

# Australia-China monthly wrap-up

March 2024



## Key points:

- **The PRC's top diplomat, Wang Yi, travels to Australia** for the seventh Australia-China Foreign and Strategic Dialogue, likely paving the way for a visit by PRC Premier Li Qiang later in the year. In addition to longer standing concerns and interests, **Australian discussion items include difficulties experienced by its nickel sector due to PRC-backed output from Indonesia, while the PRC pitches a new science and technology agreement**
- **Beijing lifts duties on Australian wine.** Australian winemakers welcome the development although observe that it is unlikely for exports to return to pre-tariff levels in the short term, if not longer
- **Australia removes anti-dumping measures on PRC wind towers**
- **A WTO panel rules in favour of the PRC on some aspects of a case against Australia on anti-dumping duties on PRC steel products, Australia accepts the ruling**
- **The Australian government continues its drive to reduce reliance on the PRC in critical minerals processing, announcing a package of up to \$840 million to help deliver Australia's first combined rare earths mine and refinery**
- **The ASEAN-Australia Special Summit highlights the convergences and divergences in interests and stances on the PRC within ASEAN**
- **AUKUS Pillar One faces some hurdles with the US scaling down nuclear-powered submarine production from two to one. Australia commits \$4.6 billion to the UK over 10 years to design and build nuclear reactors**
- **Australia joins the UK and other partners in calling out PRC state-sponsored cyber attacks against the UK**
- **The Australian Federal Police recommit to three joint agreements on countering illicit drug trafficking and transnational crime with the PRC's Ministry of Public Security**
- **An amendment to Australia's *Defence Trade Controls Act* is passed, likely further curbing Australia-PRC research collaboration**

Elena Collinson

## Wang Yi's visit to Australia

On March 20, the People's Republic of China's (PRC) top diplomat, Wang Yi, [travelled](#) to Australia for the seventh Australia-China Foreign and Strategic Dialogue with Foreign Minister Penny Wong. During his two-day visit, Mr Wang also met with Prime Minister Anthony Albanese, Opposition Leader Peter Dutton and Shadow Foreign Minister Simon Birmingham. Mr Wang's trip likely paves the way for a visit to Australia this year by PRC Premier Li Qiang.

### *Discussion items*

[According](#) to Foreign Minister Wong, Australian points for discussion in the Dialogue included the removal of the PRC's remaining trade impediments on lobster and beef; the case of Yang Hengjun, who was given a death

sentence with the possibility of commutation to a life sentence by a Beijing court in February; and concerns regarding the South China Sea and human rights in violations in Xinjiang, Tibet and Hong Kong. She also [raised](#) difficulties experienced by Australia's nickel sector as the PRC prices out competition with its support for Indonesian output.

A PRC Foreign Ministry [readout](#) of the Dialogue noted that PRC Foreign Minister Wang raised concerns about the investment environment in Australia for PRC companies. On Taiwan, and on Xinjiang, Tibet and Hong Kong, Mr Wang said that 'there is no entanglement of historical problems or conflict of fundamental interests between China and Australia'.

The *South China Morning Post* [reported](#) that Mr Wang also discussed the signing of a new bilateral science and technology agreement, although neither Australian nor PRC public records of the discussion made reference to this. According to an unnamed source quoted in the *Post*, 'Wong did not really respond [to the pitch].'

### *A difference in expectations*

Continuing differences in expectations for the bilateral relationship between the two sides were apparent during the Dialogue. In a media release preceding Mr Wang's visit, Senator Wong [said](#), 'The Australian government continues to pursue a stable and constructive relationship with China'. She restated the government's cautious pursuit of 'stabilisation' in her [opening remarks](#) at the Dialogue, telling her PRC counterpart that 'there was more to be done' in this regard. She said that 'dialogue enables us to manage our differences; we both know it does not eliminate them. Australia will always be Australia and China will always be China.'

The PRC Foreign Minister [said](#) there should be 'no hesitation, no yawing and no backward steps' in the bilateral relationship. He stated that 'both sides should strive to make steady, good and sustained progress' as 'the course forward has been charted'.

