



## Digital Commons@

Loyola Marymount University  
LMU Loyola Law School

---

Honors Thesis

Honors Program

---

5-5-2021

# International Opportunities and Innovation between Australia and the United States in a Post Pandemic Economy

Amanda Meegan  
ameegan@lion.lmu.edu

Scott Delanty  
Loyola Marymount University, scott.delanty@lmu.edu

Follow this and additional works at: <https://digitalcommons.lmu.edu/honors-thesis>



Part of the [International Business Commons](#)

---

### Recommended Citation

Meegan, Amanda and Delanty, Scott, "International Opportunities and Innovation between Australia and the United States in a Post Pandemic Economy" (2021). *Honors Thesis*. 388.  
<https://digitalcommons.lmu.edu/honors-thesis/388>

This Honors Thesis is brought to you for free and open access by the Honors Program at Digital Commons @ Loyola Marymount University and Loyola Law School. It has been accepted for inclusion in Honors Thesis by an authorized administrator of Digital Commons@Loyola Marymount University and Loyola Law School. For more information, please contact [digitalcommons@lmu.edu](mailto:digitalcommons@lmu.edu).



**Loyola Marymount University**  
**University Honors**  
**Program**

# **International Opportunities and Innovation between Australia and the United States in a Post Pandemic Economy**

A thesis submitted in partial satisfaction  
of the requirements of the University Honors Program  
of Loyola Marymount University

by

**Amanda Meegan**

**May 5, 2021**

Advised by Scott Delanty, College of Business Administration

**“International Opportunities and Innovation between Australia and the United States  
in a Post Pandemic Economy”**

Amanda Meegan

Department of Marketing, College of Business Administration

Scott Delanty

Faculty Mentor, Department of Accounting, College of Business Administration

**ABSTRACT**

A 15-hour flight and 7,500 miles of water separate these two countries, but innovative ideologies and opportunities unite them. Combined, the investment relationship between the US and Australia is worth more than \$1.14 trillion USD, about the size of Australia’s entire GDP. It positions the United States as Australia’s largest foreign direct investor. These two major players in the Asia Pacific Economy have forged an alliance that champions democracy and fortitude.

COVID-19, however, interrupted many investment opportunities across the Pacific. Both countries had to impose border restrictions and put many business processes on hold, forcing governments and industry alike to explore critical pathways toward recovery. This study examines how the dynamic investment relationship between the United States and Australia will spring forward following COVID-19, and what industries could most stimulate robust innovation in collaboration.

The intent of this paper is to transform research on U.S.-Australia relationships into innovative and actionable strategies for many timely opportunities, including critical minerals, energy, health, technology, defense, security and social/political/economic advances.

## INTRODUCTION

For 102 years, the United States and Australia have built robust diplomatic and economic relationships underpinned by shared democratic values, common interests, and cultural affinities (Dept. of State). As strong allies through several key World War II battles, they continued to build strong bilateral defense cooperation, acting as beacons for democracy in the Asia-Pacific region (State). With an intertwined history and an aligned future, the unique relationship between both English-speaking countries presents a solid foundation to pursue economic opportunities in moving from COVID-19 recovery to thriving world trade partners.

The U.S.-Australia relationship flourished with the rise of globalization. As both countries shared international trade and investment, each benefited from the resulting lucrative returns. While the U.S. is Australia's largest foreign direct investor, recent years have prompted each country to take a more nationalist economic approach. The Trump Administration in the United States championed its "America First" agenda, under which the president withdrew the U.S. from the Trans-Pacific Partnership (TPP) and renegotiated the agreements with Mexico and Canada (NAFTA and USMCA, respectively) and South Korea (KORUS) (BDI). The Trump administration also imposed tariffs on steel and aluminum, which set in motion a tariff spiral with China (BDI).

Trump's trade war with China even had implications for Australia's pre-pandemic booming economy. This was noticeably observed when the Reserve Bank of Australia decided to cut interest rates following the trade war. Philip Lowe, Governor of the Reserve Bank, said that "If the world interest rate changes, we have to change ours, too. If we don't, the exchange rate will appreciate, and it will have adverse consequences for our inflation and employment goals (NYT)." In pre-pandemic times, the exchange rate was about 67 Australian cents to 1 U.S. dollar. The onset of the pandemic, however, saw that rate appreciate to 78 Australian cents.

The externalities imposed on Australia from the U.S.-China trade war are not unusual. Commenting on the effects of globalized markets, Mark Carney, the head of the Bank of England, noted that international linkages have risen dramatically over recent decades. He explained that the Bank of England's research indicates that increases in America's policy interest rate have twice the effect on foreign growth that they did back in the 1990s, even though America now makes up a smaller share of the global economy (NYT). Thus, Trump's and the U.S. Federal Reserve's actions, have direct repercussions on the growth of global markets and economies.

With the onset of the Coronavirus pandemic, Australia's Prime Minister Scott Morrison took action towards nationalistic policies for Australia. On March 28th, 2020, the Morrison government closed the border and implemented inward measures - attempting to keep coronavirus out and cash flows in. As a result, Australia has recorded 114 Covid-19 cases per 100,000 people since the start of the pandemic, according to the World Health Organization, compared with 8,548 per 100,000 in the U.S. As of mid-April 2021, the U.S. recorded 565,778 coronavirus related deaths, while Australia posted just 910.

