

**SECTION 4.**

**HOW SHOULD THE UNITED STATES  
AND AUSTRALIA STRENGTHEN THE  
ECONOMIC AND TECHNOLOGICAL  
FOUNDATIONS OF THE ALLIED  
AND PARTNER NETWORK?**

**LEVERAGE ADVANCED  
MANUFACTURING,  
CRITICAL  
TECHNOLOGY  
COORDINATION  
AND ALLIED SUPPLY  
CHAIN NETWORKS**

**DR JOHN LEE**



## Context and background

**Australia must ensure that the Biden administration's policies about domestic renewal are not inward-looking but based on an allied-centric approach to strengthen secure supply chains in strategic and critical sectors, and with respect to economic cooperation more generally.**

President Biden and his key Cabinet officials have promised to focus on reinvesting in America, especially putting resources towards upgrading national infrastructure and innovating capacity. Although rejecting Donald Trump's 'America First' rhetoric, there are fundamental areas of continuity from the previous president when it comes to mindset.

For example, there is no longer blind faith in unfettered globalisation, that US-based multinationals should be left unimpeded to conduct commercial affairs in markets such as China as they see fit, or that the unregulated activities of these firms in external markets are axiomatically good for the American national interest.

In short, US economic and industrial policy will increasingly be guided by the political and strategic objectives of the US administration. In terms of strategic objectives, Biden and key officials, such as Secretary of State Antony Blinken and National Security Adviser Jake Sullivan, have

all identified the competition and rivalry with China as the most urgent and important external priority facing the administration and the country. This means the US administration will want to ensure domestic economic and industrial policy are aligned with the objective of the United States being able to compete with China from a position of strength.

## The Biden administration

In these early days, President Biden is undertaking a review of all of Trump's executive orders. So far, Biden has not lowered or removed the tariffs his predecessor placed on Chinese goods and services and has left alone most of the Trump-era executive orders and regulatory changes that restricted Chinese inbound investment and export of certain key technologies to China.

This is a clear signal Biden seeks to maintain any inherited leverage he has vis-à-vis Beijing. More than this, it is also evidence that the Biden administration accepts it is engaged in a long-term competitive dynamic with China and that Chinese economic and technological gain is often at the expense of the United States, and vice versa. In other words, the dynamic has shifted from one where economic interaction was perceived to be largely complementary prior to Trump to the current one where it is increasingly perceived to be zero-sum.

Policy is very much determined by personnel. In terms of key appointees at the top four levels, Biden has filled the administration with experts who not only accept the reality of strategic rivalry with China but recognise that military, economic, financial, commercial and technological tools must be integrated and harnessed to compete successfully with China.<sup>13.1</sup>

There are currently advanced discussions inside the Biden administration as to what a more integrated approach to China ought to be like. This includes policies associated with the reorganisation of supply chains, and more broadly, resetting the economic relationship with China.

**IN TERMS OF STRATEGIC OBJECTIVES, BIDEN AND KEY OFFICIALS, SUCH AS SECRETARY OF STATE ANTONY BLINKEN AND NATIONAL SECURITY ADVISER JAKE SULLIVAN, HAVE ALL IDENTIFIED THE COMPETITION AND RIVALRY WITH CHINA AS THE MOST URGENT AND IMPORTANT EXTERNAL PRIORITY FACING THE ADMINISTRATION AND THE COUNTRY.**

## The Biden administration's thinking on China

**“Washington now faces its most dynamic and formidable competitor in modern history. Getting this challenge right will require doing away with the hopeful thinking that has long characterized the United States’ approach to China. The Trump administration’s first National Security Strategy took a step in the right direction by interrogating past assumptions in US strategy.”**

*Indo-Pacific Coordinator at the US National Security Council Kurt Campbell and Special Assistant to the US Secretary of Defense Lloyd Austin in “How American foreign policy got China wrong,” Foreign Affairs, March/April 2018*

**“US policymakers and analysts have mostly, and rightly, discarded some of the more optimistic assumptions that underpinned the four-decade-long strategy of diplomatic and economic engagement with China...The basic mistake of engagement was to assume that it could bring about fundamental changes to China’s political system, economy, and foreign policy...”**

*Indo-Pacific Coordinator at the US National Security Council Kurt Campbell and US National Security Advisor Jake Sullivan, “How America can both challenge and coexist with China,” Foreign Affairs, September/October 2019*

## Australian interests

Australia is having its own internal policy discussion about reorganising, securing or diversifying supply chains and markets regarding certain technologies or critical and strategic sectors. Given the diplomatic and economic tensions with China, there is a maturing conversation about decreasing Australia’s reliance on China and making sure the sources of Australian prosperity and security are more resilient. In some instances, it will involve developing a sovereign capability when it was previously left to external entities to offer those capabilities to Australia.

