EXPLAINER SERIES

The US **midterm elections**

This guide is provided as part of the Perth USAsia Centre's 'Explainer series' and is intended for education purposes. It is free to use and share but attribution to the Perth USAsia Centre is required. For enquiries relating to the Centre's educational resources please email perthusasiacentre@uwa.edu.au

2611

Perth USAsia Centre
INDO-PACIFIC STRATEGY

Key takeaways:

- Midterms determine control of Congress, not the presidency itself.
- Congress shapes US policy through legislation, funding and oversight.
- The outcome may influence US engagement in the Indo-Pacific and the environment in which Australia pursues its strategic and economic interests.

The 2026 midterm elections, to be held on 3 November, will determine the composition of Congress for the next two years. Although they do not decide who occupies the White House, they can significantly influence what the president can achieve during the remainder of their term.

Congress controls federal spending, passes legislation and oversees the executive branch of government. Its decisions also shape the resources and political support underpinning US defence, diplomacy and economic engagement abroad.

For Australia and the Indo-Pacific, the impact is not simply in which party wins, but in how the result affects Congress's willingness and capacity to support US engagement in the region.

So, how do the midterms work, what powers does Congress hold, and why do the results matter for Australia and the Indo-Pacific?

What are the US midterms?

Every two years Americans vote for Congress (see figure 1). All 435 seats of the US House of Representatives and around one-third of its Senate seats are contested. When these elections land in the middle of a presidency, they are referred to as 'midterms'. The outcome of midterms can significantly impact the remainder of a presidency.

The midterms determine which party controls Congress, the legislative branch of the US federal government. The result can change the balance of power between Congress and the president, influencing what the administration can achieve during the second half of its term.

Typically, the party of the sitting president loses seats in the midterm elections, though this does not necessarily result in a change of congressional control. To win Congress, a party generally needs a majority in both houses: 218 seats in the House and 51 seats in the Senate.

However, a party can control one chamber without controlling the other. Senate control can also depend on the vice president's tie-breaking vote when the Senate is evenly divided.