The Morrison Government also boasted that their strategy would increase spending at home, thus diverting funds from leaving the country. Saul Eslake, an independent economist, noted that "The (Australian) ban on (outward) traveling has diverted around A\$45 billion (\$35 billion) into domestic discretionary spending or increased household saving. That's more than offsetting a A\$25 billion decline in spending in Australia by foreign visitors."<sup>1</sup> However, a shuttered border to foreigners, one that even made it difficult for some citizens to return home, still came with consequences. It meant that a nation known for its reliance on migrant workers in

---

<sup>1</sup> Heath, Michael. "Australia's Inward Turn Earns a Faster Rebound Than Expected."

agriculture would have to look internally to a workforce that is normally less involved with that sector. With closed borders keeping out seasonal migrant workers, Australia's National Lost Crop Register recorded \$45 million in losses of unharvested crops in 2020.<sup>2</sup>

Australia also dealt with heightened trade tensions with China in 2020. Though China had bought close to 40% of Australia's wine exports in recent years, in December 2020 they implemented over 200% tariffs on Australian wine in suspected retaliation for Australia's compassionate stance towards Hong Kong.<sup>3</sup> Similar actions were imposed on Australia's rock lobster exports. In 2018/19, China was the destination for about 94% of Australia's A\$752 million (\$527 million) in rock lobster exports. Just before the holiday season in 2020, China decided to ban and investigate these imports. While a devastating blow to the Australian export market, a large number of domestic consumers stepped in to bail out the lobster industry. As a result, Australian seafood purchases increased 30% around the 2020 holidays.<sup>4</sup>

## **FOUNDATIONS OF THE ALLIANCE**

While Australia's proximity to China lends itself well geographically to international trade, a troubling difference in government values has made cooperation on trade policies and tariffs increasingly difficult. Meanwhile, Australia and the United States align closely on values of free trade and democracy. As the U.S. continues to compete with China's rapidly rising position of world economic superpower, Australia's alliance could help the United States maintain its position in world markets, especially in the Asia-Pacific region. In 2018, the two countries marked 100 Years of Mateship (Friendship), commemorating the Battle of Hamel in

---

<sup>2</sup> Liveris, James. "\$45 Million in Lost Crops: Grocery Prices Could Soar as Australian Food Supply Shrinks."

<sup>3</sup> Mao, Frances. "How a Blow to Australian Wine Shows Tensions with China"

<sup>4</sup> Honan, Kim, and Keely Johnson. "Lobsters, Prawns Snapped up by Australians in Pre-Christmas Seafood Bonanza."

which U.S. and Australian forces first fought side-by-side (STATE). According to the U.S. State Department, the United States and Australia maintain a robust relationship underpinned by shared democratic values, common interests, and cultural affinities (STATE). U.S. and Australian forces have fought together in every significant conflict since World War I, and have upheld strong economies ties throughout that time.

The Australia, New Zealand, and United States (ANZUS) Security Treaty, effective in 1951, is Australia's pre-eminent security treaty alliance and enjoys broad bipartisan support. Australia invoked it for the first time in response to the September 11, 2001 terrorist attacks. The exceptionally close bilateral defense ties and cooperation further position the U.S.-Australia alliance to act as an anchor for peace and stability in the Indo-Pacific region and around the world (STATE). As two major western democracies with growing Diversity, Equity and Inclusion agendas, another relevant area beyond the scope of this paper is the comparison of personal liberties between both nations.

## **CULTURAL INTRICACIES**

Data yielded from social psychologist Geert Hofstede's seminal research found the U.S. and Australia to have an overall cultural distance of 0.02, the smallest difference between the U.S. and any other country.<sup>5</sup> This means the U.S. is more closely aligned in culture with Australia than neighboring Canada (0.12) or even the United Kingdom (0.09). While this indicates a great deal of similarities between the two nations, understanding the 0.02 of difference offers key insights for conducting international business. Over the past 4 years, I have conducted research that explores the cultural implications for marketing to consumers in both

---

<sup>5</sup> Rothaermel, Frank T. Strategic Management.

countries. Tall Poppy Syndrome is a societal phenomenon in Australia in which high achievers are hesitant to publicly celebrate their success or achievements, in fear of coming across as braggadocious or narcissistic. While fear of judgement can hold them back from achieving their full potential, it also inclines them to value judgements from their immediate social circles over the greater society. Australian society places a large emphasis on humility and is famous for its concept of the “fair go,” in which all should be given an equal chance at success. While other western democracies like the U.S. are more individualistic, Australia is more communal. Some scholars think this is perhaps due to the isolated geographic nature of Australia. A large island surrounded by the Pacific and Indian Oceans, much of the country’s population is concentrated in 5 major cities. Australia’s population is concentrated heavily on the coasts, as much of the country’s center is rough, desert outback.

Seeking to understand how decisions are made in such a society, I traveled to Perth, Australia in 2018 to conduct qualitative research on Tall Poppy Syndrome through a series of interviews. I chose Perth because it mimics Australia’s isolation being one of the most isolated cities in the world, over a 24-hour drive from the next major metropolitan area. Despite this it is still a major hub for business, sharing a time zone with China and other Asian trading partners. My research culminated in a 35-minute documentary that highlighted first-hand accounts of Tall Poppy Syndrome’s effects on the everyday decisions of “high achievers” in this environment. Ultimately, regardless of their accomplishments, these Australians continuously displayed humility.

