PEERS NOT PARTNERS?
TOWARDS A DEEPER AUSTRALIA-KOREA PARTNERSHIP

한-호주 협력의 심화:
공동의 이해를 넘어 공동의 노력으로

Kyle Springer
I. Introduction

Australia and Korea enjoy positive and constructive relations across diplomatic, economic, and security domains. The foundation of their bilateral relations begins with Australia’s role in the Korean War as the second country after the United States to respond to the United Nations’ mandate to stop North Korea’s invasion in 1950. Decades later and the goodwill from Australia’s early action in a devastating conflict carries over into a relationship between two countries that share many characteristics and features as treaty allies of the United States, democracies with institutions promoting a free press promoting a vibrant political discourse, fair and free elections, and an independent judiciary, and both ranked in the world’s top 15 economies.

Australia-Korea relations are not solely bilateral, but are nested within a set of broader regional and global architectures through which the two countries can interact and collaborate. The principal institutions of this surrounding architecture presently includes:

<table>
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<tr>
<th>DIPLOMATIC/POLITICAL</th>
<th>ECONOMIC</th>
<th>SECURITY/DEFENCE</th>
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<tbody>
<tr>
<td>→ G20</td>
<td>→ Korea-Australia Free Trade Agreement (KAFTA)</td>
<td>→ Annual Defence and Foreign Ministers’ Meeting (‘2 plus 2’)</td>
</tr>
<tr>
<td>→ Asia-Pacific Economic Cooperation (APEC)</td>
<td>→ Regional Comprehensive Economic Partnership (RCEP)</td>
<td>→ Both treaty allies of the United States</td>
</tr>
<tr>
<td>→ Mexico-Indonesia-Korea-Turkey-Australia grouping (MIKTA)</td>
<td>→ World Trade Organisation (WTO)</td>
<td>→ ASEAN Regional Forum</td>
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<tr>
<td>→ Organisation for Economic Co-operation and Development (OECD)</td>
<td>→ Three multilateral development banks (WB, ADB and AIIB)</td>
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<tr>
<td>→ East Asia Summit</td>
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Within this landscape of institutional connections, Australia and Korea cooperate on what might be labelled a ‘peer’ level. This means their engagement is based on their shared status on the regional and global stage, rather than a deeper ‘partnership’ model which would promote specific issues and agendas driven by their shared interests. While the two countries collaborate effectively as peers, they have yet to elevate their diplomatic interactions to advance shared interests in bilateral, regional and global fora.

Australia and Korea have a distinctive set of shared interests which justifies the pursuit of the partnership model of bilateral engagement. This includes the regional rules-based economic architecture, greater economic connectivity and infrastructure development, and strengthening security in the broader Indo-Pacific region. They also have capacity to influence these domains, especially when working in partnership. It is time to activate greater cooperation in these domains of shared interest, this is what will drive their relations towards genuine partnership.
Australia and Korea must pursue a partnership model: promoting specific issues driven by shared interests.

Their bilateral relations sit within an Indo-Pacific regional context. This is important to understand when considering the future of their relations. A region defined by dynamism, Indo-Pacific countries are leading the world in economic growth and integration. The region is also the epicentre for security flashpoints which threaten to undermine the region’s economic prosperity. These flashpoints include potential conflict in the Korean Peninsula, the South China Sea, and Taiwan Straits. New and unconventional geopolitical tools are being deployed, whether it is targeted sanctions and boycotts or competition played out in the arena of infrastructure development. Alongside these risks are also opportunities. For both countries to truly achieve a deeper partnership, Australia and Korea must understand each other’s views of the region in which they sit.

In May 2021, Perth USAsia Centre and the Asan Institute for Policy Studies convened a virtual dialogue on the prospects of the Australia-Korea partnership. It drew together nineteen experts on security, economic policy, diplomacy, and business from both countries. Sponsored by the Australia-Korea Foundation, discussions were structured into four sessions focussed on defining the current state of relations, cooperation to manage geo-economic threats, security and defence, and cooperation with other Indo-Pacific countries.

