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Australia and the United States: Navigating Strategic Uncertainty

Rory Medcalf

In these times of growing uncertainty in the global and Asian strategic environments, the U.S.-Australian security alliance seems a pillar of stability. Even so, it requires a reality check if it is to stay resilient and durable in the difficult times ahead.

What are the principal features of the alliance in a 21st century context? What expectations do each side bring to the relationship? And what are the potential misperceptions or surprises that could unsettle the alliance, especially given strategic risks surrounding China's assertiveness? Taking an Australian perspective, this brief report sheds some light on these key questions. The great affinities between Australians and Americans should not be allowed to obscure the differences in their national outlooks.

The military alliance between the United States and Australia has long been an anchor of a peaceful and rules-based order in the Asia-Pacific, or as Australia now defines it, the Indo-Pacific region. Although the alliance was established in the years after the Second World War, galvanized during the Cold War, and invigorated by the shared fight against terrorism and Islamist extremism, it has in recent years been refurbished for a new era.

Australian policy explicitly defines this as the age of the Indo-Pacific, marked by growing geopolitical and economic connections between the two oceans, as the rise of China and India alters the regional balance. Security ties between the United States and Australia have intensified in the five years since President Obama's historic speech heralding the rebalance, delivered in November 2011 in the Australian Parliament in Canberra.

Benefits have flowed both ways. This is not just about solidarity between democracies, even though Australia and the United States share liberal democratic values and a proud history of fighting alongside each other in their every major conflict since the First World War. Washington draws from Canberra not only moral and diplomatic support, but also a military and intelligence partner of substantial middle-power heft, reach and acuity. Australia is an ally that is conscious of the need to pull its weight, or at least be seen to do so. Australian troops, albeit in small deployments such as special forces, have operated with distinction alongside Americans in the Middle East and Afghanistan over the past 15 years. Most Australians recognise terrorism as a pressing threat. Still, some Australians also see such expeditionary commitments less as strategic operations in their own right and more as the payment of premiums on the insurance policy that is the alliance.

Australia is increasing its ability to defend itself and support allied efforts. Its recent 2016 Defence White

Paper provides a roadmap to modernize its military with funding set to increase to two percent of GDP.[1] This promises a largely maritime force structure deeply interoperable with U.S. forces, including the Joint Strike Fighter, Growler electronic warfare aircraft, Poseidon anti-submarine surveillance aircraft, Triton wide-area surveillance unmanned aerial vehicles, new surface combatants, and 12 regionally superior submarines with U.S. combat systems. The submarine decision has been particularly high profile—the largest defence project in Australian history. Canberra recently announced that the submarines will be built domestically in partnership with France, following a competitive process. This was contrary to earlier assumptions that the submarine project would be a partnership with Japan, further tightening the Australia-U.S.-Japan strategic triangle.

As well as its defense capabilities and diplomacy, Australia contributes to the alliance by virtue of its strategic location, pivotal to the rebalance to Asia. Australia is positioned at the intersection of the Indian and Pacific Oceans, with an exceptional capacity and location to monitor the sea lanes of Southeast Asia, from the Indonesian archipelago through to the South China Sea. Australia thus enables both access to and surveillance of the maritime theater of the Indo-Pacific: some analysts call this the greatest alliance contribution Canberra can make, and it is notable that the new Defence White Paper points to new investments in strategic anti-submarine warfare, communications, intelligence and other critical 'enablers'.[2] Strategic geography has informed much of the progress in the relationship since 2011, such as the rotational access for U.S. Marines to Darwin in Australia's Northern Territory, efforts towards improved air and naval access, the embedding of senior Australian officers in U.S. command structures and even sometimes an Australian frigate in the 7th Fleet, and the positioning of U.S. space situational awareness capabilities in Western Australia.[3] Some of these advances have been slower than anticipated. For instance, the scaling-up of the Marines Air Ground Task Force presence to its full 2,500 strength has been very gradual, so far reaching only 1,250 personnel, and without most of its aircraft, not least because of unresolved differences over cost-sharing.[4]

At the same time, it is fair to assume that some of the most distinct benefits both sides obtain from the alliance preceded the rebalance: in particular, quiet work of the joint defence and intelligence facilities, notably at Pine Gap in the Australian outback. Australia also is the partner that the United States—and the international community—most depends upon to support development, governance and basic security in an often troubled neighborhood of the South Pacific, including East Timor, the Solomon Islands and Papua New Guinea.