All of this will involve a greater role for government in economic, commercial, and industrial affairs, with implications on project financing, public-private partnerships, investment rules, safeguard standards, export licensing, and a plethora of other legal and regulatory frameworks.

Regarding national resilience, there is a need in Australia to:

- Identify genuinely strategic and critical sectors and products;
- Assess Australia’s vulnerability with respect to these sectors and materials; and

- › Decide on strategies based on a combination of diversification, access to safe and secure supply chains or tech ecosystems contained within friendly economies, joint ventures with allies and partners, and even self-sufficiency.

We have seen elements of these in the emerging 5G ecosystem, which locks out Chinese partners such as Huawei and the concerted effort to develop rare earth supplies outside China. We are also seeing these principles being applied to information and communications technology infrastructure (such as fibre-optic submarine cables) and in newer domains such as outer space, which is becoming increasingly important and contested.

In this context, the United States remains indispensable. Diversification, creating commercially viable supply chains in certain sectors, and even self-sufficiency or indigenous capacity depend enormously on US economic presence, involvement, markets, innovation, expertise and finance. Setting industry and ethical standards, such as in the use and protection of data, is generally the prerogative of those with a dominant commercial presence. For this reason, Australia needs well-regulated firms from advanced democracies such as the United States to expand their presence in regional markets.

Enhancing Australia's military capabilities and changing posture to reflect the primacy of regional challenges and threats requires military, commercial, and technological collaboration with the US government, and partnerships with private firms from both countries.

The United States has similar aims to Australia when it comes to building sovereign capability and national

resilience. But as the world's largest economy with unrivalled innovative capacity and unmatched public and private resources, there is often an instinctive tendency for the United States to look mainly inward to advance its own interests, capabilities and resilience. Doing that will only advance Chinese strategic, economic, political and normative pre-eminence in the Indo-Pacific.

## Policy recommendations

- › **Replicate the government-to-government process leading up to 2020 AUSMIN to jointly identify genuinely strategic and/or critical sectors and materials.** Build on this policy conversation through the Quad mechanism.
- › **Encourage the United States to apply the same methodology with Europe, including through a more proactive G7 agenda.** Efforts must also be made to encourage buy-in from economies such as South Korea and Israel.
- › **Adopt a 'systems'-based approach based on creating secure and commercially viable economic, technological and normative ecosystems relevant to these strategic/critical sectors based around allied and friendly economies.** This 'systems'-based approach is already apparent in the long-standing military cooperation between Australia and the United States in which the capabilities, interoperability and geography of one country enhance the capabilities and security of the other allied partner – where the whole is greater than the sum of the parts.
- › **Apply this mindset to thinking about reorganising supply chains for critical/strategic sectors.** This would include harmonising relevant legal/regulatory trade and investment rules and establishing joint investment platforms and rules for public-private partnerships covering entities from both countries.

# DEVELOP DETERRENCE AGAINST CHINESE ECONOMIC COERCION

DR JEFFREY WILSON



## Context and background

### **Australia and the United States need to coordinate their efforts – bilaterally, and with like-minded partners – in responding to Chinese economic coercion.**

In recent years, China has used trade sanctions to economically punish governments that contest its foreign policy manoeuvres. Several US allies, including Australia, have been subject to China's punitive trade measures. Despite engaging in its own trade dispute with China, the Trump administration failed to respond in support of affected allies and friends. As Australia mounts a World Trade Organization (WTO) challenge to Chinese trade sanctions in 2021, coordination with and support from the Biden administration will be critical in ensuring Australia's success, and reassuring third parties the United States will stand against Chinese trade coercion.

In recent years, China has deployed the use of trade sanctions to coerce governments that contest its foreign policy. This began in 2010 when it suspended rare earth minerals trade with Japan during a dispute over the Senkaku Islands. In subsequent years, seven more countries have been subject to similar trade sanctions (see Table 7). This tactic has been exclusively applied to small and medium economies, where size asym-

metries mean the target lacks the capability to retaliate effectively. They also routinely target US allies and friends, clearly selected as a proxy for sanctions against the United States itself.

**Table 7. Targets of Chinese trade coercion, 2010-2020**

Target	Year	Affected sectors
Japan	2010	Rare earth minerals
Norway	2011	Salmon
Philippines	2012	Bananas
Mongolia	2016	Minerals
Taiwan	2016	Tourism and education
Korea	2017	Tourism, autos, retail
Canada	2019	Canola, soy, pork, beef
Australia	2020	Barley, beef, coal, education, tourism, wine, cotton, timber, seafood, wool, wheat, copper, sugar

These Chinese trade sanctions serve dual purposes: domestic pressure and international deterrence. Domestically in the target country, they cause pain to important business sectors, in the expectation that affected companies will pressure their government to soften its stance toward China. Internationally to third parties, they telegraph that criticising certain Chinese policies will result in trade punishment, deterring further opposition.<sup>14.1</sup>

## The Biden administration

Despite frequently targeting US allies and friends, the Trump administration failed to substantively act on Chinese trade coercion. This partially reflects its 'America First' stance and a general failure to support allies during diplomatic crises. It also reflects the fact that the Trump administration itself used coercive trade threats – in several cases, against the very same allies.<sup>14.2</sup> Whatever the cause, US inaction during the Trump administration left allies to fend for themselves in the face of Chinese economic coercion. It also sent a message to non-alliance partners in the Indo-Pacific that the United States would not intervene if they are affected in future, thereby amplifying China's deterrence effect.



