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## The Australia-Russia relationship

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### The Australia-Russia relationship

In May 2021 Russia's state-owned media publicly circulated a list of ten countries the Kremlin was considering labelling 'unfriendly'.<sup>i</sup> Understandably the US and many of its European friends – the UK, the Baltic states, Ukraine and Poland – made the list. But Australia was named too. That seems on the surface surprising. After all, among the numerous contemporary studies of the ANZUS alliance, it is rare to find one that gives the Russia-Australia relationship a passing comment, if it is even mentioned at all. Even after the February 2022 invasion of Ukraine, and Australia's robust diplomatic stance against an increasingly bellicose Putin regime, the relationship is not one which receives a great deal of attention.

That was not always the case. One of the key rationales for ANZUS was to help embed the United States firmly into the Asian security order as the Cold War, in which the USSR was a leading protagonist, began to gather pace. But after bipolarity Russia only featured occasionally in Canberra's thinking, like the idea that Australia could supply Russia with uranium, wool and wheat.<sup>ii</sup> For Russia's part, vague suggestions about Australian participation in the Eurasian Economic Union were quickly scotched. On the diplomatic front, although there was some genuine warmth on APEC and the G20 from 2010-2013, sustained contact tended to be limited to issue-specific arenas like the Antarctic Treaty System and non-proliferation efforts.<sup>iii</sup>

Unlike the immediate post-Cold War period, the bipolar era provided more incentive for Australians to take Russia in its Soviet guise seriously. Australian strategic policy debates during the 1970s and 1980s often featured discussions about whether Australia was making itself a target for Soviet ICBMs through the Joint Facility at Pine Gap.<sup>iv</sup> Soviet strategy also revolved around courting areas of the world where US influence was weakest, which included attempts to woo nations like Kiribati close to important trans-Pacific sea lanes.<sup>v</sup> And the Petrov Affair of 1954 sharpened Australia's domestic anticommunist lobby, led by prominent figures like B.A. Santamaria.<sup>vi</sup> However, Australian Cold War concerns about the USSR were less about direct contact and more about indirect effects: either via ties to US interests, or the prospect of communist revolutions creating Soviet proxies in South East Asia.

Hence Australia's appearance on a list of Russia's most unfriendly states has more recent origins. The relationship has been icy since the Russian invasion of Crimea in 2014, when Australia swiftly imposed autonomous sanctions on Russia over fears for Ukrainian sovereignty, although the main trigger was the July 2014 shoot-down of MH17 by Russian-backed militants in Donbas in which 38 Australians were killed.<sup>vii</sup> Julie Bishop – Australia's Foreign Minister at the time – made holding the Kremlin responsible a priority, and Australia's then-Prime Minister Tony Abbott threatened to 'shirt-front' Vladimir Putin at the November 2014 APEC Summit in Brisbane.<sup>viii</sup> In response, Russia sent a naval battle group through the Coral Sea in a pointed display of military power.<sup>ix</sup>

Since then, high level Russia-Australia contacts have been minimal. In 2018, following the poisoning of the Skripals, Australia expelled two officials from the Russian Embassy in Canberra it claimed were espionage agents.<sup>x</sup> Australia added to its sanctions package in 2019, and again more recently in March

2021 over Russia's construction of the Kerch railway bridge joining the Crimean Peninsula directly to Russia.<sup>xi</sup>

In February 2021 an Australian Broadcasting Corporation investigative report highlighted attempts by the Kremlin to mobilise the Russian diaspora in Australia in support of Putin and his policies. This included support for the Australian chapter of the Night Wolves (*Nochnye Volki*) motorcycle club in Australia, as well as a group of Cossacks with ties to Igor Girkin (aka 'Strelkov', currently being tried for his role in the MH17 shoot-down).<sup>xii</sup> It also drew attention to lobbying on behalf of Russian oligarch and Putin confidante Oleg Deripaska's Rusal company, which owns a large aluminium mine stake in Queensland. Later, just one day before Channel 9 aired a panel discussion on links between the Kremlin and the poisoning of Alexei Navalny with the chemical weapon Novichok, the network was hit by a cyberattack that interrupted live broadcasts and took down publishing tools used by the *Sydney Morning Herald* and *The Age*.<sup>xiii</sup>

