NEXT-GENERATION PERSPECTIVES ON THE US–AUSTRALIA ALLIANCE

AUGUST 2022
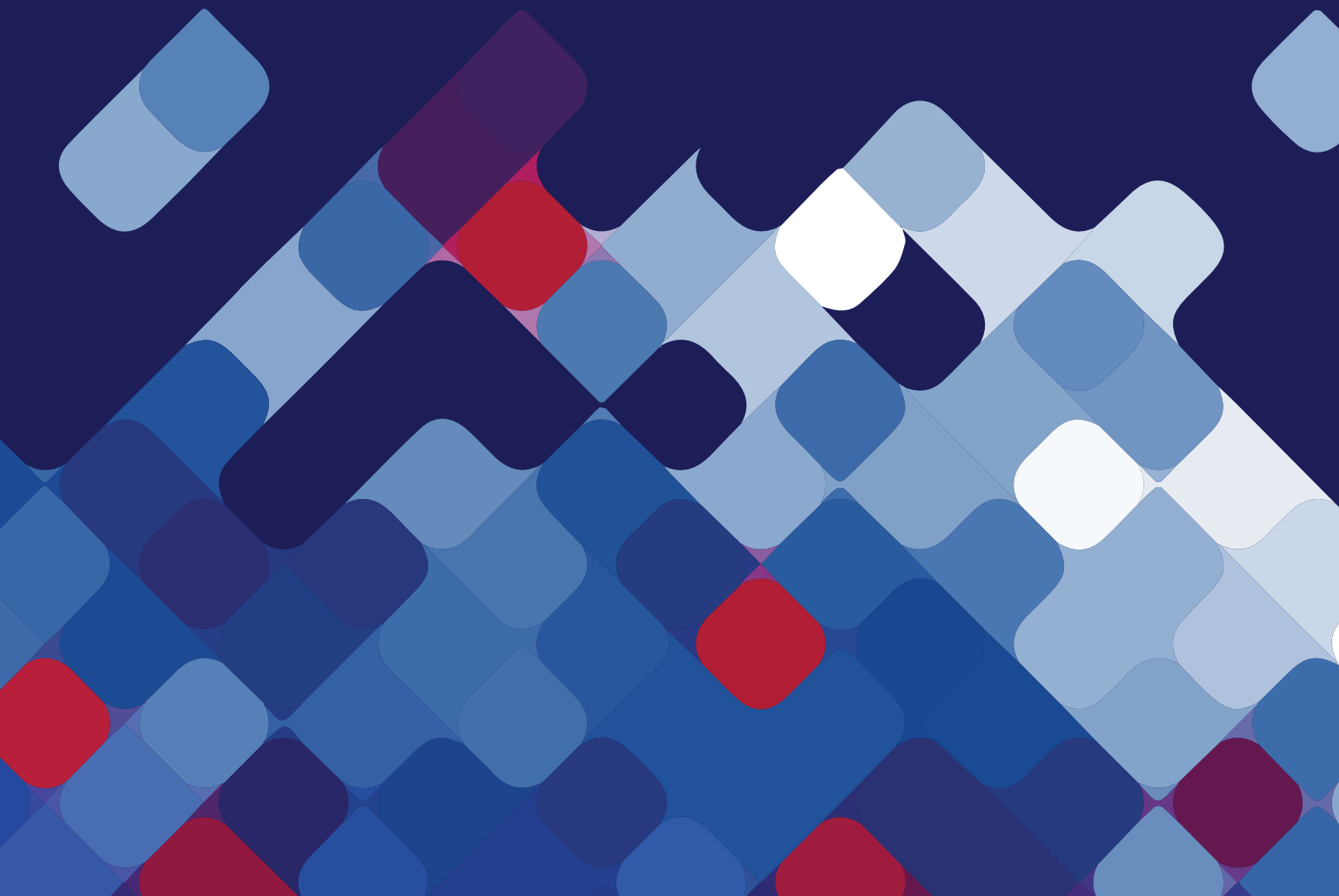
UWA DEFENCE & SECURITY

THE UNIVERSITY OF WESTERN AUSTRALIA

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EDITOR'S INTRODUCTION

DR. TROY LEE-BROWN
UWA DEFENCE AND SECURITY INSTITUTE
THE UNIVERSITY OF WESTERN AUSTRALIA

A lot of water has passed under the bridge for both the United States and Australia since the first edition of the 'Next Generation Perspectives on the US-Australia Alliance' was published in July 2020. Both countries now have new political leaders. For the US, it was a tumultuous change of government as President Joe Biden moved into the White House, just two weeks after the January 6 US Capitol attack in Washington DC. In Australia, Prime Minister Anthony Albanese and the Australian Labor Party took power in Canberra in a more well-ordered fashion, but following a nonetheless fiercely fought and divisive election campaign.

In the previous two years, the coronavirus pandemic also greatly affected both countries. In the United States, more than 1 million people lost their lives to illnesses associated with the disease, and while Australia had far fewer fatalities, the pandemic nonetheless caused never-before-seen levels of political, economic and social disruption. The past two years have also seen the ratcheting up of geopolitical tensions across the globe, from clashes between Indian and Chinese troops in the Himalayas, to increased tensions in the East and South China Seas, and the unfathomable return to major war in Europe with the March 2022 Russian invasion of neighbouring Ukraine.

Despite these recent challenges, the US-Australia Alliance has arguably grown stronger. In this period was the September 2021 announcement of the AUKUS trilateral security pact between the two allies and the United Kingdom, which includes cooperation on a whole raft of advanced capabilities and will enable Australia's acquisition of nuclear-powered submarines. Under the agreement, Washington will share US nuclear propulsion technology with Australia in line with what it has shared with the United Kingdom for the past six decades. For many, AUKUS is indicative of an even deeper level of US-Australia military cooperation in a much more complex and unpredictable global security environment.

Much as they have done for the past century, the US and Australia continue to forge a rich shared history in times of war and peace. Just down the road from the Australian War Memorial in Canberra, which pays tribute to Australian armed forces who have died during or as a result of war service, is the headquarters for Australia's Department of Defence. On these grounds the Australian-American Memorial dominates the skyline and is a testament to that shared historical narrative. The enormous 11-metre eagle atop a 73-metre column and globe was unveiled in 1954 – paid for in part by the Australian public. It commemorates American military assistance during Australia's darkest hours of the Second World War. These sites of commemoration and gratitude serve as a reminder of the history of the deep and ongoing Alliance between Australia and the United States.

In the present day, the bilateral relationship between Australia and the US remains robust – underpinned by resilient institutions and strong people-to-people partnerships. Through an extensive range of agreements and multiple areas of cooperation, Australia's security arrangements are inextricably entwined with the United States. This partnership is underpinned by the 1951 ANZUS Treaty, a cornerstone of Australian security. 'The Alliance' spans extensive Australia and US joint cooperation in military exercises, including the hosting of Marines Rotational Forces – Darwin, and joint defence facilities such as Pine Gap in the Northern Territory and Harold E Holt Naval Communications Station in Western Australia. Australia and the United States also form an integral

part of the 'Five Eyes' intelligence sharing agreement with Canada, the UK and New Zealand.

Australia and the US also enjoy a strong economic partnership underpinned by the Australia–United States Free Trade Agreement (AUSFTA). When factoring in investment as well as two-way trade, the US remains Australia's most important economic partner. Despite Washington choosing to not join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the United States remains an integral partner for many emerging economies in the Indo-Pacific. In addition to strong US–Australia defence, security and economic ties, the two allies maintain close connections in science, technology and innovation, international education and research, and sport and culture.

Despite the continued stable relationship enjoyed between the two allies, the Lowy Institute's annual poll on Australian attitudes demonstrates that views towards the Alliance remain dynamic. In the second half of the previous decade, the views of Australians on the importance of the Alliance dropped to considerably low levels. The perception of trust that the US would act responsibly in the world also declined.

In 2022, following two years of a global pandemic and the fractious change of US government, the number of Australians who view the ANZUS alliance as being important to their security returned to record highs, with 87% indicating that the alliance is 'very important' or 'fairly important' to Australia's security. However, there are a number of possible reasons for this bounce in favourable polling data. In the same 2022 Lowy poll, 75% of Australians expressed that it is very or somewhat likely that China will become a military threat to Australia in the next two decades – a significant jump. With November's mid-term elections and the next US presidential campaign quickly nearing, polling numbers are likely to continue to fluctuate dependent on the campaign trail and results.

Beyond managing a more complex Australian relationship with Beijing and China's ambitions in the Indo-Pacific – as well as the impact of the recent fractured nature of domestic political change in Washington DC – one of the main factors that may be causing the shift in perception, particularly among the younger cohort, is a lack of understanding about the depth of the bilateral relationship and the institutions that buttress it.

The perspective of an Australian who turns 20 years of age in 2022 is one dominated by the 'War on Terror' and the largely unpopular campaigns in Iraq and Afghanistan. In contrast to many older Australians, young Australians have not lived through the broader era of great peace and global security provided in large part by a 'great and powerful friend'. It is therefore understandable that young people have witnessed an era of war with seemingly little success, as witnessed by a decline in support for continued Australian involvement in fighting conflicts in the Middle East.

It is these ever-changing perceptions towards America – even in a country that is a long-time ally such as Australia – as well as the underlying importance of Australia's security and economic interests in a transformative Indo-Pacific region, which make understanding the Alliance for young Australians an ongoing endeavour. Therefore, we need to equip young leaders with the skillset and knowledge to interpret, understand and reinvigorate the Alliance for a new era: one that is epitomised by a rapidly changing world among ever-shifting geopolitics, environmental considerations and technological innovations.

The US-Australia Alliance Regional Workshops is a four-year program funded by the United States Government and delivered over two iterations. The first iteration was led by the Perth USAsia Centre, culminating in 2020, and the second iteration was led by UWA Defence & Security Institute, concluding in 2022. Both iterations of the program were delivered in partnership with Griffith Asia Institute, La Trobe Asia, The University of Western Australia, United States Studies Centre and the Australian National University.

The 2022 iteration of the program aimed to identify and equip a cohort of young leaders across the country with a contemporary understanding of the Alliance. A number of young professionals and graduate students were selected to participate in workshops during 2020 in Perth, 2021 in Brisbane and Adelaide and in early 2022 via an online workshop for regionally based students. For the 2022 cohort, 18 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 Honolulu, Hawaii. The essays in this collection are the culmination of these workshops and the program.

