

Takashi Terada

**30 Years of the Australia-Japan Partnership in Asian regionalism:
Evolution and Future Directions**

This article reviews the development of the Australia-Japan partnership in building regional institutions such as PECC and APEC over the last three decades since the NARA Treaty was signed in 1976. In a unique partnership academics, business people, politicians and officials in both countries were central to establishing these regional economic institutions. This paper however argues that while both countries had shared understandings on regional issues during the first two decades after the Treaty, the last decade has seen divergent regional understandings, especially over the rise of China. Japan sees a growing influence of China as a political obstacle due to growing bilateral tensions arising from historical and territorial issues, while Australia finds it as a great economic opportunity to promote its trades with and attract investments from China. This differing understanding on China between both countries may act as a major hurdle to the effective and functional partnership in East Asian regionalism.