

Australia-China monthly wrap-up

April and May 2022



This edition features:

- Summary and analysis of major developments in April and May 2022

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The new Labor government wasted no time in getting started on the implementation of the foreign policy vision it outlined during and before the election campaign.¹ While there has clearly been a change in tone, and a greater emphasis on diplomatic tact, policy continuity has also been emphasised, not least with respect to Australia's relationship with the People's Republic of China (PRC).

The Labor Party, in the lead-up to the election and immediately after, has made it clear that any attempt to substantively improve relations between Canberra and Beijing would require the PRC to end its campaign of economic coercion against Australia. For example, when the Prime Minister was asked on May 24, '[G]iven that one in four jobs in [Western Australia] depends on China, do you owe it to West Australians to fix that relationship?', he [replied](#):

It's not Australia that's changed, China has. It is China that has placed sanctions on Australia. There is no justification for doing that. And that's why they should be removed.

Treasurer Jim Chalmers during a May 25 [press conference](#) also stated:

If there is to be an improvement in relations it makes sense to us for the first part of that, the first step, to be the removal of some of those sanctions and tariffs which are doing damage to our economy and to our employers and exporters.

The new government has also made it a point to repeatedly highlight ongoing challenges in the Australia-PRC relationship. After being sworn in as prime minister, Mr Albanese [said](#) the relationship with the PRC would remain 'a difficult one'. Deputy Prime Minister Richard Marles similarly [stressed](#) it would be 'a challenging pathway forward'.

Mr Albanese flew to Tokyo immediately after being sworn in to attend the leaders' level meeting of the Quad. He [assured](#) Quad members that 'we are committed to the Quad. The new Australian government's priorities align with the Quad agenda'.

¹ For further discussion see Elena Collinson, 'Will a change of government change the course of Australia-China relations?', *Australian Outlook*, Australian Institute of International Affairs, May 17 2022 <<https://www.internationalaffairs.org.au/australianoutlook/will-a-change-of-government-change-the-course-of-australia-china-relations/>>.

Labor ministers have signalled to the US that there will be continuity in Australia-US relations, and arguably went further than the previous government in their articulation of commitment to the alliance. During the [foreign affairs debate](#) between Marise Payne and Penny Wong on May 14, Senator Wong confirmed that the Labor Party had shelved the John Howard-era formulation that ‘Australia doesn’t need to choose between the US and China’. She said:

[T]he way in which economic powers [are] utilised for strategic purposes means that duality... is no longer the case. ... We have already chosen.

In his first week as Prime Minister, Mr Albanese [stated](#) that ‘Australia’s pretty much in lockstep’ with the US. He said, ‘[The US speaks] about competition without catastrophe, we need to recognise there is strategic competition in the region.’

While conciliatory [overtures](#) have continued to be made by the PRC Ambassador to Australia, who [said](#) prior to the election, ‘Whichever party. I’ll be ready to compare notes with the new Australian government about a possible better relationship’, and an anonymous PRC diplomatic source [told The Guardian](#) in mid-May that the PRC was ‘genuine in our wish to improve the relationship’, a tough road lies ahead. A [congratulatory message](#) to the Prime Minister on his election victory from PRC Premier Li Keqiang was sent on May 13 – the first senior ministerial contact in two years. This helps pave the way for future dialogue, but beyond this, where to for Australia-PRC relations is difficult to predict, especially as decisions which have the potential to further inflame the relationship loom, such as a verdict on the PRC-company-leased Port of Darwin.

The PRC factor during the federal election campaign

The last two months of the Australian federal election continued to see attempts from members of the Coalition government to level charges of appeasement, disloyalty and a tendency to elevate PRC interests above Australian interests against the opposition Labor Party.

