NEXT GENERATION PERSPECTIVES ON THE US-AUSTRALIA ALLIANCE

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Every evening in Canberra at dusk, the Australian War Memorial closes with a Last Post ceremony. This service pays tribute to the members of the Australian armed forces who have died during or as a result of war service. During each ceremony a story is shared behind one name on the Roll of Honour. Visitors lay wreaths at the Pool of Reflection, and Australian Defence Force personnel recite the Ode. The ceremony is a poignant reminder of the sacrifice made by current and former service men and women.

Many of the Australians who gave their lives in the service of their countries did so alongside our allies and partners. In the period from 1917 this has been dominated by our relationship with the United States, in particular from the onset of the Pacific War in 1941. Many of the battles and places that adorn the walls of the Australian War Memorial in Canberra, such as the South Pacific, Korea, Vietnam, Iraq and Afghanistan, can also be found etched in marble and stone in Washington D.C. These sites of commemoration thus also serve as a reminder of the history of the deep and ongoing Alliance between Australia and the US.

Today, the bilateral relationship between Australia and the US remains robust and strong. Through a very broad range of agreements and areas of cooperation, Australia’s security arrangements are inextricably entwined with the United States. This partnership is underpinned by the Australia, New Zealand, and United States [ANZUS] Security Treaty, concluded in 1951. Other significant elements of ‘the Alliance’, as it has become known, include extensive Australia and US joint cooperation in military exercises and the ‘Five Eyes’ intelligence sharing agreement with Canada, the UK, and New Zealand.

Australia and the US also enjoy a strong economic partnership buttressed by The Australia-United States Free Trade Agreement (AUSFTA). When factoring in two-way trade as well as investment, the United States is Australia’s most important economic partner. Australia and the US conduct US $65 billion dollars in two way trade, and US $1 trillion dollars in investment. Austrade estimates that one quarter of Australia’s inward foreign investment comes from the United States. Further to their unique defence and economic relationship, the two countries have close relations in science and innovation, international education and research, and sport and culture.

However, despite the continued close relationship enjoyed between the two countries, the Lowy Institute’s annual poll on Australian attitudes demonstrates that there are changing views towards the Alliance. Importantly, in 2019, younger Australians (18-29 years of age) views on the importance of the Alliance has dropped to their lowest level since the poll introduced this question. The perception of trust that the US would act responsibly in the world has also declined in recent years.

Beyond significant domestic political change in the US, one of the key factors that may be causing the shift in young people’s perceptions are a lack of understanding about the depth of the bilateral relationship. An Australian who turns 18 years of age in 2020 has grown up in the era of the War on Terror – now often referred to as the period of “America’s Forever Wars”. Unlike many older Australians they have not lived through an era of great peace and global security buttressed by US power. It is therefore understandable that this cohort of young people, having witnessed an era of war with seemingly little success or positive outcomes, there is a decline in support for Australia to continue involvement in fighting conflicts in the Middle East.
It is these changing perceptions towards the US, coupled as well as the enduring importance of Australia’s security and economic interests, that there is a need to equip young leaders with the knowledge and skills to understand, interpret and recreate the Alliance for a new era: one personified by a rapidly changing world including shifting geopolitics and technological innovation.

The Future of the US-Australia Alliance Regional Workshops is a two-year program funded by the United States Government, and delivered by the Perth USAsia Centre in partnership with Griffith Asia Institute, La Trobe Asia, the University of Western Australia and the Australian National University. The program aimed to identify and equip a cohort of young leaders across the country with a contemporary understanding of the Alliance. Forty-six young professionals and graduate students were selected to participate in workshops in Brisbane, Perth and Melbourne. Fifteen of these participants were selected to travel to Canberra for a three-day intensive program with academics, politicians and government. Of these, five have been selected to travel to Washington DC. The essays in this collection are the culmination of these workshops and program.

These five essays are a window to the views of young Australians on how they view the future of the Alliance. The arguments presented by the authors demonstrate that young people have an appreciation for the rich history of the Alliance, particularly within the context of our shared military histories over the last one hundred years. However, they also demonstrate that young Australians think about the Alliance in terms of new frontiers of cooperation. These broadly fall into two categories. The first is leveraging the Alliance for pursuing shared geopolitical interests in the Indo-Pacific. This is particularly apparent in their analysis of the Australia’s whole-of-government efforts in the Pacific region as the new diplomatic battleground of major power relations between China and the US. The second is the opportunity to leverage the Alliance to advance shared interests in overcoming non-traditional security threats – such as climate change and energy – as well as cooperating in the creation of new values and norms in non-traditional areas such as space.

The world is changing rapidly; as indeed it has significantly changed during the course of this leadership program. It highlights the need for the next generation of alliance managers to navigate the complex future ahead, rising the challenges that many current and past leaders never had to face. Young people not only need to be at the forefront of exploring new and innovative policy solutions for traditional threats, but also overlay this creative thinking with intersecting non-traditional threats such as global pandemics, cyber security, and changing climate. This generation faces significant and unprecedented challenges. How they leverage the existing strengths of the US-Australia Alliance to do so will shape the next 100 years of history.
Executive Summary

• As space becomes increasingly congested, competitive and contested, the US has stated the need for collaboration and burden sharing with allies and trusted partners; at the same time Australia is looking to support in developing its own space industry.

• Australia and the US face converging interests in space that ought to translate to cooperation beyond national security and into civil and commercial enterprise.

• Australia’s ideal geography, joint scientific and defence operations, high levels of two-way investment and skilled institutions situates it in an ideal position to develop a high level of collaboration with the US in space.

Policy Recommendations

• Australia should look to the Alliance with the US to ensure that our strategic priorities in space are met. Australia should move towards ensuring that our space capabilities are equal to those of our Indo-Pacific neighbours.

• Australia and the US should establish a joint innovation centre to focus research and development exchanges, the creation of shared space capabilities, optimise international collaboration and promote foreign direct investment.

• Australia should sign a Memorandum of Understanding with the US on expanded space collaboration, to form the basis of a comprehensive Australian strategy for cooperation with the US in space, establish bilateral space cooperation and a dialogue for exchange of views on spacy policy, law and regulations.

Throughout 100 years of ‘mateship’ with the US, 60 of those years have seen Australia and the US collaborate in space. As space becomes increasingly “congested, competitive and contested,” Australia and the United States must strengthen their alliance in space and enhance US-Australian space cooperation. With the launch of the Australian Space Agency (ASA) in July 2018 and increased geopolitical competition in the Indo-Pacific, it is time for Australia and the US to recharge its space collaboration and take the US-Australia alliance to the next level.

