

Australia-China monthly wrap-up

February 2023



This edition features:

- Summary and analysis of major developments in February 2023

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The month began with another milestone in the tentatively mending economic relationship between Australia and the People's Republic of China (PRC) with a virtual meeting between trade ministers and an invitation to Trade Minister Don Farrell to visit Beijing.¹ Prime Minister Anthony Albanese **observed** that with the resumption of dialogue across numerous portfolios,² 'the dynamic between Australia and China has changed'. He notably refrained, too, from directly mentioning the PRC in a National Press Club **speech** on national security, apart from one brief observation regarding the stabilisation of bilateral relations. This changed dynamic does, however, face numerous headwinds in the form of upcoming defence announcements, revitalised efforts targeting foreign interference, a push to restrict critical minerals and rising tensions between the US and the PRC. Xi Jinping continues to deepen his control over the PRC's government and economy, Beijing continues to increase defence spending, and it has appeared to promote a movement towards judicial indigenisation that could increase the PRC's legal isolationism.

Trade Minister Farrell **noted** he was 'optimistic that progress is going to be made in respect of all of the issues that are now standing between us', **saying** that 'on a range of products where we have suffered those trade impediments over the last couple of years, there appears to be good news'. Indeed, the trouble-free arrival of the first shipment of Australian coal to the PRC, encouraging signs with respect to lobster, beef and timber, and renewed optimism in the wine industry prompted the Trade Minister to say 'there's no reason why trade couldn't be expected to go back to what it was. However, there continues to be a strong emphasis on

1 No date has been set yet, Australian and PRC officials met on February 23 to discuss when the trip might eventuate. See Don Farrell, interview, ABC Radio National, February 24 2023 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/interview-patricia-karvelas-abc-radio-national-0>>.

2 An itemised list of high-level meetings was provided by the Department of Foreign Affairs during Senate Estimates hearings this month: 'Since the current government took office, there has been a meeting on 11 June 2022 between the Deputy Prime Minister and China's defence minister, Wei Fenghe, in the margins of the Shangri-La Defence Summit in Singapore; on 8 July, Foreign Minister Wong met with State Councillor Wang Yi on the sidelines of the G20 Foreign Ministers Meeting; on 23 September, there was a meeting between Foreign Minister Wong and Councillor Wang Yi on the sidelines of the UN General Assembly in New York; on 8 November, the foreign minister had a phone call with State Councillor Wang Yi; on 15 November, the Prime Minister met with President Xi on the sidelines of the G20 Leaders Summit in Bali; on 18 November, there was a meeting between the Minister for Climate Change and Energy with his counterpart Xie Zhenhua; on 22 November, the Deputy Prime Minister and Defence Minister had a second meeting at the 9th ASEAN Defence Ministers Meeting in Cambodia; on 17 December, there was a meeting between the Minister for the Environment and Water with China's environment minister; on 22 December, the foreign minister met with State Councillor Wang Yi, and that was the visit to China for the Sixth Australia-China Foreign and Strategic Dialogue in Beijing; on 19 January, Assistant Minister Ayres met with China's Vice Minister for Commerce, Wang Shouwen, in Davos [sic]; and, on 6 February, there was a virtual meeting between Minister Farrell and Minister of Commerce, Wang Wentao, and that was the most recent engagement.' See Commonwealth of Australia, Official Committee Hansard, Senate Foreign Affairs, Defence and Trade Legislation Committee, Estimates – Foreign Affairs and Trade portfolio, February 16 2023, p 8 <https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/26534/toc_pdf/Foreign%20Affairs,%20Defence%20and%20Trade%20Legislation%20Committee_2023_02_16.pdf;fileType=application%2Fpdf>.

adherence to a ‘two-pronged strategy’, focusing on the resumption of exports to the PRC and diversification into the future.