During the first leaders’ debate on April 20 then-Prime Minister Scott Morrison [accused](#) Mr Albanese of ‘always taking sides with China’, [claiming](#) that Labor’s record showed it had not ‘backed the Australian government in standing up to [China]’. And on May 5 during a debate with his opposition counterpart Brendan O’Connor, then-Defence Minister Peter Dutton [asserted](#) there was ‘no doubt’ that Beijing ‘would like to see a change of government’. Mr Dutton had in earlier comments [stated](#), ‘We found out in the 1930s if you just continue on an appeasement phase – which is what (Shadow Foreign Minister) Penny Wong is proposing then you will find yourself in conflict’, accusing the Labor Party of ‘naivety’, ‘pretend[ing] nothing’s happening,’ and ‘backing China over the United States’.

Then-Deputy Leader of the Opposition Richard Marles was a target of such criticisms over April and May, with a trip to the PRC in 2019 and a speech he delivered at the time to the Beijing Foreign Studies University² used by the Coalition government to attempt to discredit the Labor Party on foreign policy.

Mr Marles in his speech said that the PRC’s ‘growing role... in providing development assistance in the Pacific’ is a ‘good thing’, and that ‘[t]he Pacific needs help and Australia needs to welcome any country willing to provide it’. This was seized on by Mr Morrison who stated during an [interview](#):

Richard Marles... actually was advocating for the Chinese government to do exactly what they are now doing, and it would be absurd for Australia to try and resist that. I find it outrageous that Labor would criticise us when their own deputy leader was actually advocating what the Chinese government has been seeking to do in our region.

² An advance copy of the speech was provided to the PRC Embassy in Australia and to Beijing Foreign Studies University, as well as to the Australian Embassy in the PRC. See Sharri Markson, ‘Election 2022: ALP deputy Richard Marles gave Chinese embassy first look at speech’, *The Australian*, April 22 2022 <<https://www.theaustralian.com.au/nation/politics/election-2022-alp-deputy-richard-marles-gave-chinese-embassy-first-look-at-speech/news-story/3274bf39f9a4f0cd1c2cee2d3ba0e5a7>>.

Liberal backbencher and chair of the Parliamentary Joint Committee on Intelligence and Security Senator James Paterson [framed](#) Mr Marles' speech as an argument for 'greater military cooperation with the People's Liberation Army'. The [speech](#) read: 'Our starting point has to be that we respect China and deeply value our relationship with China. We must seek to build it. And not just in economic terms, but also through exploring political cooperation and even defence cooperation.'

The Australian newspaper published an [article](#) on May 12 reporting on Mr Marles holding '10 meetings with the Chinese embassy or officials in the past five years'. Referring to this report, Mr Morrison [described](#) Mr Marles as having conducted a 'very strangely high number of meetings' with PRC government officials, saying 'something doesn't sound right to me.'

A May 13 [report](#) in *The Sydney Morning Herald* noted that Mr Morrison had made the decision not to brief the opposition on the Australia-UK-US (AUKUS) trilateral security pact for five months, opting to bring Labor into the fold the day before the September 16 announcement. In defending his decision, Mr Morrison [pointed to](#) Mr Marles as a possible security risk: 'You've got the Deputy Leader of the Labor Party – who would have been sitting in such a briefing – who had frequent flyer points for visiting the Chinese embassy in Australia.' Mr Morrison in subsequent [comments](#) acknowledged, 'I have my criticisms of the Labor Party and their strength on national security – but they don't extend to thinking they would have opposed that deal.'

The Coalition government also attempted to use the PRC factor to deflect blame levelled on them with respect to the signing of the Solomon Islands-PRC security agreement. In relation to the timing of the security agreement, on April 24 then-Home Affairs Minister Karen Andrews [noted](#), 'Beijing is clearly very aware that we're in a federal election campaign here at the moment,' adding, 'We talk about political interference and that has many forms.' Mr Morrison [supported](#) this claim, saying that the PRC has 'form on foreign interference in Australia'. He [said](#) further that 'the only ones who are benefiting from Labor's attacks on the government is the Chinese government.' Labor Party representatives described the Home Affairs Minister's statements as '[conspiratorial fantasies](#)' and '[remarkably desperate and remarkably unhinged](#).'