In 2019, I surveyed 75 college-aged students in both the United States and Australia on their attitudes toward personal branding and social media habits. The results indicate a noticeable difference between how American and Australian college students want to be perceived on social media, and how they perceive others as potential friends. First, the vast majority of participants



in both countries reported that they view social media as a platform for personal branding (82% in the U.S. and 74% in Australia). Next, I noticed that overall, some Australian perspectives were influenced by attitudes related to Tall Poppy Syndrome. The preference for a humble society extended as far as Instagram, and is demonstrated in how Australian users post and judge online content. While I expected them to acknowledge more strongly that showy behavior would be more acceptable in America than Australia, only about half of them did so. Lastly, though both groups were not dramatically different, the Australian responses tended to dissociate the consumption of luxury goods with friendship more than the American responses did.

With cultural attitudes confirmed in the actions and behaviors of social media users, I conclude that an understanding of Tall Poppy Syndrome and its effects on Australian people can be useful in developing marketing and market entry strategies for companies in the Australian-American marketplace. These insights can be applicable for brands in tailoring marketing strategies specifically to Australian and American consumers, as well as other multinational corporations and ventures seeking to understand this group of consumers. My analysis of the cultural sentiments in both countries ultimately highlights differences in values among two first-world, English-speaking nations.

## **PANDEMIC ACCELERATED TRENDS**

Over the past year, the COVID-19 pandemic has highlighted more commonalities between the two societies. 2020 brought calls for racial justice throughout the U.S. and Australia. The U.S. Black Lives Matter movement brought forth a societal, political, and corporate reckoning of the disparities faced by Black Americans. A cornerstone of this movement focused on police brutality toward Black Americans, and called for the reform and defunding of police forces. Black Lives Matter also emerged in Australia, where it was more focused on Indigenous

Australians. Similarly, this group experienced decades of systemic racism and police brutality. Both American and Australian societies were forced to fully confront and address such wrongdoings and make plans to move forward.

The pandemic also brought an increased push for safety and stability in the Indo-Pacific. In this area, the U.S.-Australia relationship acts as an alliance for democracy and efficient markets in a region gripped by China's power. One such example where the alliance has countered Chinese power is the South China Sea, significant both for its geography as Asia's gateway for commercial merchant shipping as well as its significant untapped oil and gas reserves. According to international policy think tank the Lowy Institute, "Australia has significant interests in the South China Sea, both economically in terms of freedom of trade and navigation, and geopolitically as the U.S. is invested in upholding the rules-based order in the region."<sup>6</sup>

The U.S. and Australia also felt growing pressure from China's 'One Belt, One Road' initiative. The Australian Government defines it as "a Chinese economic and strategic agenda by which the two ends of Eurasia, as well as Africa and Oceania, are being more closely tied along two routes – one overland and one maritime." Supporters suggest the initiative permits new infrastructure and economic aid to be provided to needy economies. Critics claim that it facilitates Chinese economic and strategic domination of the countries along these routes.<sup>7</sup> The Australian state of Victoria was set to partake in the initiative, but the Morrison government ultimately did not allow it to go through. Morrison claimed the deal was "inconsistent with federal foreign affairs policy" and added that federal policy would determine foreign relations.<sup>8</sup>

---

<sup>6</sup> "South China Sea." Lowy Institute.

<sup>7</sup> "China's 'One Belt, One Road' Initiative." Parliament of Australia.

<sup>8</sup> Chung, Frank. "PM to Tear up Victoria's Belt and Road Deal."

The cancellations are the first under laws passed by the Australian parliament in December that give the foreign minister the ability to stop new and previously signed agreements between overseas governments and Australia's eight states and territories, and also with bodies such as local authorities and universities. The Chinese embassy in Canberra deemed Morrison's decision to be "another unreasonable and provocative move taken by the Australian side against China," one that "further shows that the Australian government has no sincerity in improving China-Australia relations -- it is bound to bring further damage to bilateral relations, and will only end up hurting itself."<sup>9</sup> As this situation further strains economic ties between China and Australia, the U.S. and Australia's economic fortitude can instead take critical steps forward to encourage regional stability.

## **MAIN IDEA**

Amidst a brutal pandemic, each country must promote the interests of its people. Though, in today's globalized, digital economy, a strong economic partnership would mutually benefit both the citizens of the United States and Australia. Building on a tested history of collaboration, complementary values, and capital capabilities, the U.S.-Australia alliance has the ability to emerge from the pandemic positioned towards economic prosperity bolstered by security in the Asia Pacific region.

## **FREE TRADE**

Free Trade is first and foremost due to the U.S.-Australia Free Trade Agreement ("FTA") established in 2005. With the FTA, tariffs that averaged 4.3% were eliminated on more than 99% of the tariff lines for qualifying U.S. manufactured goods exported to Australia. The U.S.

---

<sup>9</sup> Bloomberg Editorial Board. "How to Ease China's Hold on Rare Earths."

Department of Commerce notes that the FTA also opened markets for services such as life insurance and express delivery, improved protection of intellectual property, and helped facilitate American investments. Notably, for the first time in many sectors, American firms became eligible to compete for Australia's government purchases on a nondiscriminatory basis. American farm exports especially benefited from duty-free treatment, as did pharmaceuticals.<sup>10</sup> As a result of creating predictable access and a stable business environment, two-way investment almost tripled since the FTA was enacted.<sup>11</sup>

Moving towards the post-pandemic future, a digital free trade agreement designed to maximize the benefits of the digital age would propel the U.S.-Australia economic relationship to the next level. Our global economy has evolved dramatically since 2005, and digital markets are now dominating forces. A digital trade agreement between both countries could look like that which already exists between the U.S. and Japan, offering provisions for digital transactions and online financial services.<sup>12</sup>

The FTA has helped the United States to become the largest and most significant investor in Australia, accounting for 27 per cent (\$939 billion) of Australia's total foreign investment stock as of December 2018. The United States is also by far Australia's largest foreign investment destination, accounting for 28 per cent (or \$719 billion) of Australia's total overseas investment stock as of December 2018. That year, Australia's goods and services exports to the United States were \$23.1 billion, Australia's total imports from the United States were \$50.8 billion, and overall two-way trade was worth \$73.9 billion. To maximize this economic relationship, both countries can trade and invest in industries that are rising quickly.