These five joint essays provide a compelling insight into the views of young Australians on how they envisage the future direction of the Alliance. The essays demonstrate that young, emerging professional Australians have an appreciation for the rich history of the Alliance, particularly within the context of our shared military history. However, the essays also indicate that our next-generation leaders think about the Alliance in terms of new avenues of cooperation.

These consist of two main categories. The first is utilising the Alliance for pursuing shared geopolitical and geoeconomic interests in the Indo-Pacific. This is particularly perceptible in their analysis of Australia's need to negate regional grey-zone activities and also to leverage regional geoeconomics to the advantage of Australia and its allies. The second category is the opportunity to take advantage of the Alliance to advance shared interests in overcoming non-traditional security threats such as climate change through new technologies. Additionally, greater cooperation through the Alliance is warranted in the creation of new values and norms in the relationship, and in improving and expanding the level of diplomatic relations.

The world has significantly changed during the course of this leadership program. Climate change, a pandemic, geopolitical tensions and outright war highlight the need for the next generation of alliance managers to navigate the complex future ahead. It is therefore imperative that young people not only need to be at the forefront of providing policy solutions for traditional threats, but also thinking 'outside the box' about emerging non-traditional threats such as pandemics, cyber security and a rapidly changing climate. This emerging generation of young Australians face unprecedented challenges. How they respond will be crucial for the future of the planet. Successfully leveraging the foundational strengths of the US-Australia Alliance and exploring ways to enhance it further will help shape the next century.

ABOUT THE EDITORS

DR TROY LEE-BROWN

Troy Lee-Brown is a researcher in regional security, maritime security and international relations with a focus on the Indo-Pacific. He is currently the Editor of 'Black Swan Strategy Paper' and the Project Manager for 'Blue Security', a joint DSI-La Trobe Asia-Griffith Asia Institute-UNSW project which focuses on issues of maritime security in the Indo-Pacific.

PROFESSOR PETER DEAN

Professor Peter J. Dean is the Director of Foreign Policy and Defence at the United States Studies Centre at the University of Sydney. Prior to this he was the Chair of Defence Studies, Director of the UWA Defence and Security Institute, and a Senior Fellow at the Perth USAsia Centre, where he developed and oversaw the US-Australia Alliance Next Generation Leaders Program from its inception.

FIONA CONSIDINE

Fiona is the Business Manager for the UWA Defence and Security Institute. During this program, Fiona has been responsible for the high-level planning, coordination and execution of all the regional workshop programs in Australia and Hawaii. Fiona is also the Creative Director and oversees its design and content of all programs.

Maybe More Than Mates, Maybe Not?
The Modern Meaning of a Modern Alliance

BENJAMIN CHERRY-SMITH, RENEE CREMER, MONIQUE CURRIE & JENA JAENSCH

EXECUTIVE SUMMARY

- Since the signing of the ANZUS Treaty 70 years ago in 1951, the U.S.-Australia Alliance (the 'Alliance') has touted a foundation built on shared values and principles. However, these values have been broadly defined by policymakers in spaces and with rhetoric that does not account for the current diversity of the U.S. or Australia.

- The Alliance must align values, goals, and priorities between policymakers and young people. To do this, the Alliance must engage young people in ongoing formal dialogue and decision-making processes.

- These shared interests should be used to foster cooperation and dialogue between the U.S. and Australia. These values should be translated into goals and priorities to craft inclusive public narratives to better engage with countries in the Indo-Pacific region.

- As democratic countries, the U.S. and Australia's interests converge in the digital domain's governance. The Alliance should leverage its combined diplomatic relationships to prevent the rise of digital authoritarianism in the Indo-Pacific region.

POLICY RECOMMENDATIONS

- The U.S. and Australian governments must encourage intergenerational, cross-cultural dialogue, and engagement on the Alliance's values, interests, and principles, which means ensuring there are avenues for youth engagement before, during, and after AUSMIN meetings.

- Regional concerns over the nature of the Alliance and its future should be addressed by establishing inclusive public narratives that are focused on how the Alliance shares the interests and priorities of its regional neighbours.

- The U.S. and Australian governments must renew their focus on actively deterring the rise of digital authoritarianism in the region. To this end, the Alliance, in partnership with other like-minded Indo-Pacific partners, must establish inclusive public narratives that focus on increased strategic stability.

INTRODUCTION

The Alliance's dominant historical narratives have centred on the role of shared values and interests, predominantly with a military focus. With a more internationally active China in the Indo-Pacific, narratives about the shared values of democracy, freedom, equality, and stability bring broader domestic and regional societal tensions into view. The notion of shared values is a guiding idea within Australian and American policy and rhetoric. Australia's 2017 *Foreign Policy White Paper* signals a civic nationalism built on shared values: "Australia does not define its national identity by race or religion, but by shared values, including political, economic and religious freedom, liberal democracy, the rule of law, racial and gender equality and mutual respect."[1] Similarly, American President Joe Biden has signalled that shared values are a part of a "clear vision for the future." Shared values include the protection and advancement of human rights, the promotion of a rules-based order, and protection from unfair trade and economic practices.

Contemporary challenges in the Indo-Pacific, such as climate change and the COVID-19 pandemic, have exposed the limitations of this rhetoric, and a failure to uphold democratic values erodes the legitimacy of this narrative. While the language of shared values may have limited currency with political elites in the Indo-Pacific's diverse regimes, values and ideas resonate with popular youth-led pro-democracy mass movements in the region, including across Thailand, Hong Kong, Taiwan, and Myanmar. A sense of shared values has served to support the Alliance through past internal and external challenges. Still, contemporary challenges necessitate reassessment of how values are communicated outside the Alliance.
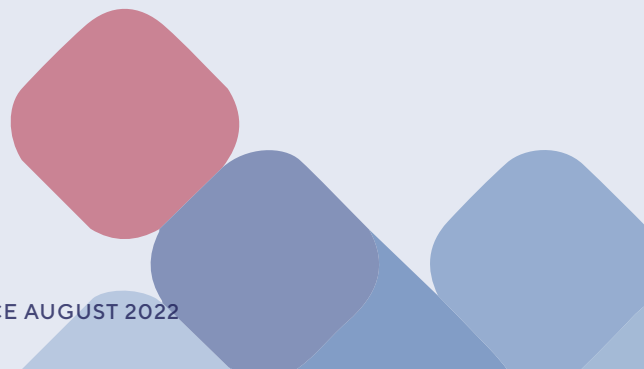
FOSTERING YOUTH-ALLIANCE ENGAGEMENT

In 2021, President Biden affirmed the need to "reinvigorate and modernise our alliances."[2] To achieve this, young people must be afforded greater agency within the Alliance to foster intergenerational and cross-cultural connections to endure the ambiguous nature of the ANZUS Treaty.[3] For this reason, it is recommended that the Australian and United States federal and state governments sponsor a three-stage annual youth program centred on the Alliance.

1. Regional and First Nations Schools Alliance Convention
2. National Schools Alliance Convention
3. AUSMIN Youth Summit

Regional Schools and First Nations Alliance Convention

To ensure First Nations participation and geographic diversity in youth engagement, regional secondary schools should send a delegation of up to four students to attend their *Regional* or *First Nations Alliance Convention.* These localised conventions will target students in Years 11 and 12 who have demonstrated a keen interest and achievement in the humanities curriculum delivered at their school. This stage will feature a speaking competition centred on an annual theme, with each delegation putting forward a head delegate to present. Throughout this one-day program, students will learn more about the history of the Alliance from a representative from each Embassy, network, and vote for who will become the delegate representing the region at the *National Schools Alliance Convention.*

National Schools Alliance Convention

Regional and First Nations delegates from their respective countries will convene for a three-day convention. Delegates will participate in civic education relevant to their country, build a greater understanding of the Alliance, and develop their national communique. Each country will select two delegates to participate in the *AUSMIN Youth Summit.*

AUSMIN Youth Summit

This is the official presentation of the youth recommendations whereby young people from Australia and the United States can endorse the communique online, ahead of the official AUSMIN. As part of this stage of the program, it is recommended that delegates have the opportunity to present their communique in person to their respective leaders before the event and observe AUSMIN in person, where possible.

This recommendation is based on the Australian 'National Schools Constitutional Convention' concept and other successful international youth programs such as the G7 Youth Summit. Both of these programs have produced successful communiques that have been taken into serious consideration by leaders. In 2021, the Youth7 delivered their official communique to 10 Downing Street, a key outcome of which was that the G7 agenda was altered to include targeting mental health. In Australia, there are already programs facilitated by the U.S. Embassy such as the Youth Advisory Council. This program differs in its reciprocal nature and the cross-cultural ties that are made throughout. Moreover, young Australians and young Americans are afforded a platform to work together in producing a communique for their leaders to consider as part of AUSMIN.

If Alliance leaders are serious about developing a modern Alliance, investing in such a program should be of paramount importance. This program will contribute to democratic resilience building, fostering people-to-people ties for emerging generations of Alliance leaders, and will deliver an official youth communique to ensure Alliance leaders are better able to address the needs of young people, demonstrating their commitment to future generations.