The federal election and the Australian-Chinese vote

[Some](#) polling [indicated](#) significant swings away from the Liberal Party in seats with large Australian-Chinese communities. Former Liberal minister Alan Tudge [said](#) on May 23 that 'members of the Chinese community interpreted some of our language as being too strong and we had a backlash from that'.

This is supported by the pre-election results of a [poll](#) conducted by Chinese-language media outlet *Sydney Today* which found that 75 percent of Australian-Chinese respondents supported the Labor Party. The same poll conducted by the outlet before the 2019 election found that 61 percent favoured the Coalition.

These findings are somewhat qualified by post-election microanalysis by a data analytics firm which [found](#):

It was migrants in general who swung away from the LNP, not just Chinese. The most Chinese electorates swung against the Coalition 10 percent, but electorates with more people from elsewhere in Asia [Thais, Indonesians, Malaysians, Japanese, South Koreans] swung even more, 14 percent.

The new opposition

Peter Dutton was appointed Opposition Leader on May 30. In a nod to Australia's general tendency towards political bipartisanship on foreign policy, he [said](#) on May 31, '[W]e'll support whatever the government is doing in the region and to keep our country safe'. He continued, 'I think Penny Wong... is committed, is happy to work off relationships and get the best outcome for our country' and noted that 'we're a better country when we're united'.

Yet on the same day he laid the groundwork for future criticism of the new government, [telling](#) talkback radio:

The government does have to be strong and to stand up for our values and they can't compromise. I suspect Penny Wong and Anthony Albanese will be saying one thing behind closed doors and something else to the Australian public, and we'll call them out for that.

In view of his blunt remarks in the weeks leading up to the election, the new Opposition Leader will likely continue to place an emphasis on viewing foreign policy, especially PRC policy, predominantly through a security lens. On April 21 he [asserted](#), ‘I don’t think there’s any sugarcoating of the reality of China’s actions, not just in the Indo-Pacific, but around the world’, nominating the Belt and Road Initiative as an example. He went on to say, ‘I’m not going to pretend... that we are not coming into what I think are dangerous times.’

He also used his [opening remarks](#) prior to a defence portfolio debate on May 5, to note: ‘If history has taught us anything, it is that when dictators are on the march, you can only preserve peace by preparing for war.’ This was said soon after making reference to the PRC and Russia.

Solomon Islands-PRC security agreement

On March 31 the Solomon Islands [announced](#) that it had initialled part of a broadly scoped security agreement between Honiara and Beijing, prompting intensified alarm in Australia about the potential for the agreement allowing the PRC to set up military facilities less than 2,000 kilometres from Australian shores. On April 1 then-Defence Minister Dutton [said](#) that while Australia ‘fully respect[s]’ the Solomon Islands right to make decisions ‘in their country’s best interests’, caution was needed as ‘the Chinese are incredibly aggressive’ and are deploying ‘quite remarkable’ tactics on small island nations.

Visits to Honiara were made on April 6 by heads of the Australian Secret Intelligence Service (ASIS) and the Office of National Intelligence and on April 12-13 by then-Minister for International Development and the Pacific Zed Seselja who [said](#) he had ‘respectfully’ asked the Solomon Islands government ‘to consider not signing the agreement [with the PRC]’. That ministerial representations were made by a junior minister as opposed to the then-Foreign Minister was subject to [criticism](#), including from former Liberal foreign minister Julie Bishop.

The signing of the security agreement was announced by [Beijing](#) on April 19 and by [Honiara](#) the following day. Senators Payne and Seselja then released a [joint statement](#) which noted that ‘Australia is deeply disappointed by the signing’.