---

<sup>10</sup> "U.S. - Australia Free Trade Agreement." International Trade Administration.

<sup>11</sup> "Australia-United States FTA." Australian Government Department of Foreign Affairs and Trade.

<sup>12</sup> "U.S. - Australia Free Trade Agreement." International Trade Administration.

## AREAS OF COLLABORATION

One growing area of investment is in startups. The Australian Trade and Investment Commission (or Austrade) hailed the U.S. market as a major attraction for Australian startups and established a program called Austrade Landing Pad in San Francisco. Landing Pad is a 90-day residency for market-ready Australian startups and scaleups to receive business development assistance in the Silicon Valley and Bay Area.<sup>13</sup> Some of the most notable Australian startups to find success in the United States are those in the healthcare industry, an area that has been especially highlighted during the pandemic. One such example was the award of a \$231.8 million contract by the U.S. government to Australian company Ellume to increase the accessibility of COVID-19 testing in the U.S. Ellume produced the first fully at-home rapid coronavirus test, which can be obtained without a prescription.<sup>14</sup> Beyond the health sector, potential future collaborations for the U.S. and Australia in other science industries show promising benefits for both societies.

One increasingly imperative area in which both countries seek to collaborate is in critical minerals. Worldwide demand is exploding for these essential rare earth elements necessary for creating a wide range of high-tech products, including products that harness renewable energy. They are used for mobile phones, computers, solar panels, wind turbines, electric vehicles, and even defense industry technologies. Designation as "critical" acknowledges that these metals are necessary for a future with such technology, yet their supply chains are currently not secure. Much instability is due to these minerals having high financial risk, but this creates opportunities for government and private sectors to collaborate on investment partnerships.

---

<sup>13</sup> "San Francisco Landing Pad." Australian Trade and Investment Commission.

<sup>14</sup> Hayes, Kelly. "Ellume COVID-19 Home Test: US Awards \$231M Contract to Provide over-the-Counter Kits."

Critical minerals also pose national security challenges for the United States, as China provides 74% of their supply. With intensifying Chinese geopolitical tensions, the U.S. is seeking to diversify their investments in critical minerals. President Joe Biden is looking to Australia, one of few countries that can produce all the critical minerals. In a February 4th, 2021 Facebook post, Prime Minister Scott Morrison announced that he had a phone call with Joe Biden to discuss their “many shared interests as stewards of the alliance.” A noted topic of this call was the stabilization of critical minerals supply chains as they relate to climate goals. Morrison elaborated, “We discussed ... our work together in key areas of cooperation, such as secure supply chains in areas like critical minerals and technologies. We agreed on the importance of technology partnerships in reducing emissions towards net zero and driving economic growth.”<sup>15</sup> The Western Australian industry in particular is a world leader in safety and sustainable development, and WA has been a test market for such a partnership already. One such company leading by example is Lynas Corporation, the largest rare earths producer outside China. As a test pilot for U.S. investment in Australian critical minerals, the Pentagon awarded \$30 million in funding to Lynas in early February 2021. Lynas will mine the metals in Australia, and use the bulk of these funds to set up a processing plant in Texas. If successful, the project is expected to produce a quarter of the world’s supply of rare earth oxides.<sup>16</sup> Forming a more geographically diverse supply chain would also help governments avoid wasteful subsidies on duplicated efforts at home.<sup>17</sup>

---

<sup>15</sup> Morrison, Scott. “Great to Speak to US President Joe Biden.”

<sup>16</sup> Hui, Mary. “The US Is Taking Steps towards Breaking China's Rare Earths Monopoly.”

<sup>17</sup> Bloomberg Editorial Board. “How to Ease China’s Hold on Rare Earths.”



*Scott Morrison, Facebook*

Another key area in which the U.S. and Australia can collaborate is quantum technologies. Technology giant SAP places quantum technology at the intersection of quantum physics and computer science. Experts say quantum computing has the potential to eclipse classical computing for many classes of practical problems and solve more advanced problems not currently solved by classical computing.<sup>18</sup> While the technology is still in its early stages, Australia's quantum sector is innovating rapidly with home grown startup Quantum Brilliance making headlines for its diamond-based quantum accelerator. Australia's new Global Talent Independent Program, which will speed up the visa process for 5,000 applicants each year, seeks to attract foreign talent to quantum computing and other key industries like fintech and agtech. A

---

<sup>18</sup> Madhavan, Bindu, and Andre Wenz. "Quantum Computing – Exploring the Next Potential Paradigm Shift in High Performance Computing."

