

50 years of Australia-China relations: Views from the envoys

- Speakers:** His Excellency Mr Graham Fletcher, Ambassador of Australia to the People's Republic of China
Dr Stephen FitzGerald AO, former Ambassador of Australia to the People's Republic of China (1973-1976)
Her Excellency Madame FU Ying, former Ambassador of the People's Republic of China to Australia (2004-2007); Vice-Chairperson, the Foreign Affairs Committee of China's 13th National People's Congress (2018-2023)
His Excellency Mr XIAO Qian, Ambassador of the People's Republic of China to Australia
- Moderator:** Professor James Laurenceson, Director, Australia-China Relations Institute, University of Technology Sydney

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Mr Iain Watt:

Good evening everyone, members of the audience and special guests. Before we begin this afternoon's proceedings, on behalf of all those present, I'd like to acknowledge that this webinar is hosted on the lands of the Gadigal people of the Eora Nation. And I'd like to pay my respects to the Elders past and present, acknowledging them as the traditional custodians of knowledge for this land.

I'd like to welcome all UTS students, staff, and all friends of UTS and the Australia-China Relations Institute and thank you for joining this ACRI event, which marks 50 years since Australia established formal relations with the People's Republic of China [PRC] in December 1972. We're delighted to be able to welcome four current and former ambassadors from both nations to reflect on the occasion and let me now introduce our distinguished guests in the order that they're on my piece of paper. I hope no-one cares what order you're introduced in.

His Excellency Mr Graham Fletcher, who's been Australia's Ambassador for the PRC since August 2019. Prior to this appointment, Mr Fletcher was head of the North Asia Division of the Department of Foreign Affairs and Trade [DFAT] and also had several previous postings in Beijing, two of which I was also present for.

Next, Dr Steven FitzGerald AO, who began his career as a diplomat before embarking on a distinguished career as an academic. He was China adviser to Gough Whitlam, and from 1973 to 1976 was Australia's first ambassador to the PRC.

Next we have Her Excellency Madame Fu Ying, who was appointed Ambassador to Australia for 2004 to 2007. She was the Chairperson of the Foreign Affairs Committee and spokesperson of the 12th NPC [National Party Congress] 2013 to '18 and she's now Vice-Chairperson of the Foreign Affairs Committee of China's 13th NPC, which goes until next year.

And fourth, we have His Excellency Mr Xiao Qian. He's the current Chinese Ambassador to Australia, a post which he assumed in January 2022, and he's previously served as Chinese Ambassador to Indonesia and before that Chinese Ambassador to Hungary.

I'd like to welcome our four distinguished speakers and welcome to everyone else. And I'll now hand over to the man everyone knows who's attending this, ACRI Director Professor James Laurenceson, to begin the proceedings.

Professor James Laurenceson:

Thank you very much, Iain.

Look, the first point to note is that this session will now be recorded. We'll record audio screen share and our presenters, but we'll not be recording any video or audio input from the audience.

Look, as the name suggests, the work of UTS:ACRI is focused on the Australia-China relationship. We are not a China studies centre. Unlike the China study centres located in other Australian universities, we're Australia's first and only research centre focused on the bilateral relationship. Our mission is to inform Australia's engagement with China through research, analysis and dialogue grounded in scholarly rigour. So informing, not lobbying.

Today's event fits perfectly into this remit and our reason for being. Many events currently are being run to mark the 50th anniversary of the establishment of diplomatic relations between Australia and the People's Republic of China. Late last month, I had the pleasure of joining one hosted by the Department of Foreign Affairs and Trade, the National Foundation for Australia-China Relations. Earlier this week I joined another one hosted by the Australia China Business Council. Our event today is putting a spotlight on the ambassadors, the envoys, those charged by capitals to prosecute their country's interests abroad.

Now, not surprisingly, when it comes to governments, we hear a lot about leaders, about foreign ministers, and so getting back to ACRI's mission of informing, I thought there could be real value in hearing the views of those right at the coal face of bilateral relationship management on a day-to-day basis. Now some might say, 'well, ambassadors just act under instructions'. And of course there's truth to that, but I also think it misses a lot. Just as military officers or intelligence officers are highly trained in their respective crafts, diplomats, too, are highly skilled professionals that draw on their own tradecraft to produce results. Very often positive sum results or as President Xi Jinping might like to say, 'win-win' results.

We're going to begin with some opening remarks from both currently serving ambassadors: His Excellency Mr Graham Fletcher who is joining us from Beijing and His Excellency Mr Xiao Qian joining us from Canberra.

So let's get started. Ambassador Fletcher, could I invite you to the virtual stage to deliver your remarks? Thank you.

H.E. Mr Graham Fletcher:

Well, thank you, Professor Laurenceson and greetings to Ambassador Xiao and also Ambassador Fu and Dr FitzGerald.

Very pleased to join you here today. And it takes me back to when I first started work in the Department of Foreign Affairs in July 1983. I was a graduate trainee then and my first role was in the China section. Hugh Dunn was then Ambassador to China. He was number three out of 14 who've served here. All of 21 years old, I knew nothing. But I paid attention and learned. Since then, I've been involved at the Canberra-end and also at the embassy here working for or with Ambassadors Argall, Garnaut, Sadleir, Lightowler, Smith, Irvine, Thomas, Raby, Adamson and Adams. So I have a few memories I could share, but today I will leave reminiscences to others, especially given the presence of our first ambassador, AO Stephen FitzGerald, and one of China's most distinguished ambassadors, Madame Fu Ying.

Instead, I'll focus on our current contemporary situation. When you look at a world map, it's not hard to see Australia and China in the one glance – south and north, similar time zones, its relative proximity. Two countries which are quite sizeable in landmass, we both have long distances for communications and transport, including energy. Domestically, we both have arid landscapes which impact our agriculture. In other features, we are of course quite different, particularly when it comes to population size and political systems. Nonetheless, we are two peoples who tend to get on quite well at an individual level in terms of a pragmatic attitude to life and a lively sense of humour, we've both done very well in recent times in terms of economic successes.

Beginning in the 1980s, Australia modernised its economy, reduced levels of protection and made ourselves more productive. We helped establish APEC [Asia-Pacific Economic Cooperation], joined the East Asia Summit, negotiated a series of FTAs [Free Trade Agreements] including ASEP [ASEAN Sub-Regional Environmental Programmes] and now the TPP [Trans-Pacific Partnership]. Over the same period, China also reformed its economy, joined the WTO [World Trade Organization], negotiated FTAs with ASEAN [Association of Southeast Asian Nations] and others and achieved sustained fast growth. Australia also grew steadily for nearly three decades without a recession, our economic relationship flourished. Our bilateral FTA entered into force in 2015 and in the following five years, two-way trade doubled. China became an important source of excellent students, tourists, migrants and investment. Australians also traveled to China in record numbers: over 600,000 in 2019 – not bad for a country of less than 25 million. Both of us were growing bigger, stronger, and were active in regional and global affairs. So we started to rub up more against each other, including in our immediate neighborhood. We found that our respective interests and agendas didn't always match up well and this needed attention. The more that we had to do with each other, the more things could not be ignored, the more we had things to say.

