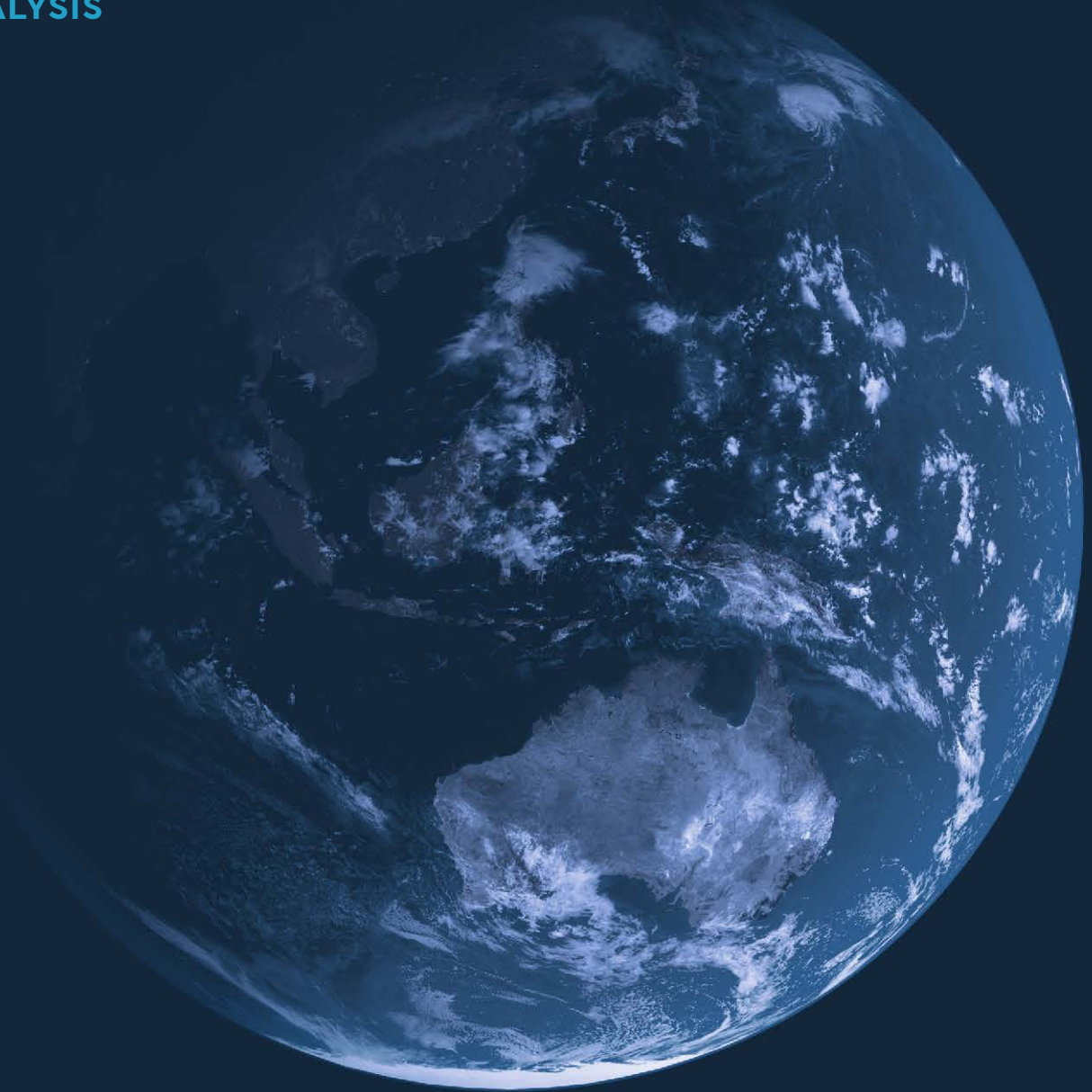


**LOWY
INSTITUTE
ANALYSIS**



The Australia–India Strategic Partnership: Accelerating Security Cooperation in the Indo–Pacific

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**THE AUSTRALIA-INDIA STRATEGIC PARTNERSHIP:
ACCELERATING SECURITY COOPERATION IN THE INDO-PACIFIC**

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EXECUTIVE SUMMARY

After five decades of testy or distant strategic relations, India and Australia began in the early 2000s to forge an increasingly cooperative defence and security partnership. The primary drivers were similar concerns about China's rise, behaviour, and assertiveness, as well as converging views about the regional strategic landscape.

Today, all the major elements of a robust defence partnership are in place, although still at very early stages of development.

The decreasing salience of their divergences — Cold War-era geopolitics, India's nuclear status, strained people-to-people ties, and shallow economic and trade links — also helped create more favourable conditions. Starting slowly in 2000, and accelerating in 2006 and 2014, the Australia-India strategic relationship began to involve policy dialogues, military exercises, defence exchanges, and security arrangements of greater frequency and sophistication.

Today, all the major elements of a robust defence partnership are in place, although still at very early stages of development. Important constraints remain, including mismatched capabilities, divergent priorities, and differing strategic circumstances, especially concerning relations with China and the United States. In addition to appreciating and navigating these differences, New Delhi and Canberra can enhance their strategic partnership by structuring and prioritising their consultations, improving military interoperability, deepening technological collaboration, and broadening relations.

INTRODUCTION

The world of 2020 looks far more precarious than it has over the previous few decades. The COVID-19 pandemic and the resultant shocks to the global economy have taken place at a time of increasingly aggressive Chinese foreign policy and continuing uncertainty about the United States' global strategic commitments. The role of 'middle powers' in global governance, the future of democracy, and the balance of power in the Indo–Pacific have all assumed greater relevance.¹ The growing partnership between India and Australia — two democratic middle powers in the Indo–Pacific — has become increasingly important. The size and location of India and Australia place them on the central axis of the Indo–Pacific, along with the countries of Southeast Asia. Add to this the facts that India and Australia are the largest maritime powers among the Indian Ocean's littoral states, that they represent sizeable G20 economies, and that both are democracies with favourable demographic futures, and the importance of their strategic relationship appears even more pronounced.²

Traditionally, Australia–India relations have been marked by a considerable degree of distrust, a product of a number of historical, cultural, and economic factors. Nonetheless, the two countries have, since 2000, embarked upon a steadily growing defence and security partnership. Today, that partnership includes close cooperation on Indian Ocean security, sophisticated bilateral naval exercises, high-level strategic dialogues, military exchanges and training, and some nascent defence technology cooperation. These developments are the product of deliberate strategies by leaders in both countries that often transcend partisan divides. But the sometimes ground-breaking nature of these new strategic engagements has been lost amid the absence of historical context and the negative public perceptions about the bilateral relationship. It is true that the India–Australia relationship has traditionally been the weakest among the four countries involved in the India–US–Australia–Japan Quadrilateral Dialogue (commonly referred to as the "Quad"). In strategic terms, the two have long treated one another as alien. But that has changed, with consequences for the broader regional security architecture.