At the same time, there was renewed emphasis on the need to bolster Australia’s military defences, with the government building momentum towards an announcement on the costings and contract details for the acquisition of nuclear powered submarines under AUKUS; the public release of the Defence Strategic Review examining Australia’s defence force posture, force structure and capabilities, [handed](#) to the government on February 14; and the formulation of a Defence Industry Development Strategy which aims to ‘articulate the strategic rationale for Australia having a defence industry.’ The Prime Minister [re-emphasised](#) that a 10-year window of conflict was ‘not necessarily the case anymore. Indeed, it’s not the advice. So we need to make sure that we have the right assets.’

Defence Minister Richard Marles [announced](#) a more expansive, new ‘paradigm’ in Canberra’s defence thinking, elaborating that because of ‘capability advancements’, the ‘advantages’ of Australia’s geographic remoteness, which had formerly been ‘a huge asset in the defence of our nation’, ‘have been diminished’ and are ‘far less relevant’. This means that Australia requires a defence strategy predicated on building the capacity ‘to hold any potential adversaries at risk much further from our shores’.

However, the Defence Minister also emphasised the importance of diplomacy, stating that the challenges raised by the PRC meant ‘that it has never been more important for Australia to employ sober, responsible and clear-eyed statecraft’, [adding](#) that growing geostrategic competition makes it ‘more important than ever that we work with the countries of the region to continue to reduce tensions’.

In line with this, Australian ministers, particularly Foreign Minister Penny Wong, have [emphasised](#) the need for the great powers to develop ‘guardrails’ to avert conflict, as tensions between the US and the PRC increased with, among other developments, the shooting down of a PRC surveillance balloon that had entered US airspace, the publication by the PRC Foreign Ministry of a 4,000 word paper taking aim at ‘[US hegemony and its perils](#)’,³ the expansion of US restrictions on technology exports to the PRC, and US plans to significantly [increase](#) the number of troops deployed to train local forces in Taiwan.

The political relationship overall

Speaking generally about Australia-PRC relations at the beginning of the month, Foreign Minister Wong [said](#) of Australian PRC policy:

We recognise that in times gone past we could separate the economic and the strategic so we could have our strategic relationship with the US, we could have our economic relationship with China. These days the strategy and the economics come together.

A journalist put to the Foreign Minister that ‘Australia and the US have been moving at different speeds on their relationship with China. Australia’s been moving much closer, much warmer towards China compared to the US who’ve had a few problems recently.’ She disagreed with the characterisation, [saying](#) she believed the Australian approach was ‘very consistent with the Biden Administration’s approach to the China relationship’ although ‘[t]he language is a little different.’

The Australian opposition this month generally spoke favourably of the government’s handling of PRC relations. On February 17, for example, Opposition Leader Peter Dutton [said](#), ‘[W]e’ve got a good relationship with China. There will always be tensions, but Australia is going to stand up for our sovereignty. This government’s done that and we can do it in a respectful way.’

³ The paper read, ‘The United States has been overriding truth with its power and trampling justice to serve self-interest. ... China opposes all forms of hegemonism and power politics, and rejects interference in other countries’ internal affairs. The United States must conduct serious soul-searching. It must critically examine what it has done, let go of its arrogance and prejudice, and quit its hegemonic, domineering and bullying practices.’

The economic relationship overall

Trade Minister Farrell held virtual talks with PRC Commerce Minister Wang Wentao on February 6. In his [opening remarks](#) the Trade Minister told his PRC counterpart that bilateral trade ‘has always been part of the bedrock’ of the Australia-PRC relationship, and ‘today we look to make that foundation even firmer.’

He said further, ‘In recent years, trade has not proceeded smoothly... to the detriment of both countries. I am confident that our discussions today can provide a pathway towards the restoration of unimpeded trade.’

PRC Commerce Minister Wang, in his [opening statement](#), also indicated a willingness ‘to bring our economic cooperation back to the correct track’, extending an invitation to Minister Farrell to visit the PRC. He sought to manage expectations regarding Beijing’s trade disruptions saying, ‘I wish to stress that we will face up to these [economic and trade] issues. At the same time, I believe that this meeting cannot resolve all of these issues.’

In a [statement](#) following the meeting, the Trade Minister said the discussions represented ‘another important step in the stabilisation of Australia’s relations with China’.