And as China sought to assert itself, Australia found a need to address potential vulnerabilities and to better define parameters for activity in our community. For its part, China had its own reactions to Australian statements and measures which it regarded as impinging on its national interests. As problems became more prominent, China disrupted trade with Australia. The normal rhythm of official interactions fell away.

The main cause was our political disagreements. Though the pandemic didn't help, it prevented even informal contact at a personal level. Nonetheless, time moved on. Following our recent election, Foreign Minister Penny Wong has had two meetings and a phone call with her counterpart, State Councilor and now Politburo member Wang Yi, and then last month Prime Minister Albanese met President Xi Jinping in Bali. This was our first proper conversation with China's President since 2016, a very welcome development. As the Prime Minister said, out of dialogue comes understanding.

Foreign Minister Wong described the meeting as 'an important step towards stabilisation of our relationship'. She added, 'There will be a lot of steps and we will take this step by step'. She went on to say, 'What we want to do is continue to engage, cooperate where we can, disagree where we must, engage in the national interest'. In one sense, there is little change to date in terms of the underlying substance. Our difficulties have not gone away, but we can now start talking about them and other things as well. The problems are not trivial, they are things to do with sovereignty, security, and dignity as viewed by each government. These are

important matters, but we don't need to focus solely on them so that our relationship becomes defined only by its difficulties to the exclusion of all else, and at the cost of other objectives.

Problems need to be recognised and addressed and if possible progressed, and if not, then managed, so that they don't become damaging. We want to safeguard important interests and also promote important interests in areas where our objectives align. And it is possible to do both. Again to quote Foreign Minister Wong, 'Growing our bilateral relationship need not be in conflict with upholding our national interest if we both navigate our differences wisely.' To me, this is the definition of a relationship of mutual respect and mutual benefit, a comprehensive strategic partnership. This two-pronged objective is hardly novel. It's what most countries try to do. But when it comes to Australia and China, it is the broad range of our interests and the variety and depth of our interactions that make the task quite complex and it keeps me employed.

Now that this summit discussion has been held, in terms of next steps, we here in the embassy will be looking to arrange discussions on priority topics such as regional hotspots in Asia, international order and the multilateral system including non-proliferation, human rights, and the WTO, development, including in the Pacific and the environment, including, of course, climate change.

China is a significant actor on all these topics, so is Australia. And we certainly have positions to put and we want to understand more of China's thinking on these issues and encourage them to see things more from our perspective. We also hope to resume step-by-step discussions on consular matters, defence, trade, education, movement of people, investment, law enforcement and the economy. And we hope to develop other areas like new frontiers in renewable energy, the transition to a low carbon economy and public health, including lessons from the pandemic. Here, there is scope for collaboration at the policy level, for research and innovation, and also for commercial partnerships.

In the 1970s during the initial phase of the relationship, the government established the Australia-China Council to develop community links to supplement and buttress the official relationship. Since then, our people-to-people connections have flourished in many areas, enriching the fabric of our own society as well as introducing Australia to millions of Chinese. Even so there is benefit to do more.

So in 2020 the government announced a new body, the National Foundation for Australia-China Relations to subsume the work of the council and take it to a higher level. The Foundation is now an important catalyst for entities within Australia with initiatives to take forward with and about China. It engages our diverse communities, promotes bilateral connections and practical cooperation, builds understanding and exchange, and showcases Australian excellence. I was pleased to be part of the work in DFAT that led to the Foundation's establishment. It has now completed three rounds of grant funding and is playing a vital role in strengthening the non-official strands of our relationship. I look forward to hosting the CEO, Peter Cai; Chair, Pru Bennett; and members of the Advisory Board in Beijing as soon as circumstances permit.

It is true, the difficulties of the past few years have not disappeared. We continue to have diverging positions on important issues, but now is the time to look forward and I trust both capitals are now better aware of where the firm lines lie in terms of our respective interests. And powerful factors of self-interest continue to operate to keep us connected, whether at the political, commercial or personal level.

It is indeed a personal privilege to have a front row seat on this complex and consequential relationship. It is intriguing. It is important. It is certainly never dull.

Thank you.

Professor James Laurenceson:

Thank you, Ambassador Fletcher. Can I just say, just as an academic observing this bilateral relationship, I can certainly say it's never dull as well.

Look, those were fantastic remarks, Ambassador Fletcher. Thank you for the thought you put into those. I mean, just a couple points [that] jumped out at me was, first of all, I was delighted to hear that you have a list of things you want to be talking about with Beijing for the rest of this year and into 2023. You mentioned the WTO, environmental issues and I do think it is important to – because that list makes the point that despite all the differences and the challenges, which are very real, and as you said, do need to be recognised – there's actually an awful lot where Beijing and Canberra have a shared interest on, actually have a common position on. As an economist I think, particularly, around the way the World Trade Organisation. And it was also encouraging you, too, talk about remaining very much alive to new areas of collaboration including research and development and commercial relationships.

So I think these days there is a lot of talk about decoupling and the world dividing into blocs, but it's good to hear that in Canberra there's still that enthusiasm to develop new collaborative arrangements as well. So thank you for those remarks.

Ambassador Xiao. I might now jump to you in Canberra and welcome you to the virtual stage to deliver your remarks. Thank you, Ambassador Xiao.

H.E. Mr Xiao Qian:

Thank you, James.

Well, Ambassador Fletcher's remarks are pretty comprehensive, and since I've been talking quite a lot on many occasions ever since I came here about 10 months ago on our relationships, so my remarks will be pretty brief and general, but Your Excellency Madame Fu Ying, Your Excellency Dr Stephen Fitzgerald, Your Excellency Mr Fletcher, Mr Iain Watt, Professor James Laurenceson and the other participants – either you are in China or in Australia – and viewers and ladies and gentlemen, good afternoon to you all. It is indeed my great honour to be with both former and current ambassadors, Chinese ambassadors to Australia, Australian ambassadors to China.

I'd like to thank UTS:ACRI and Professor Laurenceson for organising the event today. We're just about to celebrate December 21st, the exact date where the diplomatic relations were established between our two countries. The event today is both significant and meaningful and very timely as well. And thank Madame Fu Ying especially for taking your time to attend the webinar.

Madame Fu is a senior diplomat as well as a seasoned parliamentarian whom I highly respect. And I used to work under her leadership in the Asian Department of Chinese Foreign Ministry for a number of years. And as a former Chinese Ambassador to Australia from 2003 to 2006, Madame Fu made a tremendous contributions to the deepening of the friendly relations and the substantive cooperations between our two countries. And she has indeed set an example, a good example, how to be a good ambassador.