This paper provides an overview of India–Australia security relations and identifies priorities for a closer strategic partnership. The first part describes a somewhat difficult history of strategic relations in the first fifty years after Indian independence. Differences stemmed from contrasting approaches to the Cold War (including, as a consequence,

The growing partnership between India and Australia — two democratic middle powers in the Indo–Pacific — has become increasingly important.

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differing views over Pakistan); disagreements over India's nuclear status; fraught or absent people-to-people links; and a lack of economic content in the relationship, particularly between the 1970s and 1990s. The second part describes the growth of budding defence ties from 2000 onwards, with a particular acceleration after 2006 and again after 2014, driven by changing strategic circumstances and political leaderships in both countries. This period saw the gradual increase of defence contacts and collaboration, from the first serious defence ministry dialogues and bilateral military exercises, to attempts at redressing nuclear differences and initiating defence technology cooperation. The third part describes areas of continuing divergence, which may inhibit future cooperation. These include mismatched military, diplomatic, technological, and legal capabilities and capacities; asymmetric strategic and geographic priorities; and contrasting strategic circumstances, particularly concerning the two countries' relations with China and the United States. The fourth part provides recommendations for policymakers on priority areas to deepen collaboration. These include institutionalising and prioritising the wide array of bilateral and multilateral dialogues and consultation mechanisms; improving interoperability in the maritime, air, ground, and cyber domains; deepening defence technology collaboration, which remains a weak link; and broadening relations in the social and economic sectors to provide ballast to the strategic relationship.

OVERCOMING A DIFFICULT HISTORY (1944–2000)

The India–Australia strategic relationship was long marked by greater divergence than cooperation. The two countries established diplomatic contacts during the Second World War, prior to Indian independence, with the first high commissioners arriving in New Delhi and Canberra in 1944 and 1945 respectively.³ Australia initially supported India's bid to remain a part of the Commonwealth despite its becoming a republic in 1950. After years of differences amid the backdrop of the early Cold War, the two countries took part in air force exercises ('shiksha') along with the United States and United Kingdom in 1963, and talks were held between the two countries' senior officials in 1967, coinciding with incipient Australian reengagement with Asia. While the context was the aftermath of the India–China border war of 1962, Indian officials expressed hesitation in cooperating with Australia on regional security. The 1970s and 1980s saw India establish much closer defence ties with the Soviet Union, to the alarm of some in Canberra. But the 1980s in particular also witnessed fitful attempts at reviving relations, including during visits to Australia by Indian Prime Ministers Indira Gandhi and Rajiv Gandhi. Nonetheless, the fact that no Indian prime minister visited between 1986 and 2014 was a telling indictment of the state of relations.

The 1970s and 1980s saw India establish much closer defence ties with the Soviet Union, to the alarm of some in Canberra.

The Cold War period did not witness a complete absence of security engagement between the two countries. For example, an Australian was among the first batch of military officers to be trained at India's Defence Services Staff College beginning in 1950.⁴ Professional military education remained a point of contact. Among the beneficiaries was Australia's Governor-General Sir Peter Cosgrove, who graduated from the National Defence College in New Delhi in 1994.⁵ Nonetheless, the characteristics that generally mark a useful partnership between capable military powers — strategic dialogues, intelligence sharing, military exercises, training and education, and defence trade and technological cooperation — were noticeable by their general absence before 2000. Without delving into the history of the relationship, the reasons for this divergence were essentially four.

The first and most important concerned the logic of the Cold War, which defined the security postures of Australia and India (among many other countries) between 1945 and 1991. Australia opted for a deep strategic embrace, first with Britain, and later with the United States. Australia's role in the Second World War translated logically into the

ANZUS Treaty of 1951 with the United States, and Australia also joined other US-led alliances and endeavours such as the Southeast Asia Treaty Organization (SEATO). Over time, Australia became a key element in the United States' hub-and-spokes alliance system in Asia and the Pacific. India adopted an altogether different position, with its first prime minister Jawaharlal Nehru articulating a policy of non-alignment in 1946, even before Indian independence. Robert Menzies, who was prime minister of Australia from 1949 to 1966, described non-alignment as "foolish".⁶

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Among the effects of these contrasting approaches, which included a general wariness and discouragement of military cooperation, were stronger Australian relations with India's regional adversary Pakistan. Australia initially made efforts to mediate between India and Pakistan in the 1940s and 1950s, which were rebuffed by New Delhi. Its approach found greater acceptance in Pakistan, which actively sought third-party mediation and subsequently became a fellow member of SEATO. Australian diplomats who tried to correct this perceived imbalance in Canberra's South Asia policy, such as High Commissioners Roy Gollan, Peter Heydon, and Patrick Shaw, were overruled by superiors.⁷ By the 1970s and 1980s, conscious efforts were made to delink Australia's India and Pakistan policies. For example, the 1976 Australian Defence White Paper grouped India with China and Japan as Asian powers comparable to "the former Great Powers of Europe", an early indicator of a willingness to look at India outside a strictly South Asian prism.⁸ Yet New Delhi and Canberra's defence priorities remained radically different in this period. India's concerns were domestic insurgencies, competition with Pakistan, and regional interventions such as in Sri Lanka. Australia's international security priorities remained focused on Southeast Asia.

Significant changes were anticipated soon after the end of the Cold War in 1991. A July 1990 Senate Standing Committee report compared Indian power to China's, but lamented that relations were "underdeveloped" and expressed concern about the consequences of Indian military predominance in the context of India's intervention in Sri Lanka.⁹ Australia's 1994 Defence White Paper reiterated the 1976 formulation of India as one of Asia's major powers and noted the likely growth of its economy. "India will remain an important power in the Indian Ocean region, and it may become a key element of the wider strategic balance in Asia," it stated. "We will develop our modest defence relationship with India to improve our understanding of its strategic perceptions and priorities, and encourage India to understand our interests. Trends in the strategic affairs of the Indian Ocean region

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will be an important element of that agenda.”¹⁰ Similar sentiments were echoed by Foreign Minister Alexander Downer in a 1996 speech on the Australian government’s New Horizons initiative to engage India, which anticipated the immense economic prospects in the bilateral relationship: “The changes that are taking place in Australia and India are opening both countries up to the world ... This record of rising activity is encouraging, but there is much more to be done.”¹¹ However, despite an early realisation on the part of Australian officials, vestiges of old policies remained. In the early 2000s, for example, Australia and India clashed over Canberra’s attempts at bringing Pakistan into the Indian Ocean Rim Association (IORA). These, and other such incidents, reinforced notions in New Delhi that Australia could not be trusted, and should remain a low strategic priority.¹²

A second major point of contention related to India’s nuclear status. India’s ‘peaceful nuclear explosion’ of 1974 prevented further collaboration despite interest in reengaging India on the part of the Australian government of the time. Relations were further set back decades when Australia initially took a strongly critical position against India’s 1998 nuclear tests. Indeed, Australia’s objections, coming on the heels of French nuclear tests in the South Pacific, were accompanied by a suspension of some defence contacts. Soon after, attempts were made by Downer to dilute some of his earlier criticism, although in the years that followed, Canberra repeatedly reiterated its position that India should comply with UN resolutions concerning its nuclear arsenal and sign the Comprehensive Test Ban Treaty (CTBT). For its part, the Indian government made efforts to engage Australian leaders and experts on India’s positions, including on the nuclear issue.¹³ The Australian government’s reversal on lifting an effective uranium ban on India in the late 2000s further coloured relations. These were only addressed when, under the leadership of Prime Minister Julia Gillard, Australia agreed to a policy of exporting uranium to non-signatories of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and began negotiations towards a bilateral civilian nuclear agreement with India.