Partisan responses

The signing of the deal was described by members of the then-opposition Labor Party as a diplomatic failure which had an adverse impact on Australia’s national security. Mr Albanese [said](#) that Australia had ‘dropped the ball, and as a result Australia is less secure’. Senator Wong [labelled](#) it the ‘worst foreign policy blunder in the Pacific since the end of World War II.’ On April 20 Mr Morrison [responded](#) to some criticisms directed at the government by claiming that ‘[w]e can’t always prevent them [i.e., security deals with China] in all circumstances, [and] the sort of pressure and influence that has been seeking to be exerted in our region is very real,’ while accusing the opposition of being ‘very passive’ when it came to the risk presented by the PRC in the region.

Canberra and Beijing on ‘red lines’

On April 24, in the wake of the signing of the agreement, Mr Morrison [said](#) he shared ‘the same red line that the United States has’ and that ‘[w]e won’t be having Chinese military naval bases in our region on our doorstep.’ He did not expand on what the Australian response might be were the red line to be crossed.

On April 27 the PRC’s Ministry of Foreign Affairs published a paraphrased speech of Vice Foreign Minister Xie Feng which [stated](#):

What rights do these countries have to make unwarranted comments on China and Solomon Islands? How is Australia in any position to draw a ‘red line’ between [the] Solomon Islands 2,000 kilometres away and China 10,000 miles away?

Mr Morrison’s response was also subject to criticism from Solomon Islands Prime Minister Manasseh Sogavare, who [noted](#) that the Solomon Islands ‘did not become theatrical and hysterical about the

implications' that Australia's entry into the AUKUS agreement would have for his nation, and that '[w]e respected Australia's decision.' Mr Morrison [replied](#) by claiming that there was 'a remarkable similarity between those statements and those of the Chinese government', and that 'some other influences' had been tainting Prime Minister Sogavare's perspectives. Despite this, Mr Morrison insisted that Australia remained the Solomon Islands' 'primary security partner in the region.'

The aftermath and moving forward

In early May Mr Sogavare condemned the 'glaring hypocrisy' of critics of the security pact, whom he [claimed](#) treated the Solomon Islands as 'kindergarten students... [that] need to be supervised', and 'threatened [the Solomon Islands] with invasion.' His comments were backed by the PRC's foreign ministry spokesperson Zhao Lijian who [claimed](#) they 'reflected the shared voice of the Pacific island countries.'

Mr Morrison, inferring the invasion claim was directed at Australia, [replied](#) that 'none of that's true.'

On May 6, a meeting was held remotely between officials from the PRC Foreign Ministry's Department of North American and Oceanian Affairs and representatives from the Australian Department of Foreign Affairs and Trade. Australian officials were [reported](#) to have raised 'serious concerns' about the 'lack of transparency' of the agreement and 'its implications for continuing regional security and stability'. An official [statement](#) from the PRC's foreign ministry stated that the deal 'proceeds in parallel with and is not in conflict with the existing regional security cooperation arrangements.'

On May 12 Mr Morrison [rejected](#) the PRC Ambassador to Australia's [assurance](#) that the agreement 'will by no means threaten Australia's security', saying, 'I don't agree... I think it's of great consequence. I don't want to give any amplification for the views of the Chinese government.'

Following Labor's election victory on May 21, newly sworn in Foreign Minister Penny Wong visited Fiji for her first [solo trip](#), clearly telegraphing Australia's Pacific partnerships as one of the new government's priorities. Her visit coincided with the start of PRC Foreign Minister Wang Yi's [tour](#) of eight Pacific nations in 10 days.

On May 30, PRC Foreign Minister Wang met with counterparts from 10 Pacific nations to [explore](#) a region-wide security and economic agreement with the PRC.³ This did not come to [fruition](#), with Mr Wang [urging](#) Pacific nations not to be 'too anxious' or 'too nervous' about the PRC's motives.