Australia has played an integral role in US space projects, as seen with the 40-year relationships between the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and NASA, and Australia’s assistance to the Apollo 11 Moon Mission. However, the 21st Century has seen Australia lag in its space capabilities, as Space 2.0 has seen space democratised, with private companies and smaller states enjoying greater access to space technology. Space 2.0 has seen a shift from Space 1.0, once described as “large, few and expensive” space projects are now “the small and the many” with technology becoming more accessible, allowing private companies and smaller states to enter the space race. The new Space 2.0 era enables Australia to re-enter the space race at a relatively low-cost.
2017 saw the beginning of a new phase of the US-Australian space alliance, with the signing of a bilateral space treaty. In September 2019, US and Australia signed a Joint Statement of Intent on “expanding cooperation in space exploration” between NASA and the ASA. The Joint Statement saw Australia commit to investing $150 million over 5 years in the US Moon to Mars mission, supporting the Australian space industry to collaborate with NASA. Currently, Australia has a Memorandum of Understanding (MoU) on space collaboration with the UK, UAE, Italy, Canada and France. A MoU with the US would facilitate future space collaboration whilst enhancing the alliance. Whilst the treaty with the US covers only “space vehicle tracking and communications facilities”, an MoU on expanded space collaboration including research and development initiatives will allow for a more flexible framework to establish bilateral space cooperation. An MoU with the US could also encourage an “exchange of views on space policy, law and regulations” as contained in the MoU with the UK. Australia should prioritise signing an MoU with the US and NASA to prevent further lagging on space capabilities.

Currently Australian space capabilities lag behind those of our Indo-Pacific neighbours. In 2017 India broke the record for the most CubeSats launched in one rocket and New Zealand’s space capabilities have skyrocketed with its collaborations with private company Rocketlab. China’s enhanced space program poses a challenge to US space primacy, making space a contested commons; reflective of broader geopolitical shifts. Thus, it is vital for Australia to join the ranks of fellow global powers and develop its space capabilities, enhancing our independence and decreasing our reliance on other states for access to space technology. The US has historically been Australia’s closest space ally and it is time for Australia to deepen alliance networks and enhance collaboration in space.

Australia has a history of engagement with large scale international collaboration on space projects. CSIRO has managed and operated the Canberra Deep Space Communication Complex (CDSCC) for more than 50 years, one of three facilities around the world that comprise NASA’s Deep Space Network, an international array of large radio antennas that supports NASA’s space exploration missions such as communications for landing rovers on Mars, the arrival of New Horizons to Pluto, and the entry of Juno into Jupiter’s orbit.

Australia has an ideal geography for these sorts of projects, as well as an emerging commercial industry and ready availability of scientists and engineers with space skills educated within our universities and the CSIRO. For example as part of the Square Kilometre Array Organisation, headquartered in the United Kingdom and comprised of organisations from 13 countries, the CSIRO continues international collaboration through its hosting of the SKA Low frequency aperture arrays within the Australian Radio Quiet Zone in Murchison, Western Australia. Evidently, Australia is well placed to collaborate and jointly innovate with the US in these areas.

From a defence standpoint, space-related collaboration is already well underway. The Joint Defence Facility at Pine Gap, described by Kim Beazley as “arguably the most significant American intelligence-gathering facility outside the US”, is connected to US infra-red satellites to provide early warning for nuclear explosions and missile launches. The Australian Defence Force (ADF) is reliant on the US “Wideband Global SATCOM”, an integrated satellite architecture used by Australia and other allied partners, to enable joint communications and which aims to present a comprehensive picture of the battlefield regardless of weather, terrain and time. These technologies permit the joint operation and synchronisation between naval, air and land forces of the ADF. Space and satellites are used to distribute intelligence, provide precision timing and navigation, accurate weapons guidance and weather forecasting during combat and disaster relief.
The growing space race across our region is indicative of the larger geopolitical competition in the Indo-Pacific. The civil and defence implications of a compromised satellite network are now vast, but the perceived overreliance on space communication and networks is seen as an Achilles heel to be exploited.

As the US continues to rely heavily on space for national security to maintain military primacy, strategic and operational planning should include diversifying space assets across multiple countries, shortening development times for space missions, strengthening international laws and norms around space activities and conflict, and monitoring space constantly from multiple geographies. To do so, US officials have stated the need for collaboration and burden sharing with allies and trusted partners. Right as the world’s preeminent space power is looking for its allies to become more space capable, its closest ally is looking for support in developing its own space industry.

For the US, Australia’s geography, support for a rules-based order in space, and set of niche space capabilities such as space-situational awareness technologies makes for attractive collaboration partnership in space research and technology infrastructure. Australia already cooperates with the US in a variety of national security space activities and has a position of unique trust that should be leveraged in its emerging space sector.

Australia and the US face converging interests in space that ought to translate to cooperation beyond national security and into civil and commercial enterprise. When it comes to Australia or the US establishing strategic priorities in space, there is a natural tendency to focus on military and security related space activities. But these aspects are necessarily joined at the hip with the impacts of and opportunities arising from an emerging commercial space market.

When it comes to making space a viable commercial enterprise or a long-term government investment option, notable experts suggest that the financial returns are to be procured through space mining with NASA estimating that the value of mining asteroids could be up to US$700 quintillion. This could include a range of earth resources, including critical minerals which have already become of growing interest in the alliance, with the 2019 US-Australia project agreement on critical minerals. The global impact of an end to relative resource scarcity through space mining, or a fundamental shift in resource and energy dependency should be of interest to our respective nations, in particular Australia as a primarily resource driven economy.

For the US, Australian private enterprise has the capacity to contribute significantly when it comes to space mining technology as a world leader in development of cutting-edge mining equipment, utilisation of autonomous machinery and remotely operated fleets. The experience that Australia is likely to require in areas such as space situational awareness and satellite imagery applications make focusing on the US, already a significant partner in Australian industry and the likely end-user customer of these technologies, a sensible approach. To capitalise on these opportunities, Australia should look to establishing a joint innovation centre, to institutionalise the creation of shared space capabilities and industry collaboration between our two nations.
Recently, Australia formed the Space Infrastructure Fund, a $19.5 million investment in seven key space-related infrastructure projects across Australia. These include robotics, automation and artificial intelligence (AI) command and control facilities in Western Australia ($4.5m), space manufacturing capability in New South Wales ($2m) and mission control facilities in South Australia ($6m). Australia’s largest investor and the largest destination of Australian investment in the world is the US, and this relationship should be leveraged to further build investment levels in these areas.

In this respect, the Australian Government could consider a range of policy options to attract foreign direct investment from the US in these areas and drive the rapid growth of the commercial space sector in Australia. This could be achieved through commonwealth grants, land provision, or tax deregulation. For example, widening the definition of ‘core R&D activity’ within the Research and Development Tax Incentive scheme to allow for the cost of core technology acquisition and expenditure to be offset in Australia for tax purposes, such as the purchase of sensors and communication equipment for research purposes.