Well, this year marked the 50th anniversary of the diplomatic relations between our two countries. And when we look back, the history of this relationship has fully demonstrated that the nature has mutually benefit and a win-win. We are, China and Australia, we're different in many, many respects, we're different in history, political system, ideology, culture, religion, you name it. But there are so many areas that we have common which are in common grounds and there are so many areas China and Australia have been cooperating to the benefits of both sides.

So all in all, when I look back, look back at the 50 years in the past, generally speaking, it's been a very successful story of friendship, of constructive cooperation. In the past few years, unfortunately, this relationship encountered some kind of difficulties and we might have to muse as to why it happened, how it happened. But there's one thing that we agree to. That is, the difficult relationship was not something that we would like to see, is not interest of our two countries. No, is not in the interest of either of our two countries. When the Labor government came to power in recent May, of course, it was a domestic affair in this country, but it offered us, for both sides, with an opportunity to reset this relationship and with joint efforts from both sides, we have got off to a good start through high-level exchanges, the exchange of messages between the two, Chinese Premier and the Prime Minister Albanese. Between the face to face meetings, between defence ministers and the foreign ministers. Some important consensus that have been guiding the relationship for the past five decades have been reconfirmed. These are not new consensus, they were there, but is important. Both sides agreed to continue develop our comprehensive strategic partnership. We agree to move forward with constructive cooperation. We agreed to properly handle our differences and we agreed to jointly celebrate the 50th anniversary of our diplomatic relations.

The recent bilateral meeting with President Xi, and perhaps Albanese on the sidelines of the G20 summit in Bali was very successful. It was positive, it was constructive and productive, and it basically chartered the course and interaction for the future development of our relationship. And looking ahead, the Chinese side is ready to make joint efforts with Australian side to take the 50th anniversary of diplomatic relations as a good opportunity to improve, to uphold and to develop China-Australia relationship.

In the spirit of mutual respect and mutual benefit, we're interested in the fundamental interests of our two countries and our two peoples. Currently, we're now working on the follow-up of the bilateral meeting between the two leaders. We're now comparing notes with our colleagues in DFAT and through our diplomatic channels, both in Canberra and in Beijing. We see where are the areas we can continue to cooperate, where are the differences, what are the concerns from both sides and how we can find out solutions to address those concerns. And we're ready to, together with Australian side to bring back the relationship back on the right track. And finally, I wish to express my appreciation as well of all the friends and the colleagues from different walks of life, both in Australia and in China, for your longstanding support to the development of China, Australia relationship. And I wish today's webinar a great success.

Thank you.

Professor James Laurenceson:

Thank you so much, Ambassador Xiao, those were tantalising comments there about both sides following up after the leaders meeting between President Xi and Prime Minister Albanese a couple weeks ago. We have a lot of journalists on this webinar and I'm sure they would love to hear more details about that. But I suspect neither of the current serving ambassadors are willing to go into the details for us today.

Ambassador Fletcher and Ambassador Xiao, I know now is an incredibly busy time for you both, and so please do feel free to stay for the duration of the event, but I also understand if you must now log off to attend other tasks. After all, there's still two weeks to go before the 21st, the exact date that diplomatic relations between Canberra and Beijing were sealed in 1972. And we wish you both all the best in making headway in the areas that continue to hold the relationship back today.

Now, let's move on to our next segment.

What an honour it is to have Dr Steven FitzGerald and Madame Fu Ying, two towering, two giant figures in Australian and Chinese diplomacy, to join us now. Just yesterday I joined an event hosted by the Institute for Australian and Chinese Arts and Culture at Western Sydney University featuring Dr FitzGerald, and talking

about his own China story. And wow, awe-inspiring to say the least. There's always an inclination to be preoccupied with the current events, and to imagine that the challenges today are over and above those of years past. But one of the lessons from a great new book, and I hope many of our audience members have read this, is a new book by Professor James Curran from the University of Sydney titled *Australia's China Odyssey*. And one of the main theses of that book is that the diplomatic relationship between Canberra and China has never been an easy one to manage.

There's never been any shortage of events requiring the attention of the ambassador of the day on both sides. So I've asked both Dr FitzGerald and Madame Fu to begin by making some brief remarks on two general issues. The first is the ways in which they see Australia, China and the broader global context in which the bilateral relationship operates – how that's changed since their postings. And secondly, without necessarily digging into the specifics of the present, what insights from the last 50 years do they think can still usefully inform relations between Canberra and Beijing today. After that, we'll move into a segment of being in conversation with them both, where I will be putting to them questions from our audience today.

Madame Fu, could I invite you to the virtual stage to deliver some initial remarks around those two general areas that I just raised? Over to you.

H.E. Madame Fu Ying:

Thank you. Thank you.

Your Excellencies, Ambassador Stephen FitzGerald and Graham Fletcher and Ambassador Xiao Qian, and Professor Iain Watt, and of course our Chair, Professor Laurenceson, and ladies and gentlemen. First of all, let me thank the Australia-China Relations Institute at the University of Technology Sydney. It's an honour for me to be invited to this occasion. This year marks the 50 years anniversary of the establishment of our relationship. By hosting this forum ACRI is making another important effort to help promote understanding between our two countries at this difficult period of relationship. I agree with many of the previous speakers, the ambassadors from the two countries about the observation of the current relationship. And also the optimism they both expressed for the coming possible communications and the effort to address the challenges. And the recent the G20 Summit, President Xi Jinping had a meeting with the Prime Minister, Anthony Albanese, and the two leaders sent a clear signal about the need for improving the relationship after their constructive discussions.

Ambassador Xiao Qian once remarked, which I agree, that he noted that since 1972, Australia had been ahead of many other developed nations in advancing relations with China. However, the recent years' growing differences have been allowed to disrupt the progress of the relationship, as the two ambassadors also mentioned. I found this situation unfortunate, as it would make us missing many of the important opportunities to work together on major challenges facing the two countries, as well as facing the region and the world. Ambassador Fletcher has listed a number of issues, which are mostly global issues, which needs our attention.

I remember when I arrived in Canberra early 2004, the newspaper stories about China were mostly negative. I wondered at that time, apart from debating on what we disagree, had the two countries no other things to work on? I spent two months visiting states talking to various sectors and getting to know the country. One day in a guest house of an iron ore mine in West Australia, I found a thick visitor's book on my table full of signatures of Chinese visitors from many parts of the country, some of the places I never heard of. I realised the tremendous demand in China for Australia's mineral and energy resources. In the following three years, my main focus was to help coordinate and ensure orderly progress of our fast growing trading relations, and the communicate for addressing the disputes, especially on the price hike. On the last point, of course, I can't say I was successful. For example, in 2004, the iron ore price was per ton price was reaching US\$23, up from US\$12, when for example, Japan was the main purchaser. In 2007, as I was leaving Australia, the price doubled

to over \$53. In the meantime, the total value of our iron ore trade increased from US\$1.8 billion, to US\$7.6 billion, meaning that both the total value and the per unit price went up significantly. So I had to reconcile with the stronger force of the market. That was not the end of the story. 2011 witnessed the highest iron ore price of US\$169 per ton, while China's total iron ore import was over US\$45 billion - more than the total bilateral trade in 2007. For the surging trade relations, we needed public support.