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Site of the Pokhran II nuclear test (Operation Shakti) after the explosion on 11 May 1998. Image: @DefencePROTvm.

A third factor that strained the relationship between Australia and India was the difficult people-to-people relations, at multiple levels. Despite the perception of familiarity brought about by common ground on matters such as parliamentary democracy, English education systems, and cricket, differences persisted.¹⁴ Australian leaders until the 1970s generally paid little heed to Asia, including India. Menzies was described by the Australian high commissioner to India during the prime minister's 1959 visit as having "no curiosity about and no interest in India or Indians."¹⁵ The White Australia policy, which was prevalent until the 1970s, was intended to limit non-white and particularly Asian immigration, and fed the reputation in India of Australia as a racist country. In Menzies' words: "I don't want to see reproduced in Australia the kind of problem they have in South Africa or in America or increasingly in Great Britain. I think [White Australia has] been a very good policy."¹⁶ This attitude also translated into differences between Australia and India in policies towards third countries, notably apartheid-era South Africa. Some analysts have pithily described this socio-cultural divergence as reflecting vastly different approaches to liberalism.¹⁷ Despite radical changes — in both the social and demographic profile of Australia, and in Australian leaders' attitudes to Asia and India — this history still casts a shadow. The controversy over violent attacks against Indian students in Australia, which peaked in 2009–10, was but the most notable example in recent years of socio-cultural differences overshadowing areas of apparent commonality, at least in popular perceptions.¹⁸

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Activists from India's Bharatiya Janata Party (BJP) protest in Amritsar on 12 June 2009 against the treatment of Indian students in Australia.

Image: Narinder Nanu/AFP via Getty Images.

The final point of difficulty was that the strategic relationship suffered from a lack of economic content, particularly in the latter years of the Cold War. While India's economy initially improved in the years after 1947, growth slowed in the 1960s and 1970s, and improved only marginally in the 1980s. India's relative economic autarky until the 1980s further prevented opportunities for trade and economic interchange, not just with Australia but with much of the rest of the world. Even in the 1990s, when Australia was making a conscious attempt to engage Asia, the sources of regional economic opportunity were primarily in Northeast and Southeast Asia. Canberra's Asia-Pacific agenda of the 1980s and 1990s consequently excluded India. The 1987 Australian Defence White Paper, for example, describes a narrow zone of "direct military interest" extending only as far west as the "eastern Indian Ocean". Even as the 1997 Foreign Policy White Paper acknowledged the expansion of the Indian economy, it noted that it was "not in the 'tiger' class".¹⁹ In addition to prioritising security factors in Australia's regional engagement, Canberra's more recent efforts to embrace the Indo-Pacific nomenclature represent a deliberate attempt at redressing India's exclusion from its Asia-Pacific policies. They reflect the growing economic content of the relationship with India, notably Australian resource exports, the rise of India's services industry, and growing tourism and education links. In parallel, the development by the Department of Foreign Affairs and Trade (DFAT) of an India Economic Strategy and increased state-level engagement with India represent conscious attempts on Australia's

part to diversify its economic dependence.²⁰ Today, India, along with Southeast Asia, provide obvious alternative destinations to China for Australian exports, particularly resource and agricultural exports.

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There were consequently several deeply-entrenched reasons why India and Australia enjoyed virtually no serious strategic relations prior to the turn of the millennium. Each of these factors was gradually overturned following the conclusion of the Cold War, aided by India's nuclear mainstreaming, the demographic diversification of Australia, and the growth of India's economy and bilateral commercial links. While serving as a reminder of how far the relationship has come, these factors have not been entirely extinguished from the two countries' collective consciousness. The flaring up of controversies in more recent years — from Australian concerns about India's 'non-aligned' tendencies and Indian perceptions of Australian racism, to Australian frustrations about Indian economic openness — suggests that the past remains a burden (albeit a diminishing one) upon an otherwise promising and natural strategic partnership.

EVOLUTION OF THE STRATEGIC PARTNERSHIP

Recent Drivers of Cooperation

The new circumstances in which Australia and India find themselves today relate closely to the four areas of historical difficulty. The first of those circumstances is the new geopolitics. While there is no clear consensus as to the nature of the post-Cold War international order, a few clear trends are discernible. The most significant is the impact of China's rise and behaviour, which has had profound implications for both Australia and India.

For Australia, difficulties in relations with China have grown despite a robust trade and economic relationship. Since 2013, around 30 per cent of all Australian exports have gone to China, and Chinese growth has been a major driver of Australian prosperity. The investment relationship also grew in recent years, along with growth of the Chinese diaspora in Australia.²¹ At the same time, concerns have grown over a series of developments, including Chinese investment in critical infrastructure (which influenced government decisions on nascent 5G telecommunications), serious allegations of Chinese influence in Australian politics, and Chinese military activity in Australia's near neighbourhood (including cyberattacks such as that on Australia's Parliament). In addition to tightening political financing from foreign sources, Australia has responded with changes in its security strategy, and a major foreign policy push in the South Pacific, Southeast Asia, and with Japan, India, and the United States.

For India, there are four broad elements of its relationship with China. Two have traditionally been competitive. The first of those is the longstanding India–China boundary dispute, which resulted in the 1962 border war and military stand-offs more recently in 2013, 2014, 2017, and 2020. Second is the persistent concerns about Chinese influence in India's neighbourhood, including in South Asia and the Indian Ocean. Under the guise of the Belt and Road Initiative, the investment of greater Chinese economic resources in Sri Lanka, the Maldives, Myanmar, and Nepal as well as military resources in Pakistan and Bangladesh, has fuelled Indian unease, as has the development of a permanent Chinese military presence in the Indian Ocean.

Two other areas of erstwhile cooperation between India and China have also become increasingly contested. One is bilateral economic and

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trade relations, which are distorted by the large trade surplus in China's favour, concerns about national champions and market access, and the potential security implications of Chinese investment in India. The other is cooperation in global governance — in BRICS, the Asian Infrastructure Investment Bank, and the Shanghai Cooperation Organisation. This cooperation has been offset by growing divergences on issues such as freedom of navigation, terrorism, and internet governance, and Chinese obstinacy over Indian membership of the Nuclear Suppliers Group and the United Nations Security Council.