### *Meeting with the opposition*

The Australian opposition [welcomed](#) Mr Wang's visit, with Opposition Leader Dutton and Shadow Foreign Minister Birmingham participating in a [meeting](#) with the PRC diplomat on March 20. Senator Birmingham had [stated](#) prior to the visit, 'It's important, as the alternative government, that we're willing to meet, but we will do so clear in terms of the Australian values that we bring to our dialogue and making sure that Australian interests are at the forefront of those discussions.' He [noted](#) that it was 'very courteous' of Mr Wang 'to meet with Peter Dutton and myself, and to give that time to the Opposition.' He [said](#), 'We had direct, frank, but also positive conversations about the way in which we can and should work together as a country, and the serious concerns that we still have and that need to be addressed as well.'

A [report](#) by *The Australian Financial Review* on March 22 relayed this behind the scenes detail about the meeting:

Wang told [former prime minister Paul] Keating during their Sydney meeting that Dutton had turned up unannounced to his discussion with opposition foreign affairs spokesman Simon Birmingham, and that he made several positive comments about the relationship.

### *Other engagements*

Mr Wang's itinerary had been planned by the PRC Foreign Ministry, bypassing the traditional diplomatic channels of the PRC embassy in Australia – [described](#) by an ABC News analysis as an 'unorthodox approach' that was 'different from previous visits'. He also [declined](#) to attend a joint press conference with his Australian counterpart, usually routine for visiting senior representatives.

Economic and business linkages were the main focus of his itinerary, prioritising, for example, a lunch hosted by the Australia China Business Council.<sup>1</sup> In Sydney, he met with [Premier of NSW Chris Minns](#), with talks focusing on economic ties and people-to-people links.

PRC Foreign Minister Wang also met with members of the [Australia-China Parliamentary Friendship Group](#) and with [former prime minister Paul Keating](#).<sup>2</sup> This latter engagement generated some controversy in the lead-up to the trip.

Senator Birmingham [said](#) that while ‘people are able to meet with others and people of dissenting opinions’ in ‘a free country’ such as Australia, ‘it is quite pointed and somewhat insulting for the Chinese embassy to have sought a meeting with such a loud critic of Penny Wong and the Albanese government.’

He [called on](#) Mr Keating to ‘reconsider his undertaking of this meeting’.

Minister for Climate Change and Energy Chris Bowen [said](#) that it was ‘entirely usual for a visiting foreign minister to seek out a former prime minister’ and that ‘a meeting of that nature is... singularly unremarkable.’

For his part, Mr Keating issued a [statement](#) saying:

It is the fact that former prime ministers of all countries meet ministers of other countries most if not all the time.

On my account, I have met ministers from other national governments for now just on thirty years and in the case of the Chinese, premiers, deputy premiers and ministers.

### **Tariffs on Australian wine removed**

On March 28, the Australian government released a statement [advising](#) that it had been notified that duties on Australian bottled wine, implemented by Beijing in 2020, would be lifted from March 29. The PRC Ministry of Commerce had earlier in the month released an [interim draft determination](#) proposing to remove tariffs on Australian wine imports.

‘This outcome affirms the calm and consistent approach taken by the Albanese Labor government,’ the Australian statement read.

The Australian government also noted it would as a result discontinue its proceedings against the PRC in the World Trade Organization (WTO).

Australian winemakers [welcomed](#) the development although [observed](#), too, that it was [unlikely](#) for exports to return to pre-tariff levels in the short term, if not longer.

A meeting of federal, state and territory agriculture ministers held on March 9 [agreed](#) to the establishment of a wine sector working group to address challenges facing wine growers in Australia, including a major wine glut. The oversupply had occurred in part because of Beijing’s tariffs.

### **Anti-dumping measures against PRC wind towers lifted**

On March 14, Industry and Science Minister Ed Husic [accepted](#) a [recommendation](#) from Australia’s Anti-Dumping Commission, made on January 19, to allow anti-dumping measures against wind towers from the PRC to expire on April 16.

