

INTRODUCTION

Australia's long-standing strategic relationship with the United States is transforming in response to the geostrategic change in the Indo-Pacific and a fractious debate in the United States about its role in the world. At the same time, technological change and economic interdependence have reshaped the nature of interstate competition, creating many new vectors of state power. For Australian policymakers and their American partners, creativity and dexterity are in great demand, with the US-Australia alliance growing in scope and deepening in strategic importance.

With a new administration in Washington committed to both the Indo-Pacific and the value of alliances – and 2021 marking the 70th anniversary of the ANZUS Treaty – this volume advances an agenda for the alliance in this critical phase.

Three key developments are driving swift evolution in Australia's alliance with the United States – far and away Australia's most important strategic relationship.

First, strategic competition with an increasingly capable, assertive and authoritarian China is now widely accepted as the single most pressing challenge for the United States and its allies. This change in the US strategic mindset finds no meaningful partisan opposition in Washington and certainly not among relevant officials in the Biden administration.

Second, rapid technological change and deepening economic interdependence have reshaped the nature of interstate competition since the Cold War, the last era of great power rivalry dominating international affairs. Since then, long-standing, conventional vectors of state power have been transformed; examples include the development of stealth, autonomous systems and hypersonics in the domain of conventional military capabilities or the way that technology has transformed intelligence collection and analysis.

International trade and cross-border investment flows have always been vehicles for projecting and acquiring national power and influence but now have a level of strategic significance not seen in living memory.

Infrastructure, energy, frontier technologies and higher education are just some of the domains where a rapid shift in mindset is underway, with national security and strategic considerations now much more salient or even paramount. As the COVID-19 pandemic vividly highlights, points of national vulnerability and risk – and conversely, resilience and strength – are being discovered or created at a brisk pace. This re-emergence of economic tools of statecraft, or geoeconomics, is demanding creativity and dexterity from policymakers and moments of reckoning for democratic societies and their leaders.

These developments are of profound significance for Australia and its alliance with the United States. Australia occupies the middle longitudes of the globe's most important geographic strategic arena, the Indo-Pacific. The Australia-US alliance has rapidly taken a regional focus and emphasis unseen since the Vietnam War. Australia is one of many countries that counts China as its largest trading partner, but, and unusually for an economy of its size, it has also maintained a highly concentrated mix of exports and destination markets. Accordingly, Australia has been, is, and will be, on the frontlines of geoeconomic competition. Unsurprisingly, this too is broadening and deepening the alliance agenda.

Third, understanding the domestic US political and policy environment must factor into any assessment of the alliance agenda, of how to advance Australian national interests through the alliance. Despite deep and bitter partisan acrimony in the United States, there is much for Australians to welcome. The unified stance on China's coercive manoeuvres across party lines and between countries is a critical alignment to tackle this high stakes and pervasive issue.

STRATEGIC COMPETITION WITH AN INCREASINGLY CAPABLE, ASSERTIVE AND AUTHORITARIAN CHINA IS NOW WIDELY ACCEPTED AS THE SINGLE MOST PRESSING CHALLENGE FOR THE UNITED STATES AND ITS ALLIES. THIS CHANGE IN THE US STRATEGIC MINDSET FINDS NO MEANINGFUL PARTISAN OPPOSITION IN WASHINGTON AND CERTAINLY NOT AMONG RELEVANT OFFICIALS IN THE BIDEN ADMINISTRATION.



Across the US strategic affairs community, Australia's credentials as an ally of substance are impeccable. Australia is rightly seen as on the "frontlines" with respect to the China challenge and being willing and able to respond credibly. Across nominees and appointees – their speeches and Senate testimony – and announcements about the tasking and resourcing of agencies, it is clear the Biden administration is prioritising the Indo-Pacific and the role and interests of allies and partners. We survey these developments in the chapters of this volume.

But we also identify a number of challenges to Australian national interests in the US domestic political and policy environment.

- The magnitude of the China challenge is accepted across party lines, but this must be backed by spending commitments and focus to translate aspiration and intent into policy, programs and facts-on-the-ground. (See Ashley Townshend and Brendan Thomas-Noone on page 58)

US Vice President Joe Biden delivering a speech to the United States Studies Centre and the Lowy Institute in Sydney on 20 July 2016. Photo: United States Studies Centre

- › Protectionism, isolationism and scepticism about multilateral arrangements are also important legacies of the Trump presidency, supercharged by the COVID-19 pandemic's damage to the US domestic economy, to the United States' sense of its priorities and its place in the world. (See Jeffrey Wilson on page 28 and Stephen Kirchner on page 84)
- › US defence budgets were under enormous strain and scrutiny before COVID-19, opening up a gap between operational capabilities and strategic aspirations in the Indo-Pacific. Countries that felt "out in the cold" in Trump's Washington are vying for presence and influence with the Biden administration (e.g., NATO partners). Internal competition for resources inside the US Government will also risk distraction from the Indo-Pacific. (See Brendan Thomas-Noone on pages 62 and 70 and Ashley Townshend and Toby Warden on page 66)
- › The US and Australian governments are chiefly focused on the immediate health challenges of COVID-19, particularly getting vaccines to their citizens, but there remain opportunities for building more resilient public health systems in the Indo-Pacific. (See Matilda Steward on page 32 and Adam Kamradt-Scott on page 36)
- › Democratic resilience is no longer a concept solely associated with the developing world. From cyber networks to domestic extremism, the internal focus all democratic governments are undergoing is an opportunity for collaboration. (See Elliott Brennan on page 44 and Jennifer S. Hunt on page 88)
- › The Biden administration has promised to put climate change considerations at the heart of its thinking about foreign policy and national security. This has prompted considerable speculation about the implications for Australia, with its high carbon emissions per capita and reliance on fossil fuel exports. (See Simon Jackman and Jared Mondschein on page 52)
- › Geoeconomic threats to American primacy are prompting the Biden administration to explicitly connect domestic recovery to external strength, with reviews of supply chains and strategic, government-led investments to secure US technological supremacy. But any opportunities – and risks – for allies remain unclear. (See Hayley Channer on page 40, John Lee on page 76 and Jeffrey Wilson on page 80)

Accordingly, a clear-eyed understanding of Australian national interests – advancing them and advocating for them in these early months of the Biden administration – is vital, central to the mission of the United States Studies Centre, the Perth USAsia Centre and the purpose of the chapters that follow.

Professor Simon Jackman
Chief Executive Officer
March 2021