The shift towards private industry going into space also brings with it the urgent need for Australia and the US to consider what this means for the alliance, in a contemporary climate where traditional international commercial rules of law applicable on earth, have not yet been necessarily established in the realm of space.

What might have once seemed like science fiction, commercial opportunities in space now need to be considered strategically within the alliance and any future MoU. This is of particular importance given the current lack of a comprehensive legal framework around space mining. The existing framework comes from treaties more than 50 years old, which lack clear standards for space faring activities. Current trends are evidenced by the US Commercial Space Launch Competitiveness Act, 2015, coined a “finders keepers” approach to resources in space, being followed by Luxembourg with a similar legal interpretation to the US in 2017. With Luxembourg already entering into an agreement with Japan on space exploration and commercial opportunity, there is no reason why Australia should not be considering the same pathway with its long-standing partners.

Any MoU between Australia and the US relating to space should cover off a number of critical areas. In addition to addressing commercial opportunities and the importance of business links between the two nations when it comes to space, an MoU should form the basis of a comprehensive Australian strategy for cooperation with the US in space. Any MoU should encourage an exchange of views on space policy, law and regulations and ensure that long-standing public and private investment from both nations is supported and built on.

Space-related technologies today drive much of both nation’s data reliant economies and private industry: autonomous mining operations, essential climate and weather data, mapping and surveying capabilities, data for soil, food and water resources, as well as critical aspects of communications, transport, defence and intelligence. In the current geopolitical environment, Australia must ensure that government policy, private enterprise and the international legal framework are all aligned. The commercial opportunities are abundant and the need for alliance cooperation is clear. When it comes to new levels of collaboration between our two nations, the sky is no longer the limit.
Executive Summary

Young people are systematically excluded from power and are increasingly distrustful of the traditional institutions, values and democratic principles that underpin Australian and American political systems.

• Currently, young Australians and Americans are not adequately represented within existing policy frameworks and decision-making bodies.

• Tapping into the energy and insights of young people can help to ensure the sustainability and success of the US-Australia Alliance, as well as support regional stability in an era of unprecedented change.

Policy Opportunities

• Increase youth education and engagement initiatives.

• Close the youth exclusion gap.

• Support youth-led research and development.

The Australian and American context

‘We the (young) people’ make up 42% of the world’s population, with around 60% of us located in the increasingly strategically-significant Indo-Pacific region. Like generations before us, we are passionate and engaged with the decisions being made in Australia and overseas. Greta Thunberg’s once solo ‘School Strike 4 Climate’ is just one—heavily drawn upon—example of how young people across the world are calling for decision-makers to think long-term and strategically about their policy priorities. While the abundance of ‘punny’ signs from the Strikes capture the creativity and innovative thinking that characterises young people, other face-to-face and online crusades highlight a shifting intolerance for legislation, policies and decisions that go against what we believe is fair and right.

This intolerance has seemingly translated into an increasing mistrust of and disengagement with traditional institutions, particularly modern democratic governments, who young people feel do not adequately represent their interests. These trends are particularly worrisome for leaders, from both Australia and the US, who have traditionally relied on the stability and relative predictability of previous generations’ political engagement to ensure the continued strength of the US-Australia Alliance. Recent Lowy Institute polling demonstrates that young Australians’ relationship with the US and the Alliance has changed and represents a growing risk to our combined ability to ensure long-term national security.

Growing up on the intoxicating cocktail of internationalisation and the perceived strength of multilateral organisations, young people in Australia and the US bought into the general consensus that greater free trade, economic integration, security cooperation, freedom of movement, and social and cultural exchange could only make the world a better, more safe and stable place. Fast-forward 15 years and young people are now faced with a declining US super-power, increasing Chinese malevolence, Russian and North Korean destabilisation initiatives, worsening foreign influence, and a growing existential crisis in the form of human-induced climate change. The rising gaps between rich and poor exacerbate issues, with this generation the first generation in living memory to be worse off than their parents’ generation, leaving the ‘intergenerational bargain’ under threat.
Most strikingly, inequality is on the rise, the labour market is tightening. Young people are up to their ears in debt (mostly for an education that failed to prepare them for the modern workplace, with schools not preparing students for the 21st Century and universities grappling with how to teach the 65 percent of young people who will be employed in careers that do not yet exist) and few, if any, of their elected representatives look like them, speak to them on their terms, or seem to care what they think.

Youth engagement in both policy and decision-making processes will be essential to ensuring traditional institutions, such as democracies, can successfully adapt to increasing inequality, digital disruption and political, economic and environmental instability. The next generation of leaders want to be part of the conversation now, with youth campaigns like the Not Too Young to Run campaign highlighting issues of exclusion. If we are not included by our current leadership, on the terms of our current leadership, we will include ourselves on our own terms. Further, if Australia and the US do not use youth engagement to their advantage, as is the current modus operandi, there is a significant risk that someone else will.

The exclusion of young people is a perilous policy, shaking the three core pillars of the US- Australia Alliance:

1. Traditional institutions and values;
2. Economics and trade; and,
3. Defence and national security.

### Traditional institutions and values

The democratic values instilled in the ‘We the People…’ constitution underpin the US governance system, heavily influence Australian governance (the so called ‘Washminster’ bicameral system), and are crucial to the US-Australia Alliance. Yet, these values are increasingly questioned by younger generations.

A majority of young Australians feel disengaged by traditional politics, with a 2019 Lowy Institute reporting that 30% of Australians aged 18-29 year hold views that ‘in some circumstances, a non-democratic government can be preferable’. Further, a 2019 Senate inquiry on nationhood found that ‘declining trust and engagement with Australia’s democracy may not be reversible in the absence of visionary leadership’.

Australian youth now comprise a substantial share of the Australian population, yet are one of its most underrepresented groups, with a recent report finding that only 7% of Australian youth polled felt represented in politics. Young people’s concerns focus on both the fairness and legitimacy of Parliament and Congress, primarily driven by the fact that their current representation not only fails to include diverse and dynamic perspectives, but is by its very nature, unrepresentative. In Australia, youth representation in Parliament has traditionally been low, currently with just 10 senators and 13 members of parliament representing millennial voices (born between 1981 and 1996). It’s not much better in the US, with around 4% of representatives in Congress under the age of 35 years, and only one (Rep. Alexandria Ocasio-Cortez) under the age of 30 years. Excluding young people from participating in decision-making puts the entire legitimacy of government in question, as we are the ones who will be most affected by the long-term decisions made by current elected representatives.
It is clear that young people are on the precipice of greater social and economic leverage. But until we get there, we are at the mercy of policy-making that appears inconsistent with our views and needs, and is almost entirely unrepresentative of our voices. Coupled with a rapidly changing technological landscape and eroding trust in decision-makers more generally, the more that young people are excluded from these institutions, the less viable the entire system is. Considering that the shared values of democracy underpin both of our societies, as well as the US-Australian Alliance, alarm bells should be ringing.