The dialogue engaged with the following questions:

1. Why do Australia and Korea not yet consider each other strategic partners?
2. How can Australia and Korea protect themselves from geo-economic risks and encourage a peaceful and prosperous region?
3. What strategic interests to Australia and Korea share outside of the Korean peninsula?
4. How can Australia and Korea cooperate with other Indo-Pacific countries to address challenges in Indo-Pacific?

This report summarises the key findings, insights and recommendation generated by the Australia-Korea dialogue. Reflecting the diversity of views presented by the group, it is not a ‘consensus statement’, but rather an expert-informed overview of the past, present and future of Australia-Korea relations. It argues that Australia and Korea are in a position to shape the economic architecture of the region, extend their security focus beyond concerns on the Korean peninsula, and coordinate their activity with key partners in the Indo-Pacific region.
The drivers of the Australia-Korea relationship today

The working group agreed that a stronger platform is needed to animate the relationship. They identified a number of challenges which must be overcome for Australia and Korea to develop a purposive agenda and activate a deeper partnership. It starts with differences in how Australia and Korea define their surrounding region.

Security issues on the Korean peninsula cannot be the primary driver of Australia-Korea diplomatic and security ties. A focus on unification, the nuclear threat from North Korea, and the possibility of armed conflict on the peninsula looms large in the minds of Korean policymakers. Diplomatic, security, and defence resources are allocated accordingly. While Australia must continue to support Korea on this “core business”, it does not have the diplomatic resources, or status or standing in the international arena needed to directly contribute to a resolution on the Korean peninsula.

II. The principal framework for Korea’s understanding of its region is through the New Southern Policy (NSP). Announced in 2017 by President Moon Jae-In, the NSP frames Korea’s foreign policy and focusses on Southeast Asia and India. However, Australia is not included in the scope of the NSP. While Australia remains a recognised peer on the global stage, under this policy its role as a regional partner falls out of view. In Korean policymaking, Australia is relegated to second-tier status, as a ‘global’ but not ‘regional’ partner. This contrasts with Australia’s Indo-Pacific Strategy as articulated in its Foreign Policy White Paper of 2017, which encompasses Korea and recognises its importance but is overshadowed by Japan and China.

Yet even under Australia’s strategy, it is evident that not enough resources go towards supporting bilateral relations. Australia’s diplomatic footprint is comparatively larger with members of the Quad grouping (Japan, India, and USA) than it is with Korea. Many resources have gone into enhancing strategic engagement with Japan and the United States. Japan and Australia share a Special Strategic Partnership. With Japan and the US Australia participates in the Trilateral Strategic Dialogue (TSD).

From an Australian perspective it is important to understand that Korea’s foreign policy is driven by the initiatives and leadership of its incumbent president. This constrains short-term progress on a deeper partnership since there is an upcoming presidential election in March 2022, and incumbent Moon Jae-In is ineligible to run for a second term.

As the NSP is under the jurisdiction of an ad-hoc presidential committee, a likely scenario exists that it will not be carried over by the new administration. But this presents an opportunity for the Australian and Korean foreign policy community to influence an incoming administration and persuade them to build a comprehensive regional strategy which encompasses Australia. If Australia is to feature in Korea’s foreign policy outlook, it needs to establish a direct link with the president.

“Security on the Korean peninsula cannot be the focus of bilateral diplomatic and security ties.”
The present state of Korea-Japan relations also constrains Australia-Korea relations. Historical legacies, maritime disputes, and other bilateral irritants have brought Korea-Japan relations to a low point in recent years. An indicator of where Korea-Japan relations currently sit is Japan’s recent objection to a proposal to include Korea as an observer at the G7 summit. At the same time, Japan has become one of Australia’s closest partners in the Indo-Pacific. Where coordination between the three countries would make a strong partnership, progress has slowed because of a lack of trust.