---

1 Attendees included Pru Bennett, Chair, National Foundation for Australia-China Relations; Anthony Bishop, President, Asia-Pacific and Latin America, Cochlear; Craig Emerson, former Australian trade minister; Michael Fullilove, Executive Director, Lowy Institute; Sue Kench, Global Managing Partner, King & Wood Mallesons; James Laurenceson, Director, Australia-China Relations Institute, University of Technology Sydney; Andrew Martin, Managing Director and Head of Asset Management, MA Financial; David Olsson, National President, Australia China Business Council; Vicki Thomson, CEO, Group of Eight; Simon Trott, Chief Executive, Iron Ore, Rio Tinto; Hugh White, Emeritus Professor of Strategic Studies, Australian National University.

2 See Paul Keating’s statement on the meeting: ‘Restoring appropriate equilibrium between our two countries’, March 21 2024.

Foreign Minister Wong rejected the suggestion of any linkage between this decision and the PRC's determination on Australian wine, [telling](#) press there was 'no relationship between the wine dispute and the steel disputes'.

### **WTO ruling on PRC wind towers, stainless steel sinks and railway wheels**

On March 26, the WTO released its [findings](#) in a case brought by the PRC against Australia disputing duties on wind towers, stainless steel sinks and railway wheels. Proceedings had been initiated in June 2021.

The WTO adjudicating panel found that Australia's Anti-Dumping Commission had 'acted inconsistently' with some provisions of the Anti-Dumping Agreement, which [governs](#) the application of anti-dumping measures by WTO members.

The Australian government accepted the ruling of the panel and waived its right to appeal. Trade Minister Don Farrell [said](#), 'Australia will engage with China and take steps to implement the panel's findings.'

### **Critical minerals and 'a future made in Australia'**

The Australian government this month continued its drive to reduce reliance on the PRC in critical minerals processing, [announcing](#) a package of up to \$840 million – drawn from a number of government bodies including the Critical Minerals Facility – to help deliver Australia's first combined rare earths mine and refinery in the Northern Territory.

Resources Minister Madeleine King [said](#) that '[t]his makes Australia one of the key cogs in diversifying the supply chains for rare earths'.

Referring to the announcement in a piece in *The Australian* on March 18, Prime Minister Albanese [wrote](#) that it formed part of the Australian government's 'vision for a future made in Australia', which comprised strengthen domestic capabilities as well as a more diversified economy.<sup>3</sup>

US Deputy Secretary of State Kurt Campbell [told](#) *The Australian Financial Review* that the PRC's dominance in critical minerals was just beginning to present as a problem for Australia. He said:

I think China has shifted the nature of their trade approach.

Yes, they found that certain things, such as coal and iron, there was no substitute for. But what we've seen more recently is with rare earths and other component elements of the digital economy, where China has taken steps to essentially flood the market and try to force Australian firms out of business.

### **Detention of Yang Hengjun**

On March 11, PRC Ambassador to Australia Xiao Qian [said](#) 'theoretically there is a chance he will not be executed'. A *Reuters* report [observed](#) that this was 'the first time a Chinese official has noted that Yang might not be executed.'

Foreign Minister Wong [emphasised](#) in a March 31 interview 'We're not going to cease our public and private advocacy for this Australian citizen.'

A spokesperson for Dr Yang's family [said](#) that there had been some improvement in his 'extreme medical mistreatment' by PRC authorities following Prime Minister Albanese's visit to the PRC in November last year.

<sup>3</sup> Other initiatives under the government's 'future made in Australia' vision include a \$1 billion investment into the Solar Sunshot Program this month 'to help Australia capture more of the global solar manufacturing supply chain through support, including production subsidies and grants.' Prime Minister Albanese also referred to manufacturing pharmaceuticals and batteries domestically. See Anthony Albanese, Chris Bowen, Ed Husic, Penny Sharpe and Courtney Houssos, 'Solar Sunshot for our regions', joint media release, March 28 2024 <<https://www.pm.gov.au/media/solar-sunshot-our-regions>>; Anthony Albanese, doorstop interview, Muswellbrook, March 28 2024 <<https://www.pm.gov.au/media/doorstop-interview-muswellbrook>>.