The Biden administration has emphasised the importance of working with allies in response to Beijing but has so far said they are reviewing the Trump administration's policies before engaging in a new policy direction.

### **Australian interests**

In 2020, Australia became China's newest target. Following the Australian Government's call for an independent international inquiry into the origins of COVID-19 in April, China applied an 80 per cent anti-dumping duty to barley exports, effectively ending the trade. In subsequent months more trade bans were applied, utilising both formal (anti-dumping) and informal (customs procedures) methods. By year-end, China had restricted the import of 13 different products and services from Australia.<sup>14.3</sup> The affected industries exported \$54 billion to China in 2019,<sup>14.4</sup> a serious economic blow coming atop the dislocations of COVID.

However, Australia stands out for its defiance of Chinese trade sanctions. The Australian Government has refused to offer any mea culpa, and in December 2020 referred Chinese tariffs on barley to the WTO dispute settlement mechanism. The dispute will be heard as case "DS598" in 2021.<sup>14.5</sup> Flagging a departure from the Trump era, incoming US National Security Advisor-designate, Jake

Sullivan, indicated the Biden administration will “stand shoulder to shoulder” with Australia in the dispute.<sup>14.6</sup> DS598 will prove a landmark test of China’s ability to use trade sanctions as a means of diplomatic coercion, as an Australian victory will enable retaliation through the WTO. Importantly, it also multilateralises a matter previously handled bilaterally, allowing Australia to pool resources with like-minded countries.

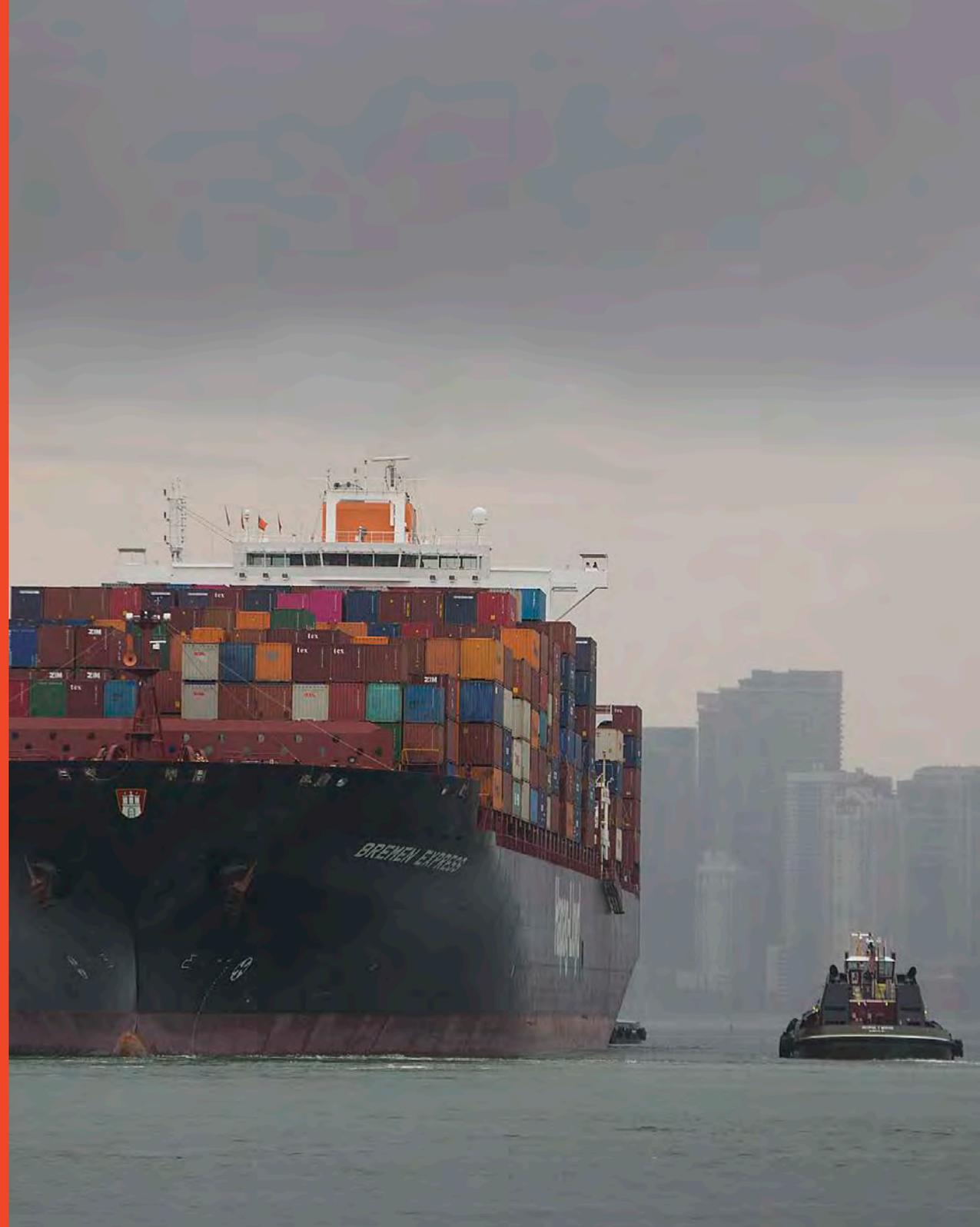
Coordination between Australia and the United States would greatly aid efforts to deter, and defend against, Chinese economic coercion. Due to size differentials, middle powers such as Australia, Canada and Korea cannot effectively respond to Chinese trade sanctions alone. Collective responses provide the best defence against economic coercion. US involvement will be critical to collective defence strategies. Its economic size – and thus scope for retaliation – is a powerful deterrent to further Chinese action. US support for such efforts will also provide reassurance to allies and partners when contesting Chinese foreign policy.