recent study by organizational consulting firm Korn Ferry found that by 2020, Australia would have a shortage of 739,000 highly skilled workers, ballooning to 2.2 million by 2030 if drastic action isn't taken. The cyber-security industry alone needs to train 18,000 more people by 2026 to become effective. Meanwhile in Silicon Valley, the proportion of foreign-to-local workers far outstrips the rest of the U.S. Data from the U.S. Census Bureau for 2009-2013 indicated that of the working-age population, more than 45 per cent of the people in Silicon Valley were foreign born, compared to only 17 per cent of the overall U.S. working-age population.<sup>19</sup>

A third area in which both countries can collaborate is sustainability and related technologies. The Australian National University (ANU) projects that Australia is on its way to hit 50% of its energy share being renewables by 2030. An analysis done by ANU'S Energy Change Institute shows that the Australian energy industry has now demonstrated the capacity to deliver 100% renewable electricity by the early 2030s, if the current rate of installations continues beyond the end of this decade. Based on data from the Clean Energy Regulator, Australia installs a per-capita rate of 224 watts of new renewable energy per person per year, which is among the highest of any nation.<sup>20</sup> At this rate, emissions in the electricity sector will decline by more than 26% in 2020-21, and will meet Australia's entire Paris target of 26% reduction across all sectors of the economy (not just the goal for electricity) in 2024-25. ANU's analysis shows Australia's renewable energy industry has the capacity to deliver deep and rapid emissions reductions. Direct government support for renewables would help, but surprisingly, it is no longer vital. ANU professors suggest that government support for stronger high-voltage interstate interconnectors and large-scale storage projects will allow 50-100% renewables to be

---

<sup>19</sup> Redrup, Yolanda. "Fast-Tracked Visas Win Tech Sector Support."

<sup>20</sup> Baldwin, Ken, Andrew Blaker, and Matthew Stocks. "At Its Current Rate, Australia is on Track for 50% Renewable Electricity in 2025."



smoothly integrated into the Australian grid.<sup>21</sup> American investment in these technologies could also add an extra boost, as could Australian renewable energy systems be implemented in the United States and bring both nations closer to their climate goals.

## **ESG WORLD STAGE**

In planning for the future, both private and public sectors alike are now making decisions with ESG ideologies at the forefront. ESG encompasses risks and opportunities that are environmental, social, and governance related and will impact a company's ability to create long-term value (PWC).<sup>22</sup> Leading with ESG requires understanding all the stakeholders of a business or government and how the organization's purpose serves them. The business value of ESG has been especially realized in recent years, following impending threats of climate change and social injustice that impact stakeholders. For long term success, organizations must understand the impacts of their actions, and create value by actively working to enrich the world in which their stakeholders exist.

With ESG in mind, it is important to consider the cultural contexts in which stakeholders form their ideologies. Friction between the East and the West, as well as the Left and the Right, has increased tension within everyday consumers. Aggressive military actions and political uprisings further deepen divides between both sides, where one sees the other as an enemy. Bridging this divide is no easy task, and will not happen quickly. The unique geographical positions of the United States and Australia between the Pacific Ocean make the ocean a bridge between both cultures. Australia, proximal to the east, acts as a democratic stronghold in the Asia-Pacific region.

---

<sup>21</sup> Baldwin, Ken, Andrew Blaker, and Matthew Stocks. "At Its Current Rate, Australia is on Track for 50% Renewable Electricity in 2025."

<sup>22</sup> "ESG Oversight: The Corporate Director's Guide." PwC.

To begin mending these large differences, long term social contracts must be established. Rising geopolitical tensions with China have been starting to back the U.S. and Australia into corners both on trade and human rights, forcing them to take a stance. As the democratic powers of the Pacific, both countries can come together to reestablish order through shared diplomatic priorities and economic partnerships, all while shaping a democracy for the future. This would align political objectives with ones that prioritize longevity through environment, health, and market flexibility, such as those listed in the United Nations' 2030 Sustainable Development Goals. Climate change has negatively impacted major industries in both countries, including agriculture, fishing, sourcing of raw materials, and energy. Health has been severely attacked by the COVID-19 pandemic, on a large scale in the United States, and a smaller but significant scale in Australia. Lastly, supply chain issues have hurt local industries in mining and agriculture, with instability creating impending national security risks. A democracy for the future to be led by the U.S. and Australia must be one that does not provide short term fixes to these issues, but carefully crafts and implements long term strategies.

## **AN ALLIANCE FOR THE FUTURE**

This work has already begun taking place through the collaboration of various acting bodies devoted to promoting and strengthening the U.S.-Australia alliance. Through original research and regular events, they inform the public on the challenges and opportunities for citizens, businesses, and governments to get involved in this international partnership.

On the economic front, efforts are spearheaded by the local Chambers of Commerce and the international trade and investment agencies of both governments. On the diplomatic front, efforts are led at the local levels by the embassies of both countries, and the executive levels at the AUSMIN talks. Australia's main embassy in the U.S. is located in Washington DC, with

auxiliary locations in New York, Los Angeles, Chicago, Houston, San Francisco, and Honolulu.<sup>23</sup> The United States main embassy in Australia is located in Canberra, with auxiliary locations in Sydney, Melbourne, and Perth.<sup>24</sup> The Australia-United States Ministerial Consultations (AUSMIN) are Australia's principal forum for formal consultations with the United States, attended by the U.S. Secretaries of State and Defense, and the Australian Ministers of Defense and Foreign Affairs.<sup>25</sup> At these annual meetings taking place each July, the Secretaries and Ministers note a number of initiatives through which the people of the United States and Australia, close friends and partners for more than a century, will work together to build a secure, prosperous future.<sup>26</sup>

On the social front, the Australian-American Association (AAA) is the leading privately funded nonprofit organization dedicated to deepening and strengthening cooperation and understanding between the institutions and people of the U.S. and Australia. For over 70 years, the AAA has provided an important forum for collaboration and exchange between political and business leaders – the U.S. President, Australian Prime Ministers, Federal and State Cabinet Ministers, and the chief executives of leading companies have been among the many individuals hosted. The corporate members of their business council include many of the most prominent commercial and financial institutions engaged in business between the United States and Australia, showcasing the depth of both countries' partnership across a multitude of industries. Beyond working to strengthen ties at the business and government levels, the Association has awarded U.S.\$13 million to over 900 graduates, veterans and artists through philanthropic

---

<sup>23</sup> "Our Locations." Australia in the USA.

