Relations

Black Swan Strategy Paper #1

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A member of the Republic of Korea Navy waves Australian and Republic of Korea flags as HMAS Melbourne pulls alongside Jeju in the Republic of Korea.



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About the Black Swan Strategy Papers

The *Black Swan Strategy Papers* are the flagship publication of the UWA Defence and Security Institute (DSI). They represent the intersection between Western Australia and strategic studies – both of which are famous for their black swans. The series aims to provide high-quality analysis and strategic insights into the Indo-Pacific region through a defence and security lens, with the hope of reducing the number of 'black swan' events with which Australian strategy and Indo-Pacific security has to contend. Each of the Black Swan Strategy Papers are generally between 5,000 and 15,000 words and are written for a policy-oriented audience. The Black Swan Strategy Papers are commission works by the UWA DSI by invitation only. Any comments or suggestions for the series can be directed to the editor.

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2021 marks the 60th anniversary of ROK-Australia diplomatic relations. This significant milestone comes at the point when the relationship has perhaps never been closer or more significant.

CHAPTER 1

Introduction

On Thursday 10 June 2021, The University of Western Australia, through a collaboration with its Korea Research Centre and Defence and Security Institute, organised a one-day workshop to reflect on the past 60 years of diplomatic engagements between the Republic of Korea (ROK) and Australia.

The aim of this two-phase workshop was to enhance strategic understanding of the importance of ROK-Australia relations and to provoke dialogue around missed and future possibilities of this important relationship.

2021 marks the 60th anniversary of ROK-Australia diplomatic relations. This significant milestone comes at the point when the relationship has perhaps never been closer or more significant. Yet, as two middle powers with complementary economies, the material aspects of this relationship – whether trade relations, security and defence, migration or education – have often taken the forefront of narratives that define what this relationship means.

The dialogue sought to provoke new narratives beyond this material focus of this now mature partnership, both in terms of what a meaningful cultural and educational exchange might look like, and how this bilateral alliance partnership and strategic security cooperation could develop in the future. Participants invited to speak and take part in this dialogue were from a range of backgrounds and levels. The workshop organisers specially sought to engage both established and early-career scholars, as well as business leaders with interests in the defence and security industries and government representatives and diplomats with a deep understanding of the ROK-Australia relations.

The first part of the workshop event was open to the public and focused on raising awareness of the nature of the Korea-Australia relationship and prospects for bilateral cooperation and engagement into the future. The second half of the dialogue consisted of invitation-only sessions, with the

aim of assessing the implications for the future of the Australia-Korea relationship in the context of defence and security in the Indo-Pacific. Held under the Chatham House Rule, these sessions sought to engage participants in a candid and open debate in order to unpack the depth of engagement between Australia and the Republic of Korea in the light of the changing security landscape in the Indo-Pacific.

The aims of this event were to develop some clear priority research agendas, develop and propose areas for further research and investigation, and provide recommendations for developing and enhancing the ROK-Australia bilateral relationship. This will be done through the publication of two research papers, one on defence and security relations, the other on broader economic, cultural and education cooperation. This paper – the first in the new Black Swan Strategy Papers series launched by the UWA Defence and Security Institute (DSI) – is the culmination of the work in the dialogues involving the Chatham House Rule sessions on the ROK-Australia relationship in Indo-Pacific security.

The chapters that follow cover a broad gambit of issues in the ROK-Australia bilateral security relationship and come from a range of authors, from established scholars and a former ambassador to mid-to-early-career researchers. The focus of the papers is to provide an overview of the relationship from both Korean and Australian perspectives. They seek to understand the Australia – Korea security partnership in the context of a changing Indo-Pacific strategic landscape, as well as providing contemporary perspectives and new ideas on how to improve the bilateral relationships.

These papers come at an important time. While each of the authors acknowledges the depth of past cooperation and provides their own perspective on the relationship, the unifying thread to their chapters is that the bilateral defence and security relationship, for a variety of reasons, is underdone. The chapters in this paper provide a new perspective on the relationship and chart out practical ways for policy makers to consider for improving the bilateral security partnership – from diplomatic engagement, crisis management, defence exercises and unilateral cooperation to defence industry engagement.

These papers, while representing the views of their authors, are the culmination of the ideas that were discussed in detail during the dialogue sessions. The aim of this publication is to bring those ideas to a public and policy audience in an endeavour to provide policy recommendations for future engagement.

The second paper from the workshop will be published by the UWA Korea Research Centre. Together, these two papers endeavour to help shape the next 60 years of ROK-Australia partnership.

Acknowledgements

The outcomes and publication from this workshop would not have been possible without the support of our partners. The University of Western Australia would like to acknowledge the funding provided by the Australian Government for this event, especially through the Department of Defence, which provides direct support to the UWA DSI. We would also like to acknowledge the Department of Foreign Affairs and Trade as well as funding provided by the Ministry of Education of the Republic of Korea and the Korean Studies Promotion Service that underpins the research engagement of the Korea Research Centre.