I remember trying to engage the Australian society through the media and by way of speaking to people of different sectors. I have to say that the general knowledge of China was surprisingly low, and the people often mistook, for example, mistook the Chinese Communist Party as a Soviet Communist Party. But the candid approach and readiness to learn about China among people wherever I went warmed my heart. I continued to follow the China-Australian relations in the later years, and noted that after years of consistent dialogues, and with growing trust, Australia and China were able to become strategic partners in 2014, and the trade relations became stronger.

So to sum up, the first two decades of 21st century witnessed the takeoff of China-Australia comprehensive cooperation, including a free trade agreement, and arrival of growing number of Chinese students and tourists. The two countries interdependence contributed to some extent to Australia's new round of economic prosperity, and China's rise in the global supply chain, as well as the two countries close coordination and cooperation on global issues. Our relationship became a leading example of mutually beneficial and win-win cooperation.

So much for the nostalgia. As the world has entered a new stage of a major changes, the China-Australia relationship is also undergoing new tests. As soon as the US started engaging or staging a strategy competition with China, a friend of mine from Melbourne told me that Australia is confronted with an impossible choice between siding with the US for ideology and security arguments, or siding with China for economic and revenue considerations.

Indeed, Australia's participation in the US-led tripartite security alliance AUKUS also gave rise to doubts among people in China about its reliability as a cooperation partner. In the meantime, the economic globalisation is cracking under the pressure of not only geopolitical conflict, but also the aftermath of a severe pandemic and the supply chain readjustment to name a few. The world's partnership to deal with such global challenges as climate change and financial stability, et cetera, is seriously eroded. So to look at the situation from a wider angle, are we departing from a period of long peace and wide prosperity back to a divided and confrontational world? China remains committed to the path of peaceful development and international cooperation, as was indicated at the 20th National Congress of the Communist Party. We believe the majority countries disagree with the zero-sum thinking and are in support of multilateralism.

For the Chinese people to choose, we will join the other Asian countries to choose for peace and cooperation. And I trust people in Australia also value the progress the country has achieved, and prefer to choose for wider partnership in the changing world. Australia as an Asia Pacific country has a unique geographical location and a cultural history, and has a positive role to play as a bridge between the East and West. China has no intention to force Australia to choose against any other country. We disagree with the idea of dividing the world among powers like what the world was like about a century ago. The humanity has not forgotten the trauma of hot and cold wars. While both China and Australia need to adjust to the new realities in the world, we should take a long term view about our relations. As President Xi Jinping stressed when meeting Prime Minister Anthony Albanese, it is imperative to rise above disagreements, respect each other, and seek mutually beneficial and win-win results. This will lead us to a steady growth of the relationship.

Thank you.

Professor James Laurenceson:

Thank you, Madame Fu.

You said so much for nostalgia, and sometimes it does feel that way, doesn't it? And I think in particular your remarks focused on the more challenging global environment that we're in. You also mentioned that you think Australia is also committed to multilateralism, and I think that's absolutely correct.

Again, just as speaking as an economist in the trade space, it does strike me as interesting that despite the trade disputes, and they are, those disputes are real and they're a problem, they're holding the relationship back. But it is interesting to me that both, when it comes to Bali and wine and various Chinese imports into Australia, both Australia and China remain committed to resolving those disputes in the rules-based framework of the World Trade Organization, which is not insignificant. So thank you for those remarks.

Dr FitzGerald, if I could go now to you for some brief opening remarks, that would be wonderful. And then we can start our discussion putting questions to you both from our audience.

Dr Stephen FitzGerald:

Thank you, James. And thank you and ACRI and UTS for organising this event. I think it's characteristic of the kind of contribution that ACRI has been making to the whole discussion of our relationship with China over the years.

I must say that I'm very encouraged to hear what respective two serving ambassadors have had to say about what kind of thinking is going on about the next steps. If I may, I'd like to partly ignore your instruction, and I'd like to go back – what I want to do is to offer a reflection on where we started out, and what I think we need to do now.

I've always seen our establishment of relations with China as a part, and a very important part, of Australia's coming to terms with the whole Asian region, with a habitat in which no other country except New Zealand was Anglo or European, and accepting that we were part of that habitat. And this demanded a lot of adjustment in social attitudes and learning in Australia. For example, in the study of Asian societies in our schools and universities, teaching Chinese and other Asian languages. So I think it's against that kind of context that we need to see both the plunge in relations in the more recent past, and the modest steps towards a rebalancing since May of this year.

For Australia, establishing relations with China in 1972 was of course a centerpiece in a bold new direction in our foreign policy. It was also a challenge in domestic politics to the idea of China as enemy and threat that had featured in the coalition governments of electioneering for two decades.

For Gough Whitlam, recognition of China was also seen in a wider context. On the one hand, a new and warm relationship with what was then known as the Third World, and on the other, change in Australian social attitudes and the widening of our intellectual horizons. Change was already underway when Whitlam came to office, as seen in popular opposition to the Vietnam War, and a growing rejection of the White Australia policy. But his government also oversaw a raft of new social policies that facilitated and accelerated change in many fields, including the arts and education. And this encouraged a growing openness to our Asian neighbourhood and acceptance of Asian immigration and the idea of a multicultural society. There was an opening of the Australian mind, and the new relationship with China was integral to that. For China, of course, Australia was not integral to its foreign policy in the same way.

But diplomatic relations with Australia were part of a new momentum led by Premier Zhou Enlai for mending and extending China's external relations with all countries following the turmoil of the Cultural Revolution, and the isolation of China during that movement. This began a process of opening up China to the world, and the world to China. Now, these developments in our two countries coming together produced an unusual dynamic in our bilateral relations, which continued for almost the next 30 years. There was an interesting rapport between Chinese and Australian leaders. And in the mid-80s it was even reported that the US and British ambassadors in Beijing complained that Chinese leaders spent more time thinking about Australia than any other country. Despite our different political systems and our differences and disagreements, sometimes quite strong, we could agree to disagree and move on. And our relationship also became the stabilising factor in regional affairs.