## Policy recommendations

- › **The United States should coordinate with and provide third-party support to Australia’s WTO dispute with China.** Australia is the first country to challenge Chinese trade coercion at the WTO. But as an infrequent WTO litigator,<sup>14.7</sup> Australia’s case would benefit from US support. This could include preparatory discussions between the Department of Foreign Affairs and Trade (DFAT) and the Office of the US Trade Representative as well as the United States directly participating in the DS598 process as a third party.
- › **The United States should review policies obstructing the normal functioning of the WTO Dispute Settlement Mechanism (DSM).** Due to US appointment vetoes, the WTO Appellate Body is presently inquorate.<sup>14.8</sup> China may strategically use an appeal to the Appellate Body to indefinitely delay a resolution to DS598. Restoring normal function to the DSM by removing US appointment vetoes, and then promptly clearing an existing case backlog, will be essential to ensure a timely and successful resolution.
- › **The United States and Australia should explore beyond-the-WTO “collective defence” mechanisms with like-minded partners.** A collective defence mechanism that responds more promptly than the WTO is needed to deter Chinese economic coercion. Some type of “economic article five” mechanism involving the United States and its allies – similar but not identical to the collective defence provisions of NATO – will be the most effective means to do so. Australia and the United States should immediately consult with partners on the potential options with a view to establishing practical mechanisms in the medium term.

# AVOID PROTECTIONISM TO MAXIMISE JOINT ECONOMIC OPPORTUNITIES

DR STEPHEN KIRCHNER



## Context and background

**Australia needs to work with the United States to ensure that Australia's domestic policy objectives in areas such as manufacturing capability, supply chain security and digital platform regulation maximise joint economic opportunities and promote tax and investment certainty on a bilateral and multilateral basis. Australia should work within the context of existing and prospective trade agreements and multilateral negotiations to secure non-discriminatory approaches to these issues that reinforce the joint interest in a rules-based multilateral trading system.**

The US and Australian governments have both announced efforts to examine manufacturing capability, the security of supply chains and critical goods. These efforts are potentially complementary and afford trading opportunities for Australia as a trusted ally and supplier. However, these efforts need to be harmonised to minimise the potential for unilateral and discriminatory approaches that could undermine the bilateral economic relationship and the international trading system.

Similarly, the Australian Government's taxation and regulation of digital platforms should leverage multilat-

eral negotiations in this space that avoid discriminatory treatment of foreign commercial interests in pursuing domestic policy objectives. The content deals between Australian media and US tech companies defused a potential irritant in the bilateral relationship. The focus of digital platform regulation should be minimising international tax and investment uncertainty. This is more likely to be achieved by working through multilateral mechanisms and extending the digital commerce provisions of existing and prospective bilateral and plurilateral trade agreements.

## The Biden administration

Trade will not be an urgent priority for the administration relative to domestic issues. An early indication will be whether it seeks renewal of Trade Promotion Authority (TPA) from Congress when the current authority expires at the end of June 2021. If TPA is not sought or granted, trade negotiations will be downgraded in the administration's first term.