CHAPTER 2

Australia and Korea: Defence and security

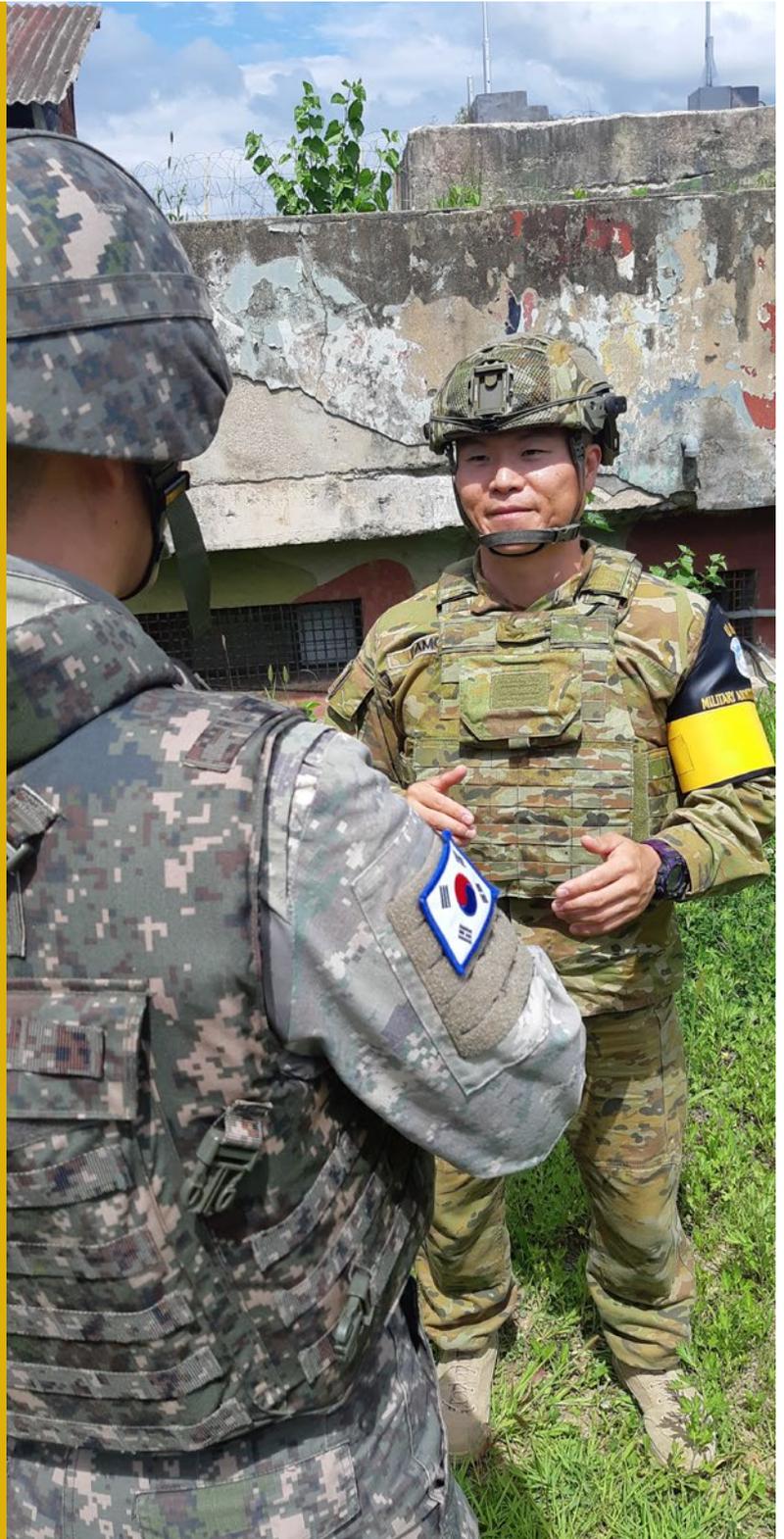
William Paterson PSM

EXECUTIVE SUMMARY

- Australia has had a defence commitment to Korea since the Korean War, mainly through the US-led United Nations Command, in which Australia has played an active role.
- Korea has been reluctant to develop a closer bilateral defence relationship with Australia, both because it narrowly sees the US as its main partner and concerns over likely further Chinese displeasure.
- A 2+2 Defence and Foreign Affairs ministerial forum between Australia and Korea has produced only very modest results and Korea has not agreed to a Visiting Forces Agreement with Australia.
- Australia's recent purchase of howitzers from Korea, and the possibility of other sales offers the opportunity to build a more substantive defence and security relationship. A conservative Korean administration after the 2022 elections could provide the opportunity for a reset, but Australia will need to show more commitment.

POLICY RECOMMENDATIONS

- The Australian Government will need to commit to a more sustained high-level focus on Korea, including setting more ambitious outcomes and building support for them through more frequent contact at presidential and ministerial levels – and doing so with emerging political figures in the ROK government and opposition.
- Australia should seek active support and intercession from the United States – which would welcome a closer Australia-Korea security relationship – to encourage a more forthcoming Korean approach.
- The Korean government should more actively support its defence industry in securing Australian contracts, not least by supporting closer cooperation and the enabling agreements to give this effect.



At the time of Australia's decision to commit naval and air units to the Korean War on 29 June 1950 – less than a week after North Korean forces pushed south of the 38th parallel, beginning the conflict – Australia was in the midst of negotiations with the US on what was to become the ANZUS Treaty.

Australia's rapid decision to enter the war was directly influenced – even driven – by the perceived diplomatic and security benefits to be gained by a 'hard' contribution to supporting the United States, and shifting a reluctant US toward agreeing to the treaty.¹

It was a strategy that worked, but it was not much related to Korea.

South Korea was proclaimed as a (US-backed) state in 1948 and declared its independence in 1950. But Australia had no separate *diplomatic* relations with South Korea until 1961, 60 years ago. Aside from bolstering the case for ANZUS, Australian fears on the Korean Peninsula – divided in 1945 along the 38th parallel – rested on the possibility of a united peninsula under Soviet-backed communism that, coupled with concerns over Communist China, would provide a major security threat to occupied Japan and more widely to the region.

The decision of the United Nations Security Council on 7 July 1950 to authorise the US to lead a command under the United Nations flag enabled Australia and other contributing parties to participate as part of a UN-authorized multilateral coalition.² For a then quite small country still recovering from the Second World War, Australia's contribution was substantial, involving 18,000 military personnel, with 340 killed and 1,200 wounded. Although not recognised as such at the time, it was the beginning of an enduring, if modest, defence relationship between the ROK and Australia.

Australia has remained an active participant and (aside from the US) sometimes the most active participant in the US-led United Nations Command (UNC) since the armistice which ended the fighting in 1953. Some other initial members, known as 'sending states', have fallen away and, aside from 'Five Eyes' partners, the engagement of others is largely token. Participation has lent

substance to our alliance commitment with the US, offered opportunities to exercise with US and Korean forces in theatre, and demonstrated to the Republic of Korea that Australia is committed to its integrity and to maintaining the fragile peace on the peninsula.

Perhaps the biggest benefit for Australia has been the opportunities, enabled by the closeness of the ANZUS alliance, to engage more closely with US forces. Since 2013, Australia has embedded an Australian Defence Force (ADF) officer with US Forces Korea (USFK), in addition to maintaining and expanding its presence in the UN Command, where Australia holds the position of deputy commander. Since 2010, the RAAF has also provided a group captain to serve as commander of UNC (Rear) based at Yokota airbase in Japan. This has given Australia a perspective on and deeper understanding of US and Korean contingency planning, and offered the ability for Australia to contribute in this area. For the US and Korea, Australia's role has been interpreted as signalling a likely preparedness to commit, as part of a coalition, should North Korea renew large-scale military action against the south.

But the UN Command's unique structure and the separate US-Republic of Korea Combined Forces Command have limited the opportunities to 'trilateralise' alliance engagement which includes the ROK armed forces. The ROK does not see the ANZUS alliance or bilateral defence cooperation as conferring an ongoing role for Australia on the Korean Peninsula in peacetime, other than through Australia's membership of the UN Command. While Australia has a Status of Forces agreement with the US, it does not have a separate one with the ROK, so Australian participation in exercises in Korea is conditioned and limited by UN Command arrangements.



←
Photographer: Unknown

Australian Army Private Vince Damon engages in conversation with a soldier from the Republic Of Korea (ROK) Army.

↑
Photographer: SGT Brett Sherriff

Royal Australian Air Force, Chief of Air Force, Air Marshal Mel Hupfeld, AO, DSC hosted Republic of Korean Air Force, Chief of Staff, General Won In-choul, on his visit to Canberra Australia.

↑
Photographer: ABIS Shane Cameron

Representative for the Republic of Korea Navy, Major Han at HMAS Penguin, Sydney as part of Exercise Bell Buoy 2019.

Indeed, Korea sees peninsula security as being essentially a US-ROK responsibility, and the ROK armed forces can be dismissive of the UN Command. Against this background, developing Australia's defence relationship with Korea has not been easy.

In 2013, both countries agreed to establish annual meetings of foreign and defence ministers – a so-called 2+2 structure – making Australia the only country other than the US with which Korea has such an arrangement.³ It seemed like a significant step forward, but the process has underdelivered, producing anodyne statements and only a modest 'blueprint' for action. For example, an Australian effort in 2014–2016 to negotiate a visiting forces agreement with Korea was rebuffed, apparently as Korea did not want to further antagonise China through developing its partnership with a close US ally.

Korea is nevertheless frequently listed by Australia as among those partners with which we will build a closer defence relationship to confront the rapidly changing strategic circumstances in the region. In reality, the effort on both sides has been minor and lacking in commitment, resources and enthusiasm. Australia's Department of Foreign Affairs and Trade (DFAT) and Defence Department have seemed comfortable with modest levels of engagement with the ROK and the US on the peninsula. This has been an opportunity foregone, dictated in part (until recently) by the scale of Australian engagements on Middle East deployments. A more intensive and higher priority collaboration could have contributed to alliance interoperability, encouraged South Korea to view our participation more positively, and been a measure of our commitment to Indo-Pacific security. The case for doing so is arguably now more compelling than ever.