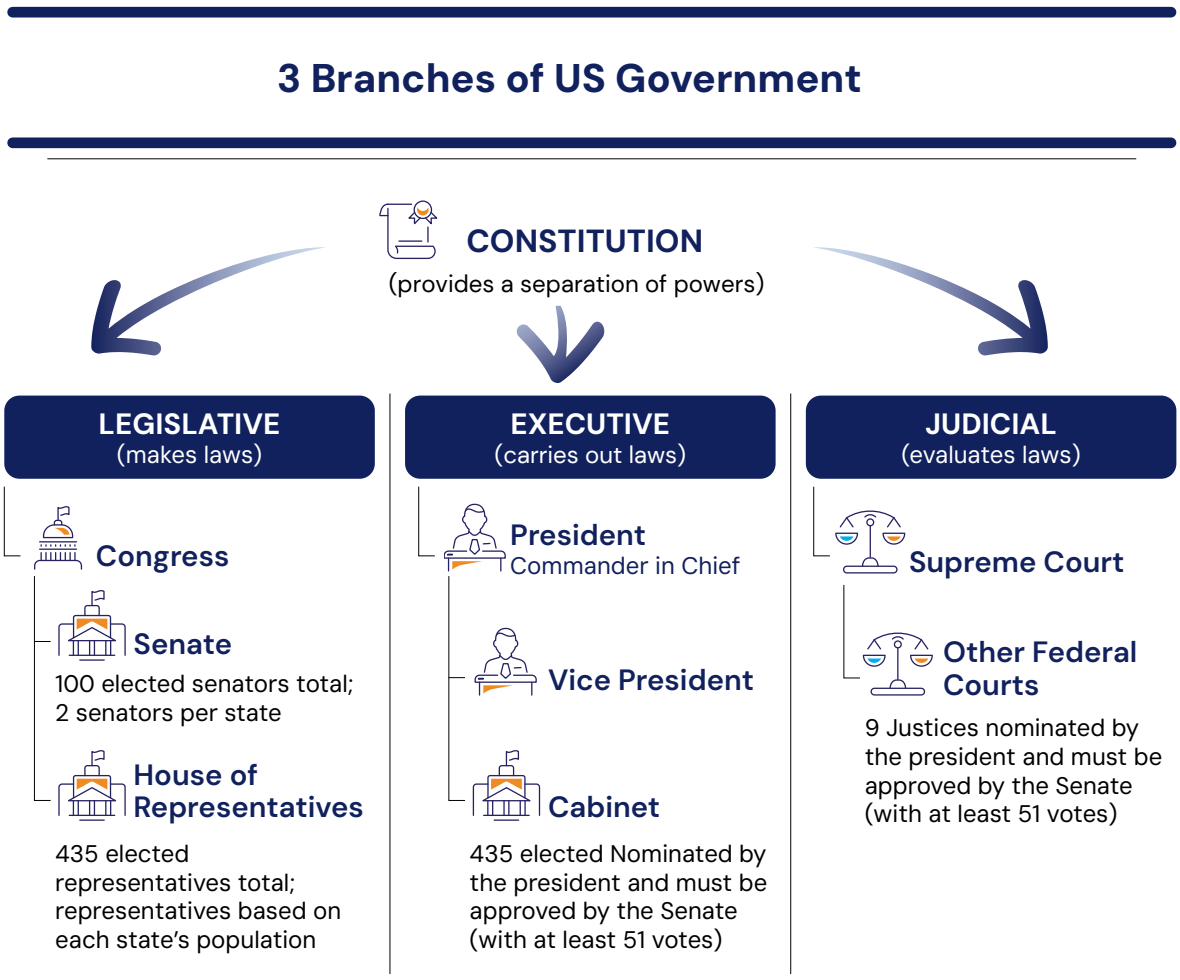
FIGURE 1: **US election cycle**

Institution	Election frequency
President	Every 4 years
House	Every 2 years (all seats)
Senate	Every 2 years (one-third of seats)

What is Congress?

The US federal government is divided into three branches: the executive (led by the president), the legislative (made up of Congress) and the judicial (which interprets the law) (see figure 2). This separation of powers is designed to ensure a balance of power across all branches.

FIGURE 2: **Branches of US Government**



Source: USA.gov, *Branches of US Government*.

Congress is made up of two chambers: the House of Representatives ('the House') and the Senate. Both are responsible for making federal laws, but have different roles and electoral terms.

The House consists of 435 voting members. The number of representatives each state has in the House is dependent on the population size of the state. All members of the House serve a two-year term, meaning the entire House is up for election every two years.

The Senate has 100 members, with two senators representing each state, regardless of population size. Senators serve six-year terms, with approximately one-third of Senate seats elected every two years.

The distinction matters because a party can control one chamber without controlling the other. For example, the president's party could retain the Senate while losing the House, creating different constraints on legislation, appointments, spending and oversight.

What powers does Congress have?

Congress has several powers that are separate from those of the president. One of its most important responsibilities is control over federal spending and legislating taxation. Congress exercises the power of the purse, meaning it can increase, reduce or withhold spending on government initiatives, subject to the relevant legislative and budgetary processes. Bills intended to raise revenue (i.e. taxes) must originate in the House.

Congressional oversight allows committees to investigate government activities, hold hearings, examine spending and scrutinise decisions made by the executive branch. Congress also passes legislation and has a remit related to foreign policy (see 'Foreign Policy' section for further information).

Congress has constitutional authority to regulate foreign commerce. It can legislate on trade and sanctions, although the president also exercises significant powers under existing statutes and delegated authorities.

The Senate also confirms presidential nominations, including ambassadors and senior government officials, and provides advice and consent for treaties.

The president, meanwhile, leads the executive branch, serving as the commander-in-chief of the armed forces and directing much of the day-to-day conduct of US foreign policy. The president can negotiate treaties, but the Senate must consent to their ratification.

These separate responsibilities mean that the president's ability to implement their agenda depends on the cooperation of Congress. However, the president generally has considerable latitude in conducting many aspects of foreign policy compared with domestic policy.

Why do the midterms matter to US politics?

The results of the midterms can change the trajectory of the second half of a presidential term. If the president's party loses control of either chamber of Congress, the opposition gains greater leverage to challenge the administration, scrutinise its decisions, and impede its legislative agenda.

WHAT IF THE OPPOSITION WINS CONTROL?

If the non-presidential party has control of the House or Senate, it can make it more difficult for the president to pass legislation and secure funding. This can lead to legislative gridlock, where disagreements between Congress and the executive branch prevent new initiatives from progressing.

Control of a chamber gives a party greater influence over legislative priorities, committee activity and oversight. This can make it easier or harder for a president to advance their agenda.

For example, the Speaker of the House, who is generally from the party controlling the House, sets the calendar of the House, with significant influence over which bills are brought forward for debate and a vote. A speaker opposed to the president's agenda can make it more difficult for the administration's legislative priorities to proceed.