There is growing public support for foreign trade in the United States and a partisan realignment around trade and tariffs as a result of Trump's failed embrace of protectionism. However, the Democratic Congress is

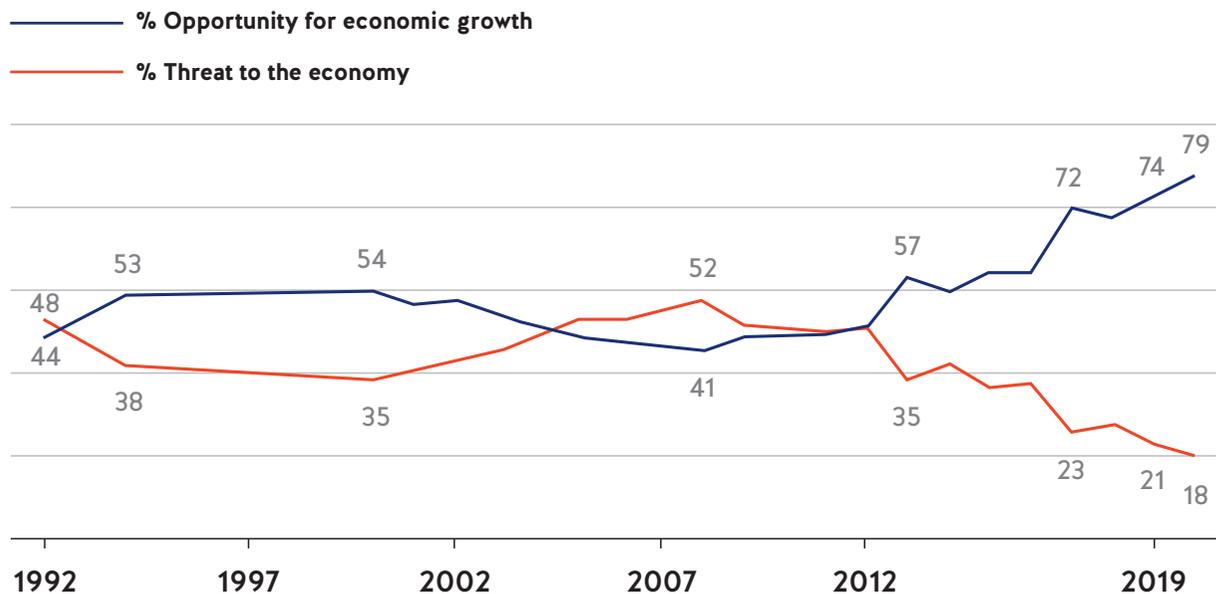
still sceptical of free trade and trade agreements and is well disposed to industry policy with a view to furthering domestic employment and economic recovery objectives.

These protectionist instincts have received a boost from concerns about national security and supply-chain resilience in the wake of the pandemic. Biden's pre-election trade policy consisted of a commitment to the onshoring of production of critical and strategic goods – currently the subject of a review. These concerns could become a fig-leaf for more traditional forms of protectionism.

**THE FOCUS OF DIGITAL PLATFORM REGULATION SHOULD BE MINIMISING INTERNATIONAL TAX AND INVESTMENT UNCERTAINTY. THIS IS MORE LIKELY TO BE ACHIEVED BY WORKING THROUGH MULTILATERAL MECHANISMS AND EXTENDING THE DIGITAL COMMERCE PROVISIONS OF EXISTING AND PROSPECTIVE BILATERAL AND PLURILATERAL TRADE AGREEMENTS.**

## Figure 12. American's views of what foreign trade means for the United State

What do you think foreign trade means for America?  
Do you see foreign trade more as an opportunity for economic growth through increased US exports or a threat to the economy from foreign imports?



Source: Lydia Saad, "Americans' Vanishing Fear of Foreign Trade" Gallup. 26 February 2020.  
Available at: <https://news.gallup.com/poll/286730/americans-vanishing-fear-foreign-trade.aspx>

The Biden administration is reviewing Trump's tariffs, including the steel and aluminium tariffs from which Australia secured an exemption. The 'phase one' trade deal with China is also under review. The purchasing commitments made by China under the deal may have been a factor in the imposition of Chinese anti-dumping duties on Australian barley.<sup>15.1</sup>

**THERE IS ALREADY COOPERATION BETWEEN AUSTRALIA AND THE UNITED STATES IN RELATION TO CRITICAL MINERALS AND THE DEFENCE INDUSTRIAL BASE. BUT AN INWARDLY FOCUSED AND PROTECTIONIST US TRADE AND INDUSTRY POLICY HAS THE POTENTIAL TO DISCRIMINATE AGAINST AUSTRALIAN COMMERCIAL INTERESTS DIRECTLY, AS WELL AS WEIGH ON GLOBAL TRADE. THE AUSTRALIAN GOVERNMENT NEEDS TO HIGHLIGHT THE ECONOMIC OPPORTUNITY IN JOINT APPROACHES THAT EXPAND RATHER THAN LIMIT TRADE.**

Katherine Tai, President Biden's nominee for US Trade Representative, has indicated that climate change will be a centrepiece of the administration's trade policies in support of the goal of net-zero emissions by 2050.