As Kyle Springer, a policy fellow at the Perth USAsia Centre has argued, engagement, so far as it goes, is often based on shared status on the regional and global stage – like-minded democratic middle

powers and US allies of similar-sized GDP, both participants in the G7+ or G10 democracies – rather than in cooperation motivated by shared interests.⁴ There is now an opportunity, however, to significantly reboot defence cooperation. With the failure of the Trump administration's summitry to unblock the stalemate with North Korea over denuclearisation, the Moon administration in South Korea again confronts a threatening neighbour, while public opinion in the south has turned decisively anti-China. Like Australia, Japan and others, South Korea has felt the force of Chinese economic boycotts, after it agreed with the US in 2016 to the emplacement of a THAAD anti-missile unit in the ROK to monitor and if necessary to respond to North Korean missile launches.⁵

So arguably the *political* climate to underpin a more forthcoming Korean approach to the defence relationship is in place, notwithstanding Korea's caution toward offending and risking further arousing its big neighbour. The potential combination of a conservative administration in the ROK after the 2022 presidential elections and rising concerns at China's assertiveness, together with the recent memory of the uncertainties brought about by the Trump administration's burden sharing demands and threats to reduce US troop levels on the peninsula could make the ROK and Australia more aware of the value of working together. The heavy reliance of both on South China Sea trade routes provides an additional strategic rationale.

Australia's decision last year to purchase 30 Korean self-propelled K9 howitzers and their support vehicles, the first major Australian defence acquisition from an Asian country, opens the way to greater on-ground defence collaboration and training. Hanwha Defence, the supplier, is also shortlisted, along with Germany's Rheinmetall, as a potential supplier of the Australian Army's next generation of around 450 infantry fighting vehicles. The Korean prototypes are already undergoing trials in Australia.⁶

Aside from price and performance, Hanwha and Korea will need to convince the Australian Government that Korea is prepared to include arrangements to contribute to building long-term defence industry capability. The government will be looking for substantial construction in Australia and associated employment and technology transfer benefits, secure supply chains and the development of long-term trusted relationships – arrangements that could, were they to materialise, change the dynamic of the strategic relationship.

But here Korea has a challenge – its defence industry is still not well known and tested in Australia, and Korea has lost out on contracts in Australia before. Australia's defence acquisition process is notoriously complex and Korea needs to apply considerable resources to building profile, networks and understanding. Additionally, there will be countervailing pressure in Korea for as much as possible of any product to be built in Korea. But without a comprehensive package, addressed not only to quality and capability, but also to the strategic and political dimensions of supply, including a closer and more substantial defence relationship with Australia, Korea could come up short. For both countries, that would be an unfortunate outcome, particularly as our broad strategic interests, always compatible, converge in a highly uncertain Indo-Pacific.

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Photographer: POIS Yuri Ramsey

Deputy Commander Submarine Force Commander Chris Forward, RAN, assists the Commanding Officer of the Republic of Korea Submarine, ROKS Lee Sun Sin, Commander Chang-Sik Jung, to berth the submarine alongside Diamantina Pier at Fleet Base West, Western Australia.

CHAPTER 3

The Korean Peninsula as a security flashpoint

Brendan Taylor

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EXECUTIVE SUMMARY

- Considering each of Asia's traditional flashpoints, such as the Korean Peninsula, in isolation is necessary, but insufficient. There is an equally pressing need to examine the 'bigger picture' through better understanding the interconnections between these flashpoints.
- This need is pressing because Asia is currently in the midst of a 'crisis slide' - a period during which the cumulative pressures from successive crises pushes a region toward major conflict.
- To prevent the slide towards conflict, a reinvigoration and reimagining of Asia's crisis avoidance and management machinery is desperately needed.
- Given the high stakes involved, and as two traditionally activist middle powers, much closer collaboration between Canberra and Seoul on the development and maintenance of regional risk reduction measures is called for.

POLICY RECOMMENDATIONS

- Australia and South Korea should collaborate in multilateral fora, such as the East Asia Summit, to encourage the use of regional risk reduction measures which have already been established but which are not being utilised.
- Australia and South Korea should conduct a joint study of existing regional crisis management and avoidance mechanisms to assess whether these remain fit for purpose or require updating and upgrading.





It seems almost passé to contemplate the Korean Peninsula as a security flashpoint given the flurry of recent media commentary regarding the prospects for conflict over Taiwan.⁷

Yet only a few years ago, the Korean Peninsula was *the* headline-grabbing flashpoint as then-US President Donald Trump promised to unleash “fire and fury like the world has never seen” upon North Korea.⁸ Meanwhile, Taiwan barely rated a mention.

Today’s markedly different threat perceptions around Taiwan and the Korean Peninsula underscore the need for continued focus upon *all* of Asia’s major flashpoints, even during periods of apparent dormancy. Moreover, the Korean Peninsula has for centuries been a focus of major power contestation (and sometimes even war), while the immense firepower still in place on either side of the so-called demilitarised zone renders conflict an ever-present possibility.⁹

Yet by focusing so intently upon individual Asian flashpoints in the way we did for Korea in 2017 and in the manner we are again doing for Taiwan today, we risk missing the forest for the trees. Something much bigger

and far more dangerous than tensions around any one of Asia’s flashpoints is transpiring. This region is in the throes of what the great Australian strategic thinker Coral Bell described almost half a century ago as a ‘crisis slide’ – a period during which the cumulative pressure of crises over multiple tension spots pushes an area towards conflict, much like boulders careering down a mountainside.¹⁰

‘Crisis slides’ of this kind, according to Bell, preceded both the First and the Second World Wars. They are dangerous for three reasons. First, international relations become increasingly antagonistic during such periods, as acrimonies spill into new areas – much like what happens when rocks during a landslide begin rebounding off one another. Second, because each successive crisis generates winners and losers, governments increasingly harden their positions. Third, and perhaps somewhat paradoxically, complacency

also creeps in as governments gain confidence in their ability to muddle through each successive crisis, without really addressing the fundamental issues that led to those crises in the first place.

The ‘crisis slide’ currently playing out in Asia had its beginnings on the Korean Peninsula back in 2010. The first boulder to come tumbling down Coral Bell’s cliff face, so to speak, came in the form of the sinking of the South Korean Navy ship *Cheonan* in March of that year, followed closely by the Yeonpyeong Island bombardment in November. Inter-Korean tensions reached near boiling point by the end of 2010 before Beijing and Washington reportedly stepped in to restrain their respective junior allies.¹¹

But the rocks then started coming thicker and faster in the South China Sea, with a standoff between China and the Philippines at Scarborough Shoal in 2012 and again in 2014 when China parked an oil rig inside Vietnam’s exclusive economic zone.¹²

The period from 2012 to 2014 was a testy one for Sino-Japanese relations too, especially after Tokyo nationalised the disputed Senkaku/

Diaoyu islands in September 2012 and China unilaterally declared an East China Sea Air Defence Identification Zone (or ADIZ) a year later.¹³ China's land reclamation and militarisation of artificial features in the South China Sea, the 2017 'fire and fury' crisis on the Korean Peninsula and current tensions over Taiwan all followed. The COVID-19 crisis has served both to sharpen and to accelerate these trends as governments everywhere have largely retreated into their nationalist trenches, rather than joining forces in the face of a common foe.¹⁴

But, as Asia's 'crisis slide' gathers momentum, what – if anything – can be done to arrest it? And is this region sufficiently prepared to manage a major strategic crisis – of the kind that the US and the Soviet Union ultimately navigated during those fateful 13 days of October 1962, for instance?¹⁵

One key lesson to emerge from the Cuban Missile Crisis was the importance of ensuring that sufficiently robust crisis management and avoidance mechanisms – such as hotlines – are in place to reduce the risk of crises of such magnitude and to assist with their management should they occur. In its aftermath, a 'direct communications link' was established between Washington and Moscow, which became operational in August 1963.¹⁶

While such measures might not work perfectly, they are Asia's best hope for ameliorating and avoiding the worst effects of this region's current 'crisis slide'. As the Biden administration's top Asia official, Kurt Campbell recently observed, 'whether or not one believes the United States and China are set to reprise the Cold War, the two countries would do well to develop the sorts of confidence-building measures that prevented encounters between Washington and Moscow from turning hot'.¹⁷

Yet precisely when such measures are needed most in this region, they are unravelling. As highlighted by its destruction of the Kaesong liaison office in June 2020, for example, North Korea has walked away from many of the crisis management and avoidance mechanisms to which it agreed during the brief inter-Korean peace process of 2018-19.¹⁸

Similar trends are apparent around Asia's other flashpoints, suggesting that the time is ripe for a serious reinvigoration, and even some reimagining, of crisis management and crisis avoidance mechanisms in this part of the world.