In the vast Indo-Pacific context, moreover, the United States has drawn sustained support from Australia for its Asian rebalance. Australia's diplomatic support has reinforced U.S. legitimacy and leadership in Asia.

[1] Australian Government, *Defence White Paper 2016.* http://www.defence.gov.au/whitepaper/Docs/2016-Defence-White-Paper.pdf
[2] Stephan Fruhling, James Goldrick and Rory Medcalf, "Preserving the knowledge edge: Surveillance cooperation and the US–Australia alliance in Asia," Australian Strategic Policy Institute, 2014. https://www.aspi.org.au/publications/preserving-the-knowledge-edge-surveillance-cooperation-and-the-usaustralia-alliance-in-asia
[3] See for instance the announcements in various Australia-US Ministerial (AUSMIN) communiques and statements on space security since 2011, available here: http://dfat.gov.au/geo/united-states-of-america/ausmin/Pages/ausmin-joint-communique-2014.aspx
[4] "Expanded Marines deployment to Australia delayed," Stars and Stripes, June 3 2016. http://www.stripes.com/news/expanded-marines-deployment-to-australia-delayed-1.412907

Australian foreign and security policy recognizes overtly that a powerful and committed U.S. strategic presence in Asia is overwhelmingly in the interests of regional stability and rules-based order. Australia has been instrumental in the development of a 'federated' approach to regional security that supplements the U.S.-led alliance system with a web of bilateral and three-nation arrangements among U.S. allies and partners, such as Japan and India. Canberra champions an active U.S. role in regional institutions, such as the East Asia Summit, and has frequently spoken out against China's assertive and affronting challenges to international rules in the South and East China seas. These views are generally shared by both major Australian political forces, the center-right coalition of the Liberal and National parties (returned to government under Prime Minister Malcolm Turnbull on July 2 by a tiny majority) and the center-left Labor party (last in power from 2007 to 2013, under Prime Ministers Kevin Rudd and Julia Gillard).

For Australia, the alliance is intensely practical. Australia gains vital advantages of unparalleled access to leading-edge military technology, intelligence, training and interoperability, alongside the extended deterrence assurances (including presumably to the nuclear level) of a security treaty with the world's most powerful country. Simply put, the alliance is central to Australian defense policy. Even with the world's 13th largest military budget, Australia would be unable to defend its extensive interests against a major-power adversary without the support of the United States. Even Australia's most prominent alliance skeptic, the late former Prime Minister Malcolm Fraser, acknowledged that his country would need to greatly increase military spending if the alliance did not exist. There is little sign of an appetite for such radical change among Australian voters. Indeed, polling shows strong majority recognition that the alliance is important for Australia's security. And qualitative assessments of Australian attitudes likewise show broad and in-principle support for the alliance—albeit with a widely-held view that the governments of countries need to do a much better job of explaining what the alliance is for and how and why it is evolving.[5]

Governments and security establishments in both countries would do well to guard against complacency. In Australia, there are some troubling disconnects in attitudes on alliance and security issues that many Americans do not often perceive. The Canberra-based security establishment works closely with the United States and other 'five-eyes' intelligence partners, the United Kingdom, Canada and New Zealand. The preponderant view within each major political party remains pro-alliance. But Americans need to know that Australia is a complex and changing country.