Prime Minister Albanese [said](#) he was ‘very pleased’ about the ‘very productive meeting’ between the trade ministers, [repeating](#) a message continuously pressed last month that ‘[t]he trade to China is more than the trade figures value than the next three highest trading partners combined.’ The Prime Minister also [told](#) press on February 9, ‘when I met with President Xi, I indicated to him publicly, but also of course, privately, that it quite clearly was in Australia’s interests to export more to China.’

Trade Minister Farrell [maintained](#) throughout the month that ‘what we want to do is get back that additional \$20 billion worth of trade’ with the PRC. While acknowledging that problems would take time to resolve, he [observed](#) that ‘all of the indications on a whole range of products where there are currently impediments are indicating that there’s going to be a relaxation and a restoration of our trading relationship with China.’

Shadow Foreign Minister Birmingham on February 9 [said](#), ‘China’s attempts at economic coercion on Australia have failed’, pointing to the fact that ‘There have been no changes of policies in Australia’.

Coal

The [first](#) shipment of Australian coal to the PRC in two years, measuring about 72,000 tonnes, arrived on February 8 in Zhanjiang. The *Sydney Morning Herald* [reported](#) on February 13 that ‘Several coal producers in the NSW Hunter Valley and Queensland have confirmed that Chinese buyers have asked about supplies of thermal coal... and metallurgical coal.’ According to a [report](#) by *Reuters* on February 21, ‘At least 15 vessels hauling about 1.4 million tonnes of... Australian coal are bound for China’.

Lobster

An application this month by the [Geraldton Lobster factory](#) for the import of lobsters into the PRC was [not rejected](#), which was [characterised](#) by the Trade Minister as a ‘positive sign’.

Timber

On February 12, Trade Minister Farrell [stated](#) that his PRC counterpart had informed him during their February 6 meeting that the PRC ‘had started reordering Australian timber products’.

Wine

On February 26, *The Australian* reported that Penfolds’ managing director [met](#) with the China Alcoholic Drinks Association (CADA), the PRC drinks industry body which had made anti-dumping allegations against Australian winemakers in 2020. Following the meeting, CADA’s executive director said, ‘The Chinese market is an open market and quality wines are welcome to enter China’. Penfolds’ parent company Treasury Wine Estates’ chief executive [said](#) he intended to travel to the PRC in March.

Foreign investment

Australia's Foreign Investment Review Board (FIRB) [approved](#) the state-owned China Baowu Steel Group's \$1 billion 46 percent stake in a joint venture with Rio Tinto in an iron ore project in Western Australia – 'the biggest Chinese investment to be given the green light by Canberra since 2019', according to *The Australian*.

Around the same time, Treasurer Jim Chalmers on recommendation from FIRB [blocked](#) an application from Yuxiao Fund, an investment fund registered in Singapore controlled by a PRC businessman, to raise its ownership of Northern Minerals Ltd, an Australian rare earths producer with landholdings in Western Australia and the Northern Territory, from 9.92 percent to 19.9 percent. The Treasurer [stated](#), 'I made that decision based on the advice of the Foreign Investment Review Board, and consistent with other decisions taken by other governments in the past.'

While there has been no immediate reaction from Beijing regarding this decision, the PRC Commerce Ministry issued a [statement](#) on February 6 which read, 'The Chinese side is highly concerned about Australia's tightening of security inspections on Chinese companies investing and operating in Australia'. This was [reportedly](#) also raised by the PRC Commerce Minister during talks with Trade Minister Farrell.

Foreign interference

Home Affairs Minister Clare O'Neil in a [speech](#) at the Australian National University (ANU) on February 14 highlighted foreign interference as 'a significant problem that is going to get worse at the years past.' She noted that there was a 'disconnect between what I'm reading in intelligence and the public conversation... And that really worries me because I see that gap as a national security risk.'

She said further, 'We've got to plant that seed with Australians, that there is foreign interference in our country. It is insidious and it is relentless, and it is everywhere.'