As two traditionally activist middle powers with much to lose should major power conflict erupt in Asia, this is an area where much closer collaboration between Canberra and Seoul is called for, *despite* their ostensibly dissimilar strategic outlooks and priorities. Such collaboration could take at least two forms.

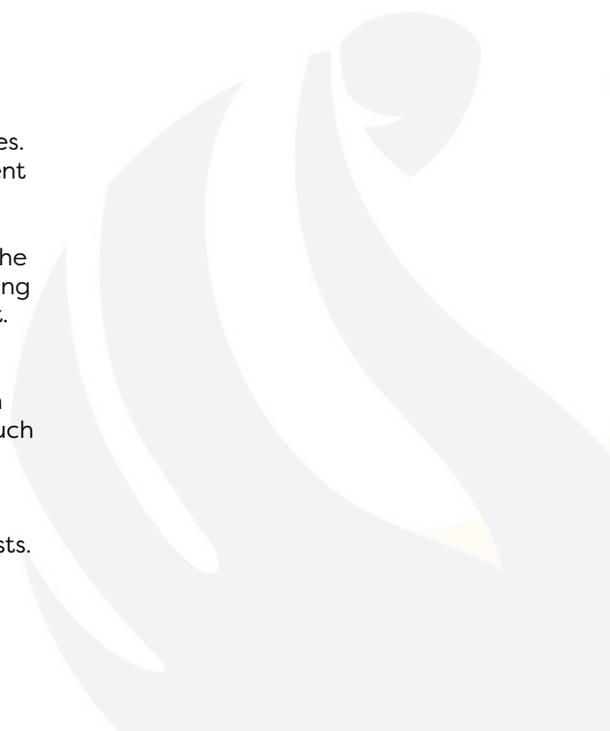
First, Australia and South Korea could work together – potentially through multilateral fora – to encourage the use of regional risk reduction measures which have already been established but which are not being utilised, such as the cross-strait hotline agreed to by the leaders of China and Taiwan at their historic November 2015 meeting in Singapore.¹⁹

Second, Seoul and Canberra could collectively consider whether long-standing crisis management and avoidance mechanisms remain fit for purpose. For instance, risk reduction measures established during the 1990s proved unable in 2020 to prevent the first deadly clashes in decades along the Sino-Indian border.²⁰ Do these mechanisms require updating and upgrading? If so, how?

The COVID-19 pandemic has highlighted the importance of pre-emptive and preventive action. Those societies which have fared best in their responses thus far – including South Korea and Australia – have done so through such measures as social distancing, mandated mask wearing and rigorous testing regimes. To the extent that crisis management and avoidance mechanisms can be regarded as the equivalent of such measures in the strategic domain, the task of reinvigorating and reimagining their use in Asia today is paramount. For the effects of major power conflict in this region could be just as catastrophic, if not more so, than those of COVID-19 – particularly if such a conflict turned nuclear. Doing our utmost to prevent such a calamity, while we still can, is clearly in both Australia's and South Korea's interests.

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Photographer: LSIS Ernesto Sanchez
Royal Australian Navy



CHAPTER 4

South Korea-Australia security cooperation: The fine line between enhancement and friction in East Asia

Jae Jeok Park
Hankuk University of Foreign Studies

EXECUTIVE SUMMARY

- The speed of the upward trend of security cooperation between Australia and South Korea does not match that of the cooperation developing between Australia and Japan.
- Elements of the South Korean security elite are concerned that enhanced and subsequently expanding minilateral security cooperation involving Japan and Australia as part of the US-led alliance network might result in Japan emerging as a regional hub of that network.
- This development might come at the expense of South Korea's security interests.

POLICY RECOMMENDATIONS

- If Australia continues to become more deeply engaged in security cooperation with Japan, it should be careful to signal to South Korea that it is not more supportive of Japan's security posture than it is of South Korea's.
- South Korea might well feel more comfortable in joining the Australia-led exercises in the Pacific along with the US rather than the Japan-led exercises in Northeast Asia.
- As South Korea seeks to enhance its security cooperation with Australia, whether bilaterally or in the context of minilaterals, South Korea must walk a fine line between serving its own valid security interests and alienating China, whose cooperation it requires as it seeks to resolve its issues with North Korea.



South Korea-Australia security cooperation

Security cooperation between South Korea and Australia has been enhanced in a variety of ways over the past decade or so. The signing of the General Security of Military Information Agreement (GSOMIA) in 2009, holding the joint maritime military exercise Haedori-Wallaby since 2012, and conducting a biennial 2+2 meeting among foreign and defence ministers since 2013 indicate an upward trend of security cooperation. Haedori-Wallaby has been held in South Korea in odd-numbered years and in the Pacific in even-numbered years as a sideline of the United States (US) RIMPAC (Rim of the Pacific) exercise. Australia has also occasionally participated in the US-South Korea amphibious military exercises, SsangYong; the anti-biological military exercises, Able Response; and Ulchi Freedom Guardian exercise. Beyond the biennial ministerial meetings, other senior foreign ministry and defence officials of the two states have also regularly discussed security issues in policy talks and between their respective services – army, navy, and air force.

The speed of the upward trend of security cooperation between South Korea and Australia, however, does not match that of the cooperation developing between Australia and Japan. The security cooperation between Australia and Japan has recently been remarkably enhanced, to the point that they are often called ‘quasi allies’.²¹ Consequently, there are suspicions in South Korea that Australia has been (and will be) more supportive of Japan’s security posture than of South Korea’s.

Such suspicions peaked in 2014 following then-prime minister Tony Abbott’s remark in October 2013 that Japan is “Australia’s best friend in Asia”. Questions were then raised as to whether Japan should be given the right of collective self-defence and the then-conservative South Korean government had assessed that the North Korean regime would collapse in the not-too-distant future. In that context, South Korea hoped to rule out any possibility that Japan would interfere if any contingency should arise on the Korean Peninsula. South Korean concerns for any such

intervention were founded on the location of the UN Korea Command-Rear’s location in Japan. This gives the UN HQ the legal grounds to dispatch UN troops from Japan to Korea in the event of a Korean contingency. This is particularly pertinent to the South Korea-Australia relationship as command of the UNC Rear has been held by an Australian since 2010. Shaped in this context, the comments of Prime Minister Abbott in 2014 were even more unwelcome in South Korea.