Yet a notable dissonance in Australian attitudes arises in part because business elites for the past decade have been focused on the economic benefits from commercial ties with China. This has arisen especially through a long 'mining boom' of resources exports to feed China's industrial and infrastructure growth. China is now far and away Australia's largest trading partner. The Australian business community does not yet appear to have reached the same levels of concern as the U.S. business community about

[5] Defence White Paper Expert Panel, "Guarding Against Uncertainty: Australian Attitudes to Defence," pp 33-39. Australian Government, 2015. http://www.defence.gov.au/whitepaper/docs/GuardingUncertainty.pdf

the risks involved in close economic ties with China, such as theft of intellectual property, even though cyber security has become a major issue in Australia. The Australian security community, too, is managing internal tensions about the nature of the China challenge and how best to address it. These concerns manifest, in turn, in some areas of difference with the United States, such as with regard to whether there are real security risks associated with China's ownership of Australian infrastructure. This issue reached a head last year with the decision of the Australian Government to allow a decision by Northern Territory authorities to grant a 99-year lease of Darwin port to a Chinese company, without notifying the United States in advance.[6]

The wealth and influence of China has achieved a kind of totemic status in the minds of many ordinary Australians—recent opinion polling suggests that the long narrative of China's rise has had an outsized and delayed impact on their perceptions, giving an exaggerated view of China's strength and an under-appreciation of its fragilities and problems.[7] (Australia, for instance, is not yet well prepared for the fact that slowing growth in China means that that the 'mining boom' is coming to an end.) As a nation of migrants—with more than one person in four born overseas—Australia reflects a growing diversity of community views on security and foreign policy issues. There are signs of entities connected with the Chinese Communist Party seeking to influence political opinion in Australia.[8] Enduring and widespread public awareness of the merits of the alliance cannot be assumed.

Additionally, Australians' comfort levels with U.S. foreign and security policy have been shaken by developments in the United States itself, most notably by the blunders of the Iraq invasion and more recently by the way Donald Trump's rhetoric depicts America and the world. According to a recent Lowy Institute poll, almost half (45%) of Australians say 'Australia should distance itself from the United States if it elects a president like Donald Trump'. A bare majority (51%) say Australia 'should remain close ... regardless of who is elected U.S. President'.[9] More generally, Australia—like other developed countries—is experiencing a growing fragmentation of public opinion in relation to security as well as politics more broadly. The recent Australian federal parliamentary election, on July 2, revealed unprecedented levels of support—from about a quarter of voters—for once-marginal parties and candidates, including a left-leaning Greens party which commands ten percent of the vote and whose new leadership is now outspokenly critical of the alliance.

The growing confusion around what Australians actually think about alliance issues, security and China is captured in a proliferation of opinion polls. Surveys conducted by Australian think tanks reflect a mixed picture. Much depends on the question that is asked, and the way commentators or politicians

[6] Jane Perlez, "US casts wary eye on Australian port leased by Chinese," *New York Times*, March 20, 2016. http://www.nytimes.com/2016/03/21/world/australia/china-darwin-port-landbridge.html?_r=0

[7] The Asian Research Network, "Survey on America's role in the Asia-Pacific," June 2016, pp. 35-36. http://www.ussc.org.au/ussc/assets/media/docs/publications/2016_ARN_Report.pdf

[8] "China's soft power extends to politics, media and universities in Australia," *Australian Financial Review*, June 2, 2016 http://www.afr.com/news/world/asia/chinas-soft-power-extends-to-politics-media-and-universities-in-australia-20160602-gp9qxz

[9] Lowy Institute Poll 2016 http://www.lowyinstitute.org/publications/lowy-institute-poll-2016

choose to interpret the data. The Lowy Institute's annual poll shows that most Australians recognise the alliance as important for their nation's security—typically in the vicinity of 80 percent, although recently this figure fell to 71 percent, the lowest since 2007.[10] Moreover, levels of support start shifting downwards once Asian security contingencies are introduced to the questionnaire.[11]

A recent major international polling project by a network involving the U.S. Studies Centre and the Perth USAsia Centre reached the troubling conclusion that Australians "appear significantly less enthusiastic about U.S. influence in Asia and the ongoing role of the United States in stabilising the region than U.S. allies South Korea and Japan".[12] Yet polls and qualitative consultations also show that Australians harbor persistent concerns about the security implications of the rise of China. It can be assumed that support for the alliance is partly in that context. One interpretation of the mixed data is that, while most Australians want the alliance as a bulwark of stability and deterrence in a changing Asia, many are also nervous about the potential for missteps in the regional strategic dynamics—by the United States and its allies, as well as by China. They want security, but they don't want trouble.

