



Updated October 25, 2019

Australia

Overview

Australia is a longstanding ally of the United States which has supported the U.S. in every major conflict since World War I. Australia is, along with the United States, a member of the “Five Eyes” intelligence sharing group of nations. Australia remains committed to its alliance relationship with the United States while seeking to preserve its significant trade relationship with China and maintain its influence in the South Pacific. Australian Prime Minister Scott Morrison, of the right of center Liberal Party, has developed a positive relationship with President Trump who hosted Morrison for a state visit in September 2019. Australia is also a key producer of natural resources and was the United States’ 16th largest goods export market in 2018; U.S. exports to Australia have increased 81.3% since the U.S.-Australia Free Trade Agreement came into effect in 2005. Australia is also adjusting to geopolitical uncertainty related to the rise of China and concerns over the United States’ commitment to the region by developing strategic ties with Japan and other Indo-Pacific nations.

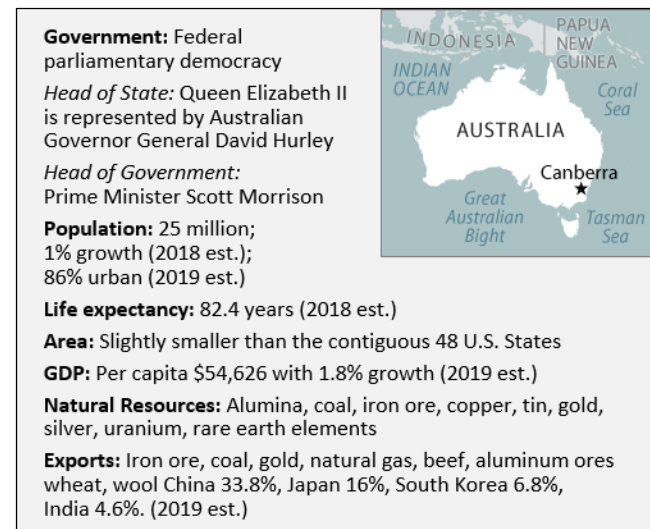
Historical Background

The Commonwealth of Australia was first inhabited between 40,000 and 60,000 years ago. The Aboriginal population were hunter-gatherers, and developed a complex spiritual “Dreamtime” culture focusing on creation myths, rituals, laws, and connections to ancestors and the Australian landscape. Captain James Cook claimed Australia for Britain in 1770, and in 1788 the first European settlement, largely made up of convicts, was established at Sydney. Australia evolved into a pastoral settler society based on sheep and wool, with the increasing importance of minerals. Despite the centrality of the “bush” or the “outback” to the national myth, Australia has evolved into an urbanized society. While geographically situated in the Indo-Pacific region, Australia continues to have deep cultural ties to Britain, the United States, and Europe.

Political Setting

The Commonwealth of Australia is an independent nation within the British Commonwealth. The Head of State is the ruling monarch of the United Kingdom, Queen Elizabeth II, who is represented in Australia by the Governor General Sir David Hurley. In practice, power is held by the Prime Minister and Cabinet, who are elected members of Parliament. Parliamentary elections are called by the government, but must be held at least once every three years. The Liberal-National Party Coalition and the Labor Party are the two main political forces in Australia. The Green Party, the Centre Alliance and the One Nation Party are also represented in parliament. There is a strong Republican movement in Australia that supports breaking with the British Crown. Scott Morrison, of the Liberal-National Coalition, was elected Prime Minister in May 2019 with 77 of 151 seats in the House of Representatives.

Figure 1. Australia in Brief



Australia has a bicameral parliament consisting of the House of Representatives and the Senate. Its Representatives are elected through a preferential ballot. The Senate has 76 seats, with 12 senators from each of the six states and 2 senators from each of the two territories. One half of the state senators are elected every three years and territory senators are elected every three years. Although the government must call elections every three years, it may call early elections. A double dissolution, when all members of both legislative bodies must stand for election, may be called if government legislation is blocked twice in three months. Australia has compulsory voting over the age of 18.

Strategic Outlook

Australia maintains a complex array of international relations, yet its geopolitical context is to a large extent defined by its trade relationship with China and its strategic relationship with the United States. Shifts in the geostrategic dynamics of Asia are leading Australia to hedge—increasingly by partnering with other Asian states—against an increasingly assertive China and the perceived relative decline of U.S. influence in the region. Such developments also reflect a change in the regional security architecture, which until recently has been grounded in the post-World War II “hub-and-spoke” system of U.S. alliances, toward networks of security partnerships. For Australia, this shift towards security networks, where middle powers in Asia increasingly rely on each other, offers an opportunity to build on and complement its ties with the United States. Prime Minister Morrison has announced that he intends to visit India and Japan in 2020 and stated “my visit [to India] will be another step in cementing India in the top tier of Australia’s partnerships.” Australia also has done much in recent years to develop its strategic relationship with Japan. Australia and Japan

signed a Joint Declaration on Security Cooperation (JDSC) in 2007 and a Japan-Australia Economic Partnership Agreement in 2015. The JDSC established a regular 2+2 meeting of foreign and defense ministers. Prime Minister Morrison is viewed by observers as active in thinking about Australia's place in the world and how it can prosper in an era of great power competition. While rejecting isolationism and protectionism, Morrison has emphasized Australia's national interest and has expressed concern with a "negative globalism that coercively seeks to impose a mandate from an often ill-defined borderless global community." Morrison has also urged Australia to "maintain our unique relationships with the United States—our most important ally—and China—our comprehensive strategic partner—in good order, by rejecting the binary narrative of their strategic competition."