Overall, both India and Australia have expressed broadly similar concerns about China's centralised decision-making, state-led economic policies, territorial revisionism, and erosion of norms, as well as its overall security posture in the Indo-Pacific.²² India and Australia have consequently begun working individually and with like-minded partners to compete with China in regions and domains they consider critical for their national security interests.

Other geopolitical trends are also important to consider, beyond China. One is the increasingly apparent inadequacies of the Association of Southeast Asian Nations (ASEAN) and its associated institutions, such as the ASEAN Regional Forum and East Asia Summit, as the fulcrums of regional architecture. Stresses on ASEAN unity, driven primarily by China's efforts to undermine consensus within that group, have been accompanied by a reassertion of other major and middle powers in Asia. Chief among these is the United States, in the guise of the pivot or rebalance to Asia under Barack Obama's administration and subsequently the free and open Indo-Pacific policy of Donald Trump's administration. But equally, middle powers are beginning to make themselves felt in the broader Indo-Pacific region, including a remilitarising Japan, a more strategic India under its Act East Policy, as well as Australia, Indonesia, South Korea, France, and Russia.

The other, somewhat contradictory, trend involves uncertainties about the United States' ability and willingness to commit to underwriting regional security. While successive US administrations have made compelling cases for the United States as a resident power in the Indo-Pacific, resource constraints, war-weariness, and political calls for burden sharing among allies and partners have resulted in a growing nexus of middle power coalitions, including those involving India and Australia.²³

Beyond the new geopolitical drivers, the other historical irritants to relations have been gradually addressed. The ban on uranium exports

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to India was taken head-on by the government of Julia Gillard and resulted in a civilian nuclear agreement and greater cooperation in the fields of disarmament and non-proliferation between 2014 and 2017. The reversal of the White Australia policy was followed eventually by an influx of Indian immigrants to Australia, creating a strong social and cultural bridge between the two countries.²⁴ At the leadership level, every Indian and Australian government since those of Atal Bihari Vajpayee and John Howard has invested in steadily improved bilateral relations. As a result, economic and trade links grew rapidly during the 2000s, although they still fall short of expectations. Among other consequences have been increased Australian resource exports resulting in India becoming Australia's fifth-largest export destination; the success of Indian service industry providers in Australia; and a large number of Indian students coming to study in Australia. The Australian government's India Economic Strategy 2035, led by the former DFAT Secretary and ex-High Commissioner to India Peter Varghese, reflects the growing Australian ambition for deeper economic links with India.²⁵ Economic diversification away from China has become part of a conscious effort on the part of Australia's leadership, and India represents one major alternative.²⁶



Prime Minister Malcolm Turnbull releases the India Economic Strategy 2035 by former DFAT Secretary and ex-High Commissioner to India, Peter Varghese. Image: DFAT/Twitter.com.

A New Phase of Relations (2000–present)

These developments provided the context for the evolution of strategic relations after 2000, when Prime Minister John Howard visited India, the first official visit by an Australian prime minister since 1989. The timing of Howard's visit in July 2000 coincided with the normalisation of India's ties with the United States and its allies following India's 1998 nuclear tests: US President Bill Clinton visited India in March of that year and Japanese Prime Minister Yoshiro Mori in August. At the same time, initial contacts between India and Australia began to address some of the lingering issues of the Cold War era. Defence talks between the two countries were held in May 2000, India's defence secretary visited Australia later in the year, and Australia returned its defence attaché to New Delhi for the first time after the 1998 nuclear tests. A foreign ministers' dialogue was re-established in June 2001 along with an official strategic dialogue held in August of the same year. In 2003, members of India's National Defence College visited Australia, Australian observers participated in the *Milan 03* exercise, and a Royal Australian Navy vessel visited Chennai. Between 2004 and 2006, military service chiefs from both countries made visits, and the period was marked by ad hoc cooperation between the two countries (along with the United States and Japan) in humanitarian assistance and relief operations following the 2004 Indian Ocean tsunami. An Indian frigate made port visits in Australia in 2006 and took part in exercises with Australian vessels.

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Strategic relations between Australia and India entered a more ambitious phase in 2006, coinciding with accelerated Indian engagement with both the United States and Japan. This appeared to be driven in part by growing concerns about China's rise, as well as political direction in the two countries' leaderships. An India–Australia defence framework agreement — a Memorandum of Understanding on Defence Cooperation — was signed in March 2006 during John Howard's visit to India, amid a host of other agreements related to economics, trade, and technology. This placed a focus on terrorism, defence cooperation, information sharing, and extradition. As a consequence, the next two years saw a sudden acceleration in bilateral defence engagement. Australia's Minister for Defence Brendan Nelson visited India in July 2007, sandwiched between visits by Australia's Chief of the Defence Force and Chief of Navy, during which he signed an agreement on the protection of classified information.

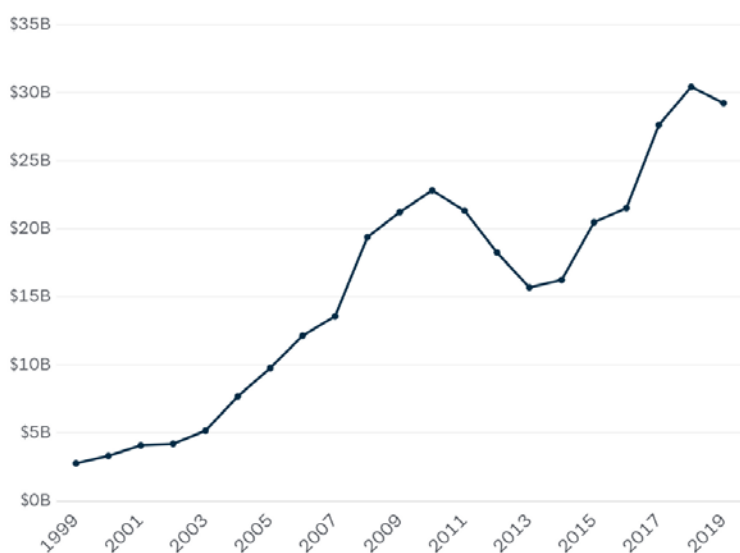
During 2007, two parallel developments occurred that became linked in the public consciousness: the year's second *Malabar* naval exercise (*Malabar 07-02*), in which the US, Indian, Australian, Japanese, and