Long before we formally established a Comprehensive Strategic Partnership in 2014, back in the 1980s and 1990s, there was a strong sense on both sides, including at the highest levels, that we were traveling a road of genuine partnership and that this was to the benefit of the people in both countries. It is this latter, the sense of sharing and partnership, I believe, which has been the biggest loss from the plunge in relations in recent years. And this is serious and not easy to address. Significantly, on the Australian side that change in the approach to China had a wider context. Starting in the early years of this century, interest in Asia, particularly Southeast Asia and ASEAN, fell into decline. This decline took its lead from the messages and signaling of government with a not very effective swing back under the Labor governments of Gillard and Rudd. There was a dramatic fall in the numbers studying Asian languages and societies, and a very visible loss of interest in the region by the mainstream media.

Attitudes to immigration became less positive, and the incidence of discrimination and racism towards non-European people rose significantly. In the years up to the recent change of government, what has been described by one analyst as 'bad China', became a centerpiece and driver of government rhetoric on foreign relations. And this in turn infected Australian public opinion with polls reporting increasingly negative public attitudes to China.

When you take all of these things together, it was like a countercurrent to the opening of Australia championed by Whitlam. Just as having diplomatic relations with China 50 years ago was a central element in the opening of the Australian mind, so now our confrontation with China became central in a context of a certain turning inward, a certain closing of the Australian mind at the government and official level, which has washed into public opinion.

Now that we have a will on both sides, transactional areas of the relationship can be repaired. But reviving that strong sense of partnership and shared purpose in our bilateral relations and in regional affairs will be harder and will take longer. But revive it we must, and the trust, which is its foundation and guarantee for the good of our countries and people and the region. And I think there's cause for us to be now a bit optimistic, first because we've done it before. We must remember our political systems and beliefs in 1972 were vastly different than as they are now.

The obstacles within and without on both sides were perhaps more formidable then. And the rhetoric about China in Australia was probably more negative and nastier than it has become in recent years. But we can do it again. Following the Whitlam visit to China in 1971, I published a short booklet with the title *Talking with China* to highlight how momentous with just the fact of us talking, and yet at the same time, how ordinary. All it had taken was for the two sides to agree to sit down and talk together. We are now doing that again, and both sides have signaled a commitment to continue with diplomacy now the operative approach to the way we manage our relations. The second reason why I think we can be a bit hopeful, is that below the radar of political and official rhetoric and positioning, there has been a huge amount of continuing exchange and collaboration between our two countries. Some of it actually facilitated by government. Not just in trade and business, but across the board, from science and technology, research to health, education and the arts, NGO [non-governmental organisation] collaboration, sister city relations, and much, much more.

You mentioned the establishment of the National Foundation for Australia-China Relations, Graham, which replaced the Australia-China Council, but it's much better funded. The Foundation supports only a very small proportion of bilateral people-to-people and institutional connection. But when you look at what it is supporting, you can see something of the range of Australia-China interaction. And when the foundation advertisers grants, it is inundated by applications, which gives you an idea of the grassroots momentum and the goodwill for an ongoing partnership between our two countries.

There remains the issue of the context. I can't speak for the Chinese side, but on the Australian side, as Gough Whitlam well understood, a change like that, which seems to be underway now needs to be grounded in public support. And what's required from our government now is an explicit policy to change and inform the narrative, the messages it sends to the Australian people, not just with the speech here or a press release there. It has to be sustained and underpinned with constructive policies and programs, not just about China, but about the broader horizons, encouraging renewed interest in Asia, particularly Southeast Asia, driving a revival at the study of Asian languages and societies, and supporting that with adequate funding, actively promoting the contribution of immigrant communities to our society and strong and sustained condemnation of discrimination and racism, particularly in relation to our Chinese communities.

If we are to succeed in a rebalancing of the Australia-China relationship, it must be grounded in a context that such policy and such messaging can engender a new opening of the Australian mind. I think we can be thankful that the two governments have made a start and we can be optimistic.

Thank you.

Professor James Laurenceson:

Thank you, Dr FitzGerald.

If I'm comfortable with anyone ignoring my instructions, it's you. So thank you for ignoring those and then delivering the message that you wanted to deliver.

You mentioned that there's an important role for a new narrative around Australia's engagement with China, and I just want to acknowledge the narrative that you worked with Linda Jakobson from China Matters. I think that was back in 2017 that tried to put some thinking around what a new Australian narrative towards China engagement might look like.

Thank you, Dr FitzGerald.

Look, let's now go to our discussion with both of our panelists today. Our audience will remember that when they registered for this event, they were asked to submit their questions to us. I just want to be clear that that was not at the speakers' insistence, but rather it was a decision that I made to try and collect together some common themes and make the best use of our time.

We've literally had hundreds of people, last time I checked, we were just about to crack more than 500 people, on this webinar. So you can imagine the dozens and dozens of questions we received. Also, I like to be transparent and I'll just say I have shared some of these questions in broad terms with both Dr FitzGerald and Madame Fu ahead of the event. But again, that was my choice because I thought it would be useful for them to be able to form some thoughts so that our audience today might be able to leave as informed as possible. A final heads up is, rather than questions purely about China, I have deliberately prioritised questions related to Australia-China relations, given the anniversary that today's event marks and also UTS:ACRI's mission.

Dr Fitzgerald and Madame Fu, there were plenty of questions as you can imagine from our audience, wanting to get your assessments and advice around current challenges. But look, can we just begin with a quick biographical question of sorts? I think this might be a useful warmup to get us started and then we can get into some of those challenging questions.

Look, this question comes from Zhang Yubin, a post-graduate student from Beijing Foreign Studies University. Thanks for joining us, Zhang Yubin. And Zhang asks, 'What was the biggest challenge you faced during your time in office?' So look, how about I just put that question quickly to both of you. I think that'll be useful so we can get a connection between you and the audience.

Dr FitzGerald, why don't we start with you? What was the biggest challenge you faced during your time in office?

Dr Stephen FitzGerald:

The biggest challenge in some ways, understanding what was going on in Chinese politics, which was not easy. This was a time of the latter stages of the cultural revolution and information was hard to come by. And although, the height of the cultural revolution was over, Chinese officials were still under fairly strict instructions about the kind of conversation they could have with foreign diplomats. So that was a challenge, but we had to work at that. And fortunately, in the Australian embassy, we had a team of quite young diplomats, all of whom, or most of whom, spoke Chinese, and they rose to the challenge. And I think that we were able to unravel a lot of the kind of issues about what was going on in Chinese politics.

But the other challenge, the practical challenge, the day-to-day stuff, was putting the relationship together when there had been no relations for 23 years. And that meant you had to try to identify where certain issues were handled in the Chinese government, which ministry and so on. And then you had to be able to get to talk to them, which wasn't easy. We were not supposed to talk outside the Ministry of Foreign Affairs and the Ministry of Trade. So what we were trying to do, and I acknowledged the efforts of people on the Chinese side as well, to try to prise things open a little, find all the nerve ends and put them together. And I think that in the end, with the cooperation of Chinese officials, we were able to do it. We had a huge trade exhibition. We inaugurated a cultural exchange, we had scientific exchange. We had the first Australian students in China and Chinese students in Australia, and we were able to establish some friendships with particular Chinese.