Australia and Korea share a similar “double-dependency” dilemma with China. Both countries are treaty allies with the USA, with which they have a strategic dependence while at the same time having an economic dependence on trade with China. This also entails similar risks. Both Australia and Korea have suffered from economic coercion from China. After Korea’s deployment in 2017 of Terminal High Altitude Area Defense (THAAD) in response to North Korean missile tests, China sanctioned Korean companies operating in China. Between 2019 and 2021, Australia experienced Chinese sanctions against several products, including major exports such as coal, barley, and beef.

The similar structure of this problem belies differences in how Australia and Korea respond to the China dilemma, constraining cooperation. In Korea there is no domestic bipartisan consensus on major foreign policy issues, including China. However, one prevailing view is that Korea should maintain a degree of autonomy by distancing itself from the US and China. In such deft and fine-tuned diplomacy Korea must not jeopardise its autonomy for closer relations with Australia, which in this view, is seen as definitively pro-US. Within Australia, opinions on China’s standing in global affairs and its economic role has declined, with 94 percent of Australians polled saying they want the Australian government reduce economic dependence on China. Public sentiment allows the Australian government to take a harder line on China, despite geoeconomic pressure.

These challenges to deeper Australia-Korea cooperation must be put into perspective. When they are placed against the opportunities they come to appear less problematic. Once relations are prioritised and shared interests placed in the right context, these concerns are re-ordered as lesser priorities.

"The NSP might not be carried over by the new Korean presidential administration."
III. Geoeconomic threats and economic cooperation

Geoeconomics is an area where threats and strategic pressure are merging their interests. Geoeconomics is defined as the application of economic instruments to achieve geopolitical objectives and it has become a defining feature of contemporary international politics7. Their open- and trade-focussed economies and their concomitant policy settings leave Australia and Korea highly exposed to geoeconomic risk, compounded by the double-dependency dilemma. However, China is not the only country deploying geoeconomic tools in the Indo-Pacific. The US under the Trump Administration has renegotiated trade agreements with otherwise reliable partners such as Korea, has used tariffs against Chinese imports, and vetoed nominations to the World Trade Organisation’s Appellate Body.

Participation in the regional rules-based economic architecture is one way to manage geoeconomic risks and diversify economic partnerships. The two key regional agreements are the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP). These agreements differ in membership and policy ambition. RCEP includes Australia and Korea. Australia is a member of CPTPP, whilst Korea has expressed intention to make a formal application to join the agreement as of January 2021. RCEP’s policy focus is harmonisation, unifying the existing ‘noodle bowl’ of ASEAN+1 free trade agreements into one comprehensive and consistent agreement. CPTPP is more progressive in its liberalisation agenda, establishing an Investor State Dispute Settlement mechanism and includes chapters addressing difficult policy issues such as state-owned enterprises.

<table>
<thead>
<tr>
<th>COUNTRY/REGION</th>
<th>SOUTH KOREA</th>
<th>AUSTRALIA</th>
<th>COUNTRY/REGION’S SHARE OF WORLD’S GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCEP</td>
<td>Awaiting Ratification</td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>USA</td>
<td>✔ ✔</td>
<td>✔ ✔</td>
<td>24%</td>
</tr>
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<td>China</td>
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<td>✔</td>
<td>16%</td>
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<td></td>
<td>4%</td>
</tr>
<tr>
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<td>Awaiting Ratification</td>
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<td>1%</td>
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<td></td>
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<tr>
<td>New Zealand</td>
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<tr>
<td>Chile</td>
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<td></td>
<td>0.3%</td>
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<tr>
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<td></td>
<td>0.3%</td>
</tr>
<tr>
<td>EU</td>
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<td>Negotiating</td>
<td>18%</td>
</tr>
<tr>
<td>India</td>
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<td>Negotiating</td>
<td>3%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Negotiating</td>
<td>✔</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: Asia Regional Integration Centre (ARIC) FTA Database, World Bank Data, GDP (2019, current US$).
Republic of Korea president Moon Jae-in and Australian Prime Minister Scott Morrison held a summit meeting on 24 September 2019.