COMPETING IN THE NARRATIVE SPACE

As the Alliance must be informed by youth voices to maintain relevance, it must adopt a communication and engagement strategy that is responsive to the interests of regional neighbours and their local contexts. The Indo-Pacific is home to a rich diversity of political cultures, conflicting interests, tangled histories, and hundreds of languages and dialects. Against this backdrop, there is a contest of narratives asserted by rival powers, imbued with authoritarian norms and intentions, which inform perceptions and therefore, realities.[4]

Narratives drawing on shared values can fail to resonate in countries that do not share these values and those facing severe and acute material challenges. The U.S. National Intelligence Council has forecast tightened resource constraints, increased food insecurity, increased risks of social instability and fragmentation, and existential threats to land and livelihoods, which are linked to climate change.[5] These factors threaten regional stability with long-term implications. The challenge of a contested narrative is not solely geopolitical nor short term. A contested narrative challenges the nature of the rules-based order and Alliance values. Where efforts to build the physical infrastructure will underpin regional success associated with the Belt and Road Initiative (BRI), this infrastructure investment also influences perceptions and attitudes. This has the potential to shape the intellectual infrastructure in a profound and enduring way.[6]

In a multipolar world with environmental, social and economic pressures, cooperation and alignment are critical: nations "will not succeed in securing their interest if they pursue strategies in isolation."[7] Improving the quality and perceptions of the Alliance's regional engagement is critical to maintaining regional stability. This should be done by co-creating credible, inclusive, legitimate public narratives that directly engage with and demonstrate responsiveness to shared interests across the region. These shared interest narratives must be "positive and proactive" rather than "defensive and reactive".[8] This is crucial to strengthening the Alliance narrative as a strong counter to authoritarian influence and supporting broader policy objectives for the U.S. and Australia to be partners of choice in the region.[9]

Recent U.S. engagement across the Indo-Pacific has been broadly constructive, oriented toward investing in relationships with other larger democracies (namely the Quad) and strengthening the resilience of social infrastructure. This includes the U.S. recently adding Papua New Guinea to its renewed Global Fragility Strategy, which is a 10-year country plan to address fragility and promote stabilisation through promoting good governance, strengthening civil society, and building resilience against extremism. However, this is the only country in the Indo-Pacific engaged in this program.[10]

There are opportunities to increase in-person engagement with existing partners and cultivate nascent relationships. One straightforward step is to prioritise engagement and dialogue with the Partners of the Blue Pacific and Pacific Island Forum. In broader terms and acting outside usual institutions, the Alliance might look to support and reinvigorate independent media and journalism, to counter authoritarian messaging in the region and promote resilient civil societies. On face value, the $17.1 million 'PacificAus' initiative appears to align with this intention to improve influence but has been described as 'performative.'[11] Exporting media, rather than supporting local productions and media that reflect local interests, does little to foster genuine engagement with communities in the Indo-Pacific region: "watching rich white people renovate their homes won't deepen the connection to the Pacific or deepen the connection to the Pacific [or the Indo-Pacific more broadly] or overcome a perception that Australia is paternalistic."[12]

Australia and the U.S. share political cultures that prefer open dialogue and debate and place the Alliance in good stead to challenge narratives damaging perceptions of the Alliance and regional stability. Importantly, our openness and ability to adapt allow for co-creating inclusive and meaningful narratives, supporting authentic partnerships. The rules-based order is often said to be in decline, but with new framings of shared meaning and focus on cooperation to shared priorities and interests, the Alliance can enable the reinvention and renewal of international partnerships. All countries in the Indo-Pacific have a stake in maintaining stability. All countries in the region have a stake in supporting the safety and well-being of their populations and the health and prosperity of their economies. Inclusive public narratives, built from shared interests and mutual beneficence, offer a credible and legitimate alternative to authoritarian norms.

A 'FREE AND OPEN DIGITAL DOMAIN'

As the narrative space becomes increasingly contested, the digital domain will become a vital space to project an inclusive narrative. However, the digital domain that has empowered the groups to organise swiftly and coalesce around ideas, peoples, and places, which has led to radical and rapid changes in government, policy, and statutes of whole territories is under threat.[13] The tools of communication and action that have been empowered by cyber necessitates the Alliance's need to adapt policy and engagement with the Indo-Pacific. To this end, the Alliance, alongside other like-minded partners in the Indo-Pacific, must work to create a cohesive regional narrative around how the interests and priorities of regional countries align with those of the Alliance.

In "the battle between democracy and autocracy,"[14] the digital domain which developed out of the 1990s operating on "openness, stability, reliability, interoperability, security, and respect for human rights" is under threat from digital authoritarianism.[15] Authoritarian regimes around the world are using new technologies and tools to exploit the openness of the digital domain "as a means of surveilling and controlling populations, stifling the free flow of information, ensuring the survival of their governments, and as tools for malign influence campaigns worldwide."[16]

The rise of a proven and increasingly legitimised model of digital authoritarianism presents a worrying situation within the Indo-Pacific. The region is home to a diverse array of regime types, from stable democracies to authoritarian regimes and everything in between. As more development funding is injected into the region through schemes such as the BRI, the Group of 7's Build Back Better World, and existing efforts through the Asian Infrastructure Bank and direct foreign investment, cyber infrastructure will be a high priority.[17] In a region that is becoming increasingly online and interconnected, the digital domain, in turn, will become

increasingly contested and a potential source of insecurity for all governments. The export of digital authoritarianism to non-democratic regimes with greater cyber capabilities and needs presents the potential to fundamentally alter the characteristics of the digital domain in the Indo-Pacific and around the world.

The enabling factors for countries adopting this model of governing their digital domains are the export and investment of technology, training, and capital. As cyber infrastructure becomes more prevalent, there is a need to source the latest technologies and training, a service that is readily filled by authoritarian countries rather than by Alliance members.[18] As a result, ideology and governance style is exported alongside technology. However, digital authoritarianism is not assured but predicated on the government's intention to create an intrusive and omnipresent surveillance infrastructure that can be used to track individuals, increase censorship, and ensure that information that could damage the regime does not reach citizens. This is further built upon through an amended legal system that creates the regulatory environment that empowers the state's control over the digital domain.

In order for the Alliance to push back against digital authoritarianism and to uphold the principles and values that have underpinned the digital domain to date, there is a need to engage in a coordinated information campaign. This campaign should underscore how the existing underlying philosophy of the digital domain aligns with the long-term interests and priorities of countries in the Indo-Pacific. The building blocks for this initiative are already in place within the policy and rhetoric of Australia and America, along with Japan, in the 'Free and Open Indo-Pacific' strategy. The current issue with translating this strategy into a 'Free and Open Digital Domain' is the presence of values as an animating pillar for Australia, America, and Japan.[19]

Leveraging the ability of the Alliance and like-minded partners to work together in the creation of a unified narrative about a Free and Open Digital Domain, there should be a concerted effort made to push back against the proliferation of digital authoritarianism. The values that underpin the Alliance can only extend so far before they start to adversely affect policy efforts. Here, a unified narrative around a Free and Open Digital Domain would rest on the shared interests and priorities, creating a more open and inclusive space to allow for broader regional engagement. Creating this narrative space would allow for diplomatic flexibility and understanding to occur and foster an environment that is less black and white and more malleable. Thereby, what is being achieved is the

furthering of Alliance aims while also pushing back against an authoritarian model of digital governance that has gained increasing legitimacy.

CONCLUSION

The Alliance has endured for 70 years, however, if it is to endure for the next 70, it can no longer be shaped merely by historical narratives and values. Youth engagement is critical in the dialogue and decision-making process to determine priorities of young people. The Alliance's development of an inclusive public narrative in the Indo-Pacific region will lead to better engagement and strategic advantages. As Professor Rory Medcalf has observed: "The great game will no longer be just between strategic elites. The opinions and sentiments of entire populations will be in play."[20] This is especially true in the digital domain, and the Alliance should be effectively leveraged to deter digital authoritarianism. Shared values have historically underpinned the Alliance, however, to gain the most benefit from the Alliance, the U.S. and Australia must move towards an Alliance based on interests and priorities which better reflect the voices of the younger generation and the geopolitical environment in the Indo-Pacific region.

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The U.S.-Australia Alliance and the Future of Tech

JAMES BYERS, RHYS COLLARD, BEN GOWDIE & JAYA PASTOR-ELSEGOOD

EXECUTIVE SUMMARY

- As an open and free liberal democracy with access to and development of emerging technologies, Australia is in pole position as a global leader for knowledge sharing, technological development and managing both risks and opportunities in the emerging technologies sector.

- The U.S.-Australia Alliance (the 'Alliance') should intensify cooperation around international tech standards–setting, along with a tighter defence of intellectual property rights and processes. This tech standards partnership should complement and also help model a wider partnership with Quad countries and a "T12" group of techno-democracies in unifying technical standards for emerging technologies and protecting democratic values.

- The re-emergence of 'space' and the associated industry is tipped to become a trillion dollar market by 2040. Australia is in a prime position to capitalise and grow in-line with its geographical advantages, regulatory framework and strategic advantages through government and private enterprise investment. AUKUS can provide Australia a much needed boost in advanced industry capabilities which, if navigated effectively, can help solidify Australia as a space technology and launch facility powerhouse.

- To increase young people's engagement with the Alliance, the U.S. and Australia must continue to develop and adopt innovative clean energy technologies. This is necessary to achieve future climate targets, which is a key issue for young people around the world.

POLICY RECOMMENDATIONS

- The Alliance should pursue a partnership for unifying technical standards on emerging technologies to serve as a model for a wider Quad framework. A MoU between Australia and the U.S. on particular values in negotiating technical standards is a useful, foundational step. These values include privacy-by-design, data protection rights, interoperability, innovation, transparency, and diverse markets. Such an MoU should also reaffirm commitments in existing intellectual property agreements. This agreement could extend to Quad partners Japan and India.

- Australia and the U.S. should push for the formation of the "T12" – an international group of techno-democracies who are committed to finding multilateral solutions specifically for tech governance issues. Apart from Australia and the U.S., members may include Canada, France, Germany, India, Israel, Japan, Singapore, South Korea, the UK, and the European Union. The core priority of this group should be a consensus articulation of the values which emerging technologies should be compatible with, and then reconciling the disconnection between tech and these values wherever incompatibility is found.

- Australia's geographical positioning, in close proximity to both the equator and the polar region, situates the country ideally for launch facilities.[1] There is nowhere else in the Indo-Pacific region that has the advantages that Australia has to economically launch payloads into orbit. The benefits of wide open spaces, a stable political and regulatory environment, low population densities and therefore limited electronic and signals interference, indicate that there is exponential room for growth in this area.[2][3] There is already existing investment in this space, albeit largely from the private sector. However, there is significant room for expansion and Australia needs to invest more heavily in the existing facilities, while encouraging further investment from the U.S., regional partners and private enterprise. While private enterprise is, and will likely continue to be a primary investor in these facilities in Australia, more needs to be done to support that investment.

- Australia needs to focus on generating policy that attracts innovative, emerging technology companies to invest in research, workforce and foundational R&D infrastructure in the space sector. Through incentives, federally and in coordination with state and territory governments, Australia can work to create industry clusters and space industry ecosystems in regional centres near launch sites and relevant universities. There is room to collaborate with the U.S. in this space, both in collaborative investment in developing capabilities and information sharing through existing and emerging alliance frameworks. Current programs and grants, like the 'Industry 4.0 Testlab' pilot program, should be expanded in coordination with industry to drive innovation in space technology and adjacent capabilities.[4] Grants and support need to be expanded to also focus on space technology start-ups and workforce development incentives for industry.

- A critical part of developing Australia's space industry will be to build strong policy and regulation around technological innovation, IP development and sharing. AUKUS, as it takes shape, provides a significant opportunity for the U.S. and Australia to work together on technology, which ultimately will benefit both alliance partners in the space domain. While the public details about AUKUS are sparse, Australia needs to capitalise on the cooperative architecture that the partnership will create to stimulate the thriving space sector that Australia has the potential to develop, and break down some of the existing barriers to IP sharing and development that currently exist.