<sup>24</sup> "Embassy & Consulates." U.S. Embassy & Consulates in Australia.

<sup>25</sup> "Explainer: A Brief History of AUSMIN." United States Studies Centre.

<sup>26</sup> "Fact Sheet: 2018 Australia-U.S. Ministerial Consultations." U.S. Embassy & Consulates in Australia.

scholarship and grant programs— further advancing the careers of the next generation of leaders of the alliance. Altogether, the AAA is committed to developing international networks between the U.S. and Australia and generating solutions that address the global issues of our time.<sup>27</sup>

Spearheading research on the alliance are two think tanks based out of Australian universities, the United States Studies Centre and the PerthUSAsia Centre. On the east coast of Australia, the United States Studies Centre at the University of Sydney works to shape policy, debate and ideas by deepening understanding of, Australia's relationship with the United States and strengthening it.<sup>28</sup> On the west coast, the PerthUSAsia Centre at the University of Western Australia works to strengthen relationships and strategic thinking between Australia, the Indo-Pacific and the USA. The Centre is a leading think tank focusing on geo-political issues, policy development and building a strategic affairs community across government, business and academia.<sup>29</sup> Both Centres work jointly on a number of events and research projects. Notable speakers of past events include Arthur Culvahouse (U.S. Ambassador to Australia), John Bolton (former U.S. National Security Advisor), and John Howard (former Prime Minister of Australia). Being based at universities, the Centres are able to engage young people as the future leaders of the U.S.-Australia relationship.

## **WHY NOW**

The U.S.-Australia alliance has had great momentum in recent years, but has reached a critical turning point in which it must adjust for a long-term future. After a chaotic 2020 for the United States, in which election shenanigans and pandemic mismanagement tarnished the image of democracy, the path to rebuild appears to be strongest when not singular, but mutual. Further

---

<sup>27</sup> “About Us.” American Australian Association

<sup>28</sup> “Mission and History.” United States Studies Centre.

<sup>29</sup> “About Us.” PerthUSAsia Centre.

investment into the U.S.-Australia relationship presents an opportunity for business and government to be a force for good for both societies. While Australia mastered keeping the virus out of its society, it fell short in deploying an efficient vaccine rollout. Australia's vaccine stockpile was largely made of AstraZeneca, which is being manufactured onshore. With the news that the AstraZeneca vaccine was linked to blood clots, Australia's medical advisers deemed it only to be used in adults over age 50. The next major shipment of Pfizer to Australia is not expected until late 2021. As of late April, just over 7% of Australians have received a first dose and 0.73% of Australians have been fully vaccinated.<sup>30</sup> Noting that these numbers are very much behind previous estimates given from Morrison himself, former Prime Minister Kevin Rudd described the government's rollout strategy as "an epic fail."<sup>31</sup>

On the other hand, the United States faced opposite pandemic circumstances; a raging spread that took hundreds of thousands of lives coupled with speedy, successful vaccination administration. Within Joe Biden's first 100 days in office, over 43% of the American population had received at least one dose, and 29.5% had been fully vaccinated.<sup>32</sup> The United States is closely approaching herd immunity, a point where its vaccine stockpile will become a surplus. Former Prime Minister Kevin Rudd suggests that this is an area of ripe opportunity for U.S.-Australia collaboration. In an opinion piece for *The Guardian*, Rudd writes "Australia might look to the United States, which is weeks away from producing a surplus of vaccines. After a century of alliance, partnership and camaraderie, Washington may be able to provide a top-up to at least help vaccinate our most vulnerable frontline workers with the best vaccines available."<sup>33</sup>

---

<sup>30</sup> Butt, Craig, Mark Stehle, and Reginal Sengkey. "Australia's Daily COVID-19 Vaccine Rollout Progress Revealed."

<sup>31</sup> Rudd, Kevin. "Australia's Vaccination Rollout Strategy Has Been an Epic Fail."

<sup>32</sup> "CDC COVID Data Tracker." Centers for Disease Control and Prevention.

<sup>33</sup> Rudd, Kevin. "Australia's Vaccination Rollout Strategy Has Been an Epic Fail."

Rudd rightly points out that such a collaboration on vaccination efforts would be directly in line with the longstanding economic alliance between both countries.

The political alignment of both countries is promising as well. In the first month of his tenure, Joe Biden's administration convened a meeting of the Quad- the quadrilateral security working group made up of Australia, India, Japan and the United States.<sup>34</sup> The meeting reinforced priorities amongst the four nations to maintain a free and peaceful Asia-Pacific, and keep China's territorial claims at bay.<sup>35</sup> This alliance is already proving substantial amidst India's April 2021 pandemic surge, with the other Quad members donating medical and vaccine supplies in support.