And I remember, and I like to pay tribute to the foreign minister, Qiao Guanhua. When I presented my credentials to Dong Biwu, Qiao was present. And after the official part was over, he said to me, 'I look forward to meeting with you, speaking with you, debating with you and arguing with you.' He loved to do that, and we would often do that. He would come to the residence for dinner and we would argue into the night. And there was a lot of learning in that for me. And so there were others who I was able to form that kind of relationship with. But I think it's pretty different starting a relationship from scratch, from it is moving into an existing relationship.

Professor James Laurenceson:

Indeed it is. Thank you, Dr FitzGerald.

Madame Fu, what about you? You mentioned that the iron ore price went from 12 to 23 to 53 by the time you left, I'm sure that wasn't the only challenge. So just a quick remark from you, what was the biggest challenge you faced during your posting in Canberra?

H.E. Madame Fu Ying:

Ambassador FitzGerald mentioned some names, big names, names of the veteran Chinese diplomats I look up to. Ambassador Xiao Qian also mentioned the current challenges. Compared with what happened before my posting and what happened after I left, I think I was lucky. I was handling some good questions, good challenges. It was a period of time when the relationship was growing very fast. And I think Ambassador FitzGerald and others who paved the way. When I was in Australia, the relationship was growing very fast, but the media and the public opinion of China was not so positive. It was very imbalanced. I remember when my daughter read the magazine, newspapers about China, she came back and said, 'How come with this easy communication, how come they don't even know what's exactly happening in China?' She and many Chinese students were very, very unhappy about the way China was presented.

So communicating through the media to the Australian society was one of the important task I saw. So I tried to go ahead of the events, try to share with the public what exactly was on our mind or why we do think the things the way we do, try to let people know before the negative tide information, negative tide came into being. That was – I think was not easy, but was important. But as I mentioned in my speech, I was very, very impressed by the kind of openness people received my speeches, received what I had to say. And I think by more communication, it's not impossible for our two countries to improve understanding of each other.

Thank you.

Professor James Laurenceson:

Thank you, Madame Fu.

Madame Fu, I might just follow up with you with another question. This question is from Kirsty Needham now with *Reuters*, but formerly a China correspondent for *The Sydney Morning Herald*. And Dr FitzGerald, I could probably put this question, a similar question to you. We'll see how we go for time.

Madame Fu, Kirsty asks, 'How would you describe the change in China's diplomatic style over the past decade and compared to 50 years ago?' So one more time. How would you describe the change in China's diplomatic style over the past decade and compared to 50 years ago? Now, I don't want to guess at what Kirsty is hinting at here, but in Australia we have heard a lot of – you talk about wolf warrior diplomacy – I'm sure that phrase is not unfamiliar to you – more abrasive, some would say outright aggressive way of engaging with foreign capitals.

And to put a bit of historical context around this, Madame Fu, I remember when you were the ambassador in China, you were faced with a number of challenges. And one, was the situation of a political counsellor in your Sydney consulate walking out of his posting and seeking to claim asylum. Now, I remember you dealt with that at least publicly with a good dose of humour. Now, humour is not often a trait we associate with Chinese diplomats these days. So to return to Kirsty's question, in your view, Madame Fu, has Chinese diplomatic style changed? And if it has, how would you describe the change? What's caused it? And is it in your viewer a reasonable and necessary change? Sorry for the four part question. Over to you.

H.E. Madame Fu Ying:

I get a bit lost. You have a long question. If I understand correctly, you want to know how do I see the changes compared with 50 years ago. We have to admit that the biggest change in China, compared with 50 years ago, was the economic progress. The huge success on part of China. Even in the past 10 years, the GDP almost doubled again from 2012 to 2021, increased to more than 17 billion US dollars and per capita GDP also doubled. So the living standard of Chinese people, the general Chinese people, has significantly increased.

And in the meantime, China's international status has grown and therefore is attracting more attention. The foreign policy of China, we think, well, our economic policy has been successful. Our foreign policy has also been successful, which has served the progress of the economic development. And at the latest Party Congress, the 20th Party Congress, the Congress restated China's foreign policy, which is to maintain world peace and promote common development, which is important for China.

China can grow successfully in a peaceful environment. And President Xi Jinping proposed to develop, to build this community of shared future for mankind, meaning that we hope the international relations can be based on mutual respect and equality and mutually beneficial. And this community of shared future for mankind is a reflection of China's political culture and the international aspirations. Ever since I came into the foreign career, I have been experiencing and I have been practicing the Chinese foreign policy of – we call it independent foreign policy for peace. There has been great consistency, but admittedly that the world is paying more attention to what China say. For example, when we talk about opposing hedonism, the American politicians would say that this anti-US. But in 1974, when Deng Xiaoping was speaking at UN, he said clearly that a sacred international obligation for China to stand up against imperialism, hedonism and colonialism.

So there is lots of consistency in China's diplomatic rhetoric, but we have to be aware that now there is higher expectation for China to play a role in the world affairs. At the same time, there's also concern about China's intentions. So on one hand, China is willing to take responsibilities to contribute more, to tackle the global challenges. On the other hand, China should be aware that we need to better explain what's on our mind, why we say the things we say, why we do the way we do, and gain better understanding from the outside world.

Thank you.

Professor James Laurenceson:

Thank you.

So in your view, there's a lot of continuity in terms of the policy positions, in terms of the diplomatic style. Maybe in part that reflects the fact that China has changed domestically so much and also other countries. As you said, other countries expectations of China have also changed. So this is a process that China is currently working through.

Dr FitzGerald, could I just very quickly seek your comment on a mirror question just quickly? I'm conscious that I've just put the question to Madame Fu, has China's diplomatic style changed? Just in your view, has Australia's diplomatic style changed? It's almost a trope out of Canberra these days that China has changed. What's your view? Has Australia's practice of diplomacy changed too?

Dr Stephen FitzGerald:

Yes, I believe it has. And it's not just the practice of diplomacy as such. It's the role of diplomacy in the way we manage our relations, particularly with China. And I think part of the proof of the fact that it changed is Penny Wong is now tracking back and forth in Asia to try to change our approach to the region and to rebuild what we once had. And of course, she is one of those who've been working hard at trying to get a dialogue going with China again, which is very important. It changed for rather different reasons from anything to do with our own development. It changed because the Department of Foreign Affairs and Trade, it lost budget. Its resources were stretched, really stretched, but it also lost out in the power game in Canberra to the intelligence and security agencies who have been driving foreign policy and the way we approach our relations, particularly with China. And this resulted in a lot of the diplomacy of the megaphone, and the feeding of bad news stories about China to the media, and the indiscriminate stigmatisation of Chinese-Australians in whispers and dog whistling suggesting they're not loyal to Australia but to China. So that's the context here, but it seems pretty clear that Penny Wong is really intent on restoring the primacy of DFAT in the power in Canberra and the use

of statecraft and diplomacy in our relations with China and the region. And that is a really, really good positive thing.