- Invest in domestic advanced manufacturing in areas such as battery production and zero-carbon metal processing through utilisation of the Alliance. Access to advanced manufacturing techniques can be realised through IP sharing arrangements with U.S.-based technology partners.

- Leverage the capital markets in the U.S. to invest in Australian major projects in emerging clean energy industries such as solar, wind and green hydrogen.

SHAPING EMERGING TECHNOLOGIES AND DEFENDING DEMOCRACY

"Tech and democracy have not always been compatible. But they should be."

– Anthony Albanese, Prime Minister of Australia, July 2022

Together, Australia and the U.S. have the potential to shape the future of tech, not be captured by it. The Alliance is a force multiplier of both nations' agency in reconciling technology with democratic values. Across the entire tech ecosystem, the Alliance can reinforce efforts already underway to protect shared values and interests, and provide a mechanism for devising new strategies to manage new, creative threats.

Globally, regulating technology has become a priority for governments. This rethinking of tech governance is too often framed around risk, dismissing or deprioritising immense opportunities to remedy present threats and anticipate future vulnerabilities. Cyber security, commercialisation, child protection, mis/disinformation, and intellectual property are at the forefront of many government agendas. Australia and the U.S. have been first-movers in this space, and are already proactively influencing the tech ecosystem from patents, to IP protection, technical standard-setting, and norms.[5]

But sometimes, key stakeholders are not showing up when it matters. Australia has an enviable position in chairing international, deliberative standards processes—a result of proactive institution-building in the late 20th Century. Though far from being squandered, Australia could do more to uphold processes of standard-setting that have historically been de-prioritised by many Western governments.

Spearheaded by Standards Australia and the American National Standards Institute, the Alliance should consider a more formalised partnership on tech standards assessment, focussing on shaping international critical technology standards that foster interoperability, innovation, transparency, diverse markets and security-by-design. Both nations should recommit themselves to participating in and reinforcing global standards-setting organisations. Vacating the field, especially now, is reckless. The diffuse nature of standards organisations means that a greater multilateral body would be a useful organising tool. The "T12" – a G20-like organisation for leading techno-democracies – provides an elegant solution here that the Alliance should advocate for.[6]

The reality of development and scale in the tech ecosystem means that those who shape the standards of nascent tech gain advantage both for their interests and against their adversaries. This advantage is hard to erode when the subject technology has scaled. If entities hostile to core Alliance interests – democratic values especially – are able to shape the tech ecosystem that the U.S. and Australia increasingly depend on, systemic vulnerabilities will expose other institutions to new tech-risks; such is the ever-growing entanglement of tech with society.[7]

SPACE TECHNOLOGY

Space features heavily in contemporary strategic conversations about the Alliance, particularly around considerations of defence and national security and the room for cooperation and coordination on emerging technology and industries. The U.S. has long been, and will continue to be, a leader in space, and while Australia has developed significant niche capabilities, including in earth observation, over the horizon radar networks and satellite ground station arrays for space domain awareness, the space industry in Australia writ large is underdeveloped and remains an emerging industry sector.

There is significant room for investment in Australia's space sector, and vast opportunities for cooperation with the U.S., through private enterprise and at a government to government level, which leverages new agreements, existing frameworks and regional partnerships with like-minded countries like Japan and South Korea. Australia offers considerable comparative advantages in the space domain, for the U.S. and regional allies to pursue shared interests in the Indo-Pacific.

EMERGING CLEAN ENERGY TECHNOLOGY

Young people see climate change as the key issue shaping the future. A global study led by Bath University found that 75% of young people were frightened by what the future held in relation to the climate, while 65% also said that governments are failing to address issues that young people care about such as climate change.[8]

To increase young people's engagement with the Alliance, the U.S. and Australia must shape the future of climate plans using renewable technologies. Australia does have a key role to play in emerging industries which have a net positive impact on the environment. As a country, Australia is in a unique position owing to access to so many of the minerals needed in advanced battery production. Australia currently produces nine of the ten primary minerals needed for advanced battery manufacturing, yet has lagged in advancing this capability.[9]

Australia is currently the largest producer of lithium globally, but it is a misnomer that Australia has the largest lithium reserves in the world. Chile has the largest reserves in the world and China is continuing to develop its ties on the South American continent particularly in the 'Lithium Triangle'.[10] Australia must be proactive in its approach to battery manufacturing, else risk becoming complacent and losing out in an industry in which it could become a global powerhouse. Through IP sharing arrangements with U.S. technology

partners, Australia can play a role in domestic battery manufacturing and zero-carbon metal processing using techniques already developed and tested on a commercial scale in the U.S. While Australia lacks adequate investment in research and development, there is opportunity to make up for this through partnerships and R&D tax incentives that make the most of economic incentives already in place. Leveraging the relationship with the U.S. in emerging industries will be crucial as funding for Australian Major Projects often comes from U.S. capital partners. Significant progress has been made in projects in industries such as solar, wind, hydro and green hydrogen, but more is needed for Australia to meet and exceed its climate ambitions.

CONCLUSION

Australia's relationship with the U.S. will continue to provide significant technological, economic, military and political advantage. When viewed through the lens of emerging technologies, Australia is placed in a significant position of advantage as a result of its geographical location, strong regulatory framework and shifts/growth in new and emerging markets. This means Australia is better able to capitalise on international investment opportunities and cement its position as a potentially top 10 country in any number of emerging technology markets (some of which were covered above). Australian policy makers and especially government representatives must have a deep understanding of these emerging tech markets. This will better ensure the government can understand Australia's advantages as it pertains to the market, create a strategy that plays to those strengths and develop or acquire emerging technologies/ subject matter expertise to close the gaps.

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More Shrimp on the Barbie:
Fuelling Geo-Economic Resilience through Trade and Investment

THOMAS R. ADOLPH, RACHEL GEDDES & TOM LAMOND

EXECUTIVE SUMMARY

- Australia and the United States must clarify a new shared vision for the Indo-Pacific, utilising the combined economic heft of the Alliance network. The plan should synthesise economics and strategy, to buttress against geo-economic destabilisation, like punitive trade policy, disinformation and foreign interference.

- Economic resilience and good governance is core to regional stability and prosperity.[1] Promoting transparency, resilience-building, and trade and economic development in the Indo-Pacific region is a priority.[2] To advance a successful 'geo-economic resilience plan', the U.S.-Australia Alliance (the 'Alliance') must invest to protect supply chains, ports and critical infrastructure, strengthen governance, and cement energy and food security.

POLICY RECOMMENDATIONS

- Ensure migration systems support effective knowledge exchange, and enable businesses to access critical skills when needed. This should be complemented by programs to cultivate entrepreneurship, innovation, commercialisation and technology research, and a reform agenda to strengthen economies at home.

- Pilot an AUKUS Visa, enabling a fast path to permanent migration within AUKUS countries for highly talented migrants, particularly specialist technology skills that can support Defence and critical industries.

- Enhance joint grant programs to build governance resilience and best-practice among regional partners and industry, modelled on Australia's leading anti-destabilisation measures. This should include guidance on a coherent best-practice approach to non-trusted vendors.

- Expand regional capability-sharing exchanges like the Australian Volunteers Program and the New Colombo Plan.

- Simplify business participation in the regional free-trade bloc, including the Regional Comprehensive Economic Partnership, and the revised Trans-Pacific Partnership.

- Continue to increase the reach of the national broadcaster into key Pacific markets.

ECONOMIC AND STRATEGIC DESTABILISATION

This vision to cement shared regional interests is set against a determined, sophisticated and strategic doctrine of destabilisation. It requires the U.S. to follow through on its categorisation of the Indo-Pacific as its 'priority theatre'[3], and to further leverage Australia's geographic advantages. The distinction between economic, political and security arenas are becoming blurred, with business and trade becoming fields on which strategic competition is now playing out.

Though China's economic transformation has benefitted many, foreign policy and economic initiatives like the Belt and Road Initiative and Chinese bilateral trade are now being leveraged to make demands and deliver punishment. For instance, costs and bureaucratic barriers are being raised against red meat, seafood, grains, wine, coal, timber and other core Australian products.[4]
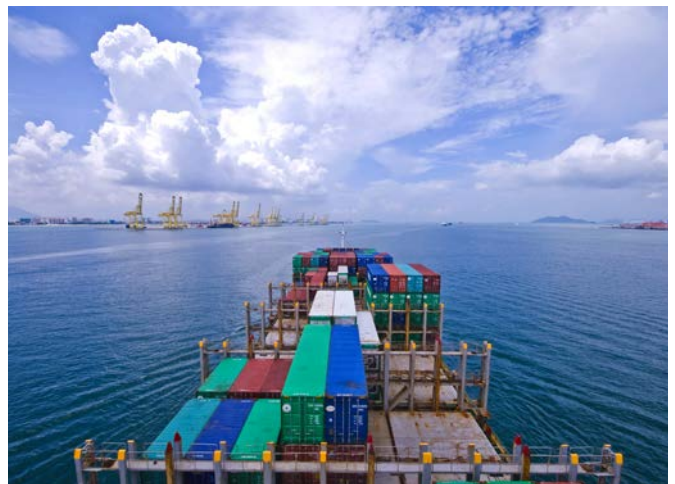
This economic pressure, applied against Australian businesses, aims to force the Australian Government to alter foreign and domestic policy on the extraordinary '14 grievance' issues.[5]

There has been a seismic rebalance of world trade away from the United States towards China, vividly illustrated by the Financial Times[6]. The ahistorical unity of current global economic sanctions against Russia conceals a reality that the West has not fully yet grasped—that most of the world nominates China as a more important trading partner than the United States. This strips away a fundamental advantage enjoyed by the U.S. since World War Two – being the sole superpower in a dynamic global system of free trade.[7] That critical Indo-Pacific nations, notably India and Indonesia, had an ambivalent response to Russia's invasion is concerning,[8] and it demonstrates the risk that cohesion among the "global community of nations" can be outbalanced by bilateral volumes of trade.

FREE MARKET DYNAMISM

Australia's position as a leading Alliance partner and open economy makes Australia a target of choice for destabilisation. Against the 'pressure to compromise our core values', Australian Treasurer Josh Frydenberg nominated a "strong, dynamic and competitive economy" as "the first and most important line of defence".[9] Australia and the U.S. must pursue an agenda of economic reform, which supports the competitiveness, productivity and diversification of our home economies, and those of our partners and allies. Australia's economy rates as uncompetitive on tax,[10] workforce skills, economic complexity,[11] industry diversification and resilience.