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Singaporean navies participated in the Bay of Bengal, as well as the first Quad meeting involving the foreign ministries of India, Australia, the United States, and Japan in Manila. *Malabar 07–02* was of significant scale, involving more than 25 ships, 150 aircraft, and 20 000 personnel, including three carrier strike groups belonging to the United States and India. Australia’s decision to withdraw in early 2008 from the Quad, following the election of Kevin Rudd’s government, would prove contentious for some time. India perceived this as indicative of Australian untrustworthiness; Australian officials have pointed out that senior Indian leaders at the time also had misgivings about quadrilateral engagement and multilateral military exercises in the Bay of Bengal. As, indeed, did some officials in Japan and the United States.²⁷

The next few years were marked by differences, despite increased bilateral trade and a continuation of defence relations such as staff talks and basic passage exercises (PASSEX) between the navies. While the economic content of relations had earlier been negligible, trade passed \$10 billion in 2006 and \$20 billion just four years later in 2010.²⁸

Australia's total trade with India 1999–2019



Source: Australian Department of Foreign Affairs and Trade

This generated considerable enthusiasm, with the commissioning of a joint feasibility study group for an India-Australia free trade agreement in 2010 and the launch of negotiations towards a Comprehensive Economic Cooperation Agreement (CECA) in 2011. On the negative side of the ledger, the years 2009-10 also marked a peak in allegedly racist attacks in Australia against Indian students. The issue rose to the top of the political agenda, and compelled the Indian government to issue an advisory to Indian students in Australia to take basic precautions.

The most significant development that year, however, was A K Antony making the first ever official visit by an Indian defence minister to Australia.

Nonetheless, after about a year and a half of perceptible cooling, Prime Minister Kevin Rudd's visit to India in November 2009 produced a further breakthrough in defence relations. During his visit, the two countries agreed to a Joint Declaration on Security Cooperation. They elevated the relationship rhetorically to a 'strategic partnership'. Defence Minister Stephen Smith visited India in December 2011, and that year also saw official bilateral dialogues on energy security, counter-terrorism, and for the first time, on East Asia and the Pacific. In late 2011, the ruling Australian Labor Party also reversed its policy of selling uranium only to signatories of the NPT. That paved the way for the new Prime Minister Julia Gillard during her 2012 visit to India to initiate negotiations towards a bilateral civil nuclear cooperation agreement. In 2013, despite a change in government, Foreign Minister Julie Bishop pledged Australia's support for India's membership to the Nuclear Suppliers Group (NSG).

While high-level contacts continued apace, including ministerial and service chief visits as well as port calls and policy talks, the change in government in Australia and elections in India led to fewer major developments. Australia's 2013 Defence White Paper was only cautiously optimistic about India, which was experiencing a degree of policy gridlock and slower economic growth. The document retained vestiges of India-Pakistan parity and lingering concerns about non-proliferation.²⁹ The most significant development that year, however, was A K Antony making the first ever official visit by an Indian defence minister to Australia. During that visit, a bilateral maritime exercise between Australia and India's navies was agreed, tentatively to take place in 2015. In early 2014 Australia participated in the *Milan* naval exercise hosted by India, and hosted the Indian Ocean Naval Symposium meeting in Perth.

The election of Indian Prime Minister Narendra Modi in 2014 and his overlap with the prime ministership of Tony Abbott offered an opportunity for another phase of Australia-India defence engagement.

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Prime Minister Abbott was one of the first leaders hosted for a state visit by Modi in September 2014. On Modi's return visit to Australia in November — the first by an Indian prime minister in 28 years — a Framework for Security Cooperation was signed, forming the underpinning of the current strategic relationship. The issues covered in that document include defence policy planning and coordination, counter-terrorism, border protection, nuclear non-proliferation, disaster management, and institutional cooperation, and feature marked changes in, among other things, the priority given to search and rescue operations and defence technology.³⁰

In June 2015, the first Australia–India–Japan trilateral senior official talks were held in New Delhi. A high-level Indian Coastguard meeting, involving Australia's Maritime Border Command (MBC), took place in August 2015, during the MBC chief's visit to India. And in September 2015, the first major bilateral naval exercise AUSINDEX was held in the Bay of Bengal. All of these developments were accompanied by the now-routine defence and foreign ministers' talks, the foreign ministry-led senior official dialogue, two-way military leadership visits, and a port call by two Indian naval vessels to Fremantle.

Early exploration of collaboration on defence science and technology occurred when the head of India's Defence Research and Development Organisation visited Australia in April 2016. Air force and naval cooperation also accelerated with Indian observers at the 2016 *Pitch Black* exercise, Indian naval observers at the *Kakadu* 2016 exercise, and India signing a White Shipping Agreement with Australia to improve information sharing for maritime domain awareness (along with similar agreements with France, Singapore, and the United States). In 2017, the Quad was revived in Manila, with a focus on coordination in the Indo–Pacific region. A second edition of AUSINDEX took place in 2017 off the coast of Western Australia, and a second and third round of Australia–India–Japan trilateral talks were held that year in Canberra and New Delhi, the last in parallel with the countries' first 2+2 dialogue. The first meeting of the Joint Working Group on Defence Research and Materiel Cooperation was held in India in October 2016.

The years between 2014 and 2017 also saw a significant turn on nuclear non-proliferation issues, which had long been a sore point in relations. After three rounds of negotiations in mid-2014, a civil nuclear energy cooperation agreement was concluded during Tony Abbott's September 2014 visit to India. Further discussions took place in November on the implementation of a uranium sale agreement to India, and by November 2015 the civil nuclear agreement had entered into

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The 2016 Defence White Paper recognised India's military modernisation and growing regional and global role.

force. In the two years that followed, Australia backed India's bid for membership of the Nuclear Suppliers Group (NSG)³¹ and bilateral talks on non-proliferation and disarmament took place in 2016. These developments put to rest one of the major irritants in the strategic relationship.

The rapid changes after 2014 were reflected in Australian official documents and rhetoric. The 2016 Defence White Paper recognised India's military modernisation and growing regional and global role, but also cited India-Pakistan tensions ("fuelled by terrorist activities") as potentially affecting Australian security.³² It also identified the Indian Ocean as a primary zone of cooperation.³³ The 2017 Australian Foreign Policy White Paper placed the Indo-Pacific and democratic cooperation at the centre of its broader regional engagement strategy, and described India in the "front rank" of Australia's international partnerships.³⁴ It highlighted the need for broader economic engagement, an appreciation of shared values, and the need for greater maritime cooperation including in multilateral formats such as IORA. In India, Australia increasingly featured not just in senior-level dialogues, but also more regularly in speeches and visits by senior political officials, reflecting the growing priority accorded to the relationship by the Indian government.