The Home Affairs Minister discussed foreign interference in broad terms, commenting on efforts to target diaspora communities, social media, universities and politics, and singling out efforts from Iran as a case study. Asked why the PRC had not explicitly featured in her address, she said:

What I would really like to do is try to broaden the conversation to reflect the accurate picture, and that is that we are the subject of foreign interference in very many countries. This is not just a China problem, although it is a China problem.

She did indicate, however, that 'this will be the first in a series of interventions where... I'm able to speak about some specific examples of foreign interference received from specific countries'.

She said she had directed the Home Affairs Department to develop an 'attribution framework' for the Australian government as '[w]e don't want to just need to disrupt these operations, but we want to deter future ones by imposing costs on their sponsors by outing them, where it is possible to do so.'

On February 21, Australian Security Intelligence Organisation (ASIO) Director-General Mike Burgess delivered his [annual threat assessment](#), stating that 'more Australians are being targeted for espionage and foreign interference than at any time in Australia's history'. He referred to a recent removal of a 'hive of spies' in Australia by ASIO, and described efforts to battle foreign interference as presently feeling like 'hand-to-hand combat'.

The Director-General also made particular mention of 'senior people in this country who appear to believe that espionage and foreign interference is no big deal; it's something that can be tolerated or ignored or somehow safely managed.' He said:

Individuals in business, academia and the bureaucracy have told me ASIO should ease up its operational responses to avoid upsetting foreign regimes.

...

In my opinion, anyone saying these things should reflect on their commitment to Australia's democracy, sovereignty and values...

The Parliamentary Joint Committee on Intelligence and Security (PJCIS) this month conducted public hearings as part of a [review](#) into 'the operation, effectiveness and implications of the provisions' of the *Foreign Influence Transparency Scheme Act 2018*. Former prime minister Malcolm Turnbull [told](#) the inquiry that 'most active state and political party seeking to influence public affairs in Australia is that of China and the Communist party of China – we know that'.

During public hearings on February 21 PJCIS member Senator James Paterson [targeted](#) exemptions under the Act 'which might be causing some challenges', such as organisations with charity status. He said, 'the Attorney-General's Department has recommended the committee consider the exemption that is currently granted to charities', and expressed interest in whether 'that is something we should look at as well, particularly in light of the fact that people like Dr Chau Chak Wing run a prominent foundation which appears to me to be engaged in a reputation-washing exercise.'

Universities

On February 14, the Australian government tabled its [response](#) to the PJCIS March 2022 [report](#) on foreign interference risks affecting the Australian higher education and research sector and in a [media release](#) stated that the higher education sector 'faces significant foreign interference risks'. It said the government 'remains concerned about potential risks to academic freedom through some foreign arrangements at universities', making an undertaking to 'keep these arrangements under review.'

PRC surveillance balloon incident

For about a week during the end of January to the beginning of February, a high-altitude balloon was sighted in North American airspace. On February 3, the PRC Foreign Ministry [alleged](#) it was a 'civilian airship used for research, mainly meteorological purposes' that had blown off course. The Foreign Ministry spokesperson said, 'The Chinese side regrets the unintended entry of the airship into US airspace', attributing it to 'force majeure'.

The next day, US Secretary of State Antony Blinken [announced](#) that a planned trip to the PRC would be postponed, the US having 'concluded that conditions were not conducive for a constructive visit at this time.' He [called](#) the balloon incursion an 'irresponsible act'. The postponement of the Secretary's trip elicited a quiet [reaction](#) from Beijing, its Foreign Minister spokesperson saying that 'neither side has ever announced that there would be a visit. It is a matter for the US to make its latest announcement, and we respect that.'

On February 5, US fighter jets [shot down](#) the balloon with a missile, prompting Beijing to articulate its 'strong dissatisfaction and protest against the US's use of force' to attack civilian unmanned aircraft'.

The following weeks saw an escalation in tone and language regarding the incident on both sides. President Joe Biden asserted in his State of the Union address on February 8, 'Make no mistake: as we made clear last week, if China threatens our sovereignty, we will act to protect our country. And we did'. On February 19, PRC State Councilor Wang Yi [told](#) Secretary Blinken on the sidelines of the Munich Security Conference that if the US continues to 'dramatise and escalate the unintended and isolated incident, it should not expect the Chinese side to flinch' and 'should be prepared to bear all consequence'.