The U.S. and Australia should seek to reduce tax and regulatory barriers to the exchange of capital, investment and skills. They should also draw upon the United States' experience and other successful innovation hubs like Israel, Singapore, South Korea and Germany, to explore 'landing pads' and start-up ecosystem incentives and bring together investors, innovators and business mentors. The U.S. and Australia should trial innovative financing mechanisms and regulatory sandboxes, and remove barriers to the commercialisation of Australian technology, for example by protecting the IP ownership of innovators. In addition the U.S. and Australia should reform bankruptcy laws in Australia to align with the United States, so innovators are not financially ruined and their potential wasted.

TRADE AND ECONOMIC RESILIENCE

The Alliance could also be leveraged to bolster trade and economic resilience. Australian businesses experience gaps in local production capability – across fuel, chemicals, heavy and advanced manufacturing and more – exposing them to volatility and pricing risks from doing business with China. Lowy Institute polling in Australia shows that as public concern about China's strategic behaviour rises, confidence in China as an economic partner collapses.[12] COVID and the Ukraine conflict has further exposed the risks of reliance on a potential strategic competitor – and vulnerable supply chains – for energy and commodities.[13]

In order to minimise these overexposure risks, part of the Alliance geo-economic resilience strategy should be to cultivate a bloc of alternative free-trade partners. Australia's strong tradition of free trade – including with Japan, Korea and India – has bolstered economic resilience against possible 'trade war' measures. The U.S. remains our largest source of foreign direct investment, while Australia also has Free Trade Agreements with nearly all viable trade partners. Architecture like the Regional Comprehensive Economic Partnership and the revised Trans Pacific Partnership (TPP11) make it simpler for businesses to participate, providing clear common and transparent trading rules.[14] Many Australian commodities targeted by 'trade strikes' have found new markets in these blocs, mitigating around 80% of the impact in terms of export values sold, according to Australian Treasury.[15] This can also mitigate the impacts of the hypothetical 'no-fly, no-sail' challenge by China.

To improve trade and economic resilience, the Alliance can lend weight to the simplification of trade rules, and to facilitate direct people-to-people and business-to-business links that help companies pivot to new markets. Whilst in practice it remains a complex, lengthy and costly process, the Alliance should work together to repair the World Trade Organisation's binding dispute settlement system. The United States can and should take Australia more deeply into the U.S. National Technology and Industrial Base, alongside other trusted Indo-Pacific allies, and also consolidate the Export Market Development Grants, Agri-Business Expansion Initiative, and Modern Manufacturing initiatives.

CRITICAL SKILLS AND CRITICAL INFRASTRUCTURE

Another Alliance focus should be ensuring that alliance partners have the skills and capability required to develop and maintain critical infrastructure. Australian and U.S. businesses should receive incentives to increase workforce development, upskilling and training in critical technology skills. This should be supplemented by business exchanges, effective knowledge-transfer and information-sharing. The best approach is two-pronged: first, ensuring that Australia leverages global expertise to optimise its education system at all levels, enabling access for people of any age or background to the skills they need to succeed; and second by enhancing a migration system that enables businesses to fill capability gaps in their workforce and access people of highly specialised skills and knowledge. Businesses must be able to access the skills they cannot find locally in a simple and timely manner, which will reduce costs and timeframes for visa processing, and abolish central-determined skills lists to underpin standard temporary migration visas.

The Alliance should deploy its educational expertise to partner countries, through programs like the Australian Volunteers Programs, matching skilled Australians with partner organisations in developing countries, the successful New Colombo Plan, and other knowledge-sharing and capability-building efforts. Special visa programs aligned with fields of national effort should also be piloted – an AUKUS Visa could offer a permanent migration pathway for high-talent migrants with specialist defence, technology and critical-infrastructure skills. Institutions like the Asian Infrastructure Investment Bank (AIIB) provide a model of transparent multilateral financing for critical infrastructure in Australia's north and the broader region.[16]

Australia's national resilience capabilities should include the capacity to self-service our military, critical infrastructure and energy sector, in the event of a widespread destabilisation attack. Other resilience assets should include;[17] greater naval sustainment capacity, such as completing the second Large Vessel Dry Berth in Henderson Western Australia, domestic supply chain for guided weapons production supported by the Guided Weapons & Explosive Ordnance program, and heavy and advanced manufacturing. Further resilience can be obtained by establishing domestic liquid fuel production capacity and domestic nuclear energy, and by developing a large reserve stock of fuel for military and critical civilian purposes, and reserve supplies of coal. Earlier this year, 70,000 tons of coal were a welcomed facet of energy security aid to Ukraine, and agreements with the Australian resources sector would further ensure a strong and secure production pipeline of critical minerals. While the Alliance must bolster resilience, this must not give way to protectionism because maintaining free and fair trade is essential.

PUBLIC AND CORPORATE GOVERNANCE RESILIENCE

The Alliance can also aid in public and corporate governance resilience. Destabilisation targets the fundamentals of nationhood – our politics, businesses, institutions, economy and community. Destabilisation doctrine includes cyber-attacks, but also misinformation, industrial espionage, sabotage, as well as foreign and secret donations. The invasion of Ukraine has also reinforced the cruciality of critical corporate infrastructure – ports and shipping, energy and water, food production and telecommunications – to nationhood.

Australian intelligence agencies continue to warn of persistent foreign interference efforts which are not always made public.[18] Under conditions of sustained geo-economic destabilisation, the integrity of public and corporate governance is a national security issue. Australia's world-leading foreign interference laws have been vindicated as they provide a model for guarding against "coercive, corrupting, deceptive clandestine actions intended to interfere with democratic processes, sovereignty or national interests." An Alliance approach could adopt aspects of the successful Australian framework, by engaging at-risk businesses to support mitigation, build societal resilience, legislate and act directly to restrict and deter foreign interference, and to investigate and prosecute breaches.

The Alliance should also work further on public and corporate governance standards, in partnership with reform organisations like the OECD. Their policy work outlines how stronger standards facilitate long-term investment, economic efficiency, trust in institutions and societal resilience.[19] The intolerable risks posed by covert foreign money within Australian democracy were illustrated by the forced resignation of the influential Australian Labor Party senator Sam Dastyari in 2017, who was swayed to contradict his party and national government on fundamental issues of national interest, on what appeared to be a 'cash-for-comment' basis.

Australian businesses are concerned about a pattern of competition from enterprises which have been rescued from the verge of failure by foreign state funds, in exchange for control or a stake in the operations. In our open economic system, loss-leading foreign state-run enterprises are free to operate on our shores. A more coherent shared approach to market access for non-trusted vendors should also be developed, identifying best practice in cases from Huawei to TikTok. Allies, industry and political leaders, including critics of firm action on national interest and adherents of past doctrine on China, should be engaged to recognise the risk, and pursue similar anti-destabilisation measures.

DO BUSINESS NOT BATTLE

The post-War era of peace, stability and prosperous free trade fuelled one of the most significant leaps in health, living standards, life expectancy, income and productivity in human history. The economic transformation which restored China as a great power, and lifted hundreds of millions of people out of poverty, also elevated Australia to a top-20 global economy. Australia and the alliance network should continually reinforce our strong preference for *mutually-beneficial trade, rather than mutually-depleting tension and impasse.* Even so, the Alliance should plan for current geo-economic pressures to be a long-term test of willpower.[20]

CONCLUSION

Geo-economic destabilisation will continue until a hypothetical future equilibrium – or costly defeat – can be reached. Initiatives which would advance the objectives of a proposed geo-economic strategy would also help shield Australia and partner economies from destabilisation, and fuel economic growth. This can accordingly raise Australia's purchasing power for the vital programs outlined here. It is in the fundamental shared interests of the Alliance, today and into the future, to work to unify and reinforce a stable, free, and economically prosperous Indo-Pacific region.

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Bringing Focus to the Grey-Zone in the U.S.-Australia Alliance:
Addressing Strategic Complexities in the Indo-Pacific

BENN HALL, MARCUS SCHULTZ & CAMERON SMITH

EXECUTIVE SUMMARY

- Grey-zone conflict in the Indo-Pacific has crystallised as a priority challenge for U.S. and Australian policymakers. Whereas the US-led international order in the Indo-Pacific prepares for a traditional confrontation, as demonstrated by the AUKUS trilateral security partnership, the People's Republic of China's (PRC) increasingly aggressive grey-zone activities are directly or indirectly targeting U.S. and Australian interests now.[1]

- This grey-zone activity is undermining national sovereignty, international governance, and the structure of the U.S.-Australia Alliance (the 'Alliance') in the region. Therefore, it is essential for both U.S. and Australian policymakers to confront China's assertiveness and seize the initiative.

- The Alliance presents an opportunity for Australia and the U.S. to pursue this together. This brief proposes that the Alliance reimagine itself for the 21st century and embark on an integrated campaign to build grey-zone resilience in the Indo-Pacific.

POLICY RECOMMENDATIONS

- The Alliance should agree to develop an action plan as part of a broader minilateral effort to establish an Indo-Pacific Hybrid Threats Centre. Future AUSMIN communiqués should promote the positive aspects of the plan to incentivise political buy-in and collective action in responding to foreign interference operations, which serve to undermine regional cohesion and stability.

- The Alliance should continue to expand and integrate cyber capability. This capability should then be proactively used to engage in our own grey-zone activities with the objective to counter competing grey-zone activities and to maintain strategic advantages in the Indo-Pacific.

- Australia and the U.S. should commit to holding regular joint maritime surveillance training exercises with regional partners in the Indo-Pacific. The Alliance, moreover, should assist regional coast guard forces' technological and maritime domain awareness capabilities to identify and respond to shared grey-zone challenges.

- The Alliance should work with regional partners to document and make public PRC grey-zone operations in the interference, cyber and maritime domains to disrupt competing PRC narratives. Australian and U.S. maritime forces, in particular, should report grey-zone incidents to help shape and promote positive narratives, centered on the values of international law, freedom of navigation, national sovereignty and shared prosperity.