#### **CONCLUSION: FILL WORLD NEEDS OR BE LEFT BEHIND**

In conclusion, the United States-Australia alliance is well suited to solve problems together amidst the global recovery from the COVID-19 pandemic. The robust relationship underpinned by shared democratic values, common interests, and cultural affinities<sup>36</sup> positions the countries to evolve democracy as we know it. Through ESG and impact investing into industries such as critical minerals, quantum and AI technologies, and sustainable technologies, both countries can establish long term economic growth that will be resilient into the future. At this unique turning point, the governments and industries of both countries must decide to meet world needs, or risk getting left behind. Past and current collaborations offer proof of demonstrated collaborative success, which positions future collaborations between the United States and Australia to be ones that powerfully use business as a force for good.

---

<sup>34</sup> The Indian Express Editorial Board. "The Quad Endures."

<sup>35</sup> "Ahead of Quad Meeting, PM Modi Speaks with 'Good Friend' Scott Morrison, Discusses Peace, Security in Indo-Pacific."

<sup>36</sup> "U.S. Relations With Australia." U.S. Department of State.

## Bibliography

“About Us.” American Australian Association, March 17, 2021.

<https://www.americanaustralian.org/about-us/>.

“About Us.” PerthUSAsia Centre. Accessed May 5, 2021. <https://perthusasia.edu.au/about-us>.

“Ahead of Quad Meeting, PM Modi Speaks with 'Good Friend' Scott Morrison, Discusses Peace, Security in Indo-Pacific.” ANI News, February 18, 2021.

<https://www.aninews.in/news/world/asia/ahead-of-quad-meeting-pm-modi-speaks-with-good-friend-scott-morrison-discusses-peace-security-in-indo-pacific20210218180032/>.

“Australia-United States FTA.” Australian Government Department of Foreign Affairs and Trade, January 1, 2005. <https://www.dfat.gov.au/trade/agreements/in-force/ausfta/Pages/australia-united-states-fta>.

Baldwin, Ken, Andrew Blaker, and Matthew Stocks. “At Its Current Rate, Australia Is on Track for 50% Renewable Electricity in 2025.” ANU College of Science. The Australian National University, September 10, 2018. <https://science.anu.edu.au/news-events/news/its-current-rate-australia-track-50-renewable-electricity-2025#:~:text=News,At%20its%20current%20rate%2C%20Australia%20is%20on%20track,50%25%20renewable%20electricity%20in%202025&text=The%20Australian%20renewable%20energy%20industry,reach%2050%25%20renewables%20in%202025>.

Bloomberg Editorial Board. “How to Ease China’s Hold on Rare Earths.” Bloomberg.com.

Bloomberg, March 25, 2021. [https://www.bloomberg.com/opinion/articles/2021-03-25/how-u-s-should-ease-china-s-rare-earth-](https://www.bloomberg.com/opinion/articles/2021-03-25/how-u-s-should-ease-china-s-rare-earth-dominance?cmpid=BBD032521_CUS&utm_medium=email&utm_source=newsletter&utm_term=210325&utm_campaign=closeamericas&sref=kIbSa7bh)

[dominance?cmpid=BBD032521\\_CUS&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=210325&utm\\_campaign=closeamericas&sref=kIbSa7bh](https://www.bloomberg.com/opinion/articles/2021-03-25/how-u-s-should-ease-china-s-rare-earth-dominance?cmpid=BBD032521_CUS&utm_medium=email&utm_source=newsletter&utm_term=210325&utm_campaign=closeamericas&sref=kIbSa7bh).

Butt, Craig, Mark Stehle, and Reginal Sengkey. "Australia's Daily COVID-19 Vaccine Rollout Progress Revealed." The Sydney Morning Herald. The Sydney Morning Herald, April 26, 2021. <https://www.smh.com.au/national/australia-s-daily-covid-19-vaccine-rollout-progress-revealed-20210420-p57ks7.html>.

"CDC COVID Data Tracker." Centers for Disease Control and Prevention. Centers for Disease Control and Prevention. Accessed May 5, 2021. <https://covid.cdc.gov/covid-data-tracker/#vaccinations>.

"China's 'One Belt, One Road' Initiative." Parliament of Australia. Parliament of Australia, May 11, 2017. [https://www.aph.gov.au/about\\_parliament/parliamentary\\_departments/parliamentary\\_library/pubs/briefingbook45p/chinasroad](https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_library/pubs/briefingbook45p/chinasroad).

Chung, Frank. "PM to Tear up Victoria's Belt and Road Deal." news.com.au. Nationwide News Pty Ltd, February 16, 2021. <https://www.news.com.au/finance/economy/world-economy/scott-morrison-expected-to-tear-up-victorias-belt-and-road-deal-with-china-within-weeks/news-story/580f1d9baed69f064945bd38532becc3>.

"Embassy & Consulates." U.S. Embassy & Consulates in Australia. U.S. Department of State, June 24, 2016. <https://au.usembassy.gov/embassy-consulates/>.

"ESG Oversight: The Corporate Director's Guide." PwC. PricewaterhouseCoopers, LLP, n.d. Accessed May 5, 2021.

"Explainer: A Brief History of AUSMIN." United States Studies Centre, July 19, 2018. <https://www.ussc.edu.au/analysis/a-brief-history-of-ausmin>.

"Fact Sheet: 2018 Australia-U.S. Ministerial Consultations." East Asia & Pacific. U.S. Embassy & Consulates in Australia, July 24, 2018. <https://au.usembassy.gov/fact-sheet-2018-australia-u-s-ministerial-consultations/>.



