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Canberra is still wary of China: Malaysia and ASEAN understand Australia's concerns



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Australia shifts from partner to wary of China as security fears grow and ASEAN balances ties without choosing sides. - Filepic

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AUSTRALIA'S relationship with China has undergone one of the most significant transformations in the Indo-Pacific over the last decade.

What was once regarded in Canberra as a mutually beneficial partnership has increasingly become a source of strategic concern.

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While economic ties remain substantial, [Australia's political and security establishment](#) has become more cautious about China's expanding influence and military reach.

Malaysia and the rest of ASEAN are well aware of these sentiments. Kuala Lumpur may not share all of Canberra's assessments, but it understands why Australia has recalibrated its strategic outlook.

Not unlike many middle-sized powers, Malaysia must [balance economic engagement with security considerations](#).

In this regard, [Australia's concerns](#) stem from a series of experiences that have reshaped its perception of China and the wider Indo-Pacific strategic environment.

For many years, Australia was among the principal beneficiaries of China's economic rise. [Chinese demand for Australian iron ore](#), coal, natural gas and agricultural products helped fuel growth and prosperity.

[Economic interdependence](#) was widely viewed as a stabilising force that would deepen cooperation between the two countries.

Successive Australian governments believed that a prosperous China would also become a constructive stakeholder in the regional order.

That optimism gradually faded. Concerns emerged [over allegations of foreign political influence](#) and efforts to shape public discourse and policymaking within Australia.

Canberra responded with legislation designed to strengthen protections against foreign interference. The issue generated intense domestic debate and reinforced concerns about safeguarding national sovereignty and democratic institutions.

Such concerns resonate in Southeast Asia.

Most [ASEAN member states emerged from colonial rule](#) and remain deeply sensitive to questions of sovereignty, autonomy and external influence.

While the circumstances differ from country to country, the underlying concern about preserving national decision-making remains familiar across the region.

The relationship between Canberra and Beijing [deteriorated further during the COVID-19 pandemic](#). Australia's call for an independent investigation into the [origins of the outbreak](#) was followed by restrictions on several Australian exports.

Although many of these measures have since been eased, the episode left a lasting impression on Australian policymakers.

The lesson many drew was that economic interdependence does not necessarily eliminate strategic vulnerability.

Dependence on any single market can create risks when geopolitical tensions intensify. At a time when Australia is also navigating economic uncertainties involving major powers, sensitivity to strategic competition has inevitably increased.

Security concerns have become equally pronounced. [Australian naval vessels and aircraft operating in the South China Sea](#) have reported increasingly tense encounters with Chinese military assets.

Similar incidents have affected other regional actors and contributed to wider concerns about maritime stability, freedom of navigation and crisis management at sea.

The situation attracted even greater attention when Chinese naval vessels conducted operations around Australia and held [live-fire exercises in the Tasman Sea](#).

While these activities were consistent with international law, their strategic significance was difficult for Australians to ignore.

For many in Australia, the exercises demonstrated how far China's military modernisation has progressed. The People's Liberation Army is [now capable of operating at distances](#) that would once have seemed improbable. Advances in naval power, missile technology, cyber capabilities and long-range surveillance have fundamentally altered strategic calculations throughout the Indo-Pacific.

Southeast Asian countries have also had to adjust to this reality while maintaining constructive ties with Beijing.

Most ASEAN states seek neither confrontation nor containment. Instead, they [prefer engagement, dialogue and confidence-building measures](#) that can reduce tensions while preserving regional stability.

China's growing engagement with Pacific Island countries has added another dimension to Australian strategic thinking.

Canberra has traditionally regarded the South Pacific as an [area of close partnership and strategic interest](#).

Increased competition for influence in the region has heightened Australian concerns about the future balance of power in its immediate neighbourhood.

With Timor-Leste [already a member state of ASEAN in 2025](#), Southeast Asia is becoming increasingly connected to developments in the wider Pacific.

As a result, ASEAN countries are paying closer attention to Australia's concerns than in previous decades. The strategic geography of Southeast Asia and the Pacific can no longer be viewed as entirely separate theatres.

These developments have prompted a major reassessment of Australia's defence posture.

Only a decade ago, Australian defence planning assumed [substantial warning time](#) before the emergence of any major military threat.

Today, that assumption has largely disappeared.

Australia's strategic documents increasingly emphasise preparedness, resilience, deterrence and supply-chain security in a rapidly changing Indo-Pacific environment.

This shift reflects a broader belief that the regional security landscape has become more uncertain and less predictable, particularly as geopolitical tensions intersect with technological competition and economic disruption.

Prime Minister Anthony Albanese has [consequently supported significant increases](#) in defence spending.

Investments in long-range strike systems, maritime surveillance, [air-defence capabilities and munitions stockpiles reflect Australia's determination](#) to strengthen its ability to respond to future contingencies.

The AUKUS partnership, while slow to come to fruition, further illustrates a basic strategic shift.

[Australia's pursuit of nuclear-powered submarines](#) through cooperation with the United States and the United Kingdom underscores a broader effort to strengthen deterrence and deepen security cooperation with key partners.

Whether one agrees with AUKUS or not, it reflects the degree to which Australia's strategic thinking has evolved.

Yet Canberra's position should not be misunderstood as an attempt to contain China or sever economic ties. China remains Australia's largest trading partner, and both countries continue to benefit from extensive commercial engagement.

The challenge for Australia is managing a relationship in which economic cooperation coexists with strategic competition.

This is where Malaysia's perspective becomes particularly relevant.

Malaysia has long pursued a pragmatic and balanced foreign policy. It values strong [economic relations with China](#) while [maintaining productive ties with Australia](#), the United States, Japan, South Korea and other partners.

Rather than viewing regional affairs through a binary lens, Malaysia seeks to preserve strategic flexibility and diplomatic space. This approach is increasingly important as competition among major powers intensifies across the Indo-Pacific.

Countries in the region should not be forced into choosing sides. Instead, they should strengthen regional institutions, deepen dialogue and reduce the risks of miscalculation.

For ASEAN, this remains the central challenge. The region's stability depends on maintaining an [open and inclusive order](#) in which major powers can compete peacefully without transforming Southeast Asia into a cockpit of geopolitical confrontation.

Australia's evolving outlook toward China therefore deserves careful attention. It reflects not merely changing perceptions of China but a broader recognition that the Indo-Pacific security environment is becoming more complex and unpredictable.

Malaysia may not always interpret developments exactly as Canberra does, but it understands the logic behind Australia's growing caution.

The task ahead for Australia, ASEAN and China is to ensure that strategic competition remains manageable, transparent and governed by diplomacy rather than confrontation.

In an era of heightened uncertainty, their common interest remains unchanged: preserving peace, stability and prosperity across the Indo-Pacific.

That objective remains far more important than allowing strategic rivalry to define the future of the region.

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