INTRODUCTION

The grey-zone is well-defined by the Center for Strategic and International Studies as:

> "A form of conflict that: pursues political objectives through integrated campaigns; employs mostly nonmilitary or nonkinetic tools; strives to remain under key escalatory or red line thresholds to avoid outright conventional conflict, and; moves gradually toward its objectives rather than seeking conclusive results in a relatively limited period of time."[2]

Grey-zone activities conducted by the PRC have been designed to coerce countries into particular political outcomes, while seeking to avoid a traditional confrontation. Examples through the region include using paramilitary forces, the militarisation of disputed features, cyber warfare, and interference operations. These tactics are not new. But they are now being used in the Indo-Pacific against U.S.-Australian shared interests of maintaining security and stability in the region.[3] What is more: The U.S., Australia and partners are losing the battle in the grey-zone to the PRC and other adversaries.[4]

Although the Alliance has made some commendable progress in responding to grey-zone activities, such as monitoring and responding to COVID-19 "Infodemic" interference campaigns, a more decisive, sustained, and coherent strategy is needed. Australian and U.S. policymakers must urgently address foreign interference campaigns, cyber warfare, and the sustained attack on maritime governance in the Indo-Pacific. The Alliance needs to work towards building countermeasures internally and regional resilience more holistically. Australia and the U.S. have the potential to reimagine the Alliance for the 21st century and lead an integrated campaign to counter grey-zone activities.[5] If no action is taken, the PRC's grey-zone tactics threaten to tip the balance of the established international order in their favour.

THE STRATEGIC COMPLEXITIES OF GREY-ZONE ACTIVITIES IN THE INDO-PACIFIC

The Australian Security Intelligence Organisation (ASIO) defines foreign interference as clandestine activities by foreign actors that are "deceptive, corrupting or threatening in nature" and "contrary to Australia's sovereignty and interests".[6] The evolving capacity of authoritarian states to carry out foreign interference activities presents a serious and ongoing challenge for contemporary democracies. The information warfare experienced by the U.S. and Australia over the past half-decade has focused attention on the impact of manipulative tactics on democratic processes and electoral integrity.[7] However, this risks overlooking the fact that foreign interference activities must be understood more broadly as part of a non-kinetic strategy to side-step traditional escalatory thresholds and avoid a military response.[8]

The PRC has proven particularly adept at coupling interference operations in the information domain with other grey-zone activities. This includes adapting international law, mobilising civilian assets for quasi-military means and employing cyber-proxies to weaken already fragile political systems in the Indo-Pacific. Revelations about PRC-sponsored foreign interference activities in Papua New Guinea, Vanuatu and Solomon Islands serve as potent public examples.[9]

These developments have overtaken the content of the 2021 AUSMIN joint statement, in which Australia and the U.S. signaled a commitment to "work[ing] with partners to respond to 'grey-zone' activities".[10] To effectively defend shared security interests and shape the strategic environment in the face of the PRC's increasingly aggressive grey-zone activities, Canberra and Washington both need to move beyond traditional narratives of "upholding international rules and values" and "ensuring an open, inclusive, and resilient Indo-Pacific". This is needed to counteract the corrosive impact foreign interference operations have on regional cohesion and stability.

Cyber warfare describes the actions taken by a nation-state or international organisation to attack or attempt to damage another state or non-state actors' computer or information networks, conducted through a variety of malicious tools and strategies.[11] Governments routinely engage in a wide spectrum of cyber operations with varied capability and compliance with international law.[12] Approximately one quarter of all cyber security incidents reported during the 2020-21 period in Australia targeted entities associated with Australia's critical infrastructure.[13] Grey-zone activities such as these that occur within the cyber domain allow for continuing opportunities for competing nation-states to thwart, destabilise, weaken or otherwise attack targets, without having to resort to open armed conflict.[14] Canberra and Washington have been critiqued for lacking engagement in grey-zone activities within the cyber domain compared to other competing nation-states.[15] This must change if the Alliance is to confront these challenges.

The most obvious example of the collective failure to confront the PRC's grey-zone activities is demonstrated by its geostrategic ascendency in the South China Sea (SCS). This has been achieved via illegal land reclamation, unopposed military construction, and the use of coastguards and fishing militias to intimidate littoral states into submission.[16] In particular, grey-zone operations by the Chinese Maritime Militia appear to be on the rise and represent a more assertive China in the maritime domain. The 'People's Armed Forces Maritime Militia' has played a major role in asserting China's "nine-dash line" claims in the SCS, where the PRC declares sovereignty over 85 percent of the water mass, overlapping the exclusive economic zones and features of multiple littoral states. There are few viable alternatives to directly confronting the Militia.[17] Circumventing confrontation altogether would mean surrendering territory and accepting the dissolution of international law governing the SCS, which would be intolerable to the Alliance as well as to regional powers.

Concurrently, the PRC is building artificial islands, which can be used to project military power in the SCS and as a tool to bolster sovereignty claims over this strategically important region.[18] If allowed to continue unchallenged, the PRC could effectively dictate terms to other SCS littoral states on where they can fish, where oil companies can drill, and so forth.[19] This would give Beijing significant leverage in the region and create opportunities to bring littoral states into its orbit. Essentially, the Militia are evoking Sun Tzu to "subdue the enemy without fighting".[20]

MITIGATING THE HYBRID THREAT POSED BY FOREIGN INTERFERENCE CAMPAIGNS

A concerted effort must be made to build political buy-in amongst key Indo-Pacific states and call attention to the positive role the Alliance can play in shaping the strategic communication efforts needed to combat the corrosive impacts of foreign interference. The Alliance should seek a minilateral solution to countering grey-zone activities to alleviate concerns of any potential return to the exploitative patterns of the past.[21] A concerted approach would allow for the development of a common operating picture that is required to meet the challenges of dealing with a strategic environment in which grey-zone activities are becoming a permanent feature.

Canberra and Washington should work in partnership to prepare the way for the establishment of an Indo-Pacific Hybrid Threats Centre, akin to the EU Hybrid Fusion Cell and European Centre of Excellence for Countering Hybrid Threats in Helsinki. The *Joint Framework on Countering Hybrid Threats* adopted in 2016 by the European Commission and the European External Action Service could serve as a useful model.[22] An Indo-Pacific Hybrid Threats Centre should coordinate with the Pacific Fusion Centre and other regional institutions, such as ASEAN and the Quad, to inform proactive strategies to counter the information component of tacit grey-zone activities and incentivise broad political support for action.

ENGAGING GREY-ZONE THREATS IN THE CYBER DOMAIN

It is estimated that over 100 states are engaged in cyber activity, through a combination of military and intelligence units that are both defensive and offensive in nature.[23] Canberra and Washington both need to further engage in grey-zone activities in the cyber domain in order to further their influence within competing nation-states and regions. Proactive engagement of grey-zone activities within the cyber domain will allow the Alliance to counter emerging narratives that are against shared strategic interests. Additionally, responding to grey-zone activities in the cyber domain may also mitigate and eliminate cyber-attacks on critical infrastructure and systems. U.S. Cyber Command, for instance, recognises the need to do more to engage in this space to preserve American military advantage as well as prosecute U.S. strategic interests and objectives.[24]

However, Alliance activities within the cyber domain should not be limited to the defensive – offensive grey-zone activities will also be required. Unlike other domains, the cyber domain is unique in the sense that there are no established norms, values, beliefs, practices or standards of conduct within cyberspace.[25] By engaging in offensive grey-zone activities within the cyber realm, the Alliance can find opportunities to pre-emptively mitigate and negate potential cyber-attacks and other grey-zone activities. Under the AUKUS trilateral security partnership, grey-zone activities within the cyber domain may be expanded and include proactive cyber operations.[26] Additionally, expansion of the Australian Signals Directorate's operations to include additional focus on offensive cyber operation capability will allow Australia to better support joint military operations and to also deter and respond to attacks on its sovereign networks.[27]

RESPONDING TO GREY-ZONE OPERATIONS IN THE MARITIME DOMAIN

Narrative plays a central role in grey-zone warfare. The PRC's use of its maritime militia to assert its claims over local fishing vessels in the SCS is a clear example. The PRC portrays these activities as mundane, but in fact, this narrative is a campaign to normalise the PRC's territorial ambitions; a central element of which is framing aggressive encounters at sea as simple enforcement of international maritime borders. This is in contrast to the reality, which is that Beijing is using force to push other claimants out of their own territory.[28] The centrality of narrative in grey-zone operations points to how the U.S. and Australia can best confront PRC efforts. If the Alliance members can provide clear evidence of this illicit activity, and the international implications, there is an opportunity to unite the region against these grey-zone activities.

One way the Alliance can make a meaningful contribution to this effort is through strengthening the capability of national coast guards, trained to enforce international maritime governance. The Alliance can do so by assisting the regional technological capability and providing state-of-the-art training. Canberra and Washington should commit to holding regular joint maritime surveillance training exercises in the Indo-Pacific, to identify and respond to grey-zone activities in their state.[29] This will also allow any presence of Alliance contributing forces to remain somewhat limited, while still increasing the resilience of localised forces to sustained grey-zone operations. The U.S. Coast Guard, Australian Defence Force, and enhanced regional coast guard forces should also be utilised to document and publicise maritime militia harassment, removing the veneer of plausible deniability that they grant Beijing.[30] Action can help drive international opinion more effectively than statements alone. These maritime forces are also well-positioned to collect evidence of grey-zone operations, which it can share with regional nations and the media to help shape the narrative.[31] This is one sound option for how the Alliance can shape the global narrative of the SCS dispute.[32]

This approach also gives an extra tool in the tool kit for regional coast guards and greater resilience to Indo-Pacific states. It places the PRC on the defensive – forcing it to issue weak, unconvincing denials – and limits their ability to portray itself as a victim when an incident occurs. With this approach, the U.S. and Australia can maintain a far stronger hold on the competing narrative over the maritime domain in the Indo-Pacific. This also provides the U.S. and Australia an opportunity to establish a positive counter-narrative centered on the Alliance values of international law, freedom of navigation, national sovereignty and shared prosperity. Crucially, this is also attractive to regional powers who have benefited from over 70 years of regional stability, and enables the region to become resilient to grey-zone activities.

CONCLUSION

The Alliance can and must reorient itself to a grey-zone mission. Left unchallenged, the PRC's grey-zone tactics will continue to intensify and irrevocably alter the balance of the established international order. The Alliance must work in an integrated campaign to target this across the information, cyber and maritime domains. Bringing the grey-zone into focus in the Alliance will be key to disrupting authoritarian narratives and improving resistance to asymmetric threats in the Indo-Pacific.