## Regional relationships – Southeast Asian nations

### *2024 ASEAN-Australia special summit*

On March 4-6, the Australian government hosted the [2024 ASEAN-Australia Special Summit](#) in Melbourne to mark 50 years since Australia became ASEAN's first external partner. The summit was attended by leaders from nine Southeast Asian nations, excluding Myanmar, and from Timor-Leste. New Zealand's prime minister also attended at Prime Minister Albanese's invitation.

Prior to the commencement of the summit, Deputy Prime Minister and Defence Minister Richard Marles [said](#), 'We will talk about China in the sense that they are part of the global landscape, but this meeting is not about China.'

The PRC was, however, a significant feature in Foreign Minister Wong's summit opening day [address](#), even if not directly named. Calling for new mechanisms for collective response in the region, Senator Wong said:

We face destabilising, provocative and coercive actions, including unsafe conduct at sea and in the air and militarisation of disputed features.

We know that military power is expanding, but measures to constrain military conflict are not – and there are few concrete mechanisms for averting it.

Welcoming the 'resumption of leader-level and military-level dialogue' between the US and the PRC, she told the summit audience:

We must also commit to preventive architecture to increase resilience and reduce the risk of conflict through misunderstanding or miscalculation.

This is not just about the great powers.

...

This situation requires all of us to shape habits of cooperation that sustain the character of our region.

To insist differences are managed through dialogue, not force.

To insist that communication never be withheld as a punishment or offered as a reward.

Among a suite of initiatives announced by the Australian government during the summit,<sup>4</sup> Foreign Minister Wong also [announced](#) \$64 million over the next four years for Southeast Asian maritime security, amid increasing tensions in the South China Sea. The funding, she [said](#), would contribute to 'increas[ing] resilience to coercion' and 'ensur[ing] waterways that serve us all remain open and accessible.'

The continuing difference in stances held by Australia and within ASEAN with respect to how to respond to the PRC's actions in the South China Sea were reflected in the '[Melbourne Declaration](#)', a joint statement issued at the conclusion of the summit, which was – expectedly – a softened version of the original draft proposed by Australia, [omitting](#) references to the 2016 arbitral ruling that had dismissed many of Beijing's claims in the South China Sea; the PRC's militarisation of disputed features in the waters; and a [clause](#) stating that a code of conduct for the South China Sea be legally binding. Prime Minister Albanese [said](#) that while 'compromise'

4 The Australian government announced a \$2 billion investment fund – the Southeast Asia Investment Financing Facility – to attract more Australian investment in the region, particularly in infrastructure and clean energy transition, as well as \$10 million towards cooperation with Southeast Asia on climate change and clean energy and further funding for the development of the Mekong subregion and. See Anthony Albanese, '\$2 billion investment facility to support business engagement with Southeast Asia', media release, March 5 2024 <<https://www.pm.gov.au/media/2-billion-investment-facility-support-business-engagement-southeast-asia>>; Penny Wong and Chris Bowen, 'Australia and Southeast Asia strengthen climate change and energy cooperation', joint media release, March 4 2024 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/australia-and-southeast-asia-strengthen-climate-change-and-energy-cooperation>>; and Penny Wong, 'Supporting Mekong subregion resilience', media release, March 4 2024 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/supporting-mekong-subregion-resilience>>.

was necessary, ‘it was very clear the position that was put... by President Marcos [and] others as well, the South China Sea is an important issue’.

Foreign Minister Wong also [noted](#) that ‘there are a range of different views within ASEAN about great power competition’ but ‘one thing that does unite ASEAN, and which Australia shares, is a desire for a region which is stable’.

### *Upgrading ties with Vietnam and Laos*

On March 6, Prime Minister Albanese [signed](#) an agreement with Laos’ Prime Minister Sonexay Siphandone to upgrade ties to a comprehensive partnership.

The next day, Mr Albanese and Vietnamese Prime Minister Pham Minh Chinh [announced](#) the elevation of Australia-Vietnam ties to a [comprehensive strategic partnership](#). Among the initiatives tied to the upgrade of the bilateral relationship was the establishment of a new annual dialogue between Australia’s Minister for Resources and Vietnam’s Trade Minister on collaboration in energy and minerals sectors, with a focus on cooperation in critical minerals supply chains.