Another (mis)perception in South Korea that has hindered security cooperation between South Korea and Australia has been Australian support for the US and Japan’s efforts to construct a missile defence system in the region. In 2017, tensions heightened between North Korea and the US when North Korea threatened to test-fire an ICBM toward the US mainland. In response, then-Australian prime minister Malcolm Turnbull announced that Australia would invoke its alliance treaty with the US to defend the US in the event of such action. Australia’s position was not appreciated by the liberal South Korean government at the time, who saw these remarks as escalatory, with the inclusion of unnecessarily provocative ‘eye for an eye’ exchanges, and running counter to their efforts to mitigate tension between North Korea and the US.

In 2020, Japan and Australia agreed to sign a Reciprocal Access Agreement, a bilateral agreement which would enable Australia to dispatch a large number of military personnel to Japan for military exercises on Japanese soil. By 2021, Japan had enhanced its role as a key node of the US-led security network in East Asia and beyond. It achieved this by enhancing its security cooperation with Great Britain and France, and in May conducted a military exercise in Japan together with France, the US and Australia.

Given the already very close security relationship between Japan and Australia, some among the South Korean security elite are concerned that enhanced and subsequently expanding unilateral security cooperation involving the two states as part of the US-led alliance network might result in Japan emerging as a regional hub of that alliance network.



← Photo credit:
Department of Defence

↑ Department of Defence:
Defence Image Gallery
Image 1: Royal Australian Navy
Image 2: Royal Australian Air Force



One way to enhance the South Korea-Australia bilateral relationship and more deeply engage South Korea in regional multilateral military exercises along these lines would be for South Korea to join the Australia-led exercises in the Pacific along with the US, rather than the Japan-led exercises in Northeast Asia.

This is driving concerns among South Korean security elites that further Australia-Japan security engagement may come at the expense of South Korea's security interests.

While South Korea has expanded its concept of security cooperation in the region and has joined various multilateral military exercises in the Pacific and Indian Oceans with different groups of states, it has two major concerns. Firstly, South Korea does not feel comfortable with Japan taking a central role in exercises held in the East Sea or Northeast Asia and remains concerned about its diminished security status and the possibility of being 'demoted' to a lower node in relation to Japan in the northern axis of the US-led security network. Secondly, South Korea remains concerned that participation in such exercises would risk unnecessarily provoking China, complicating efforts between South Korea and China in their cooperation over North Korea. In this context, if Australia were perceived from a South Korean perspective to become too deeply engaged in security cooperation with Japan, it would again raise suspicion that Australia's security position in the region is more supportive of Japan's security posture than it is of South Korea's.

That said, South Korea faces its own challenges on these fronts. In order to maintain its posture within the US-led security network, South Korea needs to be more active in joining unilateral military exercises in the region conducted under US leadership. One way to enhance the South Korea-Australia bilateral relationship and more deeply engage South Korea in regional unilateral military exercises along these lines would be for South Korea to join the Australia-led exercises in the Pacific along with the US, rather than the Japan-led exercises in Northeast Asia.

In this context, it is worth noting South Korean participation in the Talisman Sabre military exercise between Australia and the US in 2021. This biennial exercise has been upgraded to the extent that more than 34,000 personnel participated in it two years ago. While strategically

South Korea has been hesitant to join military exercises that can be (mis)perceived as targeting China, from an operational perspective South Korea has good reasons to participate in them. One of the key outcomes for South Korea is enhancing interoperability. For example, South Korea will soon upgrade its maritime patrol plane from the P-3 Orion to the P-8 Poseidon. Since the US, Australia and India have been operating the P-8 Poseidon, military exercises with them would be practically very beneficial to South Korea.

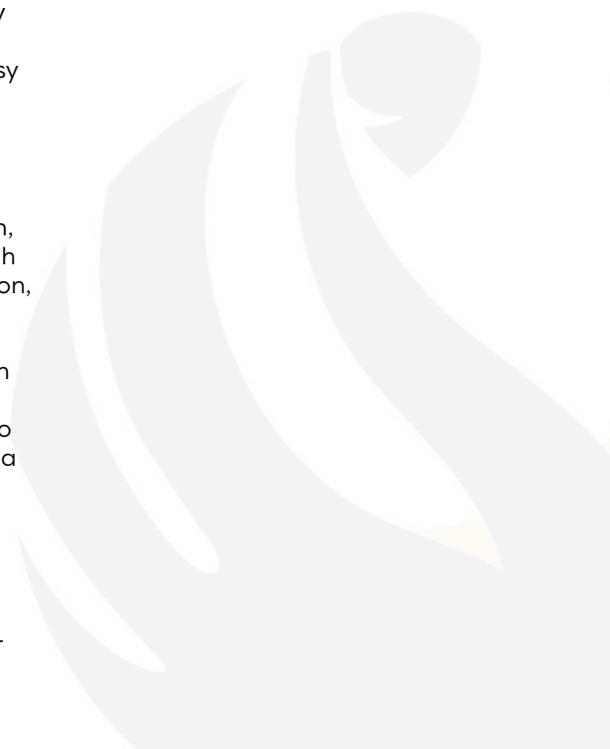
Due to the spread of Covid-19, South Korea's involvement in Talisman Sabre 2021 was scaled down. South Korea had planned to send a battalion unit to the exercise, but altered the plan so as to send a smaller number. Even so, had Covid-19 not been a problem, it is probable that South Korea might well have made the same decision of sending a smaller unit, given its reluctance to join any military exercise that could be (mis)perceived as promoting a Quadrilateral Security Dialogue (US, India, Australia, Japan) plus style military exercise.²² The growth of the importance of the Quadrilateral Dialogue in 2021 and its perceived focus on China has impacted security calculations in South Korea. At the time the Talisman Sabre exercise took place in 2019, when South Korea had planned to send a battalion, the Quadrilateral Dialogue or any Quad-plus grouping was not a diplomatic issue. In 2021, the question of whether South Korea should join any perceived Quadrilateral Dialogue-plus military cooperation has become a topic of considerable debate and controversy in South Korea.

While South Korea seems to be moving toward joining Quad-plus groupings that are formed to deal with functional issues such as health, supply chain diversification, and high tech, in terms of military co-operation, South Korea is far less willing to engage. For instance, South Korea would conceivably not participate in the Indian Navy's Malabar military exercises even if it were invited to do so, given it has been highlighted as a potential 'Quad military exercise'.

South Korea is concerned over this grouping and its perceived engagement in 'Quad states - x + non-Quad states' military activities. This perception also relates to other

exercises such as Cope North and Pacific Vanguard, in which South Korea has been participating. In this sense, if Talisman Sabre is to be conducted on a large scale, with participation by Japan, the UK, Canada, New Zealand, India (observer status 2021) and Indonesia (observer status 2021), there is a risk that this could be (mis)perceived as a Quad military exercise in South Korea. Thus, South Korea would have to make a decision on whether it would participate in it actively or only nominally. This year, Covid-19 served as a good excuse from South Korea's perspective to downgrade its participation; however, two years from now, the coronavirus pandemic would no longer serve that purpose.

As it seeks to enhance its security cooperation with Australia, whether bilaterally or in the context of multilaterals, South Korea must walk a fine line. It needs to serve its own valid security interests while at the same time refraining from alienating a powerful neighbour and trading partner whose cooperation it requires as it seeks to resolve its issues with North Korea. This fact will continue to impact on the form and nature of South Korea-Australia security cooperation - now and into the future.



CHAPTER 5

Reinvigorating Australia-ROK security cooperation

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EXECUTIVE SUMMARY

- The Australia-Korea security relationship has lagged behind other aspects of the bilateral relationship, potentially because each country holds a different vision for the Indo-Pacific and seeks to play different roles within it.
- South Korea's current foreign and defence policy is narrow in focus and unevenly weighted towards shoring up trade relations over contributing to regional peace and security.
- Australia has been forward leaning in its Indo-Pacific security policy and increasingly turning to minilateralism as a means to strengthen its strategic position. However, it has fallen down in its approach to South Korea and delayed the establishment of a more robust bilateral relationship.
- Should Australia and Korea succeed in building closer security ties, both will benefit in different ways; Korea will move closer to realising its full security contribution potential and Australia will build networks of like-minded countries in the region.

