

Australia: Background and U.S. Relations

Updated May 13, 2020

Congressional Research Service

<https://crsreports.congress.gov>

RL33010

Summary

The Commonwealth of Australia and the United States enjoy a close alliance relationship. Australia shares many cultural traditions and values with the United States and 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 allied cause in the First and Second World Wars, and the conflicts in Korea, Vietnam, Iraq, and Afghanistan. Australia is also a close intelligence partner through the “Five Eyes” group of nations. U.S. Marines conduct rotational deployments in northern Australia. This initiative and others demonstrate the continuing closeness of the defense relationship. A traditional cornerstone of Australia’s strategic outlook is the view that the United States is Australia’s most important strategic partner and is a key source of stability in the Indo-Pacific region. Australia’s relationship with China has become increasingly complicated in recent years and some Australians have expressed concern about where Australia’s relationship with the United States has headed under the Trump Administration.

While Australia has a complex array of international relations, its geopolitical context is to a large extent defined by its economic relationship with China and its strategic relationship with the United States. Australia’s political leadership generally believes it can have constructive trade relations with China while maintaining its close strategic alliance relationship with the United States. However, shifts in the geostrategic dynamics of Asia are leading regional states such as Australia to hedge, increasingly with other Asian states, against the relative decline of U.S. engagement in the region. This is one interpretation of what is behind the strengthening of ties between Australia and Japan, India, and other states in Asia. Australia also plays a key role in promoting regional stability in Southeast Asia and the Southwest Pacific, and has led peacekeeping efforts in the Asia-Pacific, including in Timor-Leste and the Solomon Islands.

Under the former Liberal Party government of John Howard, Australia invoked the ANZUS treaty to offer assistance to the United States after the attacks of September 11, 2001, in which 22 Australians were among those killed. Australia was one of the first countries to commit troops to U.S. military operations in Afghanistan and Iraq. Terrorist attacks on Australians in Indonesia in the 2000s also led Australia to share many of the United States’ concerns in the struggle against Islamist militancy in Southeast Asia and beyond. Australia’s trade relationship with China has been a key source of economic growth. Like other nations, Australia’s economy faces a huge challenge resulting from the Coronavirus Disease 2019, or COVID-19, outbreak. Australia’s support for an inquiry into the origins of the coronavirus has added to recent tensions with China. Australia, which has free trade agreements with the United States, South Korea, Japan, and China, was part of the Trans Pacific Partnership (TPP) agreement, from which President Trump withdrew the United States in January 2017.

Australia currently has a coalition government led by Prime Minister Scott Morrison of the right of center Liberal Party. The opposition Labor Party is led by Anthony Albanese. Morrison came under heavy criticism for his handling of an extensive bushfire season in Australia in 2019/2020 as well as for his climate change and energy policies. Opinion polls indicate that his government’s response to the coronavirus crisis in 2020 has done much to restore his popularity with the electorate.

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Recent Events

Australia's Response to the Coronavirus

Australia appeared in April 2020 to be doing relatively well in curbing the spread and effects of Coronavirus Disease 2019 (COVID-19). As of April 29, 2020, Australia, which has a population of 25 million, had 1,029 active cases, 5,644 recovered cases and 93 deaths.¹ Maryland, by comparison, with a population of 6 million had 23,488 COVID-19 cases and 1,199 deaths from COVID-19 by the end of April, 2020.² Observers say Australia's mitigation efforts, including self-isolation, movement restrictions, a two-week quarantine for those entering the country, the public's generally good adherence to rules, and widespread testing and tracing of contacts may be responsible for a relatively limited outbreak in Australia.³ Australia reportedly has the highest per capita testing rate in the world.⁴ In April 2020, the Australian government launched "Covidsafe," an app that traces the contacts of every person running the app with other app users that have tested positive for COVID-19. Using Bluetooth, the app records individuals that have been within 1.5 meters of other app users for 15 minutes or more.⁵ Within three days of its release 3 million Australians had signed up for the app.⁶

Prime Minister Scott Morrison's approval rating among Australian voters soared 27 points to reach 68% in April 2020,⁷ apparently as a result of his government's handling of the coronavirus outbreak. The economic impact of the virus will nevertheless likely be significant. Australia is projected to experience its first recession since 1991 as a result of the pandemic and is projected to have a negative 0.5% growth rate in 2020.⁸

The COVID-19 outbreak has led to further strains in Australia's economic and diplomatic relations with China. In April 2020, Australia joined the United States in supporting an international investigation into the origins and spread of the coronavirus pandemic.⁹ Australian Foreign Minister Marise Payne stated, "The issues around the coronavirus are issues for independent review." Payne also stated, "My concern is around transparency and ensuring that we are able to engage openly."¹⁰ China responded by questioning the future of Australian beef and wine exports to China, Chinese tourism to Australia and the future of China's students in Australia, if the Morrison government continues to press for an inquiry into the origins of the coronavirus outbreak.¹¹ China's Ambassador to Australia Cheng Jingye in an Australian newspaper interview warned "that pursuing an inquiry could spark a Chinese consumer boycott."¹² Opposition Foreign Affairs spokesperson Penny Wong has signaled Labor's support of

¹ "Coronavirus Numbers in Australia," *The Guardian*, April 29, 2020.

² Dana Hedgpeth, "Virus Deaths in DC, Virginia and Maryland Surpass 2,000," *Washington Post*, May 1, 2020.

³ Rosie Perper, "Australia and New Zealand Have Been Able to Keep Their Number of Coronavirus Cases Low," *Business Insider*, April 17, 2020.

⁴ "Australia's Virus Testing Rate Leads World," *Financial Review*, April 1, 2020.

⁵ Josh Taylor, "COVID Safe App," *The Guardian*, April 27, 2020.

⁶ O. Patrick, "Millions of Australians Get App to Track Virus," *The Washington Post*, April 30, 2020.

⁷ "Australians Rush to Download Coronavirus App, PM's Popularity Soars," *Reuters*, April 26, 2020.

⁸ Economist Intelligence Unit, "Australia Country Report," April 2020.

⁹ Karen DeYoung, "U.S., Australia Call for Global Probe of Early Response," *Washington Post*, April 24, 2020.

¹⁰ Lidia Kelly, "Australia Demands Coronavirus Enquiry, Adding Pressure on China," *Reuters*, April 19, 2020.

¹¹ Daniel McCulloch, "China Threatens to Stop Australian Imports," *Sydney Morning Herald*, April 27, 2020.

¹² Rod McGuirk, "China Warns Australia It Could Face Boycotts over Call for an Independent Inquiry into

the Morrison government on the issue. In the view of one commentator, such attempts at “intimidation” and “economic coercion” make it “now plain for all to see that the CCP is waging political war on Australia, using trade as a weapon. This is Australia’s moment of clarity.”¹³

Bushfires

Bushfires are a regular occurrence in Australia. Despite this, the 2019-2020 bushfires were extraordinary. More than 27.2 million acres of vegetation, 33 people, an estimated one billion animals, and over 2,500 homes were lost to bushfires in Australia in the 2019-2020 fire season. (Fire Season normally lasts from October 1 to March 31.) The area burned was larger than South Korea and 46% larger than the area burned in the Amazon in 2019.¹⁴ Sydney’s air quality became a health risk, and parts of the nation’s capital Canberra was evacuated at one point. The Australian army was called to assist firefighters, and the navy evacuated people by sea from coastal communities cut off by fire. By some estimates, the cost of the bushfires to Australia’s economy will be over \$4.4 billion.¹⁵

Several researchers have found that projected climate changes show a trend towards more dangerous fire weather conditions in Australia. The year 2019 was the hottest year on record for Australia. The average daytime maximum temperature in Australia was reportedly 2.7 degrees Fahrenheit above average. Australia’s average rainfall in 2019 was the lowest since records began in 1900 and was 40% less than normal. 2019 was also the first year that the hottest and driest years in Australia overlapped.¹⁶

U.S.–Australia Relations

Australia continues to be an active global actor, and its strategic position has become more important as the globe’s geopolitical center of gravity continues to shift to Asia and the Indo-Pacific region.¹⁷ While developments in the Middle East and Europe will continue to demand the attention of the United States and others, the potential for conflict in the Indo-Pacific region positions Australia in an increasingly strategic corner of the globe.¹⁸

Australia-U.S. relations, as compared with U.S. relations with some other traditional U.S. allies and friends, have fared relatively well under the Trump Administration. Relations between newly elected President Trump and then-Prime Minister Malcolm Turnbull got off to what many viewed as a rocky start that appeared to improve. Australia was exempted from aluminum and steel tariffs

Coronavirus,” *Time*, May 1, 2020.

¹³ Peter Hartcher, “China’s Man in Canberra Has Unmasked the Regime’s True Face,” *Sydney Morning Herald*, April 28, 2020.

¹⁴ A. Woodward, “Australia’s Fires are 46% Bigger Than Last Year’s Brazilian Amazon Blazes,” *Insider*, January 8 2020.

¹⁵ Ben Butler, “Economic Impact of Australia’s Bushfires Set to Exceed \$4.4 bn Cost of Black Saturday,” *The Guardian*, January 7, 2020.

¹⁶ CRS In Focus IF11453, *Australia: Fires Highlight Government’s Climate Challenge*, by Bruce Vaughn and Susan G. Chesser.

¹⁷ Rory Medcalf, “A Term Whose Time Has Come: The Indo-Pacific,” *The Diplomat*, December 4, 2012. The Indo-Pacific is generally considered to encompass the Indian Ocean and western Pacific maritime and littoral regions.

¹⁸ Jim Thomas, Zack Cooper, and Iskander Rehman, “Gateway to the Indo-Pacific: Australian Defense Strategy and the Future of the Australian Alliance,” Center for Strategic and Budgetary Assessment, 2013.

imposed by the Trump Administration in 2018.¹⁹ The nature of bilateral trade may be a key factor. The United States goods and services

trade surplus with Australia was \$29.1 billion in 2018.²⁰ President Trump also hosted a state dinner for Prime Minister Scott Morrison in September 2019.²¹

Australia strengthened its long-standing alliance with the United States during the Obama Administration. This was demonstrated by former-Australian Prime Minister Tony Abbott's October 2014 decision to send eight Super Hornet fighter/bomber aircraft, 200 special forces and 400 support troops to the United Arab Emirates to join the coalition forming to try to halt the advance of Islamic State (IS) militants in Iraq.²² Former Secretary of State Hillary Clinton stated the "ties between our two nations are as close as any in the world," while then-Foreign Minister Rudd stated, "No one can overestimate the importance of the sharing of common values" when discussing the alliance.²³

The United States and Australia share strategic interests in the Indo-Pacific region and globally and have worked closely together to promote their shared goals and objectives. Australia's worldview has generally viewed the United States as a force for good in the world and in the Indo-Pacific region. There has traditionally been strong bipartisan elite and popular support in Australia for bilateral defense cooperation with the United States. In the 2019 Lowy Poll, 72% of Australian felt the alliance with the United States was "very" or "fairly" important for Australia's security. When asked the question "How important is our alliance relationship with the United States for Australia's security?" 71% to 87% of polled Australians responded "Very important" or "Fairly important" over the period 2008 to 2019.²⁴

Cultural Ties

The close relationship is also highlighted by the popularity of Australian performers, artists, and authors in the United States. The success of Australian actors and actresses in America dates back to Errol Flynn and more recently is demonstrated by Chris Hemsworth, Nicole Kidman, Cate Blanchett, Hugo Weaving, Mel Gibson, Geoffrey Rush, Eric Bana, Hugh Jackman, Paul Hogan, and Heath Ledger. Australian musicians, performers, and personalities such as AC/DC, Midnight Oil, INXS, Kylie Minogue, John Williams, Dame Edna, and Dame Joan Sutherland are also popular in America, as are Australian authors such as Thomas Keneally, Jill Ker Conway, Peter Carey, Robert Hughes, Germaine Greer, and Patrick White.