**Economics and trade**

If—as reinforced by successive Australian Prime Ministers and US Presidents—shared values underscore our current Alliance, then it is our economic integration and trade that drives the average Aussies’ and Yanks’ engagement with each other.

For a strong and healthy Alliance, we would likewise expect to see healthy economies driven by diverse markets that can adapt quickly to changing global dynamics and are model examples of economic growth. Yet, even before the onset of the economic implication of the global COVID-19 health pandemic, Australia was teetering on the edge of recession, and while the US economy had strengthened, it was unpredictable and unstable, with more than one in five children in the US living in poverty. Both nations are experiencing rising inequality, with the gap between poor and rich ever widening and economic opportunities for young and old alike under threat.

Entrepreneurship is often promoted as a ‘silver bullet’ to stagnant wage growth and a slowing economy, with young people increasingly taking up entrepreneurship as a viable career path. Theoretically, this would indicate many positives, particularly with a rise in social entrepreneurship and the fact that most boundary pushing innovation stems from enterprise. For the US, Federal research and development (R&D) funding has risen by 6.1% annually, since 1953, with an increase in private business investment in the last ten years. However, R&D spending in Australia has decreased at the same time that investment and funding in R&D is rapidly increasing in its near-neighbours, including China.

China’s economic leverage in R&D is a key part of its overall strategic power and growing regional dominance, creating risks for Australia if its innovation potential is limited by low national investment and if foreign seed funding comes with strings attached. Indeed, a Federal review of Chinese-funded Australian research warned against projects that ‘unwittingly advance the military capabilities of potential adversaries’ or open Australia up to influence via funding obligations. Worryingly, for a cash-strapped young entrepreneurial population, we may not even know until it is too late, as the sound of a rumbling tummy is often incredibly effective at drowning out any worries of the potential consequences of accepting foreign funding.

Engaging and supporting the next generation of entrepreneurs, business owners and trade managers early, from both Australian and American sides, is therefore critical. Whilst an important component of the Alliance’s risk management strategy, it also offers considerable opportunities to harness digital natives’ skills, competitive edge and capacity to innovate. Not only is representation in democratic systems important to young people, but so is funding and education to secure a future economy where, not only the rich can afford to live.
Defence and national security

If values underline the Alliance and trade drives our general engagement, then defence is the continuous thread that makes our security, sovereignty, and prosperity possible.

Too young to recall the existential threat of nuclear weapons during the Cold War, our introduction to national security has been shaped by 9/11, the threat of terrorism and both direct and grey zone attacks by non-State actors. As a result of this threat landscape, many young Americans indicate a preference for resource investment focused on domestic-related security issues rather than foreign policy issues. This presents a real threat to young Australians’ futures, as our national defence is heavily reliant on US resources and support and our regional security demands stability, which is in large part created by ongoing US presence and investment. Young people will be most affected by the future direction of the Alliance and its resulting impacts on the ongoing stability of our region; yet our voices are currently chronically underrepresented and marginalised from discussions about national and international security.

Meaningful engagement and input from diverse groups is a crucial part of a robust national risk management strategy. Yet, young people, and other minorities, struggle breaking through institutionalised hierarchies to influence decisions and affect change, structures that inherently devalue their opinions and ideas by excluding them from higher levels of power. While modern workforces are increasingly embracing flattened hierarchical structures where those with less experience may still influence decisions with innovative solutions, traditional institutions responsible for our national defence and security, such as the military, are unable to replicate structures or successfully adapt their workplace cultures to allow similar effects to occur.

Despite public and internal commitments to increase diversity and innovation, modern Australian and US militaries are often hamstrung by their own internal management practices and recruiting policies. A prime example of this is the 71% of young people aged 17-24 years in the US who are ineligible to serve in the US armed forces, even if they wanted to. If Australian and American defence organisations are unable to attract and retain the next, diverse generation of leaders, these young people will invest their talents and enthusiasm elsewhere.

Policy Opportunities

Three policy opportunities are proposed, as means to help address the strategic challenges created by current attitudes towards and levels of engagement with the US-Australia Alliance.

1. Increase youth education and engagement initiatives

Both Australia and the US should continue to fund and support the expansion of youth-focused educational programs, such as the US-Australia Alliance workshops developed and piloted in Australia with support from the US State Department. These workshops have shown to be highly collaborative and inclusive in their pioneer stages, helping young Australian leaders build their networks and engage with experts and further refine their understanding and engagement in the Alliance.

Education and engagement initiatives could be further developed by partnering with youth-led organisations to deliver additional workshops across the country, with adapted content suitable for both secondary and tertiary students. Workshop content could include information that focuses on: ways to engage in the values that underpin democracy; taking advantage of medium-term economic opportunities, particularly in service industries; outlining regional security risks and opportunities; and, strategies and pathways for young people to get involved in decision-making.
2. Close the youth exclusion gap

While past performance and years of experience play a large role in securing a seat at any decision-making table, this attitude fails to take into account how a greater diversity of perspectives and backgrounds contributes to more robust and sustainable decision-making.

There is an opportunity for current custodians of the US-Australia Alliance to ensure that young people’s ideas and perspectives are included in discussions, deliberations and decision-making, through the establishment of youth-specific roles on boards, committees, advisory councils and working groups (particularly those focused on trade, national security and defence elements of the Alliance).

Further, just as ‘manels’ are becoming extinct, it is increasingly important to have youth perspectives included in any and all discussion about the future of the US-Australia Alliance, including as moderators, panel speakers and co-facilitators of programs. In doing so, we can create pathways for greater inclusion and engagement of young people, as well as strengthen a shared understanding and mutual responsibility for policies and decisions.

3. Support youth-led research and development

A number of youth-led organisations exist in Australia and the US, with missions to develop the next generation of leaders and provide practical skill development and international experience. These are often severely underfunded, if funded at all, relying on the goodwill of volunteers and a rotating door of eager young people to ensure their continuing survival.

To date, there has been no database created to record them nor formal review of their impact, with most operating on the periphery of international associations, multilateral organisations, and government delegations. Their influence, whilst estimated to be significant\(^8\), is relatively unknown and unmeasured, with no time or money to evaluate them effectively. Further, they lack opportunities to connect and engage with each other, prioritising day-to-day business development over networking and collaborating with peer organisations in other nations, to create knowledge-sharing pathways and strengthen people-to-people ties.