The most recent major developments occurred following the 2019 re-elections of Scott Morrison and Narendra Modi, and their meeting at the G20 Summit in Osaka. After several postponements due to the global coronavirus pandemic, their virtual summit was held in June 2020 at which they announced a Comprehensive Strategic Partnership between the two countries. They concluded a framework agreement on maritime cooperation and on cyber technology cooperation. Most significantly on security matters, the two leaders announced the conclusion of a Mutual Logistics Support Agreement (MLSA), as well as an initial agreement on defence science and technology research. The two sides also agreed to upgrade their 2+2 dialogue to the rank of foreign and defence ministers, a level of official engagement that they have with only a few other countries, including the United States and Japan.³⁵

The Security Relationship Today

The bilateral relationship between India and Australia is far broader and more cooperative than it has been at any time in history. India has become Australia's fifth-largest export destination (up from twelfth at the turn of the century), and Australia is now a top-20 trade partner for

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India.³⁶ There is also growing political cooperation, including in multilateral institutions such as the Commonwealth, G20, and IORA. For example, in IORA, India and Australia coordinated closely in establishing the secretariat in Mauritius, and in working with Indonesia during its chairmanship of the organisation in 2015–2016. India's nuclear status is now a non-issue following the mainstreaming of its program, the lifting by Australia of its uranium ban, and the India–Australia civilian nuclear agreement. And people-to-people contacts have widened, with large numbers of Indian tourists, students, and immigrants contributing to Australia's economy and society.

The Australia–India defence relationship now encompasses almost every major area of military partnership, namely (i) strategic dialogues, coordination, and intelligence exchanges, including those involving third countries; (ii) military exercises involving ground, air, and especially maritime forces that reflect a growing degree of interoperability; (iii) military-to-military exchanges and training; and (iv) defence commerce and technological cooperation. However, all four areas, and especially the last, are at a nascent stage of partnership with considerable room for improvement.

Defence policy planning and dialogues are at the senior-most level, represented by regular meetings of the two countries' defence ministers, as well as annual meetings of the foreign ministers. Defence policy talks, which “used to be hard going” according to a senior Australian defence official, have become easier.³⁷ Additionally, the 2+2 dialogue, initiated in 2017 involving the foreign and defence secretaries of the two countries, has subsequently been upgraded to the ministerial level. This mirrors a format that India and Australia have with both the United States and Japan. In terms of military dialogues, staff talks involving all three services take place regularly. A maritime security operations working group has also been established. At a more tactical level, improvements have been made in maritime domain awareness (MDA) following the two countries' White Shipping Agreement. This has resulted in inputs six times each day into India's maritime 'information fusion centre' tracking merchant vessels.³⁸

There is also enthusiasm for greater minilateral cooperation, such as the Australia–India–Japan and Australia–India–Indonesia trilateral dialogues (recently upgraded to a ministerial conversation).³⁹ These represent what an Australian defence official has described as the region's “thickening architecture”.⁴⁰ India–Indonesia strategic relations received a fillip of their own after the 2018 summit between Modi and Indonesian President Joko Widodo. India–Australia–Japan trilateral

India–Australia–Japan trilateral engagement represents the growth of a complementary middle power-led strategic architecture that hedges against US retrenchment from the Indo–Pacific.

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engagement represents the growth of a complementary middle power-led strategic architecture that hedges against US retrenchment from the Indo-Pacific. In September 2020, an India-France-Australia dialogue was also initiated, involving three capable resident maritime states in the Indian Ocean, at the level of foreign secretaries. Both India and Australia also take part jointly, with occasional coordination, in a host of regional and global forums. These include IORA, the G20, and the ASEAN-led groups — the ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting Plus (ADMM-Plus), and the East Asia Summit (EAS). Newer, issue-based groupings involving both India and Australia have also emerged in 2020, including on 5G telecommunications, artificial intelligence, and supply chain resilience. The latter is an issue on which the governments of India and Australia, along with Japan, have taken a lead.⁴¹



US Secretary of State Mike Pompeo hosts a Quad meeting with Australian Foreign Minister Marise Payne, Indian External Affairs Minister Subrahmanyam Jaishankar, and Japanese Foreign Minister Toshimitsu Motegi, at the Palace Hotel, New York, 26 September 2019. Photograph courtesy US Department of State/Ron Przysucha/Flickr.

The Quad has been the subject of significant attention. Having met once in 2007 and several times after being resurrected in 2017, the dialogue was a low-level foreign ministry mechanism that served the purpose of political signalling in the region and was meant to improve coordination among these like-minded states. It was later elevated to a foreign minister-level engagement, although a proposed defence minister-led quadrilateral dialogue has yet to take place. While India made it clear that it wanted to de-link this dialogue from the *Malabar*

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naval exercises (nominally a bilateral India–US naval exercise to which Japan is a permanent invitee), Australia has made repeated requests to participate in *Malabar* as an observer. While Indian concerns related primarily to efforts at strengthening two parallel initiatives — the quadrilateral dialogue among the foreign ministries and the *Malabar* naval exercise — growing signs of Australia’s commitment have increased the prospect of a return to quadrilateral naval exercises in the near future. In the meantime, the Quad has formed the basis for other avenues of official consultation, especially following the global coronavirus pandemic. These have included a foreign secretary-level dialogue involving the United States, Japan, India, Australia, South Korea, New Zealand, and Vietnam (as chair of ASEAN) and a ministerial conversation involving the United States, Japan, India, Australia, South Korea, Brazil, and Israel.

Beyond consultations and institutional collaboration, military exercises and engagements have proliferated. Overall, by the reckoning of the Australian government, there has been an increase from 11 defence exercises, meetings, and activities in 2014 to 29 in 2017, and 38 in 2018.⁴² Naval engagement has been the most advanced, as is to be expected. The main bilateral exercise, AUSINDEX, was held every two years between 2015 and 2019. The 2019 edition of the exercise was particularly significant, representing a great degree of complexity and Australia’s largest ever defence deployment to India. Linked to Australia’s largest naval deployment, Indo–Pacific Endeavour 2019 (IPE 19), the exercise involved four ships, Australian Army forces, and support personnel from all three services, with a total involvement of more than 1000 Australian personnel. The ships visited Chennai and Visakhapatnam and included both Indian and Australian P-8 maritime patrol aircraft, as well as submarines from the two countries in sophisticated anti-submarine warfare (ASW) exercises. Of additional significance was the fact that US military personnel were observers in this exercise.

While AUSINDEX remains the mainstay of naval engagement, other efforts have been complementary. The Royal Australian Navy has been a regular participant (initially as an observer) in the *Milan* exercises since the early 2000s, including in the 2018 edition off the Andaman and Nicobar Islands. In 2018, for the first time, the Indian Navy took part in Australia’s multilateral *Kakadu* exercise in Darwin. And the same year, India took part as an observer in a submarine rescue exercise *Black Carillon* off Western Australia. Both countries have also been involved in third country-led exercises, notably the United States’ Rim of the Pacific Exercise (RIMPAC) and the Western Pacific Naval

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Symposium Multilateral Sea Exercise (WMSX) in the Singapore Strait and South China Sea. Australia's involvement in allied operations in the Middle East and counter-piracy operations in the western Indian Ocean as part of Combined Task Force 150 have also provided opportunities for engagement with India, including regular port visits.