The Trump Administration and Australia

The U.S.-Australia relationship began on a difficult note under President Trump, who described his first call with former Prime Minister Malcolm Turnbull, one of his first as President, as "the worst call by far," according to media reports.²⁵ Ties were strained by disagreements over a refugee-settlement agreement concluded under the Obama Administration, President Trump's statements that U.S. allies needed to pay more for U.S. support, and the President's move to

¹⁹ "Australia Dodges Trump Tariffs on Metals, Thanks to U.S. Politicians," *Financial Post*, June 3, 2019.

²⁰ Office of the United States Trade Representative, "Australia," <https://ustr.gov/countries-regions/southeast-asia-pacific/australia>.

²¹ Michael Collins, "After a Rocky Start with the Aussies, Donald Trump Hosts State Dinner for PM Scott Morrison," *USA Today*, September 20, 2019.

²² "Islamic State: Abbott Warns Troops May Be Forced to Fire in Iraq," *ABC News*, September 17, 2014.

²³ "Transcript of Joint Press Conference with Defence Minister Stephen Smith, Foreign Minister Rudd, U.S. Secretary of State Hillary Clinton, and U.S. Secretary of Defense Panetta," San Francisco, September 15, 2011.

²⁴ Hugo Seymour, "Australia's Alliance with the US Is Defined by More Than One President," *The Interpreter*, July 17, 2019.

²⁵ Greg Miller, "'This Was the Worst Call by Far': Trump Badgered, Bragged, and Abruptly Ended Phone Call with Australian Leader," *Washington Post*, February 2, 2017.

withdraw from the proposed Trans-Pacific Partnership (TPP) trade agreement, an important part of Australia's trade policy.

Following President Trump's electoral victory, former Prime Minister Paul Keating called on Australia to "cut the tag" and pursue an independent foreign policy.²⁶ Former Liberal Prime Minister Malcolm Fraser previously called on Australia to end its strategic dependence on the United States.²⁷ Other former government officials, such as Australia's former Ambassador to China Stephen Fitzgerald, came out in opposition to Australia's very close relationship with the United States and more supportive of close relations with China.²⁸ These key political voices were added to the views of leading Australian strategist Hugh White who stated at the time that Australians can no longer trust America and that as a result they will move closer to China. White has observed that while balancing between China and the United States was going to be "an immense challenge" for Australia in any event, President Trump, who White sees as viewing allies as "dispensable," has made the choice starker and faster than had been expected.²⁹

The April 2017 visit to Australia by Vice President Mike Pence, and what was generally viewed as a positive meeting between President Trump and Turnbull aboard the retired aircraft carrier USS *Intrepid* for the 75th anniversary of the Battle of the Coral Sea on May 4, 2017, helped to put the relationship back on track after what many viewed as a rocky start according to media reports.³⁰ During his April 2017 visit to Australia, Vice President Pence affirmed the alliance and stated that the United States would honor the refugee deal made by Turnbull and former President Obama.³¹ The first group of approximately 50 refugees from Australian offshore detention centers in Papua New

Australia at a Glance

Government: Parliamentary democracy and federal state system

Leadership: Prime Minister Scott Morrison

Head of State: Queen Elizabeth II, who appoints a Governor-General on the advice of the Prime Minister. David Hurley was appointed Governor General in 2019.

Main Political Parties: Labor, Liberal, National, Greens

Area: About the size of the lower 48 U.S. states

Capital: Canberra, population 400,000 (2020 est)

Population: 25 million with 1.4% growth (2020 est.)

Urbanization: 86.2% (2020 est.)

Life expectancy at birth: 82.7 years (2020 est.)

Foreign-born population: 26.3% (2016 est.)

Natural resources: Bauxite, coal, iron ore, copper, tin, gold, silver, uranium, nickel, tungsten, mineral sands, lead, zinc, diamonds, natural gas, and petroleum.

Key exports: Coal, iron ore, gold, meat, wool, alumina, wheat, machinery, and transport equipment

Export Partners: China 33.5%, Japan 14.6%, South Korea 6.6%, India 5%. (2017 est.)

GDP growth: % (2020 est.)

GDP per capita: US\$50,400 (2017 est.)

Labor force: agriculture 3.6%, industry 21.1%, services 75.3% (2009 est.)

Inflation: 1.9% (2017 est.)

Exchange rate: A\$1 = US\$0.65 (2020 est.)

Sources: CIA, The World Factbook; Economist Intelligence Unit,

²⁶ Michael Koziol, "Paul Keating Says Cut the Tag with the US After Donald Trump's Win," *Sydney Morning Herald*, November 10, 2016.

²⁷ Malcolm Fraser, "America: Australia's Dangerous Ally," *The National Interest*, February 2015.

²⁸ "Don't Follow the US into Another War," *The Daily News*, April 19, 2017.

²⁹ Hugh White, "Trump Pushes Australia Toward China," *New York Times*, February 9, 2017.

³⁰ "Trump, Australia's Turnbull Hold First Meeting in Move to Clear Air After Tense Phone Call," *Reuters*, May 4, 2017.

³¹ Jaqueline Williams, "Mike Pence, on Charm Offensive in Australia, Confirms 'Historic Alliance,'" *New York Times*, April 21, 2017.

Guinea and Nauru were sent to the United States in September 2017. Trump described this arrangement as “the worst deal ever.”³²

At their meeting aboard the *Intrepid*, Trump and Turnbull were able to move past the previous reportedly acrimonious phone call with Trump stating that “We get along great, we have a fantastic relationship, I love Australia.”³³ President Trump stated in May 2017, “Few peoples in the world share ties in history, affection and culture like the Americans and Australians.”³⁴ In January 2017, former Australian Foreign Minister Julie Bishop stated

We are allies, partners, collaborators, and most importantly friends—we like each other—a lot. We share fundamental values that underpin a corresponding world view and a similar brand of pragmatic optimism. There’s a natural affinity. We benefit from a high level of mutual trust, built up over decades of close cooperation. Ours is a formal alliance, and the ANZUS Treaty of 1951 is the cornerstone of our longstanding relationship. Following the inauguration of President Trump, Australia commits anew to our essential and enduring partnership.³⁵

President Trump’s skeptical stance on the value of U.S. alliances appears to have had an impact on the alliance with Australia. In July 2016, candidate Trump stated, “If we cannot be properly reimbursed for the tremendous cost of our military protecting other countries ... then yes, I would be absolutely prepared to tell those countries, ‘congratulations, you will be defending yourself.’”³⁶ This position, which is a departure from past U.S. policy, is a cause for concern for many in Australia.³⁷ President Trump’s actions were viewed by some in the press as “injecting new uncertainty in the U.S.-Australia relationship” and reflecting the “transactional view he takes of relationships, even when it comes to diplomatic ties with long-standing allies.”³⁸ Trump’s withdrawal from the TPP, and other factors, led some observers in Australia to question America’s commitment and Australia’s extremely close relationship with the United States.³⁹ Others have taken the view that “the character of American policy is defined by more than any one president.”⁴⁰ While Trump’s statements and actions have led to new uncertainties in Australia, the broad conduct of the alliance, as well as public support for it, continues.

³² Michelle Mark, “The First Group of Refugees from What Trump Called ‘The Worst Deal Ever’ with Australia Are Heading to the United States,” *Business Insider*, September 28, 2017.

³³ Maggie Haberman and Mark Landler, “Despite Earlier Spat, Smooth Sailing Aboard *Intrepid* for Trump and Turnbull,” *New York Times*, May 4, 2017.

³⁴ Jim Garamone, “Shared Risk, Blood Cement US-Australian Ties, Trump,” *DoD News*, May 5, 2017.

³⁵ Foreign Minister Julie Bishop, “US-Australia Dialogue on Cooperation in the Indo-Pacific,” January 26, 2017, <http://foreignminister.gov.au>.

³⁶ Damian Paletta, “Clinton vs. Trump: Where They Stand on Foreign Policy Issues,” *Wall Street Journal*, reference to a July 20, 2016, Trump interview with the *New York Times*, <http://graphics.wsj.com/elections/2016/donald-trump-hillary-clinton>.

³⁷ Ben Westcott, “Does Australia Want Turnbull to Save the Relationship with Donald Trump?” *CNN*, May 3, 2017.

³⁸ Greg Miller, Philip Rucker, “No G’Day Mate: On Call with Australian Prime Minister,” *Washington Post*, February 3, 2017.

³⁹ James Bowen, “Trump-Turnbull Meet Comes amid Increasing Debate over Australia’s US Ties,” *The Diplomat*, May 5, 2017.

⁴⁰ Hugo Seymour, “Australia’s Alliance with the U.S. Is Defined by More Than One President,” *The Interpreter*, July 17, 2019.

The Alliance

The ANZUS Alliance and Changing Strategic Contexts

The United States–Australia bilateral defense and alliance relationship has traditionally remained strong even as it has evolved through different strategic contexts over the past 100 plus years.⁴¹ In 1908, in one of the first bilateral military-to-military contacts, President Theodore Roosevelt’s Great White Fleet was welcomed in Australia, which was concerned with the expansion of Japanese naval power at that time. The defense relationship between the United States and Australia was forged when the two nations fought together on the Western Front in World War I. There U.S. troops fought under Australian General Monash at the Battle of Hamel. They also fought together in World War II in the South Pacific theatre of operations, including the Battle of the Coral Sea, a joint action by U.S. and Australian naval forces that checked the Japanese naval advance on Papua and New Guinea just north of Australia and helped turn the tide of war in the Pacific. Former Australian Minister of Defence and former Ambassador to the United States Kim Beazley has said that the Battle of the Coral Sea “looms large in our strategic consciousness” and that it was a “nation saving” event.⁴² (At the outbreak of World War II, the Territory of New Guinea was a League of Nations Mandate of Australia while the Territory of Papua was under the direct authority of the Commonwealth of Australia.) Australia and the United States also fought together in the Korean War.

The 1951 ANZUS Treaty was signed at a time when Australia and New Zealand were concerned about a resurgent Japan and the United States was increasingly concerned with the growing power of the Soviet Union. The U.S.-New Zealand leg of the ANZUS alliance was suspended as a result of differences over nuclear policy in the mid-1980s, while U.S.-Australia defense ties continued. The two nations came to share common concern during the Cold War, which saw Australian troops fighting alongside U.S. forces in Vietnam, and the two nations worked together to promote stability in the post-Cold War era in places like Somalia.