Senior Australian ministers articulated their support of the US' actions and emphasised the importance of respecting territorial sovereignty, but refrained from publicly rebuking Beijing. Australian diplomats [raised](#) Australia's concerns directly with PRC counterparts on February 5-6.

Questioned on the incident during a [series](#) of [interviews](#) in the days following, the Foreign Minister repeatedly [said](#) that Australia shared 'US concerns about the violation of international law and the importance of the protection of US sovereignty' and appreciated 'the measured way' in which the US handled the incident.

However, the Foreign Minister also sought to **reorient** focus in Australia away from the American response to the surveillance balloon, **stating** that ‘the more important issue is... what happens now?’ She **highlighted** the need for ‘guardrails’ around great power competition ‘to ensure that there isn’t escalation’, **noting**, ‘that would be a very bad thing... for the whole world.’⁴ She **said** further that ‘we should be working to avert war, to deter always’ and a critical part of this was the need ‘to keep talking’.

Defence Minister Marles on February 17 **confirmed** that ‘we’ve had no advice of any balloon of that kind being over Australia.’ He **expressed** confidence that if a high altitude balloon were to enter Australia’s territory, ‘[W]e could not only track it, but deal with it.’

AUKUS and nuclear submarines

On February 2, in a joint press conference following the 12th Australia-UK Ministerial Consultations (AUKMIN) in Portsmouth,⁵ Defence Minister Marles **described** Australia’s planned acquisition of nuclear submarines under the Australia-UK-US (AUKUS) trilateral security partnership as ‘a huge moment in our country’s history. This will change Australia’s international personality.’

On February 3, a PRC Foreign Ministry spokesperson **asserted** that Beijing was ‘firmly opposed’ to Australia’s nuclear submarine acquisition under AUKUS, calling on the three nations to ‘cancel the decision’

Debate around questions of sovereignty and the nuclear submarines has intensified in Australia, with criticisms about the arrangement from former Liberal and Labor prime ministers Malcolm Turnbull and Paul Keating. In response, the Defence Minister delivered a **statement** to the Australian parliament on ‘Securing Australia’s Sovereignty’ on February 9, purporting to answer the question ‘on what terms does Australia acquire this capability?’⁶ He said:

[T]he reality is that almost all of Australia’s high-end capability is developed in cooperation with our partners.

...

Through AUKUS, we are building Australian capability and expanding our strategic options.

This represents a long-term commitment to building our self-reliance and, in turn, will enhance Australia’s agency to pursue our sovereign interests. That is the essence of sovereignty.

The Australian government also continues to seek to assuage regional concerns about the new capability (see discussion in ‘Regional relationships – Southeast Asia’ below).

4 The Foreign Minister had previously emphasised the need for guardrails during a speech in Washington DC in December last year. See Penny Wong, Speech to the Carnegie Endowment for International Peace, December 7 2022 <<https://www.foreignminister.gov.au/minister/penny-wong/speech/speech-carnegie-endowment-international-peace>>

5 AUKMIN was held several days after the Second France-Australia Foreign and Defence Ministerial Consultations in Paris. The AUKMIN joint statement acknowledged Britain’s growing interest in cooperating with Australia in the Indo-Pacific – following similar commitments from France in the Paris statement. See Richard Marles, Penny Wong, James Cleverly and Ben Wallace, AUKMIN statement, joint statement, February 3 2023 <<https://www.minister.defence.gov.au/statements/2023-02-03/joint-statement-aukmin-statement>>; Richard Marles, Penny Wong, Catherine Colonna and Sébastien Lecornu, Second France-Australia Foreign and Defence Ministerial Consultations, joint statement, January 30 2023 <<https://www.minister.defence.gov.au/statements/2023-01-30/joint-statement-second-france-australia-foreign-and-defence-ministerial-consultations>>.