While not at the same frequency of contact, air force engagement has also increased. A major threshold was crossed with the Indian Air Force's first involvement as a full participant (rather than an observer) in the *Pitch Black* exercise in Darwin in 2018. A multilateral exercise involving air forces from several Australian ally and partner countries, India deployed four Sukhoi Su-30MKI fighters, a C-17 heavy transport, and a C-130 tactical transport aircraft. The exercise was additionally significant for staging the first mid-air refuelling of an Indian combat aircraft (Su-30MKI) by an Australian aircraft (KC-30A), revealing a much greater degree of coordination than had been demonstrated previously. Beyond exercises, subject matter expert exchanges involving flight controllers and safety and security have also taken place.

Army-to-army engagement is perhaps the least developed between the two countries. In 2017 and 2018, the second and third editions of AUSTRA HIND, a Special Forces exercise, were held. Additionally, efforts at countering improvised explosive devices (IEDs) involving the two armies was jointly organised in India in 2018. The possibility of desert warfare exercises, as well as Indian participation in a longstanding Australian jungle warfare school, have also been proposed.

Exercises are not the only reflection of interoperability, and a number of agreements have been finalised to improve the ability of the two militaries to work together. This began with an agreement on the protection of classified information. A mutual logistics supply agreement (MLSA) — a “high priority” according to Australian officials⁴³ — was postponed due to changes in ministerial positions but eventually concluded in 2020 during the virtual summit between Modi and Morrison.⁴⁴ The agreement facilitates opportunities for both militaries to resupply each other, potentially extending their operational reach. A secure communications agreement would represent the next logical step in bilateral security cooperation, particularly following the conclusion of a similar agreement between India and the United States.

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Australian Prime Minister Scott Morrison with Indian Prime Minister Narendra Modi at 2018 ASEAN Summit Singapore. Image: Twitter/@Scott MorrisonMP.

Military-to-military contacts have also increased. Senior Australian military officers take part in the year-long course at the National Defence College in New Delhi, as well as at the Defence Services Staff College (DSSC) in Tamil Nadu, and the Indian Navy's National Institute of Hydrography. The number of Indian participants in the Australian Command and Staff College in Canberra has been increased from two to three, along with an Indian student at the Australian Defence College in Canberra. Australia's National Security College has also made a concerted bid to attract Indian public servants for courses. Cadet exchanges have become more routine.

The two militaries also benefit from a growing number of shared platforms, increasing the opportunities for joint training and interoperability. These include C-17 strategic transport aircraft, C-130 tactical aircraft, P-8 maritime reconnaissance aircraft, and Chinook heavy-lift helicopters. Australian armed services have also provided classified briefings to the Indian military of potential future platforms, such as airborne early warning and control (AEW&C) aircraft.

Defence industrial cooperation — an area that India prioritises given its own equipment requirements — offers limited potential. A Joint Working Group on Defence Research and Materiel Cooperation meeting between India's Defence Research and Development Organisation (DRDO) and Australia's Defence Science and Technology Group (DSTG) met in 2018. Among other issues, India has expressed interest in certain Australian defence products, including the Bushmaster and Hawkei armoured mobility vehicles, maritime training

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simulators, mobile health stations, and water purifiers. Australia also has considerable expertise in radar and undersea technologies. The acquisition of diesel submarines from France by both India and Australia offers some opportunities for long-term technical collaboration between the three countries in that domain.

DIFFERENT PRIORITIES IN THE INDO–PACIFIC

There are obvious commonalities in the Indian and Australian perceptions of the Indo–Pacific. This is increasingly seen by both Australia and India as a natural strategic space with Southeast Asia as a geographical centre. The significance of regarding the region as a strategic continuum, the importance of the maritime sphere, the rising profile of an under-governed Indian Ocean basin, and the recognition of the importance of normative standards in the governance of the region are reflected both in Australia’s recent defence and foreign policy white papers, as well as in Indian Prime Minister Narendra Modi’s 2018 keynote address at the Shangri La Dialogue in Singapore. These sentiments are also reflected in similar actions, such as both countries continuing to sail their naval vessels in the South China Sea, but not within 12 nautical miles of China’s artificial islands, unlike the United States’ freedom of navigation operations (FONOPs).

But while both Australia and India have embraced the logic of the Indo–Pacific, important differences will remain. That is natural, given the two countries’ different geographies, histories, and strategic perspectives. In Australia, the Indo–Pacific concept has served two broad functions. The first is to elevate the Indian Ocean in Australia’s strategic consciousness. The second is to widen its strategic scope to include India. Some Australian thought leaders are explicit about this: the Indo–Pacific is about bringing India into a broader strategic space.⁴⁵ Such definitive and reductive conceptions may not resonate positively in India. For India, the Indo–Pacific represents the natural scope of its Act East policy, and has become a strategic reality with the increasingly active security footprint of China, the United States, Japan, and others in both the Indian and Pacific Oceans. While still modest, India has the ability to play an active military role in the waters between the Strait of Malacca and the Taiwan Strait, and to a lesser degree in the East China Sea and South Pacific. But clearly for India, the entire Indian Ocean will take precedence, while for Australia it will be the southwest Indian Ocean, its immediate north, and vast stretches of the South Pacific.

Beyond these natural differences in strategic perspectives, other factors may continue to constrain bilateral strategic cooperation. They can be broadly divided into three categories: mismatched capabilities, asymmetric priorities, and contrasting strategic circumstances.

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The Indian Air Force has limited power projection capabilities and is still dependent on Russian platforms, although with considerable diversification underway.

Mismatched Capabilities

Although there are certain parallels and complementarities, Australian and Indian naval forces have significantly differing capabilities. India has invested in carrier battle groups and nuclear-powered ballistic missile submarines, neither of which Australia seeks. However, both have capable but limited surface fleets, maritime reconnaissance aircraft, and diesel-powered attack submarines. The greater military divergence is reflected in the two countries' air and ground forces. The Indian Air Force has limited power projection capabilities and is still dependent on Russian platforms, although with considerable diversification underway. Outside of special forces, the two countries' armies are also of very different scales, making certain forms of interaction, such as large-scale exercises, difficult. However, both boast similar capabilities in terms of humanitarian assistance and disaster relief (HADR) and search and rescue, capacities that few other militaries (barring the likes of the United States, China, and Japan) possess.

Outside the military realm, India in particular suffers from limited bureaucratic capacity, which restricts its ability to engage diplomatically, particularly with other middle and smaller powers. This complicates, among other things, the scheduling of various official dialogues. Technical and technological mismatches also exist. While some common military platforms, such as C-17 aircraft, are easy to cross-service, workarounds have been found in other areas, such as mid-air refuelling. Although both countries fly P-8 aircraft, cooperation between these platforms is difficult in the absence of secure communications. Finally, there are a number of legal and bureaucratic constraints and complications. For example, cooperation between the two countries' coast guards, which should be natural, is impeded by the fact that India's is military while Australia's is civilian.