As a former Australian ambassador to Vietnam, John McCarthy, [points out](#), the upgrade of ties is notable as:

For years, the only countries with which Vietnam had the top relationship were China and Russia – partly stemming from their historical support in the Vietnam War – and India which, while nominally neutral, tilted towards Vietnam. Now, within the space of about a year, the United States and three of its allies (Japan, South Korea and Australia) have moved into the top tier.

### *Singapore*

The [Ninth Australia-Singapore Annual Leaders’ Meeting](#) was held on March 5. Prime Minister Albanese and Singaporean Prime Minister Lee Hsien Loong in a [joint statement](#) agreed to a set of principles for cross-border electricity trade, and underlined a focus on energy security, food security and resilient supply chains. The leaders also directed their ministers and officials ‘to conclude a workplan’ for ‘the next phase’ of their countries’ comprehensive strategic partnership to be reviewed by leaders at the next annual leaders meeting in 2025.

In a [joint press conference](#) following the meeting, the two leaders touched on their positions on the South China Sea, articulating their support for freedom of navigation and the application of international law. Mr Albanese said that ‘[a] large percentage of Australian trade goes through that sea’, while Mr Lee said that the waters were ‘a vital artery for international trade’ for Singapore. The Singaporean Prime Minister also highlighted differences within ASEAN on the South China Sea.

The Singaporean Prime Minister restated Singapore’s support for AUKUS, telling media that ‘when the Australian new submarines are ready, we welcome them to visit Changi naval base in due course’.

### *Malaysia*

The Second Australia-Malaysia Annual Leaders’ Meeting was held on March 4, with Prime Minister Albanese and Malaysian Prime Minister Anwar Ibrahim [announcing](#) a new Maritime Cooperation Package to ‘strengthen maritime domain awareness capability and build expertise in international law of the sea and marine environmental protection.’ The leaders’ [joint statement](#) had articulated ‘serious concern about developments in the South China Sea’.

However, when asked by Nine newspapers the following day whether the PRC had behaved provocatively in the South China Sea, Mr Ibrahim [replied](#), ‘Not from what I gather’. He said, ‘There are some minor problems I think [with] some countries including the Philippines... We have raised some objections, too, but these are issues that can be contained because China is open for negotiations... I think the potential of threat or skirmishes is quite exaggerated.’

Foreign Minister Wong [said](#) of Mr Ibrahim's remarks that 'every country navigates the strategic circumstances we face differently'.

The Malaysian Prime Minister also outlined his country's neutrality in competition between the US and the PRC. Asked in a press conference to elaborate on recent [comments](#) to the *Financial Times* in which he had stated, 'I don't buy into this strong prejudice against, China, this China-phobia', he said:

[M]y reference to China-phobia is because the criticism levied against us for giving additional focus to China - my response is, trade investments is open and right now China seems to be the leading investor and trade into Malaysia.

....

We do not want to be dictated by any force. So, once we remain to be an important friend to the United States or Europe and here in Australia, they should not preclude us from being friendly to one of our important neighbours, precisely China. ... And if they have problems with China, they should not impose it upon us. We do not have a problem with China.

During his visit to Australia, Mr Ibrahim also cautioned against attempts to contain the PRC. In a speech at the Australian National University on March 7 he [said](#):

In their eyes, the adverse actions on China's rise, militarily, economically and technologically, represent nothing less than an attempt to deny their legitimate place in history.

The obstacles being placed against China's economic and technological advancement will only further accentuate such grievances.

## Regional relationships – Pacific Island nations

### Fiji

Fiji's Prime Minister Sitiveni Rabuka in an interview with *60 Minutes Australia* [said](#) of the competition for influence in the Pacific, 'I understand Australia and America and I do not fully understand China's agenda'. He also stated that 'We cannot afford to have big enemies.'

*60 Minutes* in the same episode had published a [video](#) showing PRC police conducting a mass extraction of 77 PRC nationals allegedly involved in online scams in 2017.

## AUKUS

The US' proposed 2025 defence budget, outlined this month, [reduced](#) the number of Virginia-class submarines in its build program from an originally planned two submarines to one. The US expects to return to