6 The Defence Minister had told press prior to delivering his statement, ‘I’m really confident that, in acquiring a nuclear-powered submarine capability, that will enhance Australia’s sovereignty. And it will do that, because it greatly increases our capability. And that helps to build the capacity of the Australian people to determine our own future. And that’s at the heart of what sovereignty is about. It’s a completely reasonable question to ask, you know, ‘on what terms does Australia acquire this capability?’ And so the speech that I’ll be making in the Parliament today seeks to deal with that question. But the fundamental point is this – the moment an Australian flag is placed on one of our future submarines, it is under Australian control. Completely under Australian control. And it will be deployed entirely in Australia’s national interest.’ See Richard Marles, Doorstop interview, Canberra, ACT, February 9 2023 <<https://www.minister.defence.gov.au/transcripts/2023-02-09/doorstop-interview-canberra-act>>.

Regional relationships – Southeast Asia

Indonesia

Australia hosted the [Eighth Australia-Indonesia 2+2 Defence and Foreign Ministers' Meeting](#) on February 9. The [joint statement](#) evinced a clear Australian intention to assuage concerns regarding AUKUS.⁷

Indonesian Foreign Minister Retno Marsudi in a separate statement [said](#) she had used the 2+2 discussions to reiterate ‘the importance of AUKUS transparency and the commitment [to stop] nuclear proliferation’, highlighting concerns about US-PRC ‘rivalry’ which ‘[i]f not managed well... could well escalate into an open conflict.’ Asked to [comment](#) on these remarks, Foreign Minister Wong stressed that ‘we do want to be transparent with the region and we will be’ and emphasised that ‘nuclear propulsion does not equal nuclear-armed. Australia has no intention of ever seeking to be nuclear-armed.’

Australia and Indonesia also issued a [joint statement](#) of intent to elevate the *Defence Cooperation Agreement* (2021) between the nations ‘to an agreement that is binding under international law.’⁸

PRC Foreign Minister Qin Gang [visited](#) Indonesia on February 21–23, his [first trip](#) since assuming the foreign ministership, for the Fourth Joint Commission for Bilateral Cooperation. While in Jakarta, he met with President Joko Widodo who *Nikkei Asia reports* ‘stressed the need for a deeper economic partnership between the two countries’.

Philippines

On February 22, Defence Minister Marles met with Philippine Defense Secretary Carlito Galvez. During their [joint press conference](#) Mr Marles told reporters, ‘Today, I think Australia and the Philippines has [sic] a greater strategic alignment than we’ve had in any moment in our respective histories’, noting the two nations would be signing the strategic partnership [agreed](#) upon by Prime Minister Albanese and President Ferdinand Marcos Jr in November 2022 ‘later this year’. The two sides also agreed to establish a regular, annual defence ministerial meeting.

The Defence Minister told reporters he and his Philippine counterpart also discussed ‘the possibility of exploring joint patrols [in the South China Sea] and we will continue that work and we hope that comes to fruition soon’. Further details or timelines were not divulged.

US Defence Secretary Lloyd Austin had visited the Philippines earlier in the month. During his visit both countries announced plans to boost the US’ military presence in the nation, with the US allowed access to four more bases in ‘strategic areas of the country’, accelerating the full implementation of their Enhanced Defense Cooperation Agreement.⁹

Thailand

Defence Minister Marles met with Thai Prime Minister and Defence Minister Prayut Chan-O-Cha towards the end of the month. Mr Marles [said](#) ahead of the meeting that one aim was to reassure Thailand about Australia’s acquisition of nuclear submarines under AUKUS.

7 ‘Ministers highlighted their ambition for a world without nuclear weapons and their commitment to strengthening the global nuclear non-proliferation and disarmament regime, including its cornerstone, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).’

8 The new agreement would be geared towards ‘increased dialogue, strengthening interoperability, and enhancing practical arrangements.’ Furthermore, ‘Negotiations will include consideration of issues such as reciprocal access to training ranges and streamlined entry and exit processes for joint activities.’