The “War Against Terror” following the September 11, 2001, attacks on the United States also drew the two nations together. Former Prime Minister John Howard invoked the ANZUS alliance to come to the assistance of the United States by sending Australian troops to serve in Iraq and Afghanistan. Australia and the United States also share a deep and broad-based intelligence relationship.⁴³ U.S.-Australia joint defense facilities have aided intelligence collection, ballistic missile early warning, submarine communications, and satellite-based communications.⁴⁴

The Wellington Declaration of 2010 and the Washington Declaration of 2012 moved the United States and New Zealand beyond past differences over nuclear policy and set the stage for further cooperation between the original three ANZUS countries. These declarations established a

⁴¹ Understanding why U.S. strategic relationships in Asia have endured beyond the Cold War is the subject of a study supported by the East West Center. See William Tow, “Understanding the Persistence of American Alliances and Partnerships in the Asia Pacific,” East West Center, *Asia Pacific Bulletin*, August 14, 2014. The Alliance 21 project at the United States Studies Centre at the University of Sydney and the Australian-American Leadership Dialogue are two independent organizations that help promote knowledge and understanding of the bilateral relationship.

⁴² Kim Beazley, “The Coral Sea, 1942: A Nation Saving Event,” *The Strategist*, Australian Strategic Policy Institute, May 3, 2017.

⁴³ H.E. The Hon. Kim Beazley, Australian Ambassador to the United States, “On ANZUS Turning 60,” 2011 ANZAC Lecture, Georgetown University, April 20 2011.

⁴⁴ Australian Government, Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Defence White Paper 2009, <http://www.defence.gov.au>.

renewed strategic partnership between the United States and New Zealand and provide for enhanced cooperation on a range of areas including enhanced military cooperation.⁴⁵

U.S. Arms Sales to Australia

Over the decade from 2008 to 2018, Australia was the world's 4th largest arms importer behind India, Saudi Arabia, and China⁴⁶ and has traditionally bought most of its major weapons systems from the United States. The *Treaty Between the Government of Australia and the United States of America Concerning Defense Trade Cooperation* came into force in 2013. The treaty is intended to "improve the efficiency of eligible two way transfers between Australia and the United States by facilitating the export of controlled goods within an Approved Community, without the need for an export licence."⁴⁷ The purchase of 72 F-35A Joint Strike Fighters and 15 P-8A Poseidon anti-submarine warfare aircraft from the United States and warships from Spain accounted for 80% of Australian arms imports between 2014 and 2018.⁴⁸ Australia also purchased 12 EA-18G Growler Electronic Attack aircraft which entered into service with the Royal Australian Air Force (RAAF) in 2017. As of April 2020, Lockheed Martin had delivered 24 of 72 F-35A aircraft to Australia.⁴⁹ Defense procurement purchases from Australia help American defense firms and improve bilateral interoperability with U.S. armed forces.

AUSMIN

At the core of the alliance is the Australia-United States Ministerial (AUSMIN) process. This meeting of the U.S. Defense Secretary and Secretary of State and their Australian counterparts, the Minister of Defence and the Minister of Foreign Affairs, guides and shapes the alliance relationship. AUSMIN usually meets once a year and hosting generally rotates between the United States and Australia. The United States is to host the 2020 AUSMIN meeting.

Australian Minister for Foreign Affairs Marise Payne and Australian Minister for Defence Linda Reynolds hosted Secretary of State Mike Pompeo and Secretary of Defense Mark Esper in Sydney on August 4, 2019, for the 2019 AUSMIN meeting. The 2019 AUSMIN Joint Statement referenced the two nations' "long partnership in war and peace" and "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." The principals expressed a shared commitment to deepen cooperation with a range of partners, including with Japan and India.⁵⁰

Secretary of State Pompeo and former Secretary of Defense James Mattis hosted former Minister for Foreign Affairs Julie Bishop and former Minister for Defence Marise Payne at Stanford University in 2018. The 2018 meeting marked 100 years since the U.S. and Australia fought

⁴⁵ "US, New Zealand Sign Pact Ending 25-Year Rift," *Voice of America*, November 4, 2011. Australian Government, Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030*, Defence White Paper 2009, <http://www.defence.gov.au>.

⁴⁶ K. Bucholtz, "The World's Biggest Arms Importers," Statista, March 19, 2019.

⁴⁷ Australian Government, Department of Defence, "Australia-US Defence Trade Cooperation Treaty," <https://defence.gov.au/USTradeTreaty/aboutthetreaty.asp>.

⁴⁸ "The World's Biggest Arms Importing Countries in 2018," *Army Technology*, April 23, 2019. M. Safi and N. Evershed, "Australia Becomes the World's Sixth Largest Arms Importer," *The Guardian*, April 3, 2015. Curtis Brown, "Here's Who Buys the Most Weapons from the US," *CNN*, May 25, 2016.

⁴⁹ Australian Government, Department of Defence, "F-35 Lightning II Fast Facts," April 2020.

⁵⁰ U.S. Department of Defense, "Joint Statement: Australia-U.S. Ministerial Consultations (AUSMIN) 2019, August 4, 2019.

together at the Battle of Hamel in WWI. The meeting also highlighted bilateral defense cooperation, including U.S. Marine rotations through Darwin, Australia, and their shared “determination to oppose actions that seek to undermine the international rules based order.”⁵¹

The U.S.-Australia Force Posture Initiatives

The United States and Australia first announced the United States Force Posture initiatives in Australia in 2011. The initiatives include the Marine Rotational Force–Darwin and Enhanced Air Cooperation and “support our common interest in promoting regional security and stability.”⁵² U.S. Marine rotational forces in Australia have increased to 2,500. The Morrison government announced AD \$1.6 billion (roughly US\$1.1 billion) in upgrades to develop RAAF Base Tindal in the Northern Territory in February 2020.⁵³ In 2014 the two nations signed a Force Posture Agreement that provides a legal basis for the presence of U.S. Marines.⁵⁴ In October 2016, the United States and Australia reached an “in principle conclusion of cost-sharing negotiations” for the force posture initiatives.

The Force Posture Initiatives in northern Australia are being implemented under the Force Posture Agreement signed at the 2014 Australia-United States Ministerial Meeting. The initiatives seek to expand cooperation, increase opportunities for combined training and exercises and deepen the interoperability of our armed forces. The initiatives also provide opportunities for broader collaboration between Australia, the United States and our partners in the Indo-Pacific.⁵⁵

In discussing the Force Posture Agreement, which has a 25-year time frame, the 2014 AUSMIN Joint Communiqué stated that it “demonstrates the United States’ strong commitment to the Asia Pacific and the Indian Ocean regions.” The communiqué also “welcomed the larger U.S. Marine Corps presence” in Northern Australia and “discussed the way forward for enhanced aircraft cooperation” and “the potential for additional bilateral naval cooperation.” The communiqué discussed how the two nations were committed to working together on Ballistic Missile Defense (BMD) and developing common approaches to regional security challenges. It also discussed the need to “harness opportunities for greater defense cooperation across the Asia-Pacific and Indian Ocean regions” and called for “upholding freedom of navigation and overflight in the East China and South China Seas” and “opposed unilateral attempts to change facts on the ground or water through the threat or use of force or coercion.”⁵⁶

The Quad

The quadrilateral group of Indo-Pacific liberal democracies comprised of the United States, Australia, Japan, and India, also known as the Quad, seeks to promote shared interests in the

⁵¹ Minister for Foreign Affairs, Julie Bishop, “Joint Statement Australia-U.S. Ministerial Consultations (‘AUSMIN’) 2018,” July 24, 2018.

⁵² The Australian Government, Department of Defence, “United States Force Posture Initiative in Australia,” <http://www.defence.gov.au>.

⁵³ Prime Minister of Australia, “\$1.6 Billion to Upgrade RAAF Base Tindal to Protect Australians and Create Jobs,” media release, <https://www.pm.gov.au/media/16-billion-upgrade-raaf-base-tindal-protect-australians-and-create-jobs>.

⁵⁴ M.Crane, “Boosting the US Presence in the Northern Territory,” ASPI, March 21, 2019.

⁵⁵ Senator The Honorable Marise Payne, Minister for Defence, “Cost Sharing Negotiations for Force Posture Initiatives Conclude,” Australian Government, <https://www.minister.defence.gov.au>.

⁵⁶ State Department Press Release, “Joint Communiqué AUSMIN 2014,” *Federal Information and News Dispatch*, August 12, 2014.

region.⁵⁷ These interests have expanded to include responses to the coronavirus and the need for economic recovery. Some view the Quad's central purpose as to signal these like-minded democracies' "unified resolve to counter China's growing assertiveness in the Indo-Pacific" and emphasize the need to maintain a rules-based international order.⁵⁸ A second round of Quad Plus talks, which included South Korea, New Zealand and Vietnam, were reportedly held in March 2020 to discuss "ways to facilitate trade, sharing technologies and movement of people ... to deal with the ongoing [Coronavirus] crisis, but also to see how to put the global economies back on their feet."⁵⁹

Australian senior officials met with their Quad counterparts in November 2019 in Bangkok, Thailand where they "reaffirmed their collective interest in an open, prosperous and rules-based and inclusive Indo-Pacific region" and their commitment to ASEAN centrality.⁶⁰ This Senior Officials meeting followed the inaugural Quad Foreign Ministers' Meeting in September 2019. Australia's Department of Foreign Affairs and Trade issued a statement following the Quad senior officials meeting in November 2017 that spoke of a⁶¹

... shared vision for increased prosperity and security in the Indo-Pacific region and to work together to ensure it remains free and open. The officials examined ways to achieve common goals and address shared challenges in the region. This includes upholding the rules-based order in the Indo-Pacific and respect for international law, freedom of navigation and overflight; increase connectivity; coordinate on efforts to address the challenges of countering terrorism and upholding maritime security in the Indo-Pacific.⁶²

The Quad was first promoted by Japanese Prime Minister Shinzo Abe when representatives from the four countries met on the sidelines of the ASEAN Regional Forum in May 2007.⁶³

In placing emphasis on the Indo-Pacific—a strategic conception of the region that places heightened importance on India and securing maritime routes linking East and South Asia, including routes near Australia—in his National Security Strategy, President Trump articulated the United States' strategic conceptualization of Asia in a way that is similar to Australia's Indo-Pacific strategic worldview. President Trump's November 2017 trip to Asia promoted among other things a Free and Open Indo-Pacific. During the trip, President Trump hosted a trilateral meeting with then-Prime Minister Turnbull and Japanese Prime Minister Abe of Japan which was followed by a bilateral meeting between Trump and Prime Minister Modi of India.⁶⁴ In his

⁵⁷ Harsh Pant, "India, Japan, Australia, and the US: The Return of Asia's Quad," *The Diplomat*, April 28, 2017, <https://thediplomat.com/2017/04/india-japan-australia-and-the-us-the-return-of-asias-quad/>.

⁵⁸ Derek Grossman, "Quad Plus Meetings Won't Cover China," *The Diplomat*, April, 9 2020.

⁵⁹ Indrani Bagchi, "India, Quad Plus Countries Discuss Covid-19 Battle, Economic Resurgence," *Times of India*, March 28, 2020.

⁶⁰ "Australia-India-Japan-United States 'Quad' Consultations," Department of Foreign Affairs and Trade, November 2019.

⁶¹ Ankit Panda, "A First; Indian and Australian Navies Plan Exercises off Western Australian Coast," *The Diplomat*, May 11, 2017, <https://thediplomat.com/2017/05/a-first-indian-and-australian-navies-plan-exercises-off-western-australian-coast/>.