Relations with the United States

Australia and the United States enjoy a close alliance relationship. Australia has been a treaty ally since the signing of the Australia-New Zealand-United States (ANZUS) Treaty in 1951. Australia made major contributions to the First and Second World Wars, and to the conflicts in Korea, Vietnam, Iraq, and Afghanistan. Australia is also a close U.S. intelligence partner through the "Five Eyes" group of nations, which also includes Canada, New Zealand, and the U.K. U.S. Marines have been conducting regular rotational deployments in northern Australia since 2012. The ongoing strength of the bilateral defense relationship, as well as growing multilateral connections, was recently demonstrated through the July 2019 Talisman Sabre military exercise, which included 34,000 personnel from the U.S. and Australia. The 2019 Australia-U.S. Ministerial (AUSMIN) consultations "emphasized the need for an increasingly networked structure of alliances and partnerships to maintain an Indo-Pacific that is secure, open, inclusive, and rules-based" and also "welcomed a major milestone in the Force Posture Initiatives, as the rotational deployment of U.S. Marines in Darwin reached 2,500 personnel in 2019." Australia also joined the U.S.-led maritime force protecting Persian Gulf shipping in August 2019. Australia, Papua New Guinea, and the United States are also working together to develop the Lombrum naval facility on Manus Island in Papua New Guinea. President Trump hosted Prime Minister Morrison on a State Visit in September 2019. When asked "How important is our alliance relationship with the United States for Australia's security?," 72% of Australians polled responded that it was very important or fairly important. Sixty-six percent also agree that "Donald Trump has weakened Australia's alliance with the United States."

Economics and Trade

Australia has the world's 14th-largest national economy and is a key exporter of natural resources. It also plays an active role in international trade fora. Australia has ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Australia is also involved in negotiations for the Asia-centric Regional Comprehensive Economic Partnership. Australia expects a return to budget surplus in 2019 and Australia's GDP is expected to grow to

2.2% in 2020. An Australia-United States Free Trade Agreement was established in 2005 and the United States ran a trade surplus of nearly \$17 billion with Australia in 2016. The State Department estimates that U.S. exports to Australia account for roughly 300,000 American jobs. The United States is also Australia's largest foreign investor.

Relations with China

Revelations regarding China's attempts to influence Australia's society and region appear to have had an impact on Australian perceptions of China. Examples of China's influence in Australia include China's hacking of the Australian parliament and major political parties, allegedly buying influence through political donations, including to former MP Sam Dastyari, efforts to purchase or lease critical infrastructure, and efforts to sway Australia's Chinese language media and speech on university campuses. A 2019 poll found that 77% of Australians believe that "Australia should do more to resist China's military activities in our region" while 74% feel that "Australia is too economically dependent on China" and 79% agree that "China's infrastructure investment projects are part of China's plans for regional domination." Australia is undertaking a number of measures to counter China's growing influence. In 2018, the Australian parliament passed new laws on espionage, foreign interference, and foreign influence, and Australia blocked Huawei from participating in the country's development of its 5G mobile network. Canberra has responded to Chinese influence operations in the Pacific region with its Pacific Step Up policy and renewed diplomatic focus on the South Pacific. Prime Minister Morrison visited Vanuatu and Fiji and has increased aid to Pacific island states. In responding to reports of China's alleged efforts to establish a presence in Vanuatu, former Australian Prime Minister Malcolm Turnbull stated, "We would view with great concern the establishment of any foreign military bases in those Pacific island countries."

Climate Change

Prime Minister Morrison defended Australia's record on climate change at the United Nations in September 2019 where he asserted stated "We are committed to reducing greenhouse gas emissions by 26 to 28 percent below 2005 levels by 2030." The Morrison government announced an A\$3.5 billion (1AD=0.68USD) Climate Solutions Package in February 2019. Critics of the government point out that Australia's emissions have increased over the past five years, that most projections see Australia overshooting its 2030 targets without more drastic measures, and that projections indicate Australia will experience increasing temperatures, and increasing frequency of floods, coral bleaching, ocean acidification, droughts and bushfires as a consequence of climate change. Australia has one of the world's highest levels of greenhouse gas emissions on a per capita basis and is also the world's third-largest exporter of fossil fuels.

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IFI0491

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