

Australia: Allied in Transition

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MAIN ARGUMENT

Although the U.S. and Australia have strengthened the alliance since 2000, especially on the military and intelligence fronts, the limits are starting to show: Australia is less concerned by China's rising power than the U.S., the Australian public has mixed feelings over aspects of the alliance, and a new Labor government in Canberra, though committed to the alliance, wants to present a relatively independent face. Leadership transitions in both countries amount to an opportunity for alliance consolidation and renewal.

POLICY IMPLICATIONS

- The new U.S. administration would benefit from close attention to the alliance and seeking to renew it in tandem with a multi-dimensional and balanced set of policies in Asia, including maintaining a strategic presence, sustaining an emphasis on engagement with China, pursuing greater participation in regional institutions, and ensuring that policy toward Asia is not overshadowed by terrorism and the Middle East.
- A demonstrable willingness to hear Australian advice, especially on Asian issues, will help remind Australia that the alliance is working.
- Realistic expectations on Australia as an ally would flow from a recognition of the limits of the country's defense capabilities and the multiplicity of Australia's regional security challenges.
- Prolonged inattention to Australia would risk turning the alliance's limits—such as differing views of China—into vulnerabilities for U.S. positions in Asia and globally.



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AUSTRALIA BY THE NUMBERS

Australia has developed more robust trade relations with China and the United States...

Trade relations	2000	2007
Exports to U.S. (\$m)	6,249.1	8,150.1
Exports to China (\$m)	3,602.4	20,253.5
Imports from U.S. (\$m)	13,543.1	20,064.8
Imports from China (\$m)	5,283.1	22,460.5

...and increased defense expenditure

Defense expenditure	2000	2007
In local currency (\$m)	11,975	20,949
In constant dollars (2005, \$m)	10,617	15,097
% GDP	1.8	–

Australia has provided considerable support for U.S.-led military operations...

Iraq: Operation Catalyst	2008
ADF personnel	1,000
Pledged aid (\$m)	>195
Afghanistan: Operation Slipper	2008
ADF personnel	1,080
Pledged aid (\$m)	510

...but public support is beginning to wear thin

Australian public support	Yes	No
Involvement in Iraq (% , 2007)	37	57
Involvement in Afghanistan (% , 2007)	46	46

Australians do not perceive China as a threat

Australian concern over China's growing power	2007
Very worried (%)	19
Fairly worried (%)	28
Not very worried (%)	39

NOTE: Data compiled by Strategic Asia research staff. See data section for full source details.