Photo credit: Cheong Wa Dae / Blue House (2019) via Ministry of Foreign Affairs, Embassy of the Republic of Korea to the Commonwealth of Australia.
Korea is a strong candidate for CPTPP accession

III. Geoeconomic threats and economic cooperation

Its location in the Indo-Pacific and existing deep trade ties with the CPTPP bloc makes Korea a prime candidate for CPTPP membership. It already has bilateral FTAs with seven of CPTPP’s members. Moreover, its domestic policy settings will need little adjustment to comply with the CPTPP’s standards. The main obstacle towards Korea’s accession to CPTPP is the state of Japan-Korea bilateral relations. Japan is a key member of the CPTPP, and Korea will have to hold both informal talks and formal negotiations with Japan as part of the accession process. Australia is in a position to use its influence in the CPTPP bloc and rapport with Japan to support Korea’s bid to join the CPTPP.
Australia and Korea have a strong case for participation in a new domain of international trade: hydrogen as a clean energy commodity. Bilateral partnerships are in their infancy, but they exist. Australian energy company Woodside has invested in HyNet, a 13-party consortium led by Korea Gas Corporation (KOGAS) and Hyundai Motors. The Australia-Korea bilateral business councils have acknowledged that the development of a new international hydrogen sector could help underpin the bilateral economic relations for the next several decades. Korea is transitioning away from importing thermal coal and other resources and needs to develop a stable supply of hydrogen to ensure its energy security. Australia stands out as an obvious partner, as it is likely to be one of the top three exporters of hydrogen by 2030. 

The opportunities in hydrogen are global in scale. It will include the provision of billions of dollars’ worth of new infrastructure and the alignment of international policies and standards. Both countries can collaborate to participate in this process, cooperating in organisations such as the International Energy Agency, the G20 and other existing organisations. They can make a contribution by forming new hydrogen-specific regional dialogues and institutions, including partnerships with the private sector.

Infrastructure also offers opportunities for Australia-Korea cooperation. The Asian Development Bank estimates the region needs $1.7 trillion in infrastructure investment a year for the next nine years. Infrastructure needs constrain the economic growth of many promising economies in the region in which Australia and Korea have an interest in their development. While Korea makes a contribution to the development of Southeast Asia, it has yet to align its private sector activity and development assistance to the NSP or a broader strategy to help close the region’s infrastructure gap. Articulating a strategy and establishing a Korean program to address this problem would be welcomed by Australia and the region.

However, the infrastructure gap is so large Australia and Korea alone cannot possibly fill it. They need to cooperate on a higher level. One policy instrument which is fit-for-purpose is the Beijing-based Asian Infrastructure Investment Bank (AIIB). A multilateral development bank, the AIIB is focussed on developing rural infrastructure, energy and power, transportation, telecommunications, water supply sanitation, and logistics and urban development. As founding members, Australia and Korea have a platform to influence the AIIB to channel its resources to impactful projects in the region.

“A Korean strategy to address infrastructure gaps in the Indo-Pacific would be welcomed by Australia and the region.”
IV. Expanding defence and security ties

Australia and Korea have forged a consequential defence and security relationship. It consists of activities and high-level meetings such as the “2+2” meetings between their respective foreign and defence ministers, their shared 2015 Blueprint for Defence and Security Cooperation, and joint military activities such as the Haedoli-Wallaby naval exercises in 2017. While this facet of bilateral relations is strong, there are areas for further development. The present defence relationship is focussed on developing increased military interoperability, and cooperation in technology and defence industry.