POLICY RECOMMENDATIONS

- South Korea should expand its foreign policy from its current focus on South and Southeast Asia to include the broader Indo-Pacific region.
- South Korea should implement its current, more ambitious regional security policy and demonstrate openness to participating in minilateral security frameworks in the region.
- Australia should remain sensitive to Korea's real strategic limitations and make a concerted and sustained effort to engage Korean Government officials and society at all levels.
- Australia should privately advocate for the establishment of a Korea-India-Australia (KIA) security dialogue at the working level and, later, practical maritime security cooperation.



Unrealised potential in Australia-Korea security cooperation

The Australia-Korea security relationship is widely regarded as underdeveloped. In the context of a shared ally, cooperation during wartime, and common strategic interests, it is surprising bilateral security ties are not deeper than they are. Explaining the missed opportunity, former Australian ambassador to Korea Bill Paterson argues, 'It is easy to be a bit pessimistic about progress and development of what should be a self-evidently important relationship'.²³ While our trade and diplomatic relations are strong, there is a fundamental roadblock standing in the way of closer Australia-South Korea security cooperation: the different regional visions each envisages and roles they seek to play.

Where Australia seeks a continuation of the US-led order in the region, present South Korean policy settings are arguably hedging for a regional order where Chinese influence is strengthened and US engagement is diminished. Australia sees a leadership role for itself in championing a liberal, rules-based regional system; Korea sees its position as maintaining as much peace and stability as possible and not broadcasting its views. If and until Australia and Korea's visions and roles converge more closely, enhanced security cooperation between the two countries will remain aspirational.

This paper analyses the differences in Australia and Korea's foreign and defence policies in the Indo-Pacific and suggests a new security arrangement that could benefit both, regardless of their differences. Specifically, a minilateral framework to address maritime security could jump-start greater Australia-Korea cooperation where bilateral engagement has stalled.

South Korea's modest security policy

History casts a shadow over Korea's regional outlook. Adversarial relations with Japan, a hostage relationship with North Korea, and a perception of being caught between the US and China structures Seoul's foreign policy thinking. As a result, South Korea's attention is heavily concentrated on Northeast Asia while its broader regional security ambitions are modest. There are sound strategic

reasons for this approach: South Korea faces a real and present danger from its northern neighbour, and China will be critical to any long-term settlement on the Korean Peninsula. However, Seoul's strong economic, military and soft power capacity affords it a much greater opportunity to influence the region towards its interests than it is currently exercising.

Launched in 2017, President Moon's flagship foreign policy is the 'New Southern Policy' and, since November 2020, 'New Southern Policy Plus'. The policy aims to diversify Korea's foreign relations from the major powers by investing more in bilateral relations with ASEAN countries and India. The policy is designed around three pillars – people, prosperity, and peace – but not all have been advanced equally. Most effort has gone to the prosperity pillar in the hope of expanding commercial opportunities for Korean companies in Southeast Asia. Limited progress has been made against the peace pillar, which seeks to expand defence cooperation, develop a collective response to challenges in the cyber and maritime domains, and build regional resilience.²⁴

As well as lack of attention to its peace pillar, the policy's emphasis on bilateral relations, focused narrowly on South and Southeast Asia, limits South Korea's regional security contribution. As Jaehyon Lee contends, 'The (policy) needs to expand its regional scope and strengthen its regional perspective... Peace cooperation... needs to go beyond bilateral relations and must integrate a wider perspective, including issues like multilateral cooperation, regional order, regional security, and more'.²⁵ Lee further asserts that delivering on the peace pillar will allow Seoul to clarify its vision for the region by reflecting its position on the type of regional community it wants to build, US-China strategic rivalry, and where it stands in relation to other countries' regional visions.²⁶ Currently, South Korea's foreign policy neglects its capacity for regional-order shaping and security contribution.

While Korea's vision is still ambiguous and it has yet to fulfil its security commitment, Australia has recommitted to its US alliance, enhanced security cooperation with Japan and India, and opposed China.

Australia's ambitious security policy

Under successive Coalition governments, Australia outlined its foreign and defence policies in its 2016 Defence White Paper, 2017 Foreign Policy White Paper and 2020 Defence Strategic Update. These documents emphasise Australia's intent to greatly expand security engagement across the Indo-Pacific: from South, Southeast, and Northeast Asia, to the Pacific. Australia is examining ways to further integrate with US forces, including increasing the number of US Marines rotating through Darwin, and US Navy visits to HMAS *Stirling* in Western Australia. Canberra has also been investing in minilateral security frameworks such as the Quad dialogue and Australia-Japan-US and Australia-India-France trilaterals.

In parallel, Australia has been one country leading the charge in confronting China directly. From the landmark decision to ban Huawei from the NBN and 5G networks, tighter regulation of Chinese investment, and forward-leaning statements on political issues in Xinjiang and Hong Kong, Australia stands out globally in its willingness to criticise Chinese behaviour. However, Australia's leadership on China and ambitious security policy overall is let down by its oscillation between prioritising then omitting South Korea as a primary security partner.

While the Foreign Policy White Paper identifies South Korea alongside Japan, India and Indonesia as a country of 'first order importance' and commits to pursuing new security cooperation with Seoul, the Strategic Update fails to mention Korea even once.²⁷ This is an unfortunate oversight that has been noticed by Korean officials and analysts. Failing to maintain consistency on Korea works against Australia's overall defence strategy, which relies on co-opting others in the region to follow its lead. As Layton contends:

Australia is... embracing an activist regional military strategy. Its success relies on others buying into this approach to managing the geostrategic challenges China presents. Implementing the engagement strategy means Australia will become a somewhat demanding state, seeking more from its allies, partners and friends.²⁸



A KIA partnership could assist Australia-Korea bilateral relations through creating a new dynamic in engagement that re-energises and focuses their cooperation.

Different regional outlooks and approaches may have stalled bilateral cooperation in the immediate term, but Australia and Korea could explore advancing their security interests through other arrangements.

A minilateral pathway to closer security ties

Different regional outlooks and approaches may have stalled bilateral cooperation in the immediate term, but Australia and Korea could explore advancing their security interests through other arrangements. Forming minilateral security networks in the Indo-Pacific, not to replace but to complement the US alliance system, could be effective in responding to regional challenges. A trilateral grouping of Korea, India, and Australia with a familiar Korean name – ‘KIA’ – would bring together three consequential democracies from across the Indo-Pacific with common interests and challenges.

The rationale for a grouping specifically of Korea, India, Australia is backed up by their frequent ‘G7 Plus’ status as well as frequent references in strategic discourse for South Korea to join the Quad. Due to poor Japan-Korea diplomatic relations and Seoul’s sensitivities towards China, Korea is unlikely to join the Quad in the near future. As such, security cooperation with Korea could be captured through a more politically palatable KIA framework. India also stands out as a suitable third party due to the rapid growth in bilateral Australia-India and Korea-India defence cooperation in recent years.

Australia and India have a 2014 Framework for Security Cooperation that includes strategic dialogue, senior visits, service-to-service staff talks, and training exchanges and, in 2020, upgraded their relationship to a Comprehensive Strategic Partnership.²⁹ In recent years, Korea has also upgraded its security relationship with India to ‘special strategic partner’ and the breadth and depth of engagement has increased.³⁰ Through forming a trilateral, the countries could

streamline security cooperation in areas of bilateral overlap and transition to a more efficient use of resources, such as in military exercises. This will be particularly important given the cost to undertake military exercises far from home shores in the Indian or Pacific Oceans and the increasingly strained fiscal environment.