While the US Government has domestic anti-trust concerns about 'big tech,' the US Trade Representative can still be expected to champion the interests of US multinational corporations abroad where foreign governments enact measures that discriminate against US commercial and national interests.

## Australian interests

There may be opportunities for Australia to capitalise on national security and supply chain concerns as a trusted ally and supplier in expanding the bilateral trade and investment relationship. There is already cooperation between Australia and the United States in relation to critical minerals<sup>15.2</sup> and the defence industrial base. But an inwardly focused and protectionist US trade and industry policy has the potential to discriminate against Australian commercial interests directly, as well as weigh on global trade. The Australian Government needs to

highlight the economic opportunity in joint approaches that expand rather than limit trade.

The US efforts to address climate change at an international level, alongside those of the European Union, are likely to weigh on carbon-intensive exports, including those from Australia, such as thermal coal.

The Australian Government's proposed regulation and taxation of digital platforms attracted attention from the US Trade Representative under the Trump admin-

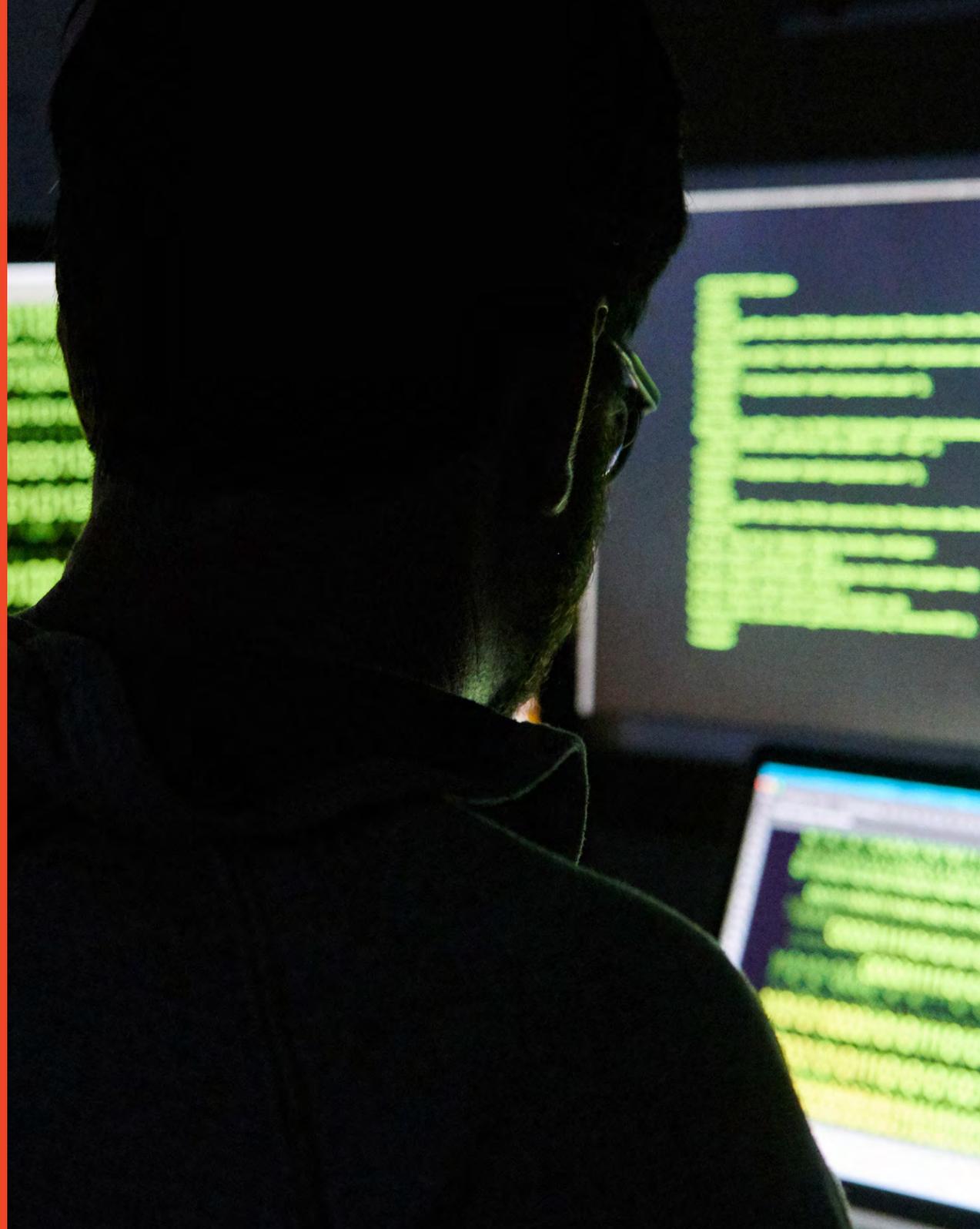
istration, who noted concerns about due process and investor protection under the Australia-US Free Trade Agreement,<sup>15.3</sup> although competition policy is an explicit carve-out from the dispute resolution provisions of the agreement. The content deals between Australian media and US tech firms have provided a temporary fix. However, the issue underscores the importance of ensuring that domestic regulation is consistent with the principles of non-discrimination and serves to promote international tax and investment certainty.