Funding should be made available to appropriately measure the impact of existing youth-led organisations and support their sustainable development. Providing small amounts of funding (~$20,000 each) will help to increase the impact of these organisations, boost youth employment rates, and provide opportunities for young Australians to develop small-business skills, cultural and geopolitical nous, and network with international like-minded peers.

It takes time, money, commitment – and not to mention a little humility - to move away from just paying lip service to actually giving young people a voice in decision-making. However, developing stronger youth engagement and investment in traditional institutions is essential to ensuring the long-term success of the Alliance. Giving a seat to a young person does not mean that a seat has to be taken away from another; it merely creates more inclusive decision-making capacity at the table. Without it, we risk the future of ‘we the people’.
Executive Summary

• Australia’s heavy reliance on trade with China carries major strategic and economic risks for Australia and erodes the regional influence of the US-Australia Alliance.
• Focusing efforts on increasing trade with emerging powers in South-East Asia is a necessary strategic adjustment with major economic benefits.
• Australia’s economic step-up into South-East Asia must be accompanied by renewed efforts to further engage the US in the region, making it a key plank for the modernisation of the US-Australia alliance.

Policy Recommendations

• The Australian Government must establish strategic partnerships with key states in the South-East Asia region to deepen business-to-business relations, grow people-to-people infrastructure and broaden Australia’s trade portfolio.
• To strengthen the Alliance and provide the foundation for deeper economic engagement in South-East Asia, the Australian Government must take a bold approach to the WTO and the Appellate Body.
• In conjunction with expanded US R&D funding, Australia needs to reverse the decline in total R&D expenditure relative to GDP since 2008, and match the OECD average of 2.37%. In five years, the target should be for R&D spending to reach 3% of GDP.

Introduction

For a long time, Australia has developed strong and constructive ties with China. As Australia’s largest trading partner, the Australian economy is heavily dependent on Chinese export revenue in core Australian industries like resources, energy, and education. China is also a major research and technology partner for Australia. To date, Australia’s economic partnership with China has been extraordinarily beneficial for Australia as well as the local region and it is situated to continue to do so. Yet the emerging strategic conflict between China and the US creates strategic and economic risks for Australia. To manage exposure to these risks and pursue core interests in the Indo-Pacific, Australia must continue to seek regional influence. Investing in strong economic partnerships with a wide variety of actors in South-East Asia will bolster the strength of the domestic economy, the region and the Alliance. Developing deeper economic and diplomatic ties in emerging markets is not easy and takes a concerted strategic investment from both government and the private sector – just as Australia has done with China over the last 30 years. But strong existing economic ties and relatively stable markets can easily lead to complacency. To preserve Australia’s influence in the Indo-Pacific, and to help to maintain a regional balance of power, the Australian Government must ensure increased trade and investment with rising powers in South-East Asia. For this to be effective, Australia must make new commitments in several core domains: the rules-based global trading order, and research and development (R&D) expenditure.
Strategic partnerships in Southeast Asia

It is true that Australia has much to do to strengthen its relationships in the Pacific Islands. However, it is critical that Australia also continues to strengthen strategic partnerships with key member states of ASEAN if Australia is to assure its relevance in the Indo-Pacific for the future.

The trajectory of ASEAN, Australia’s closest geographic region of global economic significance, is clear. PricewaterhouseCoopers (PwC) report The World In 2050 forecasts that Indonesia will become the fourth largest economy in the world over the next 30 years. Vietnam and the Philippines stand to advance 12 and 9 places respectively upward on the projected GDP rankings, past Australia, as it slips 9 places. For Indonesia, the Philippines and Vietnam to achieve these projections, PwC suggests that they must each invest in education, infrastructure and technology as well as political, economic, legal and social institutions.

Education is already Australia’s third largest export. However, this has traditionally been focused at a university level, which will not address the immediate need for many ASEAN member states to progress TAFE and trades training. While some Australian education providers have begun establishing offshore campuses in Vietnam (RMIT) and Indonesia (Monash University), more must be done to proliferate this type of investment. Australian Government incentives for universities and trade colleges to establish and staff campuses in countries like Indonesia, the Philippines and Vietnam, would go a long way to promoting infrastructure development (at minimum, in the way of teaching facilities and technology infrastructure) and would spark the type of growth PwC envisages for those nations.

This presents a clear and time-sensitive opportunity for Australia to strengthen its relationships with these nations while it still has a reasonable level of economic strength and parity. Initiatives such as the Indonesia-Australia free trade agreement are a part of this puzzle but will not work as a blanket solution for trade policy issues. Australia and Indonesia currently have very low volumes of bilateral trade and investment. These volumes are even lower for the Philippines and Vietnam. If Australia is to improve these volumes, trade and investment cannot just flow from government-to-government, it must also flow at a private business-to-business level. Governments should leverage existing relationships to develop those connections.

Multilateral diplomacy at the World Trade Organisation

The US-Australia Alliance has been described by President Trump as ‘one of our oldest and one of our best’, with strategic and defence outlooks at the cornerstone of the relationship. Despite recent policy changes under the Trump Administration, both states have continued to utilise the multilateral, rules-based trading system typically through institutions such as the World Trade Organisation (WTO). In order to continue to advance the economic interests of both democratic states in the Indo-Pacific, the Alliance needs to promote a predictable and stable operating trade environment that upholds the values of a rules-based system. The WTO and its settlement mechanism the Appellate Body has typically been considered an institution that has effectively enforced binding and respected decisions. However, this mechanism has been in crisis of late.
Research and development goals

Since World War II, the US has been the world’s centre of innovation and technology. This state of affairs has been extraordinarily convenient for Australia. As a trusted security partner and member of the Five Eyes, we have benefited greatly from access to cutting-edge US military and defence technology. As a major economic partner with a Free Trade Agreement, US research and technology has also been exceptionally advantageous to Australian firms and the Australian economy as a whole. From a regional perspective, Australia has had the advantage of being a leader in innovation and technology relative to other Indo-Pacific nations. This has assisted with projecting US-aligned hard and soft power in the region.

However, this situation is quickly changing. Over the last twenty years, China has aggressively pursued advanced research and technology through a combination of expanded state funding, open scientific collaboration with countries like the US and Australia, and outright intellectual property theft and corporate espionage, including alleged state sponsored cyber-attacks on leading Australian universities. China is now a technological superpower capable of challenging the US, particularly in the domain of “dual-use” technology such as AI. Over time, China is likely to narrow the gap further.

China’s technological rise has created a profound paradox for Australia: from one perspective, both Australia and the Indo-Pacific in general have made major economic progress on the back of Chinese-funded research and technology. Yet China’s emergence as a global research hub has also weakened Australia’s soft power in the region, through attracting flows of talent, funds, and knowledge away from Australia. Furthermore, highly advanced Chinese military technologies challenge Australia’s technical advantage in the region.