Two activities show promise to upgrade Australia-Korea defence ties. One is a Status of Forces Agreement (SOFA), which is an agreement between both countries regarding visiting military forces. A bilateral SOFA would allow both militaries to improve interoperability, putting a framework in place for them to host each other’s forces for training exercises and longer deployments. Australia has such agreements with Malaysia, New Zealand, Papua New Guinea, Singapore and the USA. Korea only has one with the USA. Joint exercises are currently done under the auspices of the United Nations Command, but if Australia-Korea defence ties are to extend beyond the peninsula, a SOFA is needed to undertake more bilateral activity.

The second is a trilateral security dialogue between Australia, Korea, and the US. This trilateral could be similarly structured to the Australia-US-Japan arrangement, known as the TSD. For Australia, this would recognise Korea as a strategic partner on par with Japan and the US. As a treaty ally of both countries, a trilateral with the United States would facilitate better coordination and military interoperability with the US. A challenge stands in the way of establishing such a dialogue. A ministerial-level trilateral is likely to prompt a negative reaction from China, which means hosting it as a lower-profile Track 1.5 Dialogue with senior officials in its early iterations.

Minilateral security arrangements have become common in the Indo-Pacific, and will become more so in future years. The NSP’s prioritisation of relations with India and Southeast Asian countries offer an opportunity for Australia to draw Korea into a trilateral dialogue with one of Australia’s closest neighbours, Indonesia. Building on existing bilateral Australia-Indonesia security cooperation and Korea’s high-value defence contracts with Indonesia would support a useful and practical dialogue. India is beginning to develop a network of trilateral engagement with Indo-Pacific countries, and is a member of Quad alongside Australia, Japan, and the US.

“
A Status of Forces Agreement is needed if defence ties are to broaden beyond the peninsula.
”
The Quad Summit, a dialogue between Australia, Japan, India and the US, poses questions for Korean engagement with these four critical security partners. How the Quad evolves, particularly since being upgraded to a Leaders’ Summit in 2021, will structure its prospects. If the content of the Quad dialogue and its outcomes remain primarily security-focused, Korea is likely to remain on the sidelines. But if it evolves into an institution for the provision of collective goods, Korea is more likely to engage. From a Korean perspective, there has been promising signs from the outcomes of the Quad’s last meeting in March 2021. The Quad’s present working focus is the establishment of a vaccine partnership implemented by an expert group, and working groups focussed on climate cooperation and critical and emerging technologies.

In recent years, Australia-Korea defence industry cooperation has been characterised by a “two steps forward, one step back” pattern of progress. This stems from Korean industry’s focus on bidding for competitive defence contracts and tenders. Korean companies have failed to win Australian military tenders, putting strain on the relationship. This includes a failed bid for a 2005 contract to build naval replenishment ships. Recent developments have been more positive. Korea-based Hanwha Defense won a contract to supply Australia with self-propelled howitzers. The company has also made progress on bidding for two other defence tenders worth up to AUD 20 billion. If successful, this could provide a much stronger basis for defence industry cooperation.

“How the Quad evolves will dictate how Korea can engage with its initiatives.”

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<thead>
<tr>
<th>DIALOGUE MEMBERS</th>
<th>YEAR ESTABLISHED</th>
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<tbody>
<tr>
<td>China-Japan-South Korea</td>
<td>2008</td>
</tr>
<tr>
<td>US-Australia-Japan Trilateral Strategic Dialogue (TSD)</td>
<td>2010</td>
</tr>
<tr>
<td>Australia-India-Japan</td>
<td>2015</td>
</tr>
<tr>
<td>US-South Korea-Japan</td>
<td>2015</td>
</tr>
<tr>
<td>India-Australia-Indonesia</td>
<td>2018</td>
</tr>
<tr>
<td>Japan-US-India</td>
<td>2018</td>
</tr>
<tr>
<td>India-Australia-France</td>
<td>2020</td>
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</table>
PEERS NOT PARTNERS? TOWARDS A DEEPER AUSTRALIA-KOREA PARTNERSHIP
V. Working together in regional fora

Korea has established strong economic cooperation with countries with which Australia wants to expand relations, including India, Indonesia and Vietnam. For example, Vietnam now accounts for 50 percent of Korea’s trade with ASEAN. Meanwhile, Australia and Vietnam have committed to becoming top ten trading partners and doubling investment within the next decade. Yet in these efforts, Australia and Korea often work in parallel, despite a shared regional interest and strong people-to-people links with individuals, businesses and institutions. Their future agenda for their cooperation in the region is about identifying where their activities intersect and can be mutually reinforcing.