On the same day, President of East Timor José Ramos-Horta [remarked](#):

Why would the Solomon Islands seek out China for support in maritime security and for the police? Maybe because the Solomon Islands' closest neighbour, in this case Australia, has not responded to their need... It's a wake-up call. The islands in the Pacific have learnt how to play superpower rivalry to their benefit.

Indeed, both the [PRC](#) and [Australia](#) have recently stated that future engagement with Pacific nations would be undertaken 'with no strings attached'. While this may be an overstatement, it paves the way at least for more thoughtful relationships with Pacific countries.

Taiwan

In early April Mr Dutton [announced](#) strategic partnerships with US defence firms Raytheon and Lockheed Martin Australia as part of a defence upgrade, [noting](#), 'We have an autocrat in Russia and an autocrat in China ... The Chinese government is on a course in relation to Taiwan and amassing nuclear weapons.' He again [emphasised](#) the possibility of conflict in the not too distant future, in keeping with previous remarks: 'There is potential for conflict in our area in a couple of years.' Last November Mr Dutton had appeared to [announce](#) the end of Australia's strategic ambiguity in relation to conflict over Taiwan.

³ These nations were Cook Islands, Fiji, Kiribati, Federated States of Micronesia, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.

On May 30 Mr Dutton, as newly elected leader of the Liberal opposition, confirmed that his views on Taiwan had not substantially changed. He [cautioned](#) that:

[Beijing] have been very clear about their intent in relation to Taiwan. I'm concerned that if they went into Taiwan, that would change quite dramatically the security settings within our own region.

Prime Minister Albanese was asked about his government's position during a press conference following the Quad meeting in Tokyo on May 24. Mr Albanese [replied](#), 'There should be no unilateral change to the status quo. Our position has not changed.' This followed comments from the day before by President Joe Biden who [stated](#) the US would be willing to get involved militarily to defend Taiwan, saying, 'That's the commitment we made.' The White House had subsequently [walked back](#) the remarks.

On May 26 Prime Minister Albanese after being asked, 'Will you back America in a war against China if they invade in Taiwan?', [responded](#) that Australia's strategy would be 'to use diplomatic language and not to go down that route.'

Australians detained in the PRC

On May 27 Foreign Minister Wong released a [statement](#) on Australian citizen Yang Hengjun, detained by PRC authorities since January 19 2019. The statement marked the one-year anniversary of Dr Yang's closed trial in Beijing on national security charges. Senator Wong said Australia would 'continue to call for basic standards of justice, procedural fairness and humane treatment' and pledged to 'continue to advocate for Dr Yang's interests and wellbeing'.

Indo-Pacific Economic Framework for Prosperity (IPEF)

The US [launched](#) the Indo-Pacific Framework for Prosperity (IPEF) on May 23. The trade initiative at this stage involves 'collective discussions toward future negotiations', and currently comprises 13 countries,⁴ including [Australia](#). One [stated aim](#) of the IPEF is to 'expand US economic leadership' in the region. It has been [described](#) as 'key to [President Biden's] efforts to counter China's clout in Asia'.

The willingness of the 13 countries to be involved in talks indicates a level of enthusiasm for the initiative. However, responses have been somewhat mixed. Japan's Prime Minister Kishida Fumio [said](#), 'We genuinely welcome the rollout of the IPEF in Japan and strongly support it', while his cabinet secretary for public affairs, Shikata Noriyuki, [said](#), 'We are hoping this IPEF will lead to ... a more proactive engagement of the United States in the Indo-Pacific economic order.' Focusing on another angle, Singapore's Prime Minister Lee Hsien Loong [told](#) a conference in Tokyo on May 26, 'It's far better that China's economy be integrated into the region, than for it to operate on its own by a different set of rules'. He called for countries to work together 'beyond forming alliances and formal groupings of like-minded partners ... but also through engagement and trust-building arrangements with potential adversaries.'

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⁴ Countries engaged in IPEF discussions include Australia, Brunei, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand, the United States and Vietnam.