The Appellate Body rulebook has failed to be updated to respond to the changing environment. The concerns raised by the US present an opportunity for joint action. The US has raised three themes that have eroded the effectiveness of the body. The first objection being a technical issue relating to procedural matters such as length of time to respond to issues. The second grievance is in response to systemic issues relating to acts of overreaching. At its core this mechanism was established to correct errors and provide a form for settlement and to negotiate – not to establish new rights and obligations for trade partners. The final criticism many have expressed is in response to the approach the Body has taken in seeking to remedy trade disputes.

For Australia to strengthen its role in South-East Asia, the operating environment needs to be underpinned by sensible rules of international cooperation. Despite recent tensions, the close relationship between Australia and the US forms part of the foundation for cooperative global trade, while also relying on the institutional structure and norms of multilateral organisations like the WTO. To prevent further corrosion of the global trading order, it is recommended that the Australia and the United States establish a bold reimagined approach to the WTO and the Appellate Body. To enable this process, it would be in Australia’s interest for the Prime Minister and Minister for Trade to visit the US and enter into discussions with President Trump. The engagement can be underpinned by the President’s desire for an improved US trading balance and mutual interests of economic advancements of both countries and the economies of South-East Asia.
Without a renewed commitment to R&D expenditure on behalf of both Australia and the US, China’s technological power will project an increasing degree of power in the Indo-Pacific, and the rest of the world. For Australia to continue to command significant influence in the region, the Australian economy must remain a regional powerhouse of technology and innovation. This is best achieved by leveraging Australia’s deep diplomatic, military and economic ties to the US through the Alliance. To do this, Australia needs to reverse the decline in total R&D expenditure relative to GDP since 2008 and match the OECD average of 2.37%. In five years, the target should be for R&D spending to reach 3% of GDP.

Conclusion

At present, Australia finds itself in the privileged position of having a significant influence in the Indo-Pacific. Supported by the US, Australia commands a substantial degree of hard and soft power in the region. Australia needs to continue to maximise its presence in the region for both its own domestic stability and economic growth prospects of the region. To mitigate this risk, Australia needs to deepen economic ties with emerging players in South-East Asia, through government-facilitated private enterprise. For this strategy to be effective, Australia must make renewed commitments to the WTO and global trading order, as well as R&D expenditure. If Australia and the US can coordinate effectively on both these issues, Australia will be well-placed to continue to project US-aligned power into the Indo-Pacific for the foreseeable future.
Executive Summary

- Australia is highly energy dependent and relies intensely on non-renewable energy resources.
- Australia fails to comply with its obligations as a member of the International Energy Agency, rendering the nation vulnerable in the event of an energy supply-chain disruption.
- Energy dependence has multifarious implications for national security as energy is fundamental to the daily functioning of society and is an essential component of defence.
- Australia’s Alliance partner and global technology leader, the United States, is paving the way in the transition to energy independence and renewable energy resources. The Australian Department of Defence is also making steps in the transition towards renewables, recognising the associated cost, reliability and security benefits.
- Energy security is set to play a key role in the US-Australia Alliance in the emerging clean energy era. The landscape of energy is rapidly changing and Australia’s ability to adapt, diversify and transition to renewables will be essential to ensuring national security, maintaining Australia’s defence capabilities and bolstering the nation’s position as a strong Alliance partner in the Indo-Pacific region.
- The emerging clean energy era presents a major opportunity for the Alliance, particularly Australian and American youth. The Alliance has an incredible opportunity to collaborate on clean energy innovation in both the public sector and private enterprise through knowledge sharing and skill transfer. In order to facilitate this, we encourage IP investment, and the promotion and strengthening of engagement programmes such as the E3 visa.

Policy Recommendation

- The Australian Government should promote the E3 US entry visa scheme through establishing a dedicated program for professionals working in the clean energy and new technology sectors. This will leverage existing programs to share knowledge and expertise in an emerging industry and will encourage innovations that promote energy security for the Alliance, provide job opportunities for Americans and Australians, and facilitate strengthened partnerships.

A false sense of energy security

Australia is highly energy dependent. Dependency on oil imports are increasing, gas supply in the east coast market is under stress and concerns over power reliability are growing.86 Australia imports more than half of its liquid fuel needs and relies heavily on non-renewable resources, namely coal, oil and gas, which constitute 40, 34 and 22 percent of energy consumption respectively.87 These trends have prompted heightened concerns over energy security in recent years. Moreover, Australia fails to comply with its International Energy Agency (IEA) member obligations to hold oil stocks equivalent to 90 days of net imports, and to have effective IEA collective action policies in place.88 While the Australian government has committed to rectifying this deficiency by 2026,89 an unexpected supply-chain disruption would expose the nation to multi-sectoral vulnerabilities with the government ill-equipped to respond, thereby propelling the nation into a state of precariousness.90 The IEA’s 2018 Review of Australia notes the government’s deregulated approach to energy, which entrusts energy security to market forces rather than government leadership.91 The absence of a robust energy policy not only reduces reliability but also acts as a barrier to investment.92
Energy dependence paints a dire picture for Australia’s national security. Energy security is fundamental for the daily functioning of society. With the transport sector largely dependent on fuel imports, a disruption would severely impact supply chains and in turn, businesses, citizens and the Australian economy. Energy is also critical for Defence activities, with continual and reliable flow of fuel, gas and electricity needed to power aircraft, ships and vehicles, as well as offices and infrastructure that are essential to maintaining Australia’s defence capabilities. Reliance on multiple energy sources for numerous interconnected and essential defence and societal functions cultivates high risk. This has critical implications for Australia’s national security and for the Alliance. The nation holds a unique geostrategic position in the Indo-Pacific region and energy security is crucial to maintaining this position.

**Independence needs its day**

Already, the US exemplifies the strategic value as well as the security benefits associated with transitioning towards energy independence. The US has made great strides in reducing its reliability on oil imports, with the US Energy Security Leadership Council warning of the damaging potential of oil dependence, including foreign influence and leverage over the US, draining of defence budgets and harmful interference with foreign policy objectives.

The Australian Department of Defence is also beginning to make moves towards energy independence, recognising the cost, continuity and security benefits that renewables can provide in this space. The Department made its first foray into solar energy in 2017, announcing a tender for a solar power system to be positioned at the Kojarena Satellite Communications Station in an effort to cut down its reliance on the main grid. The move was seen as a stepping stone towards the ADF becoming a leader in environmental sustainability, while also bolstering energy security.

In mid-2019, the Department of Defence signed a contract that will see defence bases in Darwin powered by solar and battery storage in the near future. This represents another turn towards renewables to improve energy security. By removing reliance on domestic power grids, these initiatives can lift overall defence capacity, lessen vulnerability in times of international crisis, and improve resilience. Such efforts by the Defence Department can be substantially strengthened through engagement with our Alliance partner.