⁶² Australian Government, Department of Foreign Affairs and Trade, "Australia-India-Japan-United States Consultations on the Indo-Pacific," November 12, 2017, <http://dfat.gov.au/news/media/Pages/aus-india-japan-us-consultations-on-the-indo-pacific.aspx>.

⁶³ Brahma Chellany, "Playing the New Great Game in Asia," commentary, *The Japan Times*, June 7, 2007, <https://www.japantimes.co.jp/opinion/2007/06/07/commentary/playing-the-new-great-game-in-asia-and-beyond/>. "US, Japan Push Delhi for Axis," *The Telegraph*, August 19, 2017, https://www.telegraphindia.com/1170819/jsp/nation/story_168051.jsp.

⁶⁴ The White House, Office of the Press Secretary, "President Donald Trump's Visit to Asia," November 15, 2017.

October 2017 policy speech on U.S.-India relations, then-Secretary of State Tillerson emphasized the need to increase engagement and cooperation with the Indo-Pacific democracies and described Australia as an important southern “pinpoint” on the Indo-Pacific map that includes the United States to the east, Japan to the north, and India to the west.⁶⁵

In response to a question related to the Japanese foreign minister’s proposal for a new strategic dialogue between India, the United States, Japan, and Australia, U.S. Acting Assistant Secretary for South and Central Asian Affairs Alice Wells stated,

The quadrilateral that the Japanese foreign minister discussed would be building on what has been a very productive trilateral that we have with India and Japan, and if you look at the largest military exercise that we do, Malabar, Japan is a part of that exercise. As we explore ways to deepen and try to inculcate some of the values—freedom of navigation, maritime security, humanitarian assistance, disaster response, transparency—obviously, Australia would be a natural partner in that effort as well. We’re looking at a working-level quadrilateral meeting in the near term, but again, I think the idea is how do we bring together countries that share these same values to reinforce these values in the global architecture.⁶⁶

Wells went on to describe the Quad as “providing an alternative to countries in the region who are seeking needed investment in their infrastructure” so that they have “alternatives that don’t include predatory financing or unsustainable debt.”⁶⁷ Australia-India-Japan-United States senior official consultations on the Indo-Pacific were held on November 12, 2017, in Manila.⁶⁸

Multilateral approaches to security, including the Quad concept, have gained currency in Australia in recent years.

This is a recognition that India and the Indian Ocean are vital parts of our region, partly in response to the fact that China is expanding its interests, power, and naval presence so far afield. Japan and India too are now active proponents of this wider regional approach. Indeed, Tokyo, New Delhi, and Washington see a “free and open Indo-Pacific” as a direct answer to the geo-economic and strategic leverage Beijing is seeking through the maritime part of its One Belt One Road Initiative, an Indo-Pacific with Chinese characteristics. All this means there is sense in reserving the right to pursue novel strategic dialogues that would involve the United States alongside emerging Asian partners such as India and Japan.⁶⁹

Historical Background

Australia was first inhabited from 40,000 to 60,000 years ago. The Aboriginal people of Australia are the world’s oldest continuous culture. Today, Aboriginal and Torres Strait Islanders people account for up to 2.5% of Australia’s total population.⁷⁰ While the Aboriginal people were hunter-

⁶⁵ Secretary of State Rex Tillerson, “Remarks on Defining Our Relationship with India for the Next Century,” October 18, 2017.

⁶⁶ U.S. Department of State, “Briefing by Acting Assistant Secretary for South and Central Asian Affairs Alice Wells,” October 27, 2017, <https://www.state.gov/r/pa/prs/ps/2017/10/275157.htm>.

⁶⁷ “Briefing by Acting Assistant Secretary for South and Central Asian Affairs Alice Wells,” *US Fed News*, October 27, 2017.

⁶⁸ U.S. Department of State, “Australia-India-Japan-United States Consultations on the Indo-Pacific,” November 12, 2017, <https://www.state.gov/r/pa/prs/ps/2017/11/275464.htm>.

⁶⁹ Rory Medcalf, “An Indo-Pacific Quad Is the Right Response to Beijing,” *Financial Review*, November 9, 2017.

⁷⁰ Estimates vary from about 1% to 2.5%.

gatherers, they developed a complex spiritual “Dreamtime” culture focusing on creation myths, rituals, laws, and connections to ancestors and the Australian landscape.⁷¹ 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, New South Wales. Australia evolved into a pastoral settler society based on sheep and wool, with the increasing importance of minerals following the gold rush of 1851.

Although many Australians traditionally have had British or Irish ancestry, Australia’s immigrants also came from elsewhere in Europe, particularly after World War II.⁷² Today, Australian immigration is increasingly from Asia, with Asians accounting for approximately 7% of the population. Despite the centrality of the “bush” or the “outback” to the national myth, Australia has evolved into an urbanized society, with 86% living in urban areas. Australia is slightly smaller than the contiguous lower 48 United States and has a population of approximately 25 million. Australia has for some time been undergoing a national identity debate related to its relationships with Asia, in which it is geographically situated, and with Britain, the United States, and Europe, with which it has deep cultural and historical linkages.⁷³

Politics

Government Structure

Australia is an independent nation within the British Commonwealth. The Head of State is the ruling monarch of the United Kingdom, who is represented by the Governor General in Australia. Queen Elizabeth II is represented by the Governor General 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. There is a strong republican movement in Australia that supports breaking with the British Crown.

Australia is divided into several administrative divisions. There are six states and two territories. The states are: New South Wales, Queensland, Victoria, South Australia, West Australia, and Tasmania. The territories are the Australian Capital Territory and the Northern Territory. There also are a number of dependent islands including Christmas Island, Norfolk Island, and the Cocos Islands. All citizens 18 years of age and older are legally required to vote.

Australia has a bicameral parliament consisting of the House of Representatives and the Senate. The House has 151 Representatives, who are elected through a preferential ballot. The Senate has 76 seats, with 12 senators from each of the six states and two 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, where all members of both legislative bodies must stand for election, may be called if government legislation is blocked twice in three months.

⁷¹ The Dreamtime refers to the Australian Aboriginal peoples’ spiritual framework of belief.

⁷² In 1947, 89.7% of Australia’s population was Anglo-Celtic. By 1988 this had dropped to 74.6%. Department of Immigration and Citizenship, “National Agenda for a Multi-cultural Australia,” <http://www.immi.gov>.

⁷³ For a history of the evolution of Australia’s external relations see David Lee, *Australia and the World in the Twentieth Century* (Melbourne: Circa Publishers, 2006).

Political Developments

Prime Minister Scott Morrison led the Liberal-National Party Coalition to what many considered a surprise victory in May 2019 elections. His Liberal-National Coalition won 77 seats to gain a majority in the 151 seat House of Representatives. Morrison's Coalition needs the support from crossbenchers in the Senate to pass legislation in the Senate, where it is opposed by Labor and the Green Party.⁷⁴ Prime Minister Morrison's approval rating increased from 41% in March to 59% by April 2020, apparently due to the government's handling of the Coronavirus outbreak. Labor Party Leader Anthony Albanese's approval rating increased from 41% to 44% over the same period.⁷⁵ The next election for the House is due by 2022.

Table 1. Australian House of Representatives Composition

Political Parties	Seats
Coalition	77
Liberal Party	(44)
National Party	(10)
Liberal National Party	(23)
Australian Labor Party	68
Green Party	1
Centre Alliance	1
Katter's Australia Party	1
Independents	3
Total	151

Source: IFES Election Guide, May 18, 2019. Parliament of Australia, "Political Parties in the House of Representatives," <http://www.aph.gov.au>.

Table 2. Australian Senate Composition

Political Parties	Seats
Coalition	36
Australian Labor Party	26
Green Party	9
Centre Alliance	2
Hanson's One Nation Party	2
Jacqui Lambie Network	1
Total	76

Source: IFES Election Guide, May 18, 2019. Parliament of Australia, "Political Parties in the House of Representatives" and "Senate Composition," <http://www.aph.gov.au>.

⁷⁴ Mathew Doran, "Morrison's Senate Task a Tad Easier in the 46th Parliament," *ABC News*, June 19, 2019.

⁷⁵ Malcolm Farr, "Guardian Essential Poll: Coronavirus Response Boosts Scott Morrison's Approval Rating," *The Guardian*, April 6, 2020.

Economics and Trade

Due to the coronavirus, Australia is projected to experience its greatest economic contraction since the great depression of 1930-1931. Some estimates project an economic contraction of 6% in 2020 despite significant stimulus spending by the government. Australia's better-than-expected containment of the virus could lead to a rebound to economic growth in 2021, though a second wave of infections remains a downside risk.⁷⁶

Much of Australia's wealth is derived from the fact that Australia has 19% of the world's total known mineral wealth with 0.3% of the world's population.⁷⁷ The housing market is another key sector of Australia's economy. Efforts have been made to diversify the economy in the areas of education, tourism and health services. Australia's economy has to a large extent been dependent on world prices for natural resources, such as iron ore, coal, and liquefied natural gas.

Foreign trade accounted for 43.2% of Australia's GDP in 2018 and key trade partners include China, Japan, South Korea, India, the United States, Germany, and Thailand. Australia is highly dependent on exports to China. Over the past decade Australia-China trade increased dramatically. China became Australia's largest trade partner in 2009.⁷⁸ In April 2020, China accounted for 33.5% of Australian exports. The European Union would be Australia's number two trade partner if it were considered as a bloc.⁷⁹ As a commodity exporter, Australia is vulnerable to downturns in global markets. Australia is a member of the World Trade Organization (WTO) and has concluded a number of bilateral Free Trade Agreements (FTA) in recent years. Australia has several trade agreements in force including the Closer Economic Relations Agreement with New Zealand (1983) and FTAs with Singapore (2003), the United States (2005), Thailand (2005), Chile (2009), ASEAN-Australia-New Zealand (2010), Malaysia (2013), South Korea (2014), Japan (the Japan Economic Partnership Agreement) (2015), China (2015), Hong Kong (2020), and Peru (2020). The Indonesia-Australia Comprehensive Economic Partnership Agreement will enter into force on July 5, 2020.⁸⁰ Australia concluded the Pacific Agreement on Closer Economic Relations (PACER) Plus agreement with Pacific Island countries in 2017. As of March 2020, Australia, New Zealand, Samoa, Kiribati, and Tonga had ratified the agreement. The agreement would come into force 60 days after the eighth signatory ratifies the agreement.⁸¹ Australia is also involved in negotiations for a number of proposed trade agreements including the Regional Comprehensive Economic Partnership (RCEP), an Australia-European Union FTA, and the Australia-India Comprehensive Economic Partnership Agreement.⁸²

Australia has traditionally been a strong supporter of regional trade. Former Prime Minister Bob Hawke first publicly broached the idea of Asia Pacific Economic Cooperation (APEC) in Seoul in

⁷⁶ James McIntyre, "Australia Is Heading into Its Deepest Downturn in Almost 100 Years," *Bloomberg News*, April 27, 2020.

⁷⁷ Andrew Charlton, "Dragon's Tail: The Lucky Country After the China Boom," *Quarterly Essay*, No. 54, 2014.

⁷⁸ Satyajit Das, "Australia's Economic Luck Looks to Be Running Out," *The Sydney Morning Herald*, October 4, 2017.