Policy changes and economic trends are drawing more Korean companies south into countries in ASEAN, presenting opportunities for Australian business. Korea’s advanced manufacturing firms are likely to reorient value chains to Southeast Asia in the face of ‘decoupling pressures’, making investment in production facilities in the region more attractive. Indonesia has introduced policies to develop a domestic electric vehicle battery industry. Korean firms such as LG Chem are preparing to make major investments, while Hyundai Motors plans to expand its capacity to build electric vehicles at its existing facilities in Indonesia. Korean-led Industrial development in Southeast Asia presents opportunities for Australian firms as resource needs shift south.

“At present, Korea and Australia work in parallel in regional fora, without coordination or a grasp of shared interests.”
V. Working together in regional fora

THREE PILLARS OF THE NEW SOUTHERN POLICY

PEOPLE COMMUNITY
aims to enhance people-to-people exchanges, targets to increase the visitors between Korea and ASEAN up to 15 million visitors by 2020;

PROSPERITY COMMUNITY
sets the target to reach US$200 billion in trade by 2020, extending from industrial fields to innovative industrial fields related to industry 4.0;

PEACE COMMUNITY
aims to build a peaceful and safe environment in the region.

The NSP frames Korea’s relations with ASEAN, the region at the core of the Indo-Pacific. In 2019, after the ASEAN Summit, Korea announced a refreshed focus on three core areas: people community, prosperity community, and a peace community. Korea’s Joint Vision Statement for Peace, Prosperity and Partnership outlined areas of commitment that have a clear overlap with Australia’s interests in ASEAN. The statement committed Korea to focus on infrastructure, digital connectivity, innovation, and new technology.

While the NSP spells out a vision for Korea’s engagement in the region, the policy’s definition of goals for ASEAN has come too late for implementation during the administration of President Moon Jae-In. With an approaching presidential election in 2022, a question hangs over the NSP’s future as a foreign policy strategy. There is a hope in the Korean policymaking community that a future presidential administration might iterate or replace the NSP with an outlook that includes Australia.

"A future Korean administration might iterate or replace the NSP with an outlook that includes Australia."

"
Mexico-Indonesia-Korea-Turkey-Australia (MIKTA) grouping has not lived up to its expectations. As a coordinating mechanism within the G20, MIKTA had potential for Australia and Korea to lift the rules-based order from the standpoint of their credibility as so-called “middle powers” in the international system. Their MIKTA colleagues are all neither part of the G7 nor part of the BRICS (Brazil, Russia, India, China, and South Africa) groupings. MIKTA’s potential has been undermined by other geopolitical developments since establishment. Turkey’s domestic challenges, and its involvement in conflict in Syria, has undermined its credibility as a supporter of the rules-based order. As a convening organisation MIKTA has excelled at hosting workshops and establishing academic networks that promote a dialogue among its members, but it has not yet had an impact on the world stage that matches Australia and Korea’s potential.