Asymmetric Priorities

Different priorities between the two countries are largely a function of geography. For Australia, the challenge of China relates to its own politics, society, and economy, as well as the security of its wider region. For India, China is a direct military threat on a hotly contested border. India and Australia have also expressed different functional priorities. For India, its defence engagements have taken precedence over economic and trade ties in the Indo-Pacific, particularly after 2012. Thus Indian engagement with Myanmar or Vietnam has often been defence-led. By contrast, Australia has often placed a higher priority on economic and trade engagement with its strategic partners,

and official documents portray the two issues as much more intertwined. Thus while the economic components of India's Indo–Pacific engagements have lagged, for Australia they have been front and centre.

This partly explains the frequent differences over economic and trade issues that have impinged upon the political and strategic relationship. For example, recent trade disputes between India and Australia over sugar and other agricultural products have cast a shadow over bilateral relations, and taken significant diplomatic capital to manage. The lack of movement on trade agreements — whether a bilateral Comprehensive Economic Cooperation Agreement (CECA) or the Regional Comprehensive Economic Partnership (RCEP) — adds to frustrations with India in Canberra.

Contrasting Strategic Circumstances

Finally, a stark reality is that even taking into account obvious differences in terms of geography and size, Australia and India face very different strategic circumstances, particularly in the context of their relations with the United States and China. Essentially, Australia is significantly more dependent on the United States for its security and on China for its prosperity than India, and that will likely remain so for the near future. India, by contrast, is much less integrated with the United States' security structures and much less integrated with supply chains linked to mainland China. A number of differences arise as a result. In India, the opportunities afforded by the high level of integration of Australia's security services with its allies — extending to allied officers on Australian naval vessels, integrated signals intelligence, embeds in command structures, and field-level tactical intelligence sharing — are not always fully understood. India's very different history means that it has little experience of and appreciation for the habits of cooperation developed within longstanding alliance structures. In Australia, frustrations persist relating to India's inability or unwillingness to seamlessly integrate with US alliance-led operational protocols and procedures.

Australia and India face very different strategic circumstances, particularly in the context of their relations with the United States and China.

CONCLUSION: FUTURE PRIORITIES

The existing constraints on the India–Australia security partnership, while real and important to recognise, are not insurmountable. In most instances, they can be navigated by officials on both sides. And they can be offset by sufficient enthusiasm. Australian officials say they are “very open to increasing defence engagement across the board”.⁴⁶ Indian officials are more circumspect, primarily because Australia looms less large in India’s strategic consciousness. Given the trajectory of relations, legacy issues, new drivers of cooperation, and apparent constraints, what can Australia and India do to further bolster their strategic partnership? The four major recommendations are as follows:

1. Institutionalise and Prioritise Consultation Mechanisms

The period between 2000 and 2019 witnessed a proliferation of bilateral and minilateral consultation mechanisms at very senior levels. However, there is limited bandwidth, particularly on the Indian side, and scheduling regular dialogues has become increasingly difficult. Institutionalising bilateral contacts — with the 2+2 ministerial dialogue as the centrepiece — will make official engagements more routine and manageable, and thereby help consolidate the strategic partnership. Furthermore, prioritisation may be required amid the proliferation of minilateral mechanisms (such as India–Australia–Japan, India–Australia–Indonesia India–Australia–France, and India–Australia–Japan–United States). Finally, further coordination at regional institutions and forums — such as the East Asia Summit, but especially groupings in which India and Australia play leadership roles, such as IORA — may be necessary, particularly in advancing a common agenda between like-minded partners. Among the specific areas where cooperation should be prioritised are: ensuring the resilience of post-COVID-19 supply chains, harmonising technological regulations, and developing real-time integrated maritime domain awareness capabilities. In all these areas, cooperation is still at a nascent stage and much more can be done.

Australian officials say they are “very open to increasing defence engagement across the board”.

2. Improve Interoperability

While great steps have been taken to improve interoperability between the Indian and Australian armed services, there is scope for much more improvement. Priority areas will remain in the maritime sphere, where

interoperability is currently highest, but can deepen in terms of maritime domain awareness, search and rescue operations, and humanitarian assistance and disaster relief. Ensuring that current exercises — whether bilateral, such as AUSINDEX, or multilateral, should Australia eventually be included in *Malabar* — are less scripted and cater to specific contingencies would enhance their utility. Closer air force and army cooperation might extend to more regular exercises, refuelling, and training in jungle and desert warfare. The finalisation and operationalisation of a secure communications agreement, along similar lines to those agreed between India and the United States, would improve interoperability considerably. The upgrading of Australian facilities at the Cocos Islands and at the Royal Australian Air Force base at Learmonth in Western Australia, along with similar upgrading by India of facilities in the Andaman and Nicobar Islands, offer avenues for greater cooperation in the region. Both militaries would also benefit from greater awareness about the other's regional capabilities. This might extend to India's deployment patterns in the western and central Indian Ocean or to Australian advantages in the South Pacific and in Southeast Asia. For example, the Five Power Defence Arrangements (FPDA) give Australia a firm security toehold in Southeast Asia, where India's activity and interests have increased.

3. Deepen Technological Cooperation

Defence technology is an area that has lagged in the strategic relationship, in large part due to high Indian expectations and meagre Australian capabilities in this domain. Although India remains among the world's largest markets for international arms exports, its complicated defence acquisition system remains a deterrent, particularly for new suppliers. However, there are unexplored opportunities, which might extend to the joint production or development of armoured vehicles, undersea sensors, radar systems, and various subsystems. The commonality of equipment — for example, fixed-wing and rotary aircraft — opens up some supply chain opportunities, as do future systems such as French-made submarines. Overall, more active Australian participation in Indian defence industry expositions, such as DEFEXPO and Aero India, would improve potential collaboration in this area.

4. Broaden Relations

Finally, strategic relations would benefit to some degree from a deepening of other aspects of the relationship. This will extend quite naturally to people-to-people ties, particularly given the burgeoning population of Australians of Indian origin. Greater educational contacts

Five Power Defence Arrangements (FPDA) give Australia a firm security toehold in Southeast Asia, where India's activity and interests have increased.

in both directions will manifest themselves as well. Deepening and broadening trade and economic linkages would add further elements of trust, stability, and interest in the bilateral relationship in both countries. Trade may not always follow the flag, but in an era of strategic decoupling, the commercial and security relationship between any two countries will become increasingly important.

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- ⁴⁴ *Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia*, <https://www.pm.gov.au/sites/default/files/media/csp-joint-statement.pdf>.
- ⁴⁵ Peter Varghese, "The Indo Pacific and Its Strategic Challenges: An Australian Perspective", Address to the Institute of South East Asian Studies, Singapore, 8 January 2019, <https://about.uq.edu.au/chancellor/speeches-and-articles/indo-pacific-and-its-strategic-challenges-australian-perspective>.
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