Professor James Laurenceson:

Thank you, Dr FitzGerald.

So both sides, there's been change on both sides in your view. Look, let me now try and collect a few questions together we've received. First, from Mathew Benjamin of the Australia-China Youth Dialogue, and Paul Karp of *The Guardian*, and Jing Han, the Director of the Institute for Australian and Chinese Arts and Culture at Western Sydney University. Mathew asks you both, 'How do we drive productive dialogue? What should both countries consider for the next decade to ensure this happens?' Jing Han asks, 'From your observations, what can be done differently from both sides?' And then Paul asks, particularly to you, Madame Fu, 'Is there room in the relationship for Australia to express views on human rights, keeping the Taiwan status quo and so on?'

Madame Fu, I think back to an interview you gave Mike Smith of *The Australian Financial Review* in October 2020. At the time you said, 'Both countries need to show their sincerity and courage to get out of the current dilemma.'

So just expanding, perhaps a touch on Paul's question, when Australian Foreign Minister, Penny Wong, who is very careful with her words, but nonetheless in September, issued a statement expressing concerns around human rights in Xinjiang, is that interpreted in Beijing as Australia not showing sincerity?

H.E. Madame Fu Ying:

Asking me? Are you asking me?

Professor James Laurenceson:

Yes please, Madame Fu.

H.E. Madame Fu Ying:

Okay. Right.

I think I need to be careful. I would not comment directly on an Australian politician, Australian Foreign Minister. I just want to say how I look at issues like this and also out of my own experience.

My impression is that the Australians are very straightforward, candid, and they are very sensitive on human rights issues. There's always a high public attention on anything that concerns human rights. I understand it. I think it's rooted in Australian history and its own experience. Just like the Chinese are very sensitive about foreign interference. It's also rooted in our history. We were semi-colonised and we had the kind of a trauma in our history. So we are very sensitive about any other foreign interference.

When I was in Australia, I did follow the Australian domestic human rights concerns and the criticisms, but I never commented on it. I don't think I know better than Australians about how to run their country. So when the Australians are interested in China's domestic affairs, I understand it too. China's domestic issues as a major country in the world is also being watched by the world.

But if Australians think they have the right to finger pointing at China and sometimes, some people, they talk like they know better how to run China, that is not appropriate, I think. It's not welcome. Not at all. And likewise, if it happens with the Australians, they will be unhappy too. I think the Australians are very sensitive about how the other countries treat them as well.

In China, we have lots of challenges. We're aware of it. The 20th Party Congress report listed, there's a very long list about the challenges we confront. For example, the imbalance in the development, the bottlenecks in high quality development, the need to improve creativity, the security of food supply, energy, production line, supply line. There's a very long list of challenges. And the Chinese are working very hard, through reform, through development to perfect ourselves. If you have a better advice for China, you are welcome.

For China and Australia, we have different history, different cultural background, different political system. We have differences. I agree with Ambassador FitzGerald. In 1970s, we were probably more divided than now, but we still have differences. But differences should not be a reason for us to stop talking with each other, to stop working with each other. And we should always remember to keep our politics within our own boundaries, respect the other side, and to be sensitive enough not to go too far in terms of the domestic politics.

Thank you.

Professor James Laurenceson:

Thank you for that. That's why we have diplomats, I guess, who understand those sensitivities and are able to raise those challenging issues but not do it in a way, as you said, of appearing to point fingers and so on.

Dr FitzGerald, rather than human rights, can I focus on the issue of Taiwan with you? Just on Monday we published a piece from James Curran again, titled 'Remembering and mis-remembering Whitlam's PRC policy'. But Prime Minister Whitlam, of course, was best known for switching diplomatic recognition from Taipei to Beijing. But in his charter letter to you, he wrote, and I want to quote this, 'We intend to be quite firm in insisting that private trade and travel between Australia and Taiwan should continue'. To use Peking's, Beijing's, own argument, 'We have nothing against the people of Taiwan.'

So today, Taiwan is asking Canberra to support its bid to join the CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership], the trade pact. Just last weekend we had news of a group of Australian backbenchers traveling to Taiwan, albeit Prime Minister Albanese made clear that he wasn't going and wasn't aware of their itinerary. So neither of those, the CPTPP or visits of backbenchers, neither of those to me seem inconsistent with the instructions that Whitlam gave you in April 1973. Or the one-China policy that Canberra and Beijing agreed they could both live with in 1972. But in your view, can Australia today engage in such activities and still keep relations with Beijing on an even keel? Over to you, Dr FitzGerald.

Dr Stephen FitzGerald:

Okay, can I first make a very brief comment about the human rights issue because I think it very important. Back in the 1990s, when Gareth Evans was foreign minister, Australia sent two human rights delegations to China and these delegations resulted in the establishment of a regular exchange between our two governments on human rights and even a modest program of cooperation on human rights issues. And I mentioned that because it shows what can be done when you're working diplomatically. And it was constructive and acceptable to the Chinese side. And I think it was moderately successful.

Taiwan, I don't think there's any reason to be inhibited about the pursuit of regular relations with Taiwan, in the sense that we've had since 1972 indeed. I mean, it was shortly after we opened the embassy that I received a

request from Canberra about a number of things to do with relations with Taiwan. And should we be doing this, and should we be doing that?

And I wrote back, referring to that directive that you just mentioned from Whitlam and saying, 'Well, now we've established the principle that we accept one-China, we should be able to have this kind of communication.' And so I see the visit by those politicians, and other things that have happened, in that context. So long as we keep talking with Beijing and not changing our approach to the one-China policy.

It's also the case that this might attract some publicity. But the people who are making public comments seem to be unaware that there is an Australian government office in Taipei, and a Taiwan government office in Australia and other bilateral links. For example, there's a branch of the government owned Bank of Taiwan here in Sydney. So all of this has been going on, and has been quite possible, without disturbing our relationship with Beijing.

As for Taiwan seeking to join the CPTPP, I simply ask why would we support that when we're opposing membership for Beijing? In the case of APEC and WTO membership, we worked with the Chinese, and we supported arrangements that allowed both Beijing and Taipei to join, and it shows what could be done with subtle diplomacy.

Professor James Laurenceson:

Thank you, Dr FitzGerald. Look, I see we're rapidly running out of time. Goodness me, we could go on hours. Let me jump to a question focused on the present.

As you can imagine, we've had a whole bunch of people basically ask, 'look, what are the prospects for the trade sanctions against Australia to be lifted, or for the Australians detained in China, Cheng Lei and Yang Hengjun, to be released?'