What no amount of opinion polling can reveal is how the Australian public would think—or how precisely their leaders would behave—in a real security crisis involving China. The alliance instrument, the 1951 ANZUS (Australia New Zealand United States) Treaty, commits each party to "act to meet the common danger", in accordance with its constitutional processes, in the event of an armed attack on the other in the Pacific.[13] It also obliges parties to "consult together" in the event that the security of one is threatened. It has been activated only once, in circumstances far from the Pacific theater: a decision by the conservative government of Prime Minister John Howard to support the United States after the 9/11 terrorist attacks in 2001.

Asian security contingencies could plausibly take the form of a clash or confrontation between China and the Philippines, Vietnam, Indonesia or the United States in the South China Sea or with Japan (and the United States) in the East China Sea. Here, again, there is no one clear narrative. Australian policy in recent years has been to express clear support for the principles of a rules-based order, the peaceful management of disputes and the avoidance of coercion. Australian leaders have been forthright in criticising China's declaration of an Air Defence Identification Zone in the East China Sea and its manufacture of militarized islands in the South China Sea. But they have sometimes been less than plain in explaining what Australia will or can do about it, or what costs or risks Australia is willing to incur. Thus the Royal Australian Air Force openly conducts surveillance flights in the South China Sea, as it has for decades, in defiance of Chinese demands to depart. But Australian ministers will not express a view on

[10] Lowy Institute Poll 2016. http://www.lowyinstitute.org/publications/lowy-institute-poll-2016
[11] For instance, one Lowy Institute Poll showed that 48 percent of Australians would support US-led military action in the Middle East but only 38 percent of Australians would support such action in Asia. Lowy Institute 2013. http://www.lowyinstitute.org/publications/lowy-institute-poll-2013
[12] The Asian Research Network, "Survey on America's role in the Asia-Pacific," June 2016, p. 34 http://www.ussc.org.au/ussc/assets/media/docs/publications/2016_ARN_Report.pdf
[13] ANZUS Treaty Text. http://australianpolitics.com/1951/09/01/anzus-treaty-text.html

whether their navy will undertake freedom of navigation operations to uphold international law in the face of China's claims of sovereignty based on its island-building, although polling suggests most Australians would support this.[14]

Some prominent voices in the Australian public debate call for Canberra to stand back from any confrontation between the U.S. and China—despite whatever questions this may raise about the durability of the alliance itself in such circumstances. Some go further and urge the United States to step back from regional pre-eminence and accommodate China as the only way to reduce risks of conflict, whatever the concerns of smaller powers.[15]

Perhaps the only thing that is certain is that governments in Canberra and Washington can no longer assume that the Australian public will go along with whatever policy decisions officials and political leaders reach when it comes to the shape of the alliance or the way it operates in an increasingly contested Asia.

None of this should be cause for automatic despair about the future of the alliance or Australia's commitment to a rules-based order in Asia, where the rights of small nations are respected and the use of force or coercion is opposed. Instead, it should be reason for concern and for cleverness, communication and responsiveness in the way alliance policy is made and explained. The Australia-U.S. strategy in Asia needs to be a shared one. Responsibility for ensuring the sustained strength of the alliance rests squarely with the political leadership in both countries. If the Australian alliance matters to America, then the next few years will be no time for complacency.

[14] Lowy Institute Poll 2016 http://www.lowyinstitute.org/publications/lowy-institute-poll-2016

[15] Hugh White, *The China Choice: Why America Should Share Power*, Penguin Books, 2013. For a critique of Hugh White's thesis, see Rory Medcalf, "Why a US-China grand bargain in Asia would fail," *The Diplomat*, August 10 2012. http://thediplomat.com/2012/08/why-a-u-s-china-grand-bargain-in-asia-would-fail/

The Author

Rory Medcalf is a nonresident senior fellow with the Project on International Order and Strategy. An international strategy expert based in Australia, he focuses his research on managing challenges to security and stability in Indo-Pacific Asia. He is a professor and the head of the National Security College at the Australian National University. His professional experience spans diplomacy, intelligence analysis, journalism and think tanks, including a major contribution to the development of the Lowy Institute.