Successful countering of PRC-initiated grey-zone operations will require a concerted, sustained, and clearly articulated commitment from both Canberra and Washington. The Alliance can fortify and enhance the ability of the regional security architecture to resist the PRC's revisionist attempts in the grey-zone. This brief has proposed that the Alliance reimagine itself for the 21st century and embark on an integrated campaign to build grey-zone resilience in the Indo-Pacific. If achieved, the Alliance can meet and overcome the challenges of the future. There is no time left to lose.

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Who Gets the Last Word?:
Reshaping U.S.-Australia Diplomatic Engagement in the Indo-Pacific Region

JACK HAYES, MICHELLE LAM & JANKA REYNDERS

EXECUTIVE SUMMARY

- U.S.-Australia diplomatic networks must focus on agility and flexibility in a rapidly shifting political landscape.

- Strengthening and supporting existing bi-lateral and multi-lateral programs allows for the most visible and reassuring demonstration of U.S. commitment in the region.

- Facilitating the integration of youth into diplomacy networks will remain a key factor in the health and longevity of our influence in the region.

POLICY RECOMMENDATIONS

- The United States should carefully explore the potential of incorporating aspects of First Nation Foreign Policy, or Feminist Foreign Policy, into the existing Department of State foreign policy platform.

- Academic and educational exchange should be reinforced and extended at every level.

- Active participation, connection and advocacy and financial support [for youth programs] are the three areas of engagement this brief identifies as spaces in which the U.S.-Australia Alliance (the 'Alliance') may be reinforced and extended.

- A support of cultural diplomacy, regional leadership, and regional innovation and businesses are three areas of people-to-people connections this brief identifies as places in which the Alliance may be reinforced and extended.

INTRODUCTION

Resilient, durable, strong – all words used in describing the diplomatic networks that link the United States and Australia, and our shared networks of interoperable diplomacy across the Indo-Pacific. When a system is viewed as 'resilient', the focus is on its ability to weather turbulent periods while remaining relatively unchanged: to bounce back to form, to recover and reset.

Yet challenges facing the region do not, and will not, unfold within the parameters of our current norm. With the COVID-19 pandemic now an immutable presence in our economic and socio-political systems, natural disasters unfolding and escalating in severity and a suite of traditional and non-traditional security threats destabilising the region, diplomacy-as-usual may fail to meet the demands of the moment. To not only survive these challenges, but to improve, our diplomacy must move beyond simple 'resilience'. Nassim Nicholas Taleb's concept of antifragility, drawn from his research in macro-economics and risk management, describes systems that not only survive uncertainty and upheaval, but are able to thrive through exposure to these stresses.[1]

An antifragile diplomatic network would therefore surpass simple 'resilience' to hardship, and instead improve through disorder.[2] With a reaffirming of our mutual commitment, demonstrated through time, capital and an increased diplomatic presence, Australia and the U.S. can begin to nurture the seeds of an antifragile diplomatic network across the Indo-Pacific. This paper explores where we, the authors, identify the most potential return on investment in our collaborative diplomatic efforts.

A FIRST NATION FOREIGN POLICY

"Foreign policy is an expression of our values, our interests and identity. It starts with who we are."[3]

Australian Foreign Affairs Minister (FAM) the Hon Penny Wong

Since the May 2022 change in government, Australia has pivoted towards a First Nation Foreign Policy (FNFP) platform, it's first 'branded' foreign policy platform that draws from Aotearoa's Māori FP and other Pacifica FTFP initiatives.[4] While the precise nuances of this pivot coalesce – Assistant Foreign Affairs Minister Tim Watts describes this as *"a story that we are now slowly beginning to bring into the centre stage"*[5] – it is clear that an Australian FNFP recognises the indelible contribution of our First Nation people (the longest surviving culture in the world) to Australian identity and seeks to reaffirm the persisting links between First Nation cultures across the Indo-Pacific. There is much the Alliance may benefit from in embracing FTFP principles in diplomatic work across the region; by engaging with 'Blue Pacific' experts on challenges in the Pacific; an increased consultation in foreign policy design with First Nations people in the U.S., Australia, Pacific Islands and Southeast Asia; greater engagement with Indigenous Land Management initiatives, and the re-centring of climate change as *the* policy priority in line with regional dialogue. With 566 federally recognised Native American (NA) tribes[6], we encourage the U.S. to consider the value of incorporating NA experiences into the Foreign Service and U.S. foreign policy platforms, and to explore how this introduction may broaden capability and open avenues to new diplomatic networks.

The U.S.–Australia Caring for Country Fellowship is an ongoing example of this collaborative potential, providing financial aid to upskill and educate on Land Management practice for Indigenous Youth under 30 in the U.S. and Australia – "work[ing] to empower the Indigenous Population beyond consultation…increase formal educational opportunities [and] empower First Nations communities when speaking to official bodies such as the government and industry…"[7]

SKIN IN THE GAME: STRENGTHENING OUR DIPLOMATIC EFFORTS

Critically, Australia's approach to the Alliance may no longer be predominantly laissez faire. Instead, Australia must continue to cultivate a distinctive regional personality that will better complement the Alliance through the interoperability of defensive interests that focus on the potential threat of regional conflict. Importantly, it is through our diplomatic relations and communication that Australia's regional personality will take shape. Diplomacy in the Indo-Pacific needs to build an inclusive narrative that centres on Indo-Pacific needs and interests. Australia, both independently and through the Alliance, must be attuned to innovative relationship-building approaches, which may take advantage of innovative avenues to diplomacy – cultural culinary networks, regional sports engagement, etc. These can be soft pathways to building genuine relationships. Successful diplomacy is the product of years of investment, of time, effort and resources, but also requires deep learning about the Indo-Pacific in reciprocal and respectful ways.

Accordingly, for Australia to truly be regional experts within the Alliance requires time on the ground and in Indo-Pacific communities, learning at regional institutions. Therefore, we recommend:

1. *Academic exchange at every level*
   Education is Australia's greatest asset, with over half a million people from Asia on an education visa in Australia.[8] The Alliance should support academic exchange through scholarships such as the Australia Awards, and extending the New Colombo Plan Scholarships to post-graduate students. This also includes supporting the work of organisations such as Asia Society.[9]

2. *Investing in expansive educational links*
   Gaining region-specific understanding is integral to furthering diplomatic efforts and requires significant investment in deepening and improving upon existing education networks and exchanges that link the region.

Just as the Alliance is built on the combination of trust and shared strategic interests, so must the U.S. and Australia collaborate to foster confidence and trust-building within the region, meeting states where they are and gaining a deeper understanding of the challenges and opportunities each represents to the Alliance.

Australian High Commissions should provide consulate assistance to U.S. citizens in Vanuatu where Washington currently lacks a formal diplomatic mission. This is to facilitate the United States' further inclusion into the region and increase diplomatic coherence between the two states. Following the announcement of U.S. embassies opening in Tonga, Kiribati and a consulate upgrade in Solomon Islands,[10] the co-location of U.S. diplomatic staff at an Australian High Commission will not only fortify the Alliance, but reinforce the United States' own regional posture. If Australia is to remain a trusted regional expert for the U.S., it is important that Washington demonstrates long-term diplomatic investment in the region. A coordinated diplomatic framework will avoid mixed messaging regarding the strength of the Alliance and deter strategic destabilisation.

LEVERAGING AND SUPPORTING GRASS-ROOTS ORGANISATIONS TO INCREASE YOUTH ENGAGEMENT

The Indo-Pacific region is home to more than 1.1 billion young people (aged 15-29), representing 60% of the world's young people.[11] As such, if the Alliance sees its political, security and economic future in the Indo-Pacific region, it must engage the youth who make up over 25% of its population.[12] With the rise of disinformation and public narratives that are adverse to the Alliance's interests, the methods by which we counter those narratives is through engagement with young people.

Both the U.S. and Australia have undertaken initiatives to engage young people in the region, however, these efforts should be increased and refocused. In particular, the Alliance needs to work with existing organisations that have already established credibility and networks amongst young professionals and future leaders. Organisations working in the Indo-Pacific region, such as the ASEAN-Australia Strategic Youth Partnership (AASYP),[13] Young Australians in International Affairs (YAIA),[14] among others, are critical to building capacity, inspiring engagement and creating connections between the future leaders in the region.[15] In particular, these organisations become places where people come together to "develop networks... and create meaningful change within their communities."[16] Engaging these communities to build resilience against disinformation and suspicion around U.S.-Australia involvement in the region is critical.

The most impactful ways that the Alliance may engage in this context in the region are:

1. *Active participation*
   The Alliance should be an active participant in the youth organisation space. This means speaking at panels, attending organised networking nights, engaging with young people across the region.

2. *Connectors and advocators*
   Alliance stakeholders should be willing to leverage their greater political and institutional power to connect and advocate for younger people. This looks like assisting organisations in sourcing high-quality speakers, providing opportunities for younger people to participate in the policy making process, and advocating for youth perspectives in decision-making.

3. *Financial support:*
   The Alliance should increase funding opportunities and support for youth organisations. This looks like not only increasing the number of grant rounds, but also reaching out to youth organisations to discuss programming that can be designed around Alliance involvement.

None of these methods are new to Alliance stakeholders. An example of where the Alliance has excelled at supporting youth engagement is the 2020 AASYP Indo-Pacific Future Leaders Programme. IPFLP brought together 40 engaged young professionals and future leaders across Western Australia to work together on policy proposals to tackle emerging regional issues. The U.S. Consulate General in Perth sponsored IPFLP, providing the financial support to allow for high quality programming, such as a two-day in-person forum. Furthermore, former Perth U.S. Consul General David Gainer delivered a masterclass on the United States' relationship with Australia and the Indo-Pacific, and was a judge of the Policy Pitch Competition. As a result of the U.S. Consulate General's engagement in that programme, delegates reported a 78% increased understanding of the Alliance's role in the Indo-Pacific. Furthermore, the US Consulate General was able to demonstrate its support for younger people in the region, with IPFLP's launch post having an organic reach of over 9,500 alone.[17]

By engaging youth organisations in this way, the Alliance can engage and educate young people on their role in the region, countering narratives that tout the U.S. and Australia as paternalistic bullies. As such, the Alliance should leverage and support these grass-roots organisations to engage young people across the region.

INTERCULTURAL COMMUNICATION THROUGH PEOPLE-TO-PEOPLE CONNECTIONS

Intercultural communication is a key skill in our increasingly global world. This is a skill that is not relevant only to diplomats negotiating on critical regional issues, but also relevant to businesses seeking to expand into growing Southeast Asian markets,[18] students wanting to learn under regional experts, and more.