Control of Congress also affects congressional oversight. If the opposition gains control of a chamber, it can use these powers to investigate issues the president's party would prefer not to pursue.

This does not mean the president loses the ability to govern. The executive branch retains substantial constitutional authority, particularly in foreign policy and national security.

The extent of these constraints depends on the issue, the legislation involved and the degree of cooperation between the branches. The executive retains its constitutional powers, including considerable authority over diplomacy and military operations.

The midterms can also shape the next presidential election, as a poor result may prompt the president's party to reconsider its leadership or strategy.

WHAT IF THE PRESIDENT'S PARTY RETAINS OR GAINS CONTROL?

If the president's party wins control of Congress in the midterm elections, the administration may have a greater opportunity to advance its legislative agenda and secure funding for its priorities. It can also be seen as a sign of continued or increased public support for the president's approach, strengthening their political position.

However, midterm results are not a direct mandate for every presidential policy, and a congressional majority does not guarantee legislative success.

How could the midterms affect US foreign policy?

The outcome of the US midterm elections can influence US foreign policy. This is because key elements of US foreign policy come under direct control of Congress.

Congress' responsibilities include:

- Approving and reviewing the federal budget, which includes deciding which defence and diplomatic initiatives are funded or cut;
- Regulating foreign commerce, which includes the ability to impose trade measures and economic sanctions;
- Declaring war or authorising military force;
- Considering presidential nominations for ambassadors, heads of departments and other senior officials.

Only the president can negotiate formal treaties, which require the advice and consent of two-thirds of senators present for ratification. The Senate can approve or reject a treaty, or decline to act on it. Other international agreements may be concluded under different legal authorities.

The president retains considerable authority over foreign policy, including directing the armed forces and negotiating with other countries. However, when Congress and the president disagree, the result can be tension, delays or limits on the administration's plans.

How the midterms can affect the Indo-Pacific

Due to the US' central role in Indo-Pacific economic and security architecture, changes to the composition of Congress can have a significant impact across the region. The midterms may not change US foreign policy or end existing commitments. However, they can influence the funding, legislative support and political conditions that underpin US engagement in the region.

SECURITY ENGAGEMENT

The US has long been seen as a stabilising force in the Indo-Pacific, thanks in part to the centrality of the US in notable defence and security partnerships across the region. For many regional partners, US military capabilities and commitments are critical to their security arrangements, such as Japan and South Korea.

A change in congressional control can affect defence spending, military assistance and support for regional security initiatives. If Congress and the president disagree over funding or the US approach to regional security, particular initiatives could face delays or increased scrutiny.

However, it is premature to assume that a change of congressional majority would automatically weaken US regional security commitments. Many elements of US engagement are supported across party lines, and their continuation depends on executive decisions, existing agreements, legislation and funding.

ECONOMIC ENGAGEMENT

The US is an important trade and investment partner for countries across the Indo-Pacific. Congress has a key role in regulating foreign commerce, including through tariffs and other trade measures. The scale of the economic relationship between the US and the region is significant. The US Department of State reported two-way trade between the US and the Indo-Pacific exceeded US$2 trillion in 2022[1]. In 2025, the US imported approximately US$1.6 trillion in goods and services from the Asia-Pacific region[2]. This economic interdependence means changes in US trade policy can have consequences for regional exporters, supply chains and investment decisions.

However, the president can also exercise tariff-related powers under existing legislation. As a result, a change in congressional control may not necessarily translate into an immediate change in US trade policy.

Changes in congressional priorities could therefore affect trade relationships and the economic conditions facing regional partners. This can have profound consequences on economies and livelihoods in the Indo-Pacific.

REGIONAL GEOSTRATEGIC DYNAMICS

The outcome of the midterms could also influence perceptions of US commitment to the region. If political divisions in the US make it more difficult to sustain funding or implement regional initiatives, other countries may question the consistency of US engagement. This could create opportunities for competing powers to expand their influence.

Congressional scrutiny may constrain some executive decisions, but does not necessarily prevent abrupt changes in US foreign policy. The effects will depend on the issues at stake and the relationship between Congress and the president. Depending on the result, the midterms can either reinforce continuity in US regional engagement or create uncertainty around particular commitments.

For regional partners, perceptions of US reliability can be as important as changes to policy and positions. Therefore, the significance for governments across the Indo-Pacific depends less on the headline result, and more on how the new Congress approaches defence, trade, diplomacy and the broader US role in the region.

How could the midterms affect Australia?