The Australia-Russia relationship has therefore grown sharply competitive, which is exacerbated by the fact that there are very few issues for Russia and Australia to cooperate on. The two are natural resource rivals: in gas, as well as coal and iron ore. Russia sits 42<sup>nd</sup> on the list of Australia's trading partners, with the balance of trade strongly in Canberra's favour.<sup>xiv</sup> In terms of regional vision the two states are diametrically opposed. Australia has strongly sharpened its criticism of China and its support for a US-led order in the Indo-Pacific.<sup>xv</sup> Conversely, Sino-Russian ties have grown into a comprehensive strategic and economic partnership, in spite of occasionally- whispered Russian disquiet that Beijing sees it as a raw materials appendage. Russia makes no secret of its view that the US, the EU and the liberal 'experiment' is doomed to the dustbin of history, and that a China-centric order will dominate the future.<sup>xvi</sup>

Given that worldview, Australia is an interesting oddity for Russian elites, who are regularly surprised to learn that Australia's economy – spanning a nation of only 25 million people – is almost identical in size to Russia's (at US\$1.3 trillion in GDP to US\$1.4 trillion).<sup>xvii</sup> Australia's membership of the Five Eyes intelligence-sharing partnership, its strengthened security ties with the US, and its vocal defence of the 'rules-based' international order are counterintuitive to Kremlin officials convinced about the inexorable march of history. The same is true of Australia's willingness – thus far at least – to suffer Chinese trade reprisals for its criticisms of Beijing, despite the fact that the PRC is Australia's main trading partner.

While some in the Australian security policy community may disagree, there is a strong argument that Australia should take Russia more seriously. Moscow has made a pivot to the Asia-Pacific its main nation-building task for the 21<sup>st</sup> century. Much of that revolves around leveraging Russia's vast reserves of natural gas, with the ambitious target of meeting 100% of Asia's increased gas demand by 2030.<sup>xviii</sup> That brings Russia directly into competition with Australia, which also sees a 'gas-led recovery' as one of its main future drivers of national power.

Russia is also assiduously courting ASEAN states with various commercial inducements and has offered military equipment and training to Pacific Island nations like Fiji.<sup>xix</sup> Although its military modernisation program has thus far only yielded a 'green water-plus' Pacific Fleet, Russia's keenness

to establish bases in Asia coupled to increasingly regular exercises with the PLAN will result in increased future contact between Russian forces and the ADF. Finally, the Kremlin has active influence operations in Australia. Some of those are overt, like the Russkiy Mir ('Russian World') Foundation.<sup>xx</sup> Some fall into grey spaces, like the employment of useful proxies to amplify Russian messaging. And some are also linked to hostile cyber activities.

At a time when expertise on Russia in Australian universities, government and research institutes is at an historic low, dealing with Moscow as a regional spoiler and domestic meddler will become increasingly challenging. Beyond the bilateral Russia-Australia relationship, this is also significant in an alliance context. The recent designation of Russia as a threat by the US Defense Intelligence Agency (with China labelled a 'strategic competitor')<sup>xxi</sup> will result in enhanced expectations from Washington about a clear and informed Australian position on Russia. Indeed, while Canberra would struggle to find ten states for its own list of 'unfriendly' countries, that is another reason why Russia would likely fit into Australia's own top handful for the foreseeable future.

<sup>xvii</sup> 'Country Comparison: Australia vs Russia', *countryeconomy.com*, June 1, 2021. <u>online</u>

<sup>&</sup>lt;sup>i</sup> Marc Bennets, 'Britain and United States to be declared "unfriendly countries" by Russia', *The Times*, April 28, 2021. <u>online</u> <sup>ii</sup> ABARE, *Australian Commodities, June Quarter, 08.02*, Canberra: Australian Government, 2008.