Energy independence and diversification will be essential for energy security in Australia’s future. In light of ageing energy infrastructure, ageing defence infrastructure, and Australia’s emissions reductions commitments under the Paris Agreement, a transition to energy independence should seek to harness the potential of Australia’s abundant renewable energy resources. Australia’s use of renewable energy is on the rise, yet it still accounts for only a minimal portion of overall energy consumption. The country has vast renewable energy resources with low greenhouse gas emissions, including wind, solar, geothermal, hydro, wave, tidal and bioenergy, however owing to the ‘immaturity’ of technologies, many of these resources are only in early phases of development. The potential of wind and solar alone ‘remains largely untapped.’ Both the government and Defence have recognised the vital importance of improving energy efficiency and harnessing energy from renewable sources.

Through facilitating this transition, Australia has the opportunity to become a global leader in renewable energy and can strengthen its position in the Indo-Pacific region, providing added value to the US-Australia Alliance.
New energy future

Energy independence, and the security implications outlined above fall into the bigger picture of a new energy future.

For young Australians and Americans, it is clear that a combination of climate change, renewable energy cost-effectiveness, and technological advancement will usher in a new energy production and consumption future in our lifetime. A December 2019 report by the US Studies Centre found that the majority of American and Australian survey respondents believed:

- climate change is occurring;
- it is at least partially caused by human activity;
- it will have a severe impact on wildlife, water supplies and the weather; and
- that their country should take action to reduce the use of fossil fuels for energy production.\(^\text{107}\)

This is an issue that is particularly important for young people. In Australia, 76% of young Australians agree that we should be taking steps now to combat climate change, compared to just half of older respondents.\(^\text{108}\)

However, while so many conversations regarding climate change conclude with doom and gloom, young Aussies and Americans see the huge upside to a new energy future, particularly in the energy generation industry.

A new energy future, if handled correctly, can provide opportunities in new industries, increased interconnectedness through the US-Australia alliance, and a cleaner world for all. For young people in America and Australia, it provides opportunities for highly-skilled jobs, global export opportunities, and a role to play in shaping the world we will live in.

This vision is increasingly reaffirmed by our business leaders as well. Speaking on Q&A in January 2020, Business Council of Australia CEO, Jennifer Westacott, made it clear that, “in Australia particularly, we’ve got the technology, the skills, to be a global superpower in exporting renewables, in exporting hydrogen and lithium.”

However, we can’t do it alone. And who better to partner with in this new energy future than our strongest ally, and global technology leader: the United States.

The US-Australian alliance can help support this vision for jobs, export opportunities and climate stewardship through several key frames. Firstly, the US is Australia’s largest foreign direct investment partner.\(^\text{109}\) In a new energy future, increased investment and research and development in new technologies is a huge provider of jobs and capital returns. Industries such as battery development, utilising Australian minerals and refining processes, green energy technology, and carbon capture and storage will provide opportunities for both alliance partners.

Secondly, the opportunities for US companies to seize the moment and bring their expertise to Australian workers and companies is huge. This will provide a win-win for the Alliance by opening up new trade opportunities, collaboration between workers and companies, and strengthening our Alliance by moving together toward a new energy future.
Trading skills

In order to diversify our energy markets and make the most of the growing opportunities for Australia in the renewable energy sector, addressing the skills shortage in innovative and emerging technologies will be key.

Australia must drive investment and collaboration with a strong US partner. Renewable energy is the fastest-growing energy source in the United States, increasing 100 percent from 2000 to 2018. Not to mention, this change in energy generation has occurred alongside the growth of its world leading innovative tech sector.

With Australia’s rich mineral resources naturally needed to build renewable infrastructure, there is an opportunity to trade and share knowledge and resources in the energy innovation space - via both government organisations and private enterprise. By prioritising investments and research, the Australian government will open up to the new markets, while supporting the US with its abundances of natural minerals – a quid pro quo of the best kind.

Of course, we have made some moves in this space. In 2017, the South Australian Government, US tech giant Tesla, and French renewable energy company Neoen joined to build a battery to help store the renewable energy generated by the state and quell its storage and outage woes. By 2019, Tesla and Neoen announced that the battery output will be expanded from 100 to 150 megawatts, and storage capacity will grow to 193.5 megawatt hours, allowing it to operate at full power for more than one hour. This was again made possible by the South Australian Government and the Australian Renewable Energy Agency contributing $15 million and $8 million respectively.

But we can do more and expand these relationships nationally. Government investment in building private enterprise and taking the risk on new markets will be important, but it is not enough.

We recommend strengthening the already in place E3 visa in the R&D, tech and innovation sectors into clean energy markets. This visa allows Australians to live and work in the United States freely. By Australia investing more towards this visa scheme in these sectors we can send and set up Australians in the US to work and learn in the emerging fields and bring back the much-needed skills and knowledge to grow this space. To bolster this uptake Australia ought to set up pipeline fund establishment fees for workers in this specific area.

What engineer wouldn’t want an opportunity to live and work in Silicon Valley amongst some of the world’s most innovative minds?

Australia punches above its weight when it comes to minerals and resources, not to mention it’s diplomatic ties. While it lags in certain skills, Australia has the potential to be a renewable energy superpower and lead the market in driving this change. By working together with the United States, Australia will be working towards a global clean energy future and make lots of money while we are at it. Frankly, it’s a win-win.
Executive Summary

• The Australian Government should refocus its diplomatic policy engagement with Pacific Island states to demonstrate its understanding of their strategic priorities.
• Establishing a common understanding and vision for the future stability and security of the region is critical to ensure the longevity of the current rules-based global order.
• Given China’s rapidly growing interest and influence in the region, Australia should leverage its long-established relationship with Pacific Island states to establish a cooperative security agreement that is mutually beneficial. In particular, it should work through existing multilateral organisations such as the Pacific Island Forum, the Melanesian Spearhead Group and the Compact of Free Association.
• Australia’s alliance with the United States should be leveraged to boost maritime and humanitarian support in the region. This will not just benefit the Pacific Islands but the United States as well by improving coordinated responses and helping to establish a commonality of vision.

Policy Recommendations

• The priority of the Australian Government should be to work with Pacific Island states to establish a multilateral cooperative security agreement that incorporates non-traditional security obligations.
• Australia should work with Pacific Island states to reaffirm their strategic priorities on non-traditional security concerns such as disaster relief, development assistance and climate change.

The Australian Government’s Pacific Step-up, while admirable, isn’t going to cut the mustard if it wants to protect against its primary strategic fear – an unaligned foreign military power threatening its maritime security in the region.