Initially, KIA could provide a forum to share positions on different security matters, increase understanding of respective security agencies, and map existing activities to reveal overlap and gaps. Once greater trust and habits of cooperation have been established, KIA could progress to practical cooperation, for instance on maritime security.

As three maritime powers heavily reliant on international shipping routes, each requires free and open sea lines of communication for trade and to maintain critical supply chains. KIA could consider maritime security cooperation on counter-piracy, responding to coercion at sea, and monitoring and responding to illegal activities. Through sharing information and resources, the three could more effectively respond to security threats across an expansive maritime territory.

A KIA partnership could assist Australia-Korea bilateral relations through creating a new dynamic in engagement that re-energises and focuses their cooperation. Australia would benefit individually from drawing South Korea off the peninsula and encouraging it to adopt a regional security lens. For Korea, cooperation on the specific areas highlighted above would allow Seoul to progress the peace pillar of its foreign policy, namely, to expand its defence cooperation with India, develop a collective response to challenges in the maritime domain and build regional resilience. While Seoul may fail to see the imperative to cooperate with Australia trilaterally when it could work with India bilaterally, in a contested regional environment where circumstances are dynamic, Korea would benefit from shoring up partnerships with fellow US allies with a proven track record of military support to South Korea.

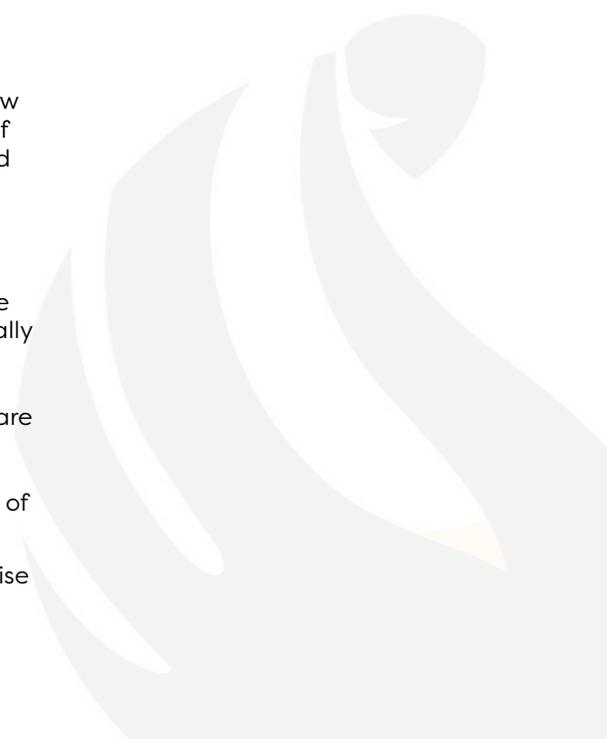
Understandably, Korea must prioritise and continually manage relations with its immediate neighbours and

US ally. However, whether this will continue to limit Seoul’s contribution to broader regional security depends on how Korea’s vision for the region and its role in it evolves. In the meantime, Korea’s security policy is muted and not commensurate with its status. An ambitious foreign policy that capitalises on Korea’s influence and shapes the region is one that broadens efforts from economic diversification to security cooperation encompassing more countries and recognises the increasing value of networked relations over traditional bilateral ones.

For Australia’s part, it needs to remain sensitive to Korea’s real strategic limitations and make a concerted and sustained effort to engage Korea at all levels. South Korea should consistently be included in our key strategic documents and Australia should back up this position through privately advocating a pilot meeting of KIA at the working level. Should Australia and Korea succeed in building closer security ties, both will benefit in different ways – Korea in moving closer to realising its full security contribution potential, and Australia in building networks of like-minded countries in the region.

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Photographer: MC2 Taylor DiMartino

Royal Australian Navy guided-missile frigate HMAS Melbourne launches an SM2 missile



CHAPTER 6

Integrating defence industry into the Australia-Korea security relationship

Peter K. Lee

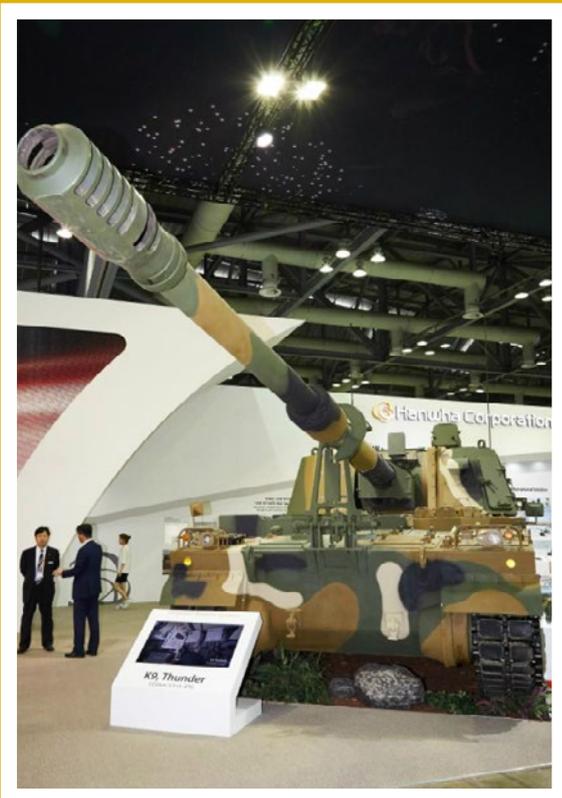
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EXECUTIVE SUMMARY

- Australia and South Korea are among the world's largest arms importers and exporters.
- Both countries are implementing ambitious programs to modernise their militaries, and their defence industries have a crucial role to play in delivering procurement needs.
- Defence industry cooperation has struggled to make an impact on the broader bilateral relationship.
- While driven by a common aim to achieve greater self-reliance, the value attached to defence industry differs between Australia and Korea, and even among national leaders.

POLICY RECOMMENDATIONS

- Defence industry cooperation needs to be given much greater attention than it has hitherto received in the Australia-Korea relationship.
- The trans-national dimension of production and the potential for strategic supply chain partnerships need to be factored into procurement decisions.
- Both countries' commitment to self-reliance and sovereign defence industry will involve trade-offs during periods of escalating regional tensions.
- Given the inherent constraints that all middle powers face relative to great powers, their acquisition of defence capabilities requires hard choices and closer coordination.



The promise of Australia-Korea security cooperation

In a more prosperous yet contested Asia, the region's long-running arms race is no longer confined to the great powers. Australia and South Korea, in particular, have been at the forefront of acquiring new military capabilities to defend their strategic interests. This chapter explores how the defence industry that underpins these capabilities can be effectively leveraged to strengthen their bilateral relationship and promote regional security.

In the 60 years since Australia and South Korea established official diplomatic relations in 1961, their security relationship has come a long way. They have built a long track record of undertaking military operations alongside the United States as well as contributing to international peace and stability around the world. Bilaterally, defence diplomacy has slowly developed over the past two decades and now includes biennial defence and foreign ministerial talks, combined naval exercises, and participation in their respective warfighting exercises with the United States.³¹ All of this has laid a promising basis for deeper bilateral security cooperation.