⁷⁹ "Australian Foreign Trade in Figures," Santander, <http://www.santandertrade.com>

⁸⁰ Australian Government, Department of Foreign Affairs and Trade, "Indonesia-Australia Comprehensive Partnership Agreement," <http://www.dfat.gov.au>.

⁸¹ Australian Government, Department of Foreign Affairs and Trade, "Pacific Agreement on Closer Economic Relations Plus," <http://www.dfat.gov.au>.

⁸² Australian Government, Department of Foreign Affairs and Trade, "Australia's Free Trade Agreements," <http://www.dfat.gov.au>; Paul Davidson, "The Current State of Trade Policies in Australia," Parliament of Australia, <http://www.aph.gov.au>.

1989.⁸³ Australia is a member of the regional Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) of 2018, and supported the involvement of the United States in the earlier proposed Trans Pacific Partnership (TPP) trade agreement before President Trump withdrew the United States from it in 2017.

The Australia-United States Free Trade Agreement, which entered into force in 2005, has served as the basis of the two nations' bilateral trade. Exports of U.S. goods to Australia have increased over 91% since the AUSFTA came into effect.⁸⁴ Trade and investment between the United States and Australia has since grown in both directions. The U.S. goods trade surplus with Australia was \$15.2 billion and the U.S. services trade surplus with Australia was \$13.9 billion in 2018.

According to the Department of Commerce, U.S. exports of goods and service to Australia supported an estimated 266,000 jobs in the U.S. in 2015. U.S. foreign direct investment (FDI) in Australia was \$168.9 billion in 2017 while Australian FDI in the United States was \$66.7 billion in 2017.⁸⁵

Australia's Strategic Outlook and Foreign Affairs

The shift in the geostrategic dynamics of Asia and relative decline of U.S. power brought on by the rise of China continues to lead Australia to explore multilateral as well as other bilateral security relationships.⁸⁶ Middle powers in Asia—including Australia, India, Japan, and others—are looking beyond traditional approaches to security and expanding security cooperation with each other.⁸⁷ Some observers view this as a reaction to the rise of China and Indo-Pacific regional states' uncertainty over America's future role in the region.⁸⁸ Such developments also mark change in the regional security architecture which has been grounded in the post-war San Francisco “hub-and-spoke” system of U.S. alliances. This shift towards increasing reliance by middle powers in Asia on each other could build on and complement these states' ties with the United States. The search for new security mechanisms in Asia appears, in the view of some analysts, to mark a declining faith that economic interdependence and existing regional institutions will succeed in preventing regional conflict in the future. This sentiment is also reflected in a surge in regional arms procurement.⁸⁹

⁸³ Asia Pacific Economic Cooperation, “APEC History,” <https://www.apec.org/About-Us/About-APEC/History>.

⁸⁴ Embassy of Australia, “Australia and the United States Economic Partnership,” Washington, DC, <https://usa.embassy.gov.au/trade-and-investment>.

⁸⁵ Office of the United States Trade Representative, “Australia,” <https://ustr.gov/countries-regions/southeast-asia-pacific/australia>.

⁸⁶ William Tow and Brendan Taylor eds., *Bilateralism, Multilateralism and Asia-Pacific Security* (Abingdon: Routledge Publishers, 2013). See also William Tow and Rikki Kersten eds., *Bilateral Perspectives on Regional Security: Australia, Japan and the Asia-Pacific Region* (London: Palgrave MacMillan, 2012).

⁸⁷ CRS Report R46217, *Indo-Pacific Strategies of U.S. Allies and Partners: Issues for Congress*, coordinated by Ben Dolven and Bruce Vaughn.

⁸⁸ Rory Medcalf and Raja Mohan, *Responding to Indo-Pacific Rivalry: Australia, India and Middle Power Coalitions*, Lowy Institute, August 2014.

⁸⁹ Robert Wall, “Chinese Military Spending, Ambitions Fuel Asian Arms Race, Studies Say,” *Wall Street Journal*, February 22, 2016. Jamie Seidel, “A New Arms Race Is Exploding into Asia,” *News Limited Network*, February 13, 2014.

Strategic Geography

Despite Australia's close ties with Anglosphere countries,⁹⁰ many in Australia firmly believe that the 21st Century is an Asian Century and that this presents Australia with opportunity. Australia sees the global center of gravity shifting to its Indo-Pacific region, thus eliminating a “tyranny of distance” that for much of Australia's history left it isolated from global centers of commerce and power. The new perspective for Australia in this Asian Century is the “prospect of proximity” and the opportunity that this presents.⁹¹

The Indo-Pacific

Linkages of trade and energy, as well as changes in the correlates of power, continue to reshape perceptions of the strategic geography of the Indo-Pacific region. This thinking has in recent years brought together American and Australian conceptions of their evolving strategic environment. The 2013 Australian Defence White Paper departed from previous articulations of Australia's strategic geography and included a “categorical shift towards identifying Australia's region of strategic interest as something called the Indo-Pacific.”⁹² The United States' rebalance to Asia strategy, initiated by the Obama Administration in 2011, similarly brought the Indian Ocean into strategic discussions that earlier would have been more exclusively focused on strategic dynamics in Northeast Asia and to a lesser extent Southeast Asia. The Trump Administration has furthered this strategic shift, with its National Security Strategy and National Defense Strategy both prominently featuring the importance of the Indo-Pacific theater.⁹³

The importance of mineral and hydrocarbon reserves in West Australia and off Australia's Northwest coast also play a part in refocusing Australia's strategic gaze towards the Indian Ocean region. The United States' appreciation of the strategic importance of India, as well as the trade and energy routes that transit the Indian Ocean have focused the United States on this same strategic geography. Evidence of this can be seen in the various documents that articulated the rebalance-to-Asia strategy as well as the Trump Administration's Indo-Pacific strategy. Shifts in Asian power dynamics and shared interests in ensuring freedom of the seas are bringing Australia and India closer together at the same time that the United States has focused more attention on India and the Indian Ocean region.⁹⁴

Defense Policy and Strategy

While the United States remains Australia's key strategic partner, Australia maintains other traditional security relationships, particularly with New Zealand. A core identity of the Australian military and broader Australian culture is the ANZAC legend. ANZAC refers to the Australia New Zealand Army Corps that fought together in World War I in places such as Gallipoli. The

⁹⁰ In its narrow definition, the Anglosphere refers to the United Kingdom and British settler societies. More expansive definitions would also include countries with shared values and roots in the Commonwealth tradition. Michael Kenny and Nick Pearce, “The Rise of the Anglosphere,” *New Statesman*, February 10, 2015.

⁹¹ Government of Australia, *Australia in the Asian Century*, White Paper, October 2012.

⁹² Rory Medcalf, “In Defence of the Indo-Pacific: Australia's New Strategic Map,” *Australian Journal of International Affairs*, vol. 68, no. 4, 2014.

⁹³ The White House, *National Security Strategy of the United States of America*, December 2017. U.S. Department of Defense, *2018 National Defense Strategy of the United States of America*. U.S. Department of Defense, *Indo-Pacific Strategy Report*, June 1, 2019.

⁹⁴ David Brewster, “The India-Australia Security Engagement: Opportunities and Challenges,” Gateway House Research Paper no. 9, October 2013.

ANZAC experience at Gallipoli was central in helping Australia define its national identity independent of its status as part of the British Empire. Australia-New Zealand defense relations were formalized through the 1944 Canberra Pact and the 1951 ANZUS Treaty. The 1991 Closer Defence Relations (CDR) Agreement, which was revised in 2003, serves as a framework for bilateral defense ties between Australia and New Zealand.⁹⁵ Australian and New Zealand military forces have worked together to promote regional stability in places such as Bougainville, Timor-Leste, and the Solomon Islands. Australia and New Zealand are also linked through the 1971 Five Power Defence Arrangements, which also includes Great Britain and two other former British colonies, Malaysia and Singapore.

Foreign Affairs

Australia's Identity and Asia

Australia's identity as a nation is intertwined with its longstanding debate over how it should engage Asia. Former Prime Minister John Howard (1996-2007) approached the debate by making the point that Australia need not choose between its history, which is grounded in the West,⁹⁶ and its geography, which locates Australia at one end of the Indo-Pacific region. Former Labor Prime Minister Paul Keating (1991-1996) moved enthusiastically to engage Asia, building on his predecessor Bob Hawke's (1983-1991) efforts that included the formation of the Asia Pacific Economic Cooperation (APEC) forum in 1989. Many in Australia viewed Keating's initiatives as going too far, reflecting the fact that many Australians' sense of identity was not grounded in an "Asian" identity. Former Prime Minister Abbott's (2013-2015) emphasis on reinforcing ties with Anglosphere nations—as well as reactions against this—demonstrates how this debate continues.

These debates over identity are real to many Australians. Although Australia is a large continent, its population of 25 million people is located relatively close to key population centers of Asia, including Indonesia (268 million), China (1.4 billion), and India (1.35 billion). Australia's isolation from its key cultural partners and strategic allies in the West has traditionally led to an existential fear by some of being overwhelmed by Asia. This has given way in recent years to increasing interest in Asia as it is viewed as a source of prosperity and no longer only as a potential threat. Former Prime Minister Kevin Rudd (2007-2010 and 2013) moved a motion of apology to the Aboriginal population of Australia in 2008 which demonstrates to some that the dominant Anglo-Celtic identity in Australia is increasingly prepared to accommodate non-European Australian identities. Increasing Asian immigration is also changing the face of Australia. Australia's shifting trade patterns, particularly with China, continue to draw it closer to Asia, even as it has not fully reconciled what this means for its identity.

Indonesia

Australia and Indonesia's bilateral relationship has historically been subject to various tensions. These date back to Australia's military deployment in support of Malaysia during Indonesia's period of *Konfrontasi* in the mid-1960s. Indonesian concerns over Australia's role in the independence of the former Indonesian Province of East Timor (now Timor-Leste) following a referendum of 1999 have moderated over time. Australia, under the United Nations, played a key role in assisting Timor-Leste to become an independent nation. The Timor-Leste military

⁹⁵ Australian Government, Department of Foreign Affairs and Trade, "New Zealand Country Brief," November 2008.

⁹⁶ The West generally refers to Europe and countries largely of European origin such as the United States and Australia.

peacekeeping intervention by Australia and other countries was viewed negatively by many in Indonesia. Australia's post-2004 tsunami assistance to Indonesia helped improve relations between Australia and Indonesia.⁹⁷

Tensions rose in the wake of revelations that Australian intelligence listened to the cell phone conversations of former President Susilo Bambang Yudhoyono and his inner circle in 2009.⁹⁸ Related tensions abated somewhat following a June 2014 meeting between former Prime Minister Abbott and Yudhoyono.⁹⁹ Australia and Indonesia's cooperation on security matters is underpinned by the Lombok Treaty of 2006. The two nations also signed a Defence Cooperation Arrangement in 2012.¹⁰⁰

Some observers have called for increased bilateral maritime cooperation between Australia and Indonesia.¹⁰¹ President Joko Widodo has emphasized the importance of developing Indonesia's identity as a maritime nation, an ambition that has brought Indonesia into increasing conflict with its neighbors, particularly China, over issues such as fishing rights.¹⁰² This may present Australia with positive opportunities to engage Indonesia. Australia's policy to turn back boats of illegal immigrants, however, could once again become an area of tension in this bilateral relationship.