- Hayes, Kelly. "Ellume COVID-19 Home Test: US Awards \$231M Contract to Provide over-the-Counter Kits." FOX 29 News Philadelphia. FOX 29 News Philadelphia, February 4, 2021. <https://www.fox29.com/news/ellume-covid-19-home-test-us-awards-231m-contract-to-provide-over-the-counter-kits>.
- Heath, Michael. "Australia's Inward Turn Earns a Faster Rebound Than Expected." Bloomberg.com. Bloomberg, March 3, 2021. <https://www.bloomberg.com/news/articles/2021-03-03/australia-is-rethinking-china-globalization-after-closing-borders>.
- Honan, Kim, and Keely Johnson. "Lobsters, Prawns Snapped up by Australians in Pre-Christmas Seafood Bonanza." ABC News. Australian Broadcasting Corporation, January 6, 2021. <https://www.abc.net.au/news/rural/2021-01-06/christmas-seafood-sales-up-30-pc-after-chinas-ban-on-lobsters/13035636>.
- Hui, Mary. "The US Is Taking Steps towards Breaking China's Rare Earths Monopoly." Quartz. Quartz Media, Inc., February 5, 2021. <https://qz.com/1969069/the-us-takes-steps-to-break-chinas-rare-earths-monopoly/>.
- Liveris, James. "\$45 Million in Lost Crops: Grocery Prices Could Soar as Australian Food Supply Shrinks." ABC News. Australian Broadcasting Corporation, February 8, 2021. <https://www.abc.net.au/news/rural/2021-02-09/national-lost-crop-register-surpasses-45-million-in-losses/13132274>.
- Madhavan, Bindu, and Andre Wenz. "Quantum Computing – Exploring the Next Potential Paradigm Shift in High Performance Computing." SAP Blogs. SAP, September 18, 2017. <https://blogs.sap.com/2017/09/18/edit-quantum-computing-exploring-the-next-potential-paradigm-shift-in-high-performance-computing/>.
- Mao, Frances. "How a Blow to Australian Wine Shows Tensions with China." BBC News. BBC,

December 3, 2020. <https://www.bbc.com/news/world-australia-55167882>.

“Mission and History.” United States Studies Centre. Accessed May 5, 2021.

<https://www.ussc.edu.au/about/mission>.

Morrison, Scott. “Great to Speak to US President Joe Biden.” Facebook. Scott Morrison, February 3, 2021.

<https://www.facebook.com/scottmorrison4cook/photos/a.729865237057882/3955624771148563/?type=3&source=48>.

“Our Locations.” Australia in the USA. Embassy of Australia, May 5, 2021.

<https://usa.embassy.gov.au/our-locations>.

Redrup, Yolanda. “Fast-Tracked Visas Win Tech Sector Support.” Australian Financial Review, August 13, 2019. <https://www.afr.com/technology/fast-tracked-visas-win-tech-sector-support-20190813-p52gl2>.

Rothaermel, Frank T. Strategic Management. Fifth Edition. New York, New York: McGraw Hill Education, 2021.

Rudd, Kevin. “Australia's Vaccination Rollout Strategy Has Been an Epic Fail. Now Scott Morrison Is Trying to Gaslight Us.” The Guardian. Guardian News and Media, April 11, 2021. <https://www.theguardian.com/commentisfree/2021/apr/12/australias-vaccination-rollout-strategy-has-been-an-epic-fail-now-scott-morrison-is-trying-to-gaslight-us>.

“San Francisco Landing Pad.” Australian Trade and Investment Commission. Accessed May 5, 2021. <https://www.austrade.gov.au/landingpads/locations/san-francisco>.

Scott, Jason. “China Blasts Australia’s Decision to Cancel Belt and Road Deal.”

Bloomberg.com. Bloomberg, April 21, 2021.

<https://www.bloomberg.com/news/articles/2021-04-21/australia-cancels-state-s-deals-with-china-s-belt-and-road?sref=kIbSa7bh>.

“South China Sea.” Lowy Institute. Lowy Institute, February 24, 2021.

<https://www.lowyinstitute.org/issues/south-china-sea>.

The Indian Editorial Board. “The Quad Endures.” The Indian Express, February 20, 2021.

<https://indianexpress.com/article/opinion/editorials/quad-india-us-biden-7196185/>.

“U.S. - Australia Free Trade Agreement.” Trade.gov. International Trade Administration,

January 1, 2005. [https://www.trade.gov/us-australia-free-trade-](https://www.trade.gov/us-australia-free-trade-agreement#:~:text=The%20United%20States%2DAustralia%20Free,manufactured%20goods%20exported%20to%20Australia)

[agreement#:~:text=The%20United%20States%2DAustralia%20Free,manufactured%20goods%20exported%20to%20Australia](https://www.trade.gov/us-australia-free-trade-agreement#:~:text=The%20United%20States%2DAustralia%20Free,manufactured%20goods%20exported%20to%20Australia).

“U.S. Relations With Australia.” U.S. Department of State. U.S. Department of State, April 14,

2021. <https://www.state.gov/u-s-relations-with-australia/>.

“U.S.-Japan Digital Trade Agreement Text.” United States Trade Representative, October 7,

2019. <https://ustr.gov/countries-regions/japan-korea-apec/japan/us-japan-trade-agreement-negotiations/us-japan-digital-trade-agreement-text>.