<sup>&</sup>lt;sup>III</sup> Tony Press, *The 20 Year Australian Antarctic Strategic Plan*, Canberra: Australian Government, October 2014.

<sup>&</sup>lt;sup>iv</sup> See for instance R.J. Cooksey, 'Pine Gap', *Australian Quarterly*, vol. 40, no. 4, 1968, pp. 12–20; and for a more recent examination see John Blaxland, 'Pine Gap at 50: why controversy lingers, and why its utility is enduring', *ASPI Strategist*, 21 August, 2017. <u>online</u> v Richard Herr, 'Regionalism, Strategic Denial and South Pacific Security', *Journal of Pacific History*, vol. 21, no. 4, 1986, pp. 170–182.

vi For a detailed account see Robert Manne (ed), *The Petrov Affair*, Oxford: Pergamon Press, 1987.

<sup>&</sup>lt;sup>vii</sup> 'Autonomous Sanctions (Russia, Crimea and Sevastopol), Specification 2014', Canberra: Department of Foreign Affairs, Exposure Draft, 2014. <u>online</u>

<sup>&</sup>lt;sup>viii</sup> Peter Hartcher, Tony Abbott shirt-fronting Vladimir Putin? The US put their money on Putin', *Sydney Morning Herald*, December 2, 2015. <u>online</u>

<sup>&</sup>lt;sup>ix</sup> Sam La Grone, 'Australian MoD: Russian surface group operating near northern border', *USNI News*, November 12, 2014. online

<sup>&</sup>lt;sup>x</sup> Louise Yaxley and Lucy Sweeney, 'Australia to expel Russian diplomats over Salisbury ex-spy poisoning', *ABC News*, 27 March, 2018. <u>online</u>

<sup>&</sup>lt;sup>xi</sup> Marise Payne, 'Australia imposes autonomous sanctions connected to Kerch Railway', Statement by the Foreign Minister, 30 March, 2021. <u>online</u>

x<sup>ii</sup> Sean Nicholls, Jeanavive McGregor, Mary Fallon and Alex Palmer, 'Putin's Patriots', *ABC News*, 30 March, 2021. <u>online</u> On Strelkov see 'MH17 suspect admits "moral responsibility" for downing jet', *Moscow Times*, 20 May, 2020. <u>online</u>; and Pavel Felgenhauer, 'Moscow faces trial next year in The Hague over downed MH17 airliner', *Jamestown Foundation Eurasian Daily Monitor*, 20 June, 2019. <u>online</u>

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xiv 'Russian Federation', Canberra: Department of Foreign Affairs and Trade, 2020. online

<sup>&</sup>lt;sup>xv</sup> Natasha Kassem, 'Great expectations: the unravelling of the Australia-China relationship', *Brookings Institution Global China Series*, 20 July, 2020. <u>online</u>

<sup>&</sup>lt;sup>xvi</sup> Lionel Barber and Henry Foy, 'Putin says liberalism has become obsolete', *Financial Times*, 28 June, 2019. <u>online</u>

xviii Matthew Sussex, Russia's Asian Rebalance, Sydney, Lowy Institute for International Policy, 2016. online

xix Anna Powles and Jose Sousa-Santos, 'Russia ships arms to Fiji: what will be the quid pro quo?', *Lowy Interpreter*, 28 January, 2016. <u>online</u>

<sup>&</sup>lt;sup>xx</sup> On Russkiy Mir, see Milos Popovic, Erin K. Jenne & Juraj Medzihorsky, 'Charm Offensive or Offensive Charm? An Analysis of Russian and Chinese Cultural Institutes Abroad', *Europe-Asia Studies*, vol. 72, no. 9, pp. 1445-1467.

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## Author

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