Australia and Indonesia have in recent years worked together closely to investigate terrorist attacks in Indonesia, promote bilateral trade and investment, and improve diplomatic ties. It has been reported that as many as 200 Indonesians are believed to have fought with IS forces in Syria and Iraq.¹⁰³ Australia has particular concern with terrorism in Indonesia due to past attacks against the Australian Embassy in Jakarta in 2004 as well as attacks which killed Australians in Bali, Indonesia, in 2002 and 2005. Australia and Indonesia signed a Comprehensive Economic Partnership Agreement in March 2019 which seeks to remove impediments to bilateral trade and improve access to each nations' services markets and improve investment between the countries.¹⁰⁴ Indonesian President Widodo addressed the Australian Parliament in February 2020. Prime Minister Morrison made Indonesia his first overseas destination as Prime Minister.¹⁰⁵

China

Australia's political leadership has traditionally not seen Australia's economic relationship with China, which has been its largest trading partner since 2009, and its strategic relationship with the United States as incompatible.¹⁰⁶ This position appears to have become increasingly difficult for Australia in recent years. China has sought to influence Australia's government and society in

⁹⁷ "Indonesia," Department of Foreign Affairs and Trade, <http://aid.defat.gov.au>.

⁹⁸ "Australian Spies Tried to Tap Indonesian President's Phone Calls," *Reuters*, November 17, 2014.

⁹⁹ Department of Foreign Affairs and Trade, "Joint Understanding on a Code of Conduct Between the Republic of Indonesia and Australia," August 28, 2014.

¹⁰⁰ Department of Foreign Affairs and Trade, "Indonesia Country Brief," <http://dfat.gov.au>.

¹⁰¹ Desi Mamahit, "Challenges and Opportunities for Indonesian-Australian Maritime Cooperation," ASPI, November 15, 2018..

¹⁰² H. Beech, "China Chasing Indonesia's Fishing Fleets," *New York Times*, March 31, 2020.

¹⁰³ Greg Sheridan, "SBY: Unite to Combat Extremism," *The Australian*, August 21, 2014.

¹⁰⁴ Australian Government, Department of Foreign Affairs and Trade, "Indonesia-Australia Comprehensive Economic Partnership Agreement," <https://www.dfat.gov.au/trade/agreements/in-force/iacepa/Pages/indonesia-australia-comprehensive-economic-partnership-agreement>.

¹⁰⁵ David Lipson, "Scott Morrison Has Big Shoes to Fill in Indonesia—But He Started Off on the Right Foot," ABC News, September 1, 2018.

¹⁰⁶ The Economist Intelligence Unit, "Australia," Country Report, June 2013.

ways that have provoked a backlash from some. Australia has demurred from formally signing onto the Belt and Road Initiative (BRI) promoted by China¹⁰⁷ and in 2018 blocked Chinese telecommunications firm Huawei from being involved in creating Australia's 5G network.¹⁰⁸ It has also passed foreign interference legislation and concerns have been raised about China's efforts to influence Australian society. That said, there is strong support from the business community in Australia to maintain stable relations with China to facilitate Australian exports to China despite warnings of Beijing's efforts to influence Australia. According to one observer, China's communist party "is essentially trying to enforce the same bargain with Australia that it has with the Chinese people: a promise of prosperity in exchange for obedience and censorship."¹⁰⁹

A number of issues have caused tensions in Australia's relationship with China. Among these are reports of Chinese political donations in Australia, efforts to influence parliament, the sale or lease of farmland and energy and transportation infrastructure to Chinese business interests, and differences over the South China Sea maritime territorial disputes, as well as China's efforts to curb free speech and influence the media in Australia. Chinese corporate donations to Australian political parties have become a focus of attention with respect to concerns over China's influence in Australia. Senator Sam Dastyari of the Labor Party announced his resignation from parliament in December 2017 after media scrutiny of his acceptance of Chinese funds.¹¹⁰ The Australian Signals Directorate (roughly the equivalent of the U.S. National Security Agency) reportedly concluded that China's Ministry of State Security was behind a cyber attack of the Australian Parliament as well as the Liberal, National, and Labor parties' computer networks before the general election in May 2019.¹¹¹ There are also unconfirmed reports that China may have attempted to plant an agent in Australia's parliament.¹¹²

Policy experts have criticized the Northern Territory's 99-year lease to the Chinese company Landbridge Group for port facilities in Darwin. Former Trade Minister Andrew Robb previously had an AD\$880,000 per annum consultancy with Landbridge after leaving parliament.¹¹³ According to one media report, "Robb had negotiated a free trade agreement with Beijing while trade minister and was also vocal in support for the sale of the Darwin port, which ended with Landbridge winning a 99-year lease for the key trading stop."¹¹⁴ The port, which was attacked by the Japanese in 1942, is strategically located in the north of Australia near where the United States and Australia agreed to rotationally base U.S. Marines, and former President Obama reportedly registered his displeasure over the lease to former Prime Minister Malcolm Turnbull. Critics of the lease have argued that this gives China an excellent position to observe U.S. and Australian military operations.¹¹⁵

¹⁰⁷ Sam Roggeveen, "China vs the US: Australia's Increasingly Hard Choice," The Lowy Institute, March 25, 2017.

¹⁰⁸ "Huawei and ZTE Handed 5G Network Ban," *BBC News*, August 23, 2018.

¹⁰⁹ Damian Cave, "Australia's China Challenge," *The New York Times*, May 20 2019.

¹¹⁰ J. Williams, "Australian Lawmaker Quits Amid Questions over China Ties," *New York Times*, December 12, 2017.

¹¹¹ Colin Packham, "Australia Concluded China Was Behind Hack on Parliament, Political Parties," *Reuters*, September 15, 2019.

¹¹² Andrew Chubb, "Did China Actually Try and Install a Spy in Australia's Parliament?" *Washington Post*, December 24, 2019.

¹¹³ Nick McKenzie, "Liberal Andrew Robb Took \$880k China Job as Soon as He Left Parliament," *Sydney Morning Herald*, June 6, 2017.

¹¹⁴ Amy Remeikis, "Andrew Robb Blames Turnbull and Joyce for 'Toxic' Relationship with China," *The Guardian*, March 11, 2019.

¹¹⁵ Phillip Coorey, "'Let Us Know Next Time': How Obama Chided Turnbull over Darwin Port Sale," *Financial*

China became the largest investor in Australia's agricultural sector in 2014. The Australian government blocked the sale of Kidman and Company agricultural enterprises on national security grounds in 2015. National security concerns were referenced when Australia prevented the A\$10 billion sale of Ausgrid to China.¹¹⁶ Ausgrid supplies power to New South Wales. Australians are also concerned that Chinese buyers are putting upward pressure on real estate prices. In June 2015, Australia and China formally signed a free trade agreement (FTA). Some observers expressed concern that Australia's growing economic dependence upon China would bolster China's strategic influence.¹¹⁷ In March 2015, Australia joined China's Asian Infrastructure Investment Bank (AIIB) as a founding member with a contribution of \$718 million, despite concerns, particularly in the United States and Japan, about the bank's governance and transparency standards and China's growing regional influence. The bank, which has 57 member countries, including many developed economies in Asia and Europe, rivals multilateral financial institutions such as the World Bank and the Asian Development Bank.¹¹⁸

While China has figured prominently in Australia's outreach to Asia, Australian values, including free speech, have at times been challenged as ties have developed. It was reported in April 2020 that the University of Queensland (UQ) was taking disciplinary action against student Drew Pavlou for protesting against China's actions in Xinjiang, Tibet, and Hong Kong.¹¹⁹ In May 2020, Liberal Senator James Paterson spoke out in parliament against Australian universities' reliance on international students. Paterson raised the matter of activist Pavlou and pointed out that the UQ gave its Vice Chancellor an AD\$200,000 bonus, in part for his efforts in developing the university's relationship with China. Paterson also criticized UQ for its approach to hosting a Confucius Institute.¹²⁰ UQ has taught 11,624 students from China over the past five years.¹²¹ "The international education sector's contribution to export earnings [in Australia] is expected to almost double to in excess of \$33 billion by 2025."¹²²

Australia has also pushed back against China's efforts to effectively control the South China Sea. Former Foreign Minister Julie Bishop urged China to abide by the ruling by an arbitral tribunal under the United Nations Convention on the Law of the Sea (UNCLOS), which ruled largely in favor of the Philippines and against China's behavior and claims in the South China Sea in July 2016.¹²³ The Australian frigate HMAS *Parramatta* joined U.S. forces in the South China Sea in April 2020 amid rising tensions with China.¹²⁴

Review, November 19, 2015.

¹¹⁶ Peter Hartcher, "Why the Sale of AUSGRID to Chinese Buyers Was Vetoed," *Sydney Morning Herald*, May 28, 2018.

¹¹⁷ Daniel Hurst, "China and Australia Formally Sign Free Trade Agreement," *The Guardian*, July 4, 2015; "Australia and China Reach Free Trade Agreement," *Center for Strategic and International Studies*, November 18, 2014.

¹¹⁸ "Australia to Join China-Led AIIB as Founding Member," *BBC News*, June 24, 2015.

¹¹⁹ Jocelyn Garcia, "Student-Activist Warns of 'Chilling Effect' After China's Patriotic Media Singles Him Out," *Sydney Morning Herald*, April 25, 2020.

¹²⁰ Fergus Hunter, "Liberal Senator Hits Out at University China Reliance, Reveals Whistleblower Documents," *Sydney Morning Herald*, May 13, 2020.

¹²¹ University of Queensland, "UQ and China," <https://global-engagement.uq.edu.au/north-east-asia/china>

¹²² Australian Government, Australian Trade and Investment Commission, "Growth and Opportunity in Australian International Education," <https://www.austrade.gov.au/australian/education/services/australian-international-education-2025/growth-and-opportunity/growth-and-opportunity>.

¹²³ Sara Ferguson and Peter Grete, "China Rising," *Four Corners Australia*, October 17, 2016.

¹²⁴ Nicola Smith, "Australia Joins US Warship in South China Sea as Tensions Grow," *The Telegraph*, April 22, 2020.

Japan

Australia has become an increasingly close security partner with Japan.¹²⁵ This developing strategic relationship was promoted by former Prime Minister Abbott and elevated during Prime Minister Shinzo Abe's visit to Canberra in 2014. During his speech to a special joint sitting of the Australian Parliament, Prime Minister Abe stated, "There are many things Japan and Australia can do together by each of us joining hands with the United States, an ally for both our nations."¹²⁶ The Abe speech was significant in that it marked both Japan's effort to change the legal basis for its defense policies (to enable collective self-defense) and its desire to develop its network of strategic relationships. "Japan is now working to change the legal basis for its security ... so we can act jointly with other countries in as many ways as possible.... Let us join together all the more in order to make vast seas from the Pacific Ocean to the Indian, and those skies, open and free." In the view of one Australian observer, Abe's address was a strategic landmark "which illuminates how Japan and Australia are leading the creation of a regional coalition to hedge against China, with—but also without—the United States."¹²⁷

In an effort to put World War II history to rest, Prime Minister Abe offered "sincere condolences" to Australian troops who suffered at Kakoda and Sandakan during the war.¹²⁸ Reportedly 2,345 Australian prisoners of war were killed at Sandakan.¹²⁹ During WWII, Japan attacked the Australian mainland including air attacks on Darwin and a submarine attack on Sydney Harbor.