Tri- and minilateral cooperation must also take place in the economic and diplomatic domains. There is particular interest in building a Track 1.5 or Track 2 dialogue with Indonesia. A Korea-Indonesia-Australia (KIA) trilateral arrangement aligns a shared interest in Indonesia playing a more proactive role in the rule-based architecture of the region. Economic cooperation is a useful start. Australia and Korea both have trade agreements with Indonesia. The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) entered into force in 2020. Korea and Indonesia signed a bilateral trade agreement in December 2020.
VI. Recommendations

As the previous analysis has outlined, Australia and Korea can upgrade their relations from cooperating at a peer level to a genuine partnership focussed on shaping outcomes in the Indo-Pacific region where their interests are merging. This is not without challenges and both countries face constraints towards deeper bilateral engagement. These limitations are structured by misalignment in strategy and policy stemming from differences in how they view their surrounding region. Their partnership is also constrained by externalities such as their relations with China and Japan, and ongoing instability on the Korean peninsula.

To this end, the following recommendations were suggested in the working group discussions.

1. **Establish an institutional bilateral Track 1.5 dialogue to regularly exchange views and ideas for cooperation across a broad range of issues.** This notional dialogue must be focussed on the Indo-Pacific. Committing to a regular dialogue between academics, diplomats, and political leaders opens more opportunities to influence their respective foreign policies at critical junctures, such as that which we are now approaching with a new Korean presidential administration.

2. **Build stronger relationships between national leaders.** Recognising the role of the Korean Presidents in foreign policymaking, their relationship with Australian Prime Ministers is key. The “2+2” Defence and Foreign Minister’s meeting is important, but no longer enough to advance relations to the next level. Two-way visits are an obvious activity, but also regular meetings and phone calls before major global and regional summits.

3. **The time is now for Korea to join the CPTPP, and Australia should support its accession.** Korea’s accession to the CPTPP would be straightforward as it is already a well-integrated economic partner of seven CPTPP members. Australia’s support for Korea’s accession can help manage the sensitive issues that exist between Japan, a key CPTPP member, and Korea.

4. **Negotiate a Status of Forces Agreement to increase military interoperability and put in place a framework for more bilateral military exercises.** It would give Korean and Australian forces more flexibility in training exercises and can broaden the focus of bilateral military operations beyond the Korean peninsula.

5. **Form new hydrogen-focussed regional dialogues and institutions, including partnerships with the private sector.** Australia and Korea already have an emerging partnership in hydrogen and the scale of the development needed to establish the industry will require a level of vision and ambition fit to frame bilateral relations for decades.

6. **A welcome development in the region would be the articulation of a Korean strategy to help close the Indo-Pacific infrastructure gap.** Korea makes a positive contribution to development in the region, but it has not aligned its private sector activity and development assistance to the NSP or a broader strategy to help fill the region’s infrastructure shortfall.
7 Use their influence and standing to ensure quality infrastructure projects are delivered in the region through The Asian Infrastructure Investment Bank (AIIB). Australia and Korea are both founding members of the AIIB and are a part of constituency groups in which they share have overlapping interests.

8 Establish a trilateral Australia-Korea-USA Track 1.5 dialogue to examine what is possible in an official counterpart. Holding it for a time at a lower-profile Track 1.5 context allows for the development of ideas while avoiding geopolitical fallout or pressure from their cooperation.

9 Explore functional areas for defence industry cooperation. There is a strategic alignment justifying more bilateral defence procurement and technology cooperation but both countries must identify specific, rather than general needs, which Korean industry can meet.
VII. Dialogue participants

The Perth USAsia Centre and Asan Institute for Policy Studies extends our thanks those who generously gave their time and effort to participate in the dialogue:

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About the Perth USAsia Centre

The Perth USAsia Centre located at The University of Western Australia is a non-partisan, not-for-profit institution strengthening relationships and strategic thinking between Australia, the Indo-Pacific and the USA. The Centre is a leading think tank focusing on geopolitical issues, policy development and building a strategic affairs community across government, business and academia. Since the Centre’s inception in 2013, we have collaborated with over forty partners to convene more than four hundred programs across sixteen cities in eight countries, engaging a world-class community of over 10,000 strategic thinkers and policy leaders.

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References

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한-호주 협력의 심화: 공동의 이해를 넘어 공동의 노력으로

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