Now look, I know neither of you are currently involved in the day-to-day management of the bilateral relationship, but I did want to ask, just take a step back and ask for your – drawing on your experience as diplomats, we've just had a meeting of the leaders, so what would be a reasonable expectation to come out of that? I mean, if not guaranteed, is it a reasonable bet, a fair bet, that more positive developments, perhaps around trade and those detained Australians, are on the way?

Madame Fu, I might go to you first. After that meeting of leaders, what might we reasonably expect next?

H.E. Madame Fu Ying:

I have followed the Bali meeting closely, and I think the meeting between President Xi Jinping and the Prime Minister Anthony Albanese has been very fruitful. They paved a very good political ground for warming up of the relationship. And the Chinese government has sent lots of positive signals. And just now Ambassador Xiao Qian and Ambassador Fletcher have also indicated what next step we can foresee. So I think there's good reason to be optimistic about the warming up of the relationship.

For the trade issues, I have not been following very closely. For this meeting, I dug out some of the past materials and I realised that there are quite a few serious trade disputes. Some were problems that occur in normal exchanges, but if they are not timely addressed, they become a problem, a lasting problem. Some were also affected by the worsening political atmosphere.

So I think while we warm up the relationship, if we can successfully do so, the issues should be addressed one after another. Both sides should look carefully at the concerns of the other side. I also hope the Australians will make steps to address the Chinese side's concerns.

For the cases, I'm a congress member, we make laws. And we hope that the two countries respect each other's judicial sovereignty and let the law look after those issues.

Thank you.

Professor James Laurenceson:

Thank you, Madame Fu. I think there's a bit of optimism there. We can say that, because those leaders have met. Now, we might be able to turn to those specific issues and address them in a one by one manner. That's good to hear.

Dr FitzGerald, just how significant is the re-establishment of senior political dialogue?

Dr Stephen FitzGerald:

I think it's immensely important. The difficult issues are not going to be solved with one meeting, but they won't even be addressed without such meetings. And we also have to understand that it's not just the two leaders meeting, and it didn't happen out of the blue, it's in the context of advice and input from advisors and colleagues. And all of it, on both sides, leading to a position that we have to do something to reset the relationship.

And having done that, it sends good strong messages to people on both sides, and I think to the media, if they choose to listen. And I accept that it may be going to be a hard slog because these things are never that simple, but we're on the way, and I'm really quite optimistic about that. And I think that, also, listening to ambassadors Xiao and Fletcher talking, as I said at the opening, I think we can be quite encouraged that there is going to be more happening, much more. And in particular, not just in the bilateral relationship, but taking advantage of opportunities in the multilateral and regional context, like climate, like biodiversity, all of these things, dare I say, even cybersecurity.

We can be talking about those things and that, I think, is what is going to slowly start to happen. And where we lost the habit of consultation, I think, we will begin to restore the habit of consultation. We're going to make a decision. Let's talk to Beijing about it before we do anything. I mean that is a really positive step, I think.

H.E. Madame Fu Ying:

I just want to –

Professor James Laurenceson:

Thank you, Dr – sorry, please, Madame Fu.

H.E. Madame Fu Ying:

I just want to chip in a bit, I know we are ending.

I think it's good to see that the possibility of warming up in the near distance. But I want to warn a bit, I think there's a English saying, 'If you want to come out of a hole, you should first stop digging.' We should try to be

careful and things will happen, but both sides need to be careful handling the issues and be patient. It's easy to fall down, it's much harder to come back, but as long we persist, I'm sure we'll come back.

Thank you.

Professor James Laurenceson:

Thank you. And I note our Foreign Minister Penny Wong, that's what she's emphasised – the word stabilisation – that's what she wants to do. Her immediate focus is on stabilising the relationship or not digging that hole any deeper.

Look, I think there was a great example of why I wanted to speak to some senior diplomats because there is sometimes a view that, 'Oh, it's just a bit of a talkfest. The two leaders, or the two foreign ministers, the two defence ministers, get together and they just have a bit of chat and it doesn't lead to much.' So it's interesting that both of you were clear that there was significance from that re-establishment of dialogue.

Look, we really are in the last five minutes now. Can I just ask one final question to you both? A number of people asked this question – Jenny Tang, Paul J. Basically the question is, how do you see the next 50 years of Australia-China relations? Look, 50 years is a long time, but say the next 12 months, five years.

Madame Fu, how optimistic are you in the short and medium term outlook for Australia-China relations?

H.E. Madame Fu Ying:

I have lots of friends, both in Australia and in China, who have connections with Australia. I think most people would like to see the recovery of exchanges. Before the pandemic, there were about 200 flights between our two countries, two million people travel between the two countries. And China now, is the number one source of international students for Australia and also the number one source of tourism for Australia for quite a few years.

So I really hope that we could work on the resumption of personnel exchanges first. And I also hope that – I'm optimistic because much of the problem, and especially reading the Australian newspapers, I think many of them were the result of lack understanding and the lack of a stable trust of each other. And as time goes on, I hope the Australians will know China better and more Chinese will understand Australia better. And will be more comfortable about the fact that we have differences, but we can solve the differences or overcome the differences and we can move on with what we can work on.

Thank you.

Professor James Laurenceson:

Thank you, Madame Fu.

Dr FitzGerald, sorry to do this to you, but for 30 seconds, would we be able to get your take on optimistic or a bit pessimistic? Over to you.

Dr Stephen FitzGerald:

I'm optimistic, and can I just mention, business is often a big driver of international relations. And business is really a hundred percent behind this, I think on both sides. They want to solve the problems and get on with it. And that will be a big influence on government and I think that's one of the reasons why we can be optimistic.

Professor James Laurenceson:

Well, as an economist, I'm delighted to hear that. And you're exactly right, by the way. I mean last year, two-way trade between China and Australia hit a record high and this year it's bumping off records as well.

Look, I'm so sorry to our audience, we're going to have to wrap it up there. As you can appreciate, there were dozens and dozens of questions. I hope we've been able to give you a taste of the wonderful skills and experiences of our two guests today.

Dr Marina Zhang, if I can go to you as my ACRI colleague, to wrap things up for us this afternoon.

Marina, I think you're on mute. There we go.

Dr Marina Zhang:

Thank you, ambassadors and James. What a feast of ideas and insights. I really enjoy the discussion and all the remarks made by each ambassador.

Before leaving, I'd like to remind the audience, we will soon send you an email asking your opinion on your experience of today's webinar. We really appreciate [it] if you could fill out the feedback form attached to the email, at your convenience. Your feedback is really valuable to us. It help us make our future events a better experience for everyone who is interested and involved in Australia-China relations.

And you can also find more details of our recent research on our website at australiachinarelations.org. The transcript of today's discussion will also be available on our website soon.

Please stay tuned by following us on Twitter [@acri_uts](https://twitter.com/acri_uts) for the latest news, analysis and commentary pieces matter to Australia-China relations. Thank you again, speakers and attendees. We will see you next time.

Bye-bye.