Australia and Japan have been developing bilateral security relations under the Australia-Japan Joint Declaration on Security Cooperation (JDSC) signed in 2007 under the Howard Government. The JDSC offers the potential for security cooperation in the areas of border security; counter-terrorism; disarmament and counter proliferation of weapons of mass destruction; maritime and aviation security; and peace operations and humanitarian relief operations.¹³⁰ The United States, Japan, and Australia have conducted a trilateral security dialogue since 2002. The three governments issued a Joint Statement on the Trilateral Partnership for Infrastructure Investment in the Indo-Pacific in November 2018.¹³¹

India

Australia-India relations have historically not been extensive despite periodic Australian studies discussing the importance of bilateral relations with India.¹³² Cold War, post-colonial attitudes, and India's preferences for the Non Aligned Movement (NAM) played a part in this. Bilateral relations were also damaged in 2009-2010 by apparently racist attacks against Indian students in Australia.¹³³ Such past obstacles to developing closer relations have begun to change in recent

¹²⁵ Malcolm Cook, "The Quiet Achiever," Lowy Institute, January 2011.

¹²⁶ Mark Kenny, "Japan Declares It Is Ditching Pacifist Stance," *The Canberra Times*, July 9, 2014.

¹²⁷ John Garnaut, "Abe Speech All About the Nation That Must Not Be Named," *Sydney Morning Herald*, July 9, 2014.

¹²⁸ Daniel Hurst, "Japan's PM Offers 'Sincere Condolences' for Horrors of Second World War," *The Guardian*, July 7, 2014.

¹²⁹ Brendan Nicholson, "Sincere Condolences for Kakoda and Sandakan," *The Australian*, July 9, 2014.

¹³⁰ "Japan Country Brief," Department of Foreign Affairs and Trade, May 15, 2009.

¹³¹ Prime Minister of Australia, "Joint Statement of the Government of Australia, Japan and the United States of America on the Trilateral Partnership for infrastructure Investment in the Indo-Pacific," media release, November 17, 2018.

¹³² Australian Senate Standing Committee on Foreign Affairs, Defence and Trade, "Australia-India Relations: Trade and Security," 1990.

¹³³ "India Warns Australia over Student Attacks," *CNN World*, January 12, 2014.

years. The signing of a deal to export uranium from Australia to India during a visit to India by former Prime Minister Abbott in 2014 created an opening for an expansion of bilateral relations between the two nations.¹³⁴ Though Prime Minister Morrison had to indefinitely postpone a planned trip to India in January 2020, he and Prime Minister Modi agreed in April 2020 to have their two nations collaborate to develop a COVID-19 vaccine.¹³⁵

Australia and India have held a number of high level visits in recent years. During the talks between Turnbull and Modi in New Delhi in April 2017,

The two Prime Ministers reaffirmed their commitment to a peaceful and prosperous Indo-Pacific, based on mutual respect and cooperation. Australia and India share a commitment to democratic values, rule of law, international peace and security, and shared prosperity. The strategic and economic interests of both countries are converging which opens up opportunities for working together in a rapidly changing region ... Both leaders recognized that India and Australia share common interests in ensuring maritime security and the safety of sea lines of communication.¹³⁶

Prime Minister Modi made an official visit to Australia in November 2014, when he addressed a joint sitting of both houses of parliament and met with Turnbull's predecessor, Prime Minister Tony Abbott. This was the first state visit of an Indian Prime minister to Australia in almost three decades. Abbott visited India in September 2014. Australia and India also hold an annual Foreign Ministers Framework Dialogue to further their bilateral agenda.

During her 2015 visit to New Delhi, then-Australian Foreign Minister Julie Bishop gave the inaugural Indo-Pacific Oration at the Observer Research Foundation where she made a number of observations about India and the bilateral relationship:¹³⁷

We are ready to seize the opportunity to forge an even closer relationship with India, there is new excitement and new energy about India's future. That is clearly evident in the momentum that is driving our bilateral relationship. It is more dynamic, more diverse, broader and deeper than ever before. Indeed, unprecedentedly so. But it is also evident in our increasingly close cooperation in the Indo-Pacific region, the region in which both Australia's and India's core economic and strategic interests converge.... The increasingly dynamic Indian Ocean region is vital to Australia's future economic and strategic security. In fact, around half of Australia's naval fleet is located along our Indian Ocean coastline.¹³⁸

Australia and India also work together through the Indian Ocean Rim Association (IORA) which is a Ministerial forum focused on the Indian Ocean. The IORA Secretariat is based in Mauritius.¹³⁹

Australia and India have established several mechanisms to further their strategic and defense cooperation. A Framework for Security Cooperation was established in 2014, and is based on

¹³⁴ A. Pillalamarri, "Australian PM Visits India, Signs Nuclear Deal," *The Diplomat*, September 6, 2014.

¹³⁵ A. Bhaumik, "Modi-Morrison Agree on India-Australia Joint Research to Develop Covid-19 Vaccine," *Deccan Herald*, April 6, 2020.

¹³⁶ Government of Australia, Department of Foreign Affairs and Trade, "Joint Statement by Prime Minister John Turnbull and Prime Minister Modi, Visit to India 2017," April 10, 2017.

¹³⁷ Bishop's electorate is in Perth Australia on Australia's Indian Ocean coast.

¹³⁸ See April 13, 2015, "The Indo-Pacific Oration" transcript at https://foreignminister.gov.au/speeches/Pages/2015/jb_sp_150413.aspx?w=tb1CaGpkPX%2FIS0K%2Bg9ZKEg%3D%3D.

¹³⁹ Australian Government, Department of Foreign Affairs and Trade, "Indian Ocean Rim Association," <https://www.dfat.gov.au/international-relations/regional-architecture/indian-ocean/iora/Pages/indian-ocean-rim-association-iora>.

“converging political, economic and strategic interests.”¹⁴⁰ Prime Minister Modi and then-Prime Minister Turnbull committed themselves in the framework to “deepening the bilateral defense and security partnership,” and welcomed progress achieved through this Framework. They also share a desire “to ensure that Indian Ocean architecture keeps pace with regional issues and addresses emerging threats and challenges in the region.” Today, this framework is viewed by many analysts in Australia as an important step forward in developing relations between Australia and India.¹⁴¹

Bilateral defense relations are based on a 2006 memorandum on Defense Cooperation and a 2009 Joint Declaration on Security Cooperation. Strategic dialogues include annual Defense Policy Talks and an annual Track 1.5 Defense Strategic Dialogue. The first-ever official visit to Australia by an Indian defense minister came in 2013 and, during Prime Minister Modi’s 2014 visit to Canberra, the two countries agreed to extend defense cooperation to cover research, development, and industry engagement. They also formalized annual defense minister summits and made plans to conduct regular maritime exercises.¹⁴²

The Pacific Islands

The Southwest Pacific is viewed by many in Australia as its “Near Abroad” and, as such, part of Australia’s natural sphere of influence.¹⁴³ The South Pacific is an area of key strategic importance to Australia. The region has been subject to a number of shocks including food and fuel price increases, natural disasters, ethnic conflict, challenges to democratic government, rising influence of new external actors, difficulties in maintaining infrastructure, and the negative effects of climate change.¹⁴⁴ Australia has led peace-keeping efforts in the region, including in Timor-Leste and the Solomon Islands, indicating Australia’s resolve to promote stability in the South Pacific.

The former Portuguese colony of Timor-Leste, located less than 400 nautical miles from Australia’s north coast, was occupied by Indonesia from 1975 to 1999. In 1998, diplomatic intervention by Prime Minister Howard prompted dialogue between Indonesian officials and East Timorese nationalists that resulted in an agreement to hold U.N.-supervised elections in 1999. On August 30, 1999, nearly 80% of Timor’s electorate voted to separate from Indonesia. Following the announcement of the result, anti-independence militias launched a campaign of violence. On September 15, 1999, the U.N. Security Council authorized the International Force East Timor (INTERFET) to restore peace and security and protect and support the U.N. mission personnel in East Timor. INTERFET operated under a unified command structure headed initially by Australia. Timor-Leste became independent in 2002.¹⁴⁵ Australia and Timor-Leste have worked together to establish arrangements for the exploitation of energy resources beneath the Timor Sea.

¹⁴⁰ Australian Government, Department of Foreign Affairs and Trade, “Framework for Security Cooperation Between Australia and India 2014,” November 18, 2014, <https://www.dfat.gov.au/geo/india/Pages/framework-for-security-cooperation-between-australia-and-india-2014>.

¹⁴¹ David Brewster, “The Australia-India Framework for Security Cooperation,” *Security Challenges*, vol. 11, no. 1, March 2015. See also David Brewster, *India as an Asia Pacific Power* (London: Routledge, 2012).

¹⁴² Indian Ministry of External Affairs, “India-Australia Bilateral Relations,” August 31, 2017.

¹⁴³ “Our Near Abroad: Australia and Pacific Islands Regionalism,” Australian Strategic Policy Institute, November 2011.

¹⁴⁴ Jenny Hayward-Jones, “The Pacific Islands and the World: The Global Economic Crisis,” Lowy Institute, August 2009.

¹⁴⁵ “Australian PM Hints at Long-Term Military Presence in East Timor,” *BBC Monitoring Service*, June 19, 2003.

Australia's Regional Assistance Mission to the Solomon Islands (RAMSI) also demonstrated Australia's resolve to promote stability in the South Pacific. Australia headed a multinational force to restore order in the Solomons in 2003. This was augmented in 2006 when Australia sent more troops to the Solomons to quell rioting and violence following the election of Prime Minister Snyder Rini.¹⁴⁶ RAMSI was established under the Biketawa Declaration and is supported by the members of the Pacific Islands Forum and led by Australia and New Zealand.¹⁴⁷

Some analysts have noted Australian efforts to maintain its traditional presence while China seeks to expand its influence in the South Pacific region.¹⁴⁸ Australian Prime Minister Scott Morrison's Pacific Step Up policy has identified the South Pacific as one of Australia's highest foreign policy priorities.¹⁴⁹ Australia remains the region's largest grant donor with AD\$1.4 billion in 2019-2020 official development assistance to the region.¹⁵⁰ While Australia provided Pacific Island nations \$5.87 billion in grant assistance over the period 2011-2017, China provided \$518 million in grant assistance and \$5.2 billion in loans.¹⁵¹ Former Australian Prime Minister Malcolm Turnbull responded to reports that China was seeking to build a naval base in Vanuatu by stating that "We would view with great concern the establishment of any foreign military bases in those Pacific Island countries and neighbours of ours."¹⁵² It was announced in November 2018 that Australia would partner with Papua New Guinea and the United States to develop the Lombrum Naval Facility on Manus Island, Papua New Guinea.¹⁵³

Australia, Islamist Militancy, and Counterterrorism

Australia contributed to the International Coalition Against Terrorism (ICAT) and sent rotations of special forces troops plus regular troops to Iraq and Afghanistan. This support stems from Australia's desire to support the United States and from a shared perspective on Islamist extremist violence.¹⁵⁴ More than 26,000 Australian personnel have served in Afghanistan since 2001. Australian Home Affairs Minister Peter Dutton stated in March 2020, "If there is a withdrawal of coalition troops, we'll do that in line consultations with the United States, the UK and our five-eyes partners."¹⁵⁵

Several terrorist attacks against Australians in Indonesia between 2002 and 2009 did much to shape Australia's perceptions of Islamist threats in the post-September 11, 2001, environment. In 2002, bombs decimated two crowded nightclubs full of foreign tourists in Bali, Indonesia, killing more than 200 foreigners and Indonesians, and injuring over 300. There were 88 Australians among the dead and 7 Americans. Indonesian officials attributed the bombing to the militant

¹⁴⁶ John Kerin, "Flying Squad to Quell Solomons Riots," *Financial Review*, April 20, 2006.