## Policy recommendations

- › **Australia should work with the United States to ensure that they harmonise efforts to promote manufacturing capability and the security of supply chains and critical goods.** This will maximise the joint economic opportunities available from these efforts and avoid unilateral measures that may undermine rather than reinforce the bilateral economic relationship.
- › **The Australian Government should seek to extend the digital commerce provisions of existing and prospective trade agreements and multilateral solutions to the regulation and taxation of digital platforms that promote international tax and investment certainty.**

**BUILD CYBER  
CAPABILITY AND  
COOPERATION  
FOR AN EVOLVING  
THREAT LANDSCAPE**

**DR JENNIFER S. HUNT**



## Context and background

**To deepen cooperation on cyber issues, Australia should restore critical bilateral and multilateral cyber efforts while also recognising that cyber-enabled disinformation is part of the expanding cyber threat landscape.**

Australians and Americans consistently rank cyber attacks in the top five of global threats.<sup>16.1</sup> It is easy to see why. Recent cyberattacks in the United States have targeted critical infrastructure including government agencies, hospitals and utilities. In February 2021, a water treatment plant in Florida was hacked through remote access and the sodium hydroxide mix remotely changed to dangerous levels before being caught and reversed in real-time by the plant operator.<sup>16.2</sup> In 2020, at least two foreign governments breached the US Department of Homeland Security and Treasury and exposed Fortune 500 companies in what was described by some as the “Cyber Pearl Harbor” by inserting malicious code into a popular software product.<sup>16.3</sup>

Cyber is the connective tissue through critical state, economic, social and strategic systems. Increasingly the soft underbelly, however, is democratic infrastructure. As state conflicts expand to cyberspace, cyberattacks now target not just information systems, but electoral systems and even voters themselves through cyber-en-

abled disinformation campaigns.<sup>16.4</sup> Cyber scholar Herb Lin notes the difficulties of defence – while traditional cybersecurity threats exploit the vulnerabilities of the system, these evolving attacks exploit its virtues, as cyber-enabled disinformation harnesses the openness and virality of social media to spread disinformation and conspiracy theories to poison democratic function.<sup>16.5</sup> Whether for great power competition, private profit or pure entertainment, these tactics represent an evolving strategic challenge to democracies and Australia is not immune.<sup>16.6</sup> The COVID-19 pandemic in particular has only heightened these challenges. In March 2020, the Australian Cyber Security Centre issued an alert warning of malicious websites masquerading as trustworthy authorities on coronavirus information, disinformation that could have undermined state responses to the pandemic.<sup>16.7</sup>

Australia invested significantly in cyber capacity and coordination under the Turnbull government including the introduction of a Special Advisor on Cyber Affairs (within the Department of Prime Minister and Cabinet), a Cyber Ambassador (within the Department of Foreign Affairs and Trade) and the Australian Cyber Security Centre (within the Australian Signals Directorate). Under the Morrison government, cyber policymaking has shifted to Home Affairs, the cyber diplomatic portfolio has expanded to include critical technologies and Australian Cyber Security operations in the Australian

Signals Directorate have been given a significant boost in funding. Alongside the government’s 2020 Cyber Security Strategy, Canberra announced A\$1.35 billion over 10 years, in part for training and recruiting more than 500 cyber specialists.<sup>16.8</sup> These domestic efforts have been paired with significant engagement on the international front, but some bilateral efforts were abandoned under the Trump administration.

## The Biden administration

Individual US states have focused on bolstering their cyber defences but the federal government and the United States more broadly have lost valuable time in countering the newest evolution of attacks due to the Trump administration’s neglect of cyber issues. This neglect included: the dismissal of the Cybersecurity Coordinator position at the White House, the shrinking of the State Department’s cyber diplomacy wing, and repeatedly ignored calls for bolstering electoral security. President Trump publicly sided with Vladimir Putin over US intelligence agencies’ assessment of hostile foreign interference in cyber and electoral matters.<sup>16.9</sup> In one of his last acts in office, President Trump dismissed the director of the Cybersecurity and Infrastructure Security Agency at the Department of Homeland Security after the official confirmed Joe Biden’s win in the 2020 election.<sup>16.10</sup>

## The Biden cyber team

The Biden administration used its first month to signal the prioritisation of cyber issues on the national agenda through the appointment of officials with cyber experience across multiple departments.