9 Philippine Ambassador to Washington Jose Romualdez had told a news briefing beforehand that closer cooperation with the US was necessary given ‘We’re in a catch-22 situation. If China makes a move on Taiwan militarily, we’ll be affected – and all ASEAN region, but mostly us, Japan and South Korea.’ See Michael Punongbayan, ‘Austin to tackle larger US military presence in Philippines’, *The Philippine Star*, February 2 2023 <<https://www.philstar.com/headlines/2023/02/02/2241920/austin-tackle-larger-us-military-presence-philippines>>.

Regional relationships – Pacific Island nations¹⁰

Vanuatu

Vanuatu Prime Minister Kalsakau [visited](#) Australia on February 15. The [joint statement](#) issued after his meeting with Prime Minister Albanese noted work in progress towards ratification of the Bilateral Security Agreement, signed in December last year. It also outlined Australia's commitment to 'provide a new tranche of economic support to boost priority sectors of Vanuatu's economy'.¹¹

Papua New Guinea

On February 17, Foreign Minister Wong together Papua New Guinea's (PNG) Foreign Minister Justin Tkatchenko co-chaired the [29th Australia-Papua New Guinea ministerial forum](#) in Canberra. Ministers [exchanged](#) draft text on the bilateral security treaty, continuing to work towards completion in April. The [joint communique](#) announced that Australia agreed to open in-country visa processing in Port Moresby and noted Australia's 'commitment to assist' with 'addressing [PNG's] internal security and law and justice issues' with ministers agreeing to establish a joint ministerial working group¹² 'to oversee deepening cooperation in these areas.'

The Defence Minister during a press conference [said](#) described Papua New Guinea as 'a critical part of our national security landscape', pointing to 'geography' and 'size'. PNG Justin Tkatchenko at the same conference issued a reminder that the treaty 'is not just about the security – security in respect to policing and defence, it's also about many other security issues, climate change, biosecurity, gender equality. Security issues that face our country, and economic security as well.'

Kiribati

Australia having welcomed a visit by Kiribati President Taneti Maamau at the beginning of this month, Senator Wong travelled to Kiribati to sign the Tobwaan Te Reitaki ['Nurturing the Partnership'] Memorandum of Understanding (MoU) on February 21. The MoU [covered](#) assistance from Australia in the areas of coastal protection to combat global warming, and upgrades to the Betio Port and Kanton Wharf. Security assistance was a major component of the MOU, covering maritime surveillance, upgrades and supplies for the Kiribati police service recruit barracks, training in UN peacekeeping work and cyber security, and the provision of an additional Guardian class patrol boat, [slated](#) to be delivered in 2025.

Removal of PRC-made surveillance equipment from Australian government buildings

On February 8, it was [reported](#) that the Australian War Memorial would be removing 11 surveillance cameras made by PRC state-owned company Hikvision. The Memorial's newly appointed chair said the decision had been made 'not because we've had any notice of anything untoward' but out of 'an abundance of caution.'

Opposition Home Affairs Minister Karen Andrews supported the War Memorial's decision [saying](#), 'I think Australians should be really aware of the circumstances in which we live now, and the access that foreign nations have in relation to things that we consider just everyday run-of-the-mill things.'

The following day Shadow Minister for Cyber Security James Paterson [publicised](#) the results of an audit that he had requested in November 2022 on surveillance equipment by PRC companies Hikvision and Dahua in all

¹⁰ Several announcements regarding Australian engagement with Pacific Island nations were made this month. On February 2, the Australian government announced it had 'reached a major milestone' six months early, with more than 35,000 Pacific Australia Labour Mobility (PALM) workers from nine Pacific island countries and Timor-Leste having arrived in Australia. See Anthony Albanese, 'Government delivers on expanding the Pacific workforce six months early', joint media release, February 2 2023 <<https://www.pm.gov.au/media/government-delivers-expanding-pacific-workforce-six-months-early>>. On February 23, Foreign Minister and Minister for International Development and the Pacific Pat Conroy announced that 'Australia will invest in high-quality health programs across the Pacific and Southeast Asia' as part of a five-year Partnerships for a Healthy Region initiative. This will include funding reach and development of vaccines, drugs and diagnostics for diseases that affect the region, and the expansion of regional health assistance. See Penny Wong and Pat Conroy, 'Investing in a stronger, healthy region', joint media release, February 23 2023 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/investing-stronger-healthy-region>>

¹¹ Including aviation, trade and Pacific Agreement on Closer Economic Relations (PACER) Plus implementation, agriculture, infrastructure, cyber security and banking.