¹⁴⁷ "Forum Secretary General Praises Success of RAMSI," *PACNEWS*, July 16, 2009.

¹⁴⁸ P. Citowicki, "China's Reach Tests the Pacific's Fragile Island Democracies," *Foreign Policy*, January 7, 2020.

¹⁴⁹ Australian Government, Department of Foreign Affairs and Trade, "Australia's Pacific Engagement," <https://www.dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement>.

¹⁵⁰ Australian Government, Department of Foreign Affairs and Trade, "2019-20 Australian Aid Budget: Pacific at a Glance," <https://www.dfat.gov.au/about-us/corporate/portfolio-budget-statements/Pages/2019-20-aus-aid-budget-pacific-at-a-glance>.

¹⁵¹ J. Hollingsworth, "Why China Is Challenging Australia for Influence over the Pacific Islands," *CNN*, July 22, 2019.

¹⁵² Hugh White, "Australia Must Prepare for a Chinese Military Base in the Pacific," *The Guardian*, July 14, 2019.

¹⁵³ Katharine Murphy, "America to Partner with Australia to Develop Naval Base on Manus Island," *The Guardian*, November 17, 2018.

¹⁵⁴ Peter Finn, "Administration Makes Progress on Resettling Detainees," *Washington Post*, August 20, 2009.

¹⁵⁵ Joshua McDonald, "Australia to Follow US Withdrawal from Afghanistan," *The Diplomat*, March 7, 2020.

Islamic network Jemaah Islamiyah (JI), which had links to Al Qaeda. JI also carried out an attack against the Australian Embassy in Jakarta in 2004 and a second attack in Bali in 2005. Some within JI at that time reportedly set as their goal the establishment of an Islamic state that would encompass Indonesia, Malaysia, the southern Philippines, and Northern Australia. Australian and Indonesian counterterror cooperation improved as a result of cooperation on the investigation into the Bali blasts.¹⁵⁶ Dozens of Australians went to fight with the Islamic State (IS) in Syria and Iraq. Australia has approximately half a million Muslims out of a total population of approximately 25 million.¹⁵⁷ Australia enacted new security laws including enhanced data retention capabilities and has increased funding for intelligence agencies and police to help prevent terrorist attacks.¹⁵⁸

The Environment and Climate Change

Australia, the sixth largest country in the world based on land mass, has a diverse and often fragile environment that includes rainforests, farming and pastoral land, expansive deserts, and the Great Barrier Reef. About 6% of the land is arable. Australia is the driest inhabited continent. Environmental challenges include introduced species, water quality, drought, wildfire, flooding, poor soil conservation, coral bleaching, and overfishing. Australia is an urban society, and 80% of Australians live within 100 kilometers of the coast. Sixty-eight percent of the 2,700 introduced plants are considered a problem for natural ecosystems as are many of the introduced animals. Much of Australia's flora and fauna are unique to Australia.¹⁵⁹ Australia has invested significantly to deliver biodiversity and sustainable agriculture outcomes that benefit Australia's community and environment. The Landcare Program seeks to address problems such as loss of vegetation, soil degradation, the introduction of pest weeds and animals, changes in water quality and flows, and changes in fire regimes.¹⁶⁰

A study by the Australian CSIRO and the Bureau of Meteorology projected that Australia will warm faster than the rest of the world and be subject to temperature rises of up to 5.1 degrees C by 2090. The study also found that:

There will be more extreme droughts, with the length of droughts increasing by between 5% and 20%.... Rising temperatures will result in a "greater number of days with severe fire danger" ... soil moisture will fall by up to 15% in southern Australia in the winter months by 2090.¹⁶¹

Australia pledged to reduce emissions by 26%-28% below 2005 levels by 2030 as part of its Intended Nationally Determined Contribution (INDC) commitment to the United Nations Framework Convention on Climate Change (UNFCCC) at the 21st Conference of the Parties (COP21) in Paris in 2015.¹⁶² Australia's CO₂ emissions declined 12% from 2005 to 2015. Some reports point to "a clear trend of increasing greenhouse gas emissions since the carbon tax was

¹⁵⁶ Minister for Foreign Affairs Downer, "Counter-Terrorism Package," press release, March 7, 2003.

¹⁵⁷ David Wroe, "ASIO Boss Reaches Out to Muslims," *The Sydney Morning Herald*, August 22, 2014.

¹⁵⁸ Brendan Nicholson, "We Will Fight Islam 100 Years," *The Australian*, August 9, 2014.

¹⁵⁹ Australian Government, "Our Natural Environment," <http://www.australia.gov.au/about-australia/our-country/our-natural-environment>.

¹⁶⁰ Australian Government, "National Land Care Program," <http://www.nrm.gov.au/national-landcare-program>.

¹⁶¹ Oliver Milman, "Climate Change Will Hit Australia Harder Than the Rest of the World," *The Guardian*, January 26, 2015.

¹⁶² Australian Government, Department of Environment and Energy, "Paris Agreement," <http://www.environment.gov.au/climate-change/government/international/paris-agreement>.

repealed in 2014—a trend that runs counter to Australia’s international commitments.”¹⁶³ Carbon emissions decreased 0.3% in the year to September 2019.¹⁶⁴ Australia’s historic bushfires of 2019-2020 are estimated to have released an amount of carbon dioxide equivalent to nearly double Australia’s yearly fossil fuel emissions.¹⁶⁵ Australia has identified likely increasing electricity demand, increasing transport activity, population growth, growth in the liquefied natural gas (LNG) industry, and increasing numbers of livestock as other key drivers of emissions.¹⁶⁶ An estimated 24% of Australia’s total electricity generation was from renewables in 2019 while 76% came from fossil fuels.¹⁶⁷ According to one 2017 report, close to 50% of Australia’s great barrier reef’s coral was killed over the previous two summers. By some estimates, global average temperatures would have to be kept to no more than a 1.2-degree rise in order to protect current reef biodiversity.¹⁶⁸

¹⁶³ “Australia’s Greenhouse Gas Emissions Soar in Latest Figures,” *The Guardian*, August 4, 2017.

¹⁶⁴ Adam Morton, “Australia’s Carbon Emissions Fall Just 0.3% as Industrial Pollution Surges,” *The Guardian*, February 23, 2020.

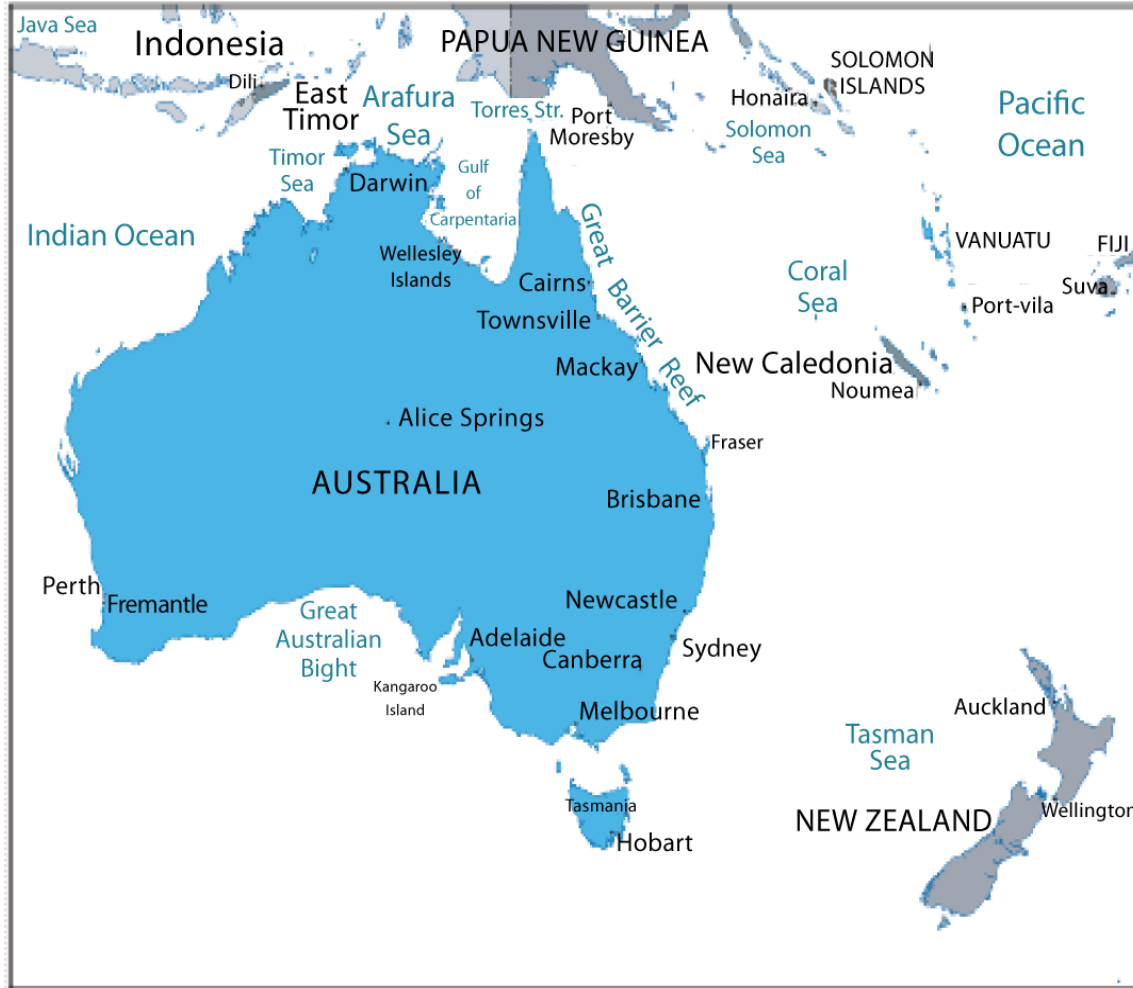
¹⁶⁵ Denise Chow, “Australia’s Wildfires Unleash Millions of Tons of Carbon Dioxide,” *NBC News*, January 22, 2020.

¹⁶⁶ Australian Government, Department of the Environment and Energy, “Australia’s Emissions Projections 2016,” December 2016.

¹⁶⁷ Clean Energy Council, “Clean Energy Australia Report,” <https://www.cleanenergycouncil.org.au/resources/resources-hub/clean-energy-australia-report>.

¹⁶⁸ Peter Hannam, “Warming Limit of 1.2 Degrees Needed to Save Great Barrier Reef: Expert Panel,” *The Sydney Morning Herald*, August 2, 2017.

Figure 1. Map of Australia



Source: Map Resources. Adapted by CRS.

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