- › Biden's National Security Council includes five experienced cybersecurity officials including:
  - › Anne Neuberger as Deputy National Security Advisor for Cyber and Emerging Technology, a new position designed to elevate the subject internally
  - › Senior Director for Cyber, Michael Sulmeyer
  - › Homeland Security Advisor Elizabeth Sherwood-Randall, her deputy, Russ Travers as Deputy Homeland Security Advisor and Caitlin Durkovich as Senior Director for Resilience and Response at the National Security Council.
- › In the White House's Office of Management and Administration, David Recordon will become Director of Technology.
- › The Deputy Attorney General nominee, Lisa Monaca, also comes with cybersecurity portfolio experience.

The Biden administration must rebuild an atrophied state and fortify industrial capacity to counter diverse attacks. President Biden has signalled the prioritisation of cyber issues with a proposed US\$10 billion funding package and the appointment of cybersecurity officials in key leadership positions across multiple departments. Cybersecurity officials occupy five positions on the president's National Security Council, with others in senior posts across the Department of Justice, Treasury, State and Homeland Security. This allows for crossover and prioritisation of cyber in diverse portfolios. Overseeing coordination is the National Cyber Director, a position newly created by the 2021 Defense Authorization Act to improve US cyber defences through resilient networks, bolster offensive operations to impose costs on adversaries and coordinate with industry, the academy and close allies.<sup>16.11</sup>

To reflect the evolving national security challenges in cyberspace, President Biden's appointments also include disinformation and counterterrorism experts. Cyber increasingly sits at the nexus of growing domestic extremist activity, with online conspiracy theories about emails, servers and laptops leading to offline physical violence. In 2019, the FBI warned against "conspiracy-driven domestic terrorism" naming QAnon and conspiracies like Pizzagate.<sup>16.12</sup> When Facebook<sup>16.13</sup> finally shut down QAnon group pages in 2020, they found the

fastest online conspiracy group comprised one million members across 15 countries including Australia.<sup>16.14</sup> National security expert Peter Singer argues that the weaponisation of social media and the promulgation of extremist groups on Facebook has exacerbated challenges in nearly every policy area, from aiding terrorist recruitment to being a state tool of great-power competition to damaging the vitality of democracy.<sup>16.15</sup>

## Australian interests

Australia's interests in the cyber realm similarly lie at the intersection of technical and disinformation challenges. ASIO has warned that far-right extremists are exploiting COVID-19 disinformation to recruit and radicalise Australians online.<sup>16.16</sup> While cyberattacks are generally measured in dollars, disinformation is measured in lives.<sup>16.17</sup> In 2020, separate reports by the European Commission<sup>16.18</sup> and the US State Department<sup>16.19</sup> found that foreign actors, led by Beijing, Moscow and Tehran had carried out targeted online disinformation campaigns aimed at stoking confusion about the COVID-19 pandemic. Australia's distance does not provide immunity to either a global pandemic or cyber-enabled disinformation as evidenced by Australian lockdown protestors shouting "Arrest Bill Gates" and attacking 5G infrastructure.<sup>16.20</sup>

## Policy recommendations

Beyond recognising cyber-enabled disinformation as a part of the cyber threat landscape to build both defensive capacity and social cybersecurity resilience, Australia and the United States should also:

- › **Resume the Cyber Security Track 1.5 Dialogue<sup>16.21</sup> in the 2021 Australia-US Ministerial Consultation<sup>16.22</sup> inclusive of Australia's inaugural Ambassador for Cyber Affairs and Critical Technologies.** These talks should be inclusive of Australia's Ambassador for Cyber and Critical Technologies, Dr Tobias Feakin. Australia's cyber ambassador has been in close contact with America's allies during Washington's relative hiatus from multilateral cooperation and can provide insight from extensive engagement on cyber issues with partner nations and the United Nations.<sup>16.23</sup>
- › **Coordinate with NATO's efforts on collective defences to emerging cyber threats<sup>16.24</sup> including cyber disinformation operations and electoral interference.** The cyber realm is included in President Biden's emphasis on building resilience in democracies. While working to deepen cyber cooperation between Five Eyes partners, Australia should also continue to engage closely with multilateral efforts alongside the United States at the United Nations and NATO to strengthen cyber norms and build collective responses to diverse cyberattacks that threaten state institutions, industry and democratic function. This includes recognising cyber-enabled disinformation as a threat alongside breaches and hacks and building defensive social cybersecurity accordingly.<sup>16.25</sup> As countries like Finland<sup>16.26</sup> have demonstrated, resilience against cyber-enabled disinformation campaigns does not merely require a technical or engineering solution. Often, the best solutions can be found in the social sciences<sup>16.27</sup> and humanities.<sup>16.28</sup> Research and educational links such as international visiting fellowships,<sup>16.29</sup> scholarships and targeted grants can be used to efficiently explore the adaptation of allied efforts to counter disinformation to the Australian context.