¹² Including Deputy Prime Minister Marles, Foreign Minister Wong, Minister for International Development and the Pacific Conroy on the Australian side, and Deputy Prime Minister Rosso and Foreign Minister Tkatchenko with Internal Security Minister Tsiamalili on the PNG side.

federal agencies. The audit concluded that around 900 security cameras, intercoms, electronic entry systems made by these companies were currently installed in approximately 250 federal government sites. Towards the end of last year, the UK had moved to [restrict](#) use of these companies' devices in government buildings while the US [banned](#) their sale and import.

In response, Defence Minister Marles [said](#) that the government would remove cameras located in government facilities 'as soon as possible'. He [cautioned](#) that while it was 'a significant thing' that required action, 'I don't think we should overstate it'. He also [ordered](#) another audit 'in case any are missed'.

The Foreign Minister and Defence Minister both refrained from amplifying the situation. In an interview on February 10, the Foreign Minister [said](#) in relation to devices in her department that 'The advice to me is that... they don't have security concerns because they're not connected to the Internet, and they're not connected to our own system. But obviously there was a decision made to remove them, and I've asked that that be accelerated.' On February 15, the Defence Minister [said](#), 'I wouldn't characterise them as spy cameras. And obviously there's a whole lot of technology that comes from overseas that are used throughout government.'

In response to a journalist asking, 'Are you concerned about how Beijing will react to the removal of those devices?' the Prime Minister [replied](#), 'No, we act in accordance with Australia's national interest.'

Replying to a question on the incident, a PRC Foreign Ministry spokesperson [said](#) that '[w]e oppose erroneous practices of over-stretching the concept of national security and abusing state power to discriminate against and suppress Chinese companies.'

Asked about whether the spokesperson's response indicated that the issue would impact Australia-PRC relations, the Defence Minister [said](#), 'No... we take steps in respect of our own security, which countries are completely entitled to do', adding 'I don't think that's about China, I think that's about the security of our facilities'. He also accused Senator Paterson of 'trying to make political mileage of this', saying 'the idea that the Liberals are out there trying to make political hay on this really is a disgrace'.

On February 22, it was [reported](#) that the Victorian government was conducting its own audit on surveillance cameras in state government buildings.

Human rights violations and targeted sanctions

On February 17, former prime minister Scott Morrison in a [speech](#) to the Inter-Parliamentary Alliance on China in Tokyo defended his legacy on the PRC, saying that Australia, along with Japan, the US and India, 'pushed back against China's assertiveness. We have not been intimidated.' He also called on the Australian government to consider levelling sanctions on 'Chinese nationals for human rights abuses, especially in Xinjiang', under Australia's Autonomous Sanctions Regime.

Asked to comment on Scott Morrison's intervention, Foreign Minister Wong [said](#) that sanctions were 'one of the ways', not the only, but one of the ways in which Australia will express and assert its values.'

On the same matter, Defence Minister Marles [said](#), 'what we seek to do is to pursue these issues in a way which makes the greatest difference. And having a relationship with China where we can raise these issues is really important and it is actually possible to walk that balance which this government is doing.' He noted that human rights are 'a central part of the way in which we engage with China', [saying](#) that while 'we will always call out human rights concerns where we have them', it was also important 'that in doing that, we raise those issues in a respectful way with China and in the context of the broader relationship'.

Opposition Leader Dutton, pressed on a number of occasions, refrained from endorsing Mr Morrison's call, [stating](#), 'I think it's right that we call it [human rights abuses] out and the next steps from there are for others to consider.' He noted that calling out such abuses 'is not a partisan issue, it's not just a Liberal view, it's a bipartisan view.'

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