The rise of Australian and Korean defence industry

In response to China's military build-up, North Korea's nuclear and missile threats, fears of relative US decline, and intensifying regional flashpoints, Australia and South Korea are implementing ambitious programs to modernise their militaries and defend their national interests. Australia has increased defence spending to A\$44 billion in 2020-21 and in 2020 announced \$270 billion in additional capability acquisitions over the next decade.³² Korea has also increased annual defence spending over the symbolic ₩50 trillion won (\$60 billion) figure, with ₩301 trillion won (\$350 billion) to be spent over the next five-year defence plan.³³ Both countries are embarking on major force modernisation programs, including in armoured vehicles, fighter aircraft, and naval shipbuilding.³⁴

Defence industry, wherein private or state-owned firms are contracted to deliver key force capabilities for national governments, thus has a crucial role to play. As the world's fourth

and seventh largest arms importers, Australia and Korea have historically acquired advanced platforms and related systems from American and European firms. For example, the centrepiece of both countries' future air combat capability is the F-35 Lightning II Joint Strike Fighter aircraft, built by US firm Lockheed Martin together with a multinational network of suppliers. Australia and Korea are acquiring 72 and 80 variants of the F-35 at a cost of \$17-18 billion, respectively.³⁵

However, Australia and Korea are also seeking to expand the range of advanced capabilities they can produce both for domestic needs and export. Driven by an aim to achieve greater self-reliance, both countries are advancing their defence industrial bases to create local industries and manufacturing jobs, acquire advanced technology and skills to build indigenous systems, and to protect themselves against supply chain threats. Today, Australia and Korea are also the world's 16th and ninth largest arms exporters, respectively.³⁶ Australian companies have especially excelled at producing technologies and components such as radars, sensors, software and communications equipment for use in advanced platforms such as the F-35 fighter jet.³⁷

Korean defence firms have gone further. Since South Korea first created a defence industry bureau within the Ministry of National Defense in 1973, successive governments have pushed local companies to expand into defence-related businesses to advance military modernisation and the nation's wider export-led industrialisation strategy.³⁸ Today, the defence and shipbuilding affiliates of Korea's largest conglomerates such as Hyundai, Samsung, Daewoo and Hanwha, as well as state-owned firms such as Korea Aerospace Industries (KAI), are competing against established suppliers from the United States, Russia and Europe in the global arms market. Korea's total arms exports have grown 649 per cent between 2001-2005 and 2020, exporting everything from tanks to submarines.³⁹ The region's strategic landscape is being transformed by this convergence of a more diverse market of arms suppliers and the prioritisation of defence sovereignty. For countries such as Australia, this has opened the door to new procurement possibilities with trusted partners such as Korea.



← Australia is acquiring 30 local-variants of the K9 Thunder self-propelled howitzer

↑ Prime Minister Scott Morrison speaking at the induction of the first F-35A fighter jet to Australia in February 2021.

President Moon Jae-in speaking at the unveiling of the KFX-IFX KF-21 fighter jet in April 2021.

Defence industry cooperation's potential

Almost 30 years since Australia and Korea first discussed submarine technology sharing and collaboration in 1994, defence industry cooperation has struggled to make an impact on the bilateral security relationship.⁴⁰ As former Australian ambassador to Korea Bill Paterson recently observed, Australia had never awarded a significant defence procurement contract to an Asian country until 2020, when Hanwha Defense won a bid to supply 30 K9 self-propelled howitzers for the Australian Army.⁴¹ What is less well known is that an earlier version of the contract, which was cancelled by the Australian Government in 2012 as part of its budget cuts, had also been closely watched in Seoul. Until then, Korean defence firms had struggled to break into the developed Western arms market.⁴² The deal with Australia was seen as a potential turning point and its cancellation was of bilateral contention in the subsequent years.

In the following years, however, Hanwha Defense would go on to sell over a thousand of its K9 self-propelled howitzers across the world. This context explains why the current competition between Hanwha Defense and German firm Rheinmetall to build 450 infantry fighting vehicles (IFVs) for the Australian Army has generated so much interest. The project, LAND 400 Phase 3, is the Australian Army's largest ever contract at roughly \$18-24 billion, potentially making it Korea's largest defence export contract – subject to the final decision of the Australian Government in 2022.⁴³

Nonetheless, some scholars and experts have downplayed the significance of defence industry cooperation in bilateral relationships, where a wide range of other factors will shape strategic outlooks and partner preferences.⁴⁴ It is true that no single company or defence contract can, or even should, define a security relationship. Nonetheless, my doctoral research on the Australia-Korea security relationship found that the value attached to defence industry differs across countries and even among national leaders.⁴⁵ Australian governments have tended to take a domestic-centric approach to defence procurement. That is, the national origins of potential suppliers

and the diplomatic implications of contracts have often been secondary to capability needs and price, followed by bureaucratic and political wrangling over local industry content and job creation.

In contrast, Korean leaders have tended to view high-profile defence exports as anchors to cement partnerships and build national prestige.⁴⁶ Defence products comprise only a tiny fraction of Korea's \$600 billion annual exports, yet their political value often surpasses the semiconductor chips, container ships and cars that Korea is better known for. For example, Korea and Indonesia still have a relatively modest \$18 billion annual trade, compared to over \$40 billion between Australia and Korea.⁴⁷ Nonetheless, Korean leaders have devoted enormous political effort into the relationship with Indonesia over the past decade, with regular high-level visits due to their joint development of a new multi-role fighter jet, known as the KFX-IFX program, as well as the construction and delivery of six attack submarines to Indonesia.⁴⁸

Consolidating regional bonds through arms

As middle powers seek to strengthen cooperation between themselves amid US-China competition, defence industry will need to be given much greater attention than it has hitherto received outside the business sector. It is no longer simply a commercial enterprise between firms and governments, but a key component in the region's security linkages. Two areas could help Australia and Korea better harness the potential of defence industry in their bilateral relationship. First, the trans-national dimension of production needs to be factored into bilateral relations. While Australia has committed to building 30 of Hanwha's self-propelled howitzers in Geelong, Victoria, with the possibility of another 30, this needs to be put into a wider context where over 2,400 of these units are now in operation globally, over half of them in South Korea.⁴⁹ There are opportunities for joint field training exercises and exchanges with partners also possessing the K9 howitzer, such as India, which is acquiring 100 units. There is also room for Australian defence companies to forge strategic supply chain partnerships with Korean firms to tap

into this larger global market.⁵⁰

Second, Australia and Korea should examine what might be called the 'sovereignty-capability trade-off'.⁵¹ This refers to the fundamental tension middle powers face between the desire for greater defence sovereignty with continuing dependence upon great powers for core capabilities. This is best illustrated by Korea's persistence with the KFX-IFX program, despite serious concerns over Indonesia's long-term participation, even as it buys US-built F-35 fighter jets.⁵² As sensitive US technologies and systems continue to underpin many of their off-the-shelf acquisitions, their commitment to self-reliance and sovereign defence industry will involve trade-offs during periods of escalating regional tensions.

As Asia's arms race intensifies, the era of strategic luxury in which states could wait decades for new capabilities is over.⁵³ Given the inherent material constraints that all middle powers face relative to great powers, their acquisition of defence capabilities requires hard choices. In the long term, collective approaches to defence industry cooperation should be explored. For example, in the mid-2010s, the CSIS Federated Defense Project, led by Dr. Kathleen Hicks, now the US Deputy Secretary of Defense, looked at ways to strengthen US allied defence networks.⁵⁴ Scholars have also recently looked at opportunities for Australia to pursue closer multilateral defence industry cooperation with Southeast Asia.⁵⁵ For middle powers, cooperative rather than competitive approaches to defence industry are crucial. This would increase the scale of acquisitions, thereby driving down unit costs; distribute supply chains; and enhance interoperability among trusted partners, who will likely field these capabilities together. But, for now, we need to begin by integrating defence industry into our understanding of security partnerships, including between Australia and Korea.

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