However, at a time where it has never been more important to engage with our region, both Australia and the U.S. find themselves lacking the cultural skills to actively and appropriately engage with our regional partners.[19] As demonstrated by the shocked response to the Hon. Penny Wong's ability to speak Bahasa Indonesian,[20] Alliance stakeholders need to increase their intercultural literacy and communication to engage in the region. The best way to develop intercultural communication is through providing opportunities for greater people-to-people connections. By learning about a culture from those who live and breathe it, the Alliance can ensure that it comes to the table with an understanding and an appreciation for the parties that it is negotiating with.

The ways the Alliance can best promote people–to–people connections are:

1. *Putting an emphasis on cultural diplomacy*
   Leveraging Australia's unique cultural diplomacy as an asset, in particular, our rich and vibrant First Nations culture. This is in line with the 'First Nations Foreign Policy'.[21]

2. *Building leadership*
   Supporting leadership exchange and the creation of cross-regional networks between young professionals and future leaders in the region. This can be through leadership programmes such as the AASYP's ASEAN-Australia Young Leaders Forum[22] and YAIA Future 21 National Conference.[23]

3. *Entrepreneurship, innovation and business*
   Providing and supporting the creation of business links between entrepreneurs and innovators across the region. Whether it be support and attendance at the Australia-ASEAN Business Forums (which connects more established businesses),[24] or incubators and hackathons, the Alliance should utilise its knowledge, resources and skills to build strong commercial ties in the Indo-Pacific.

BRIGHT WITH POSSIBILITY

The seeds of an antifragile U.S.-Australia diplomatic network are already planted across the Indo-Pacific, and with tangible commitment and serious investment, stakeholders in the Alliance may begin to yield the benefits. From existing U.S.-Australia diplomacy collaboration, to the exciting possibilities of Australia's First Nation Foreign Policy platform and the expansion of youth educational networks in the region, the future of U.S.-Australia diplomacy remains bright with possibility. While this paper has canvassed a number of areas suitable to improved investment, we would like to underscore an important theme (and indeed, the entire reason for the U.S.-Australia Alliance Next Generation Leadership program): in ensuring a robust and resilient Alliance – or even, perhaps, an antifragile one – into the future, there must be a continued and significant investment in the young people of our two nations.

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LIST OF CONTRIBUTORS

THOMAS ADOLPH

Thomas R. Adolph is the principal adviser on government relations and public advocacy for peak business group Chamber of Commerce and Industry WA. Thomas provides political, strategic and corporate affairs counsel to executives in government and the private sector. He is a former adviser to prime ministers the Hon Scott Morrison MP and Hon Malcolm Turnbull MP, with expertise in industry relations and campaigns.

JAMES BYERS

James is a Manager within Deloitte's Transformation and Operations Consulting team in Adelaide. Currently he is engaged in project and program delivery for state and federal government outcomes in health, public services and Defence future capabilities. A veteran of 14 years' service within the Australian Army, James has served in multiple command appointments within Australia and internationally on operational service. Remaining engaged in military and geopolitical affairs as an active army reservist, James' goal is to help build resilient people and organisations for tomorrow's challenges.

BENJAMIN CHERRY-SMITH

Benjamin is an emerging international relations researcher and commentator undertaking his PhD at the University of Adelaide, focusing on the cultural impact that the US–Australia Alliance has had on Australian foreign policymaking. He has previously served as a member of the Australian Army Reserve and holds a Master of Arts by research from the University of the Sunshine Coast, a Master of International Relations and Bachelor of Government and International Relations from Griffith University, and a Graduate Diploma of Public Policy from the University of Tasmania.

RHYS COLLARD

Rhys is an accomplished Senior Research Analyst at Scale Facilitation™ based in Geelong. He is responsible for coordinating strategic projects with research partners across Australia and the United States , which remove barriers to commercialisation, allowing them to truly scale their innovations. He holds a Bachelor of Commerce with Distinction from Deakin University. Rhys has supported the successful rollout of numerous patented technology solutions in Australia and the US, with Scale Facilitation™ making use of his specialised expertise in market research ensuring strategic projects meet compliance and governance regulations.

RENEE CREMER

Originally from the Sunshine Coast, Renee Cremer is a proud Yuin woman. She is currently a stay-at-home mum living in outer-regional Queensland, and is very excited to be the new Chief Executive Officer of Young Australians in International Affairs. Renee is passionate about youth leadership and paving the way for future generations. Renee graduated with a Bachelor of Arts from Deakin University in 2021, completing a major in politics and policy studies and minors in international relations and criminology. Renee looks forward to developing a career in federal policy and international relations and hopes to inspire other young Indigenous women, and mothers especially, to pursue their passions with tenacity and dedication.
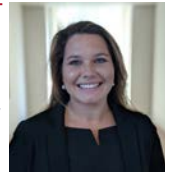
MONIQUE CURRIE

Monique works with the Office for Women in data and women's economic security. She has a degree in Modern History from the University of Queensland and has published on nationalism and historiography. She has an ongoing interest in non-traditional security, particularly relating to gender, climate change, and mis/disinformation.
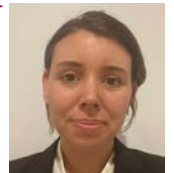
RACHEL GEDDES

Rachel currently works within the Department of Defence at the Defence Science Technology Group, having previously held the position of Acting Director for Defence Industry Development for the Western Australian Government. With over a decade of experience working in industry development, Rachel has a keen focus on stakeholder engagement across Government, industry and academia to advance the Australian defence sector.

BEN GOWDIE

Ben is a Research Officer at the Tech Policy Design Centre, housed at ANU. His work focuses on collaborating with industry and government to design fit-for-purpose tech policy. Ben is currently project lead for the Tech Policy Design Kit – Australia's first comprehensive, best-practice guide to designing tech policy that is endorsed by both the Tech Council of Australia and the Department of Prime Minister & Cabinet. Ben studies a Master of National Security Policy at ANU and has a background in public policy.
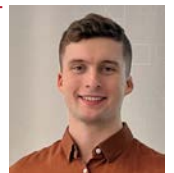
BENN HALL

REGIONAL WORKSHOP: PERTH

Benn is a student at the University of Western Australia, where he has recently completed his Masters in International Relations. He has also previously attended Curtin University where he completed a Bachelor of Commerce, majoring in Business Law and International Relations.

JACK HAYES

Jack developed a passion for international diplomacy and politics in his undergraduate degree at Griffith University. His Honours thesis was the first qualitative study of LGBTI+ representation in Australian domestic politics, and this passion continues in Jack's PhD research on the LGBTI+ experience in international diplomacy. Jack is a PhD candidate in the Australian National University's Coral Bell School of Asia Pacific Affairs, recognised as the pre-eminent centre in the region and one of the best in the world for research excellence in Asia Pacific affairs.

JENA JAENSCH

Jena Jaensch is a researcher focusing on gender, disarmament, and peace-building. She is currently studying a Graduate Certificate in Gender Mainstreaming Policy and Analysis at Flinders University. Her interest in international security led her to the University of Adelaide where she completed a Bachelor of Politics and International Studies and later to Queens University, Belfast where she received a Master of Arts in Violence, Terrorism and Security.

MICHELLE LAM

Michelle is the current Co-Chief Executive Officer of the ASEAN-Australia Strategic Youth Partnership, the leading organisation working to create people-to-people connections between young people across Australia and the ASEAN countries. She is a current Juris Doctor candidate at the University of Melbourne and a paralegal at Allens Linklaters Melbourne. She has a Bachelor of Arts from the University of Western Australia majoring in International Relations and Political Affairs.

TOM LAMOND

Tom Lamond is an industry-facing policy professional, with broad experience ranging from regionally focused not-for-profits and government agencies to peak business bodies. Tom holds a master's degree in Public Policy and Management, where he focused on best practice policy approaches to highly complex and politicised policy problems ranging from drought reform to workforce development policy.

JAYA PASTOR-ELSEGOOD

Jaya is a young national security professional who started his career in the Northern Territory, first in the private sector and then in the Northern Territory Public Service, working for DefenceNT within the Department of the Chief Minister and Cabinet. A Darwin local, Jaya has spent most of his life in the Northern Territory but has lived abroad in Indonesia and Singapore as well. Jaya has just recently obtained a role with CMAX Advisory in Canberra, working as an advisor across the firm's defence and national security projects and clients. Jaya studied a Bachelor of International Relations, minoring in Bahasa Indonesia at the ANU, completing his degree in 2020.
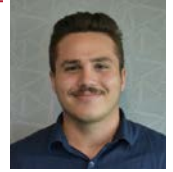
JANKA REYNDERS

Janka Reynders is currently in her final year of a Master of International Relations at the Australian National University. Moving to Canberra from Western Australia's central Wheatbelt region to pursue a career in international relations and foreign policy, Janka's studies have focused on the Pacific region, a strategic sphere of influence where Australian and US interests converge.
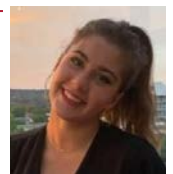
MARCUS SCHULTZ

Marcus Schultz is a Master of International Relations student at The University of Western Australia. He has a keen interest in US-Australia relations and is currently completing his dissertation on the elevation of deterrence in the modern US-Australia Alliance. This research seeks to highlight what implications this new era of integrated defence and deterrence has for Australian defence policy and strategy going forward.
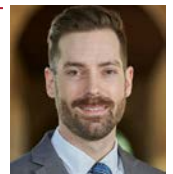
CAMERON SMITH

Cameron Smith is a Bachelor of Arts (Honours) graduate, where he majored in History and International Relations from the University of Wollongong. He is a dual US-Australian citizen and contributes to several publications, such as the Journal on World Affairs at UCLA where he is the Managing Editor. Cameron has a strong interest in US foreign policy, maritime security, and grey-zone operations in the Indo-Pacific. He also has a keen interest in Australia's strategic interests and wider national security policy.

Acknowledgements

ABOUT THE UWA DEFENCE AND SECURITY INSTITUTE

The UWA Defence and Security Institute (DSI) is an initiative by The University of Western Australia (UWA). Hosted at UWA, the DSI unifies and focuses UWA's expertise in defence and security research, engagement and education.

Defence and security provide the foundation of our nation's sovereignty. In an era of rapidly evolving geopolitics, this critical area of national policy sits at the forefront of government and public debates.

The DSI plays a central role in helping to develop Australia's sovereign defence capabilities in WA by working with local, state and federal governments, industry and business, research institutions and the community to help generate solutions towards a peaceful, prosperous and secure Australia and Indo–Pacific region.

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