Australia's alliance with the United States and its extensive economic ties mean that changes in US domestic politics can have direct implications for Australian interests. For Canberra, the priority will be to understand whether the election affects the practical delivery of bilateral commitments, the predictability of US policy and the economic conditions facing Australian businesses.

DEFENCE AND SECURITY COOPERATION

The US is one of Australia's most important defence and security partners, and a key treaty ally. Australian defence and security initiatives can therefore be sensitive to changes in US politics, such as the result of the midterm elections. A change in congressional control could affect the funding, implementation, political oversight and goodwill central to the alliance.

A change in congressional control could prompt renewed scrutiny of the costs, timelines or strategic purpose of AUKUS and other defence initiatives. It could also affect the pace at which particular components are funded or implemented. However, a change in congressional majority would not, in itself, terminate AUKUS or automatically end other bilateral defence arrangements. The broader issue for Australia is whether US political divisions affect the predictability of defence cooperation long-term. This is important for Australia's defence planning, given the substantial financial implications, investment impact and capability decisions involved.

1 The Indo-Pacific Strategy: 2 Years Later - United States Department of State
2 https://www.bea.gov/data/intl-trade-investment/international-transactions

IMPLICATIONS FOR AUSTRALIAN TRADE

Australia and the US have strong economic ties. The US is Australia's second largest two-way trading partner. In 2025, bilateral trade in goods and services totalled approximately A$158 billion, comprising around A$60 billion in Australian exports and more than A$98 billion in imports[3].

The US is also Australia's largest source of foreign investment, valued at A$1.36 trillion in 2025[4]. Congress has control over the implementation of tariffs. Given the large volume of trade with the US, even minor adjustments to tariffs on Australian trade can have profound consequences for the Australian economy.

Changes in tariff policy, sanctions or trade legislation could affect Australian exporters, investment decisions and the competitiveness of Australian products in the US market. The consequences would vary across industries and depend on the products affected, the scale of any policy change and the availability of exemptions or alternative markets.

For Western Australia, developments in the US matter because the state is heavily reliant on international trade, resources exports and investment. Changes in US trade, investment or regional security settings can affect WA businesses and industries, including resources, critical minerals, energy and advanced manufacturing.

What should Australia watch after the election?

The composition of Congress will be important, but the policy decisions that follow will matter even more. Australian policymakers and businesses should pay attention to:

- **Defence funding and AUKUS:** whether appropriations, technology-transfer arrangements and implementation milestones remain on track.
- **Trade and tariffs:** whether Congress pursues new trade legislation or seeks to change, constrain or scrutinise the administration's use of existing tariff authorities.
- **Regional security and diplomacy:** whether funding and political support for Indo-Pacific initiatives, partnerships and foreign assistance are maintained.
- **Congressional oversight:** whether investigations or legislative disputes create delays or uncertainty for specific bilateral commitments.
- **Bipartisan cooperation:** whether support for the Australia–US alliance and wider regional engagement remains resilient across party lines.

The 2026 US midterms will not determine the future of the Indo-Pacific on their own. They will, however, shape the domestic political conditions in which the United States makes decisions about its regional role.

For Australia, the key question is not simply which party controls Congress, but whether the outcome reinforces continuity in US engagement or introduces greater uncertainty around policies, funding and capabilities that underpin the Australia-US alliance and broader regional stability at a time of growing strategic competition.

3 DFAT, 2027
4 Statistics on who invests in Australia | Australian Government Department of Foreign Affairs and Trade

Endnotes

- https://www.cfr.org/education/learn/reading/what-roles-do-congress-and-president-play-us-foreign-policy
- https://www.visitthecapitol.gov/sites/default/files/documents/resources-and-activities/CVC_EED_StudentEssay_HouseSenate.pdf
- https://www.bea.gov/data/intl-trade-investment/international-transactions
- https://www.dfat.gov.au/trade/agreements/in-force/ausfta/australia-united-states-fta
- The U.S.-Australia alliance is an anchor for peace and stability in the Indo-Pacific region and around the world https://au.usembassy.gov/u-s-australia-relations/
- https://www.ussc.edu.au/the-midterms-explained
- https://www.aspi.org.au/news/how-will-the-midterms-affect-us-foreign-policy-and-australias-strategic-interests/

@ perthusasiacentre@uwa.edu.au
@PerthUSAsia
PerthUSAsia
linkedin.com/company/perth-usasia-centre
perthusasia.edu.au

Perth USAsia Centre
INDO-PACIFIC STRATEGY

EXPLAINER SERIES