If Australia wants to ensure the continuance of a stable rules-based global order, it can’t rest on its laurels and simply hope that Pacific Island states will continue to pick Australia as their ‘principal security partner’. To truly ‘step up’ and ensure potentially inimical interests aren’t able to gain a foothold, it must work respectfully and collaboratively with Pacific Island states to establish a multilateral cooperative security agreement that is mutually beneficial.

However, achieving this won’t be easy. Although Australia has a long history of engagement and presence in the Pacific Islands, this history has been chequered.

For decades, Australia has been criticised as paternalistic in the way that it formulates and implements policy within the region. This means if the Government wants to truly deepen its engagement in the Pacific Islands and establish strategic alignment on matters of security, what it really needs to do is to listen up, not just ‘step-up’.
**Goals of a multilateral maritime security agreement**

Through a traditional maritime security lens, a multilateral security agreement would provide a more secure footing to protect maritime trade routes, promote freedom of navigation and complement the existing Pacific Maritime Security Program (PMSP) in a way that unites, rather than simply attends to, the Pacific Islands.

While traditional strategic security concerns are a clear priority for the Australian Government, Pacific Island countries are more concerned by non-traditional security threats. They have shown their determination to put their concerns on the global agenda, and none more so than climate change.

Australia and other foreign actors would therefore be naïve to think that the Pacific Islands will be readily manoeuvred like pawns on a chessboard. These sovereign ocean states are incredibly proud and resilient. They have a strong voice on the international stage in their own right, including as an important voting block at the United Nations.

In order to establish a multilateral cooperative security agreement, non-traditional security obligations that take agreed measures in the face of any climate or humanitarian disaster in the region, would need to be the path forward.

After all, security is far more than military patrols and exercises, as recognised in the Boe Declaration which emerged from the 2018 Pacific Island Forum (PIF). This Declaration expressly affirmed an expanded concept of security which encompassed humanitarian and environmental aspects.\(^{111}\)

By incorporating non-traditional security challenges such as disaster relief and allowing for the potential inclusion of climate-related measures in any agreement, Australia would show these nations that it takes their concerns seriously. It would also build on the understandings inherent in the Boe Declaration as well as Australia’s current foreign aid commitments.

**Why the cause for concern?**

It’s well recognised that Australia’s ‘step-up’ has predominantly been driven by concern about China’s rapidly growing interest and influence in the region and the perceived consequential threat to the existing regional and global order.

The depth of Australia’s concern was apparent in the Government’s strong reaction to rumours that China was looking to establish a naval base in Vanuatu at a time when Chinese investment in the region was ballooning. The alarm bells similarly rang when the Solomon Islands signed a deal with Chinese telecommunications firm Huawei to lay a subsea internet cable, and Australia instead committed A$137 million\(^{112}\) to lay a similar cable between Australia, the Solomon Islands and Papua New Guinea (PNG), effectively shutting down the Huawei deal.

Suffice to say, it’s clear that China doesn’t want to maintain the status quo when it comes to existing maritime arrangements.\(^{113}\) Given the distance of the Chinese mainland from the region, establishing a military base in the Pacific Islands would be critical for China if it wants to increase its presence and exert greater influence in the region. To mitigate this risk and protect the established security architecture of the region, action needs to be taken. A multilateral cooperative security agreement is key to achieving this.
Coordinating an agreement

The question is: how can such an expansive arrangement be achieved? In the first instance, the Australian Government could leverage its long-established relationships in the region and its newly formed Office of the Pacific to engage and seek alignment with the Melanesian Spearhead Group, which comprises Fiji, Papua New Guinea (PNG), Solomon Islands, Vanuatu and the Front de Libération Nationale Kanak et Socialiste – an alliance of pro-independence parties from New Caledonia.

In particular, it could utilise its enduring relationship with PNG, as its largest Defence Cooperation Program partner, to highlight the benefits of enhanced defence cooperation and investment. This strategic alignment would put a multilateral security agreement on a strong footing to gain further acceptance among members of the broader Pacific Island region.

Australia should also consider getting buy-in from New Zealand (NZ). NZ has successfully negotiated significant agreements with Pacific Island states in the past, with those agreements having been broadly perceived as beneficial to all parties. This was for example apparent under the stewardship of former Prime Minister Helen Clark, who successfully shifted the Australia-Solomon Islands bilateral initiative into the Regional Assistance Mission to the Solomon Islands.114

Security agreements and the Australia-US Alliance

A formal cooperative security agreement that protects the existing rules-based global order would not only be in the interests of Australia and the Pacific Islands, it would also be in the interests of the US – Australia’s primary strategic ally.

The US has a history of following Australia’s lead in the Pacific Islands, so there is no reason to think that they would be averse to following Australia’s lead on negotiating this expansive agreement in the region. The existing Compact of Free Association (CoFA) between the US and some northern-most Pacific Island nations may provide a means for the US to assist in the implementation of this broad vision. Under CoFA, each of the Federated State of Micronesia, Palau and the Republic of Marshall Islands, grants the US exclusive military access to the land, sea and air routes in the immediate region.

However, in the context of a potential cooperative security agreement, the US could use CoFA to help coordinate responses in the region, whereby Australia could take responsibility in the South Pacific region and the US could do so in Micronesia.

In terms of support for the non-traditional aspects of the agreement, Australia could also leverage its relationship with the US to encourage it to support humanitarian and environmental relief initiatives in the region, should this additional support be required. Importantly, Australia may also be able to rely on its relationships with other likeminded countries, such as Japan and France and the aforementioned NZ, to further bolster strategic engagement on infrastructure and aid for priority areas identified by the Pacific Islands.
Shaping a successful agreement

To be successful, any agreement would need to contain express, rather than aspirational statements and obligations, which benefit all parties and promotes the continuance of the regional order.

Maritime security would need to be broadly defined but should clearly allow for joint or singular military exercises and operations in the region by Australia, the US, and any sufficiently equipped Pacific Island nation, within particularised and agreeable bounds.

Given its proximity and history of assistance in the region, Australia could also commit itself to a form of ‘disaster relief guarantee’. The guarantee could provide for particular response times and efforts in the face of any humanitarian disaster. This would give all members of the agreement the certainty that they need in the face of humanitarian or climate emergencies, particularly in circumstances where affected Pacific Island nations are left without a means to communicate their need for assistance to their allies.

Committing to a longer-term regional aid budget would similarly demonstrate Australia’s commitment to growth and prosperity and directly address concerns around China’s increased infrastructure spend in the region.

This is at least part of the path that the Australian Government should chart if it wants to maintain the existing stability in the region, boost its diplomatic relationship with Pacific Island states and demonstrate its commitment to supporting their priorities. Australia already has the relationships, shared values, strategic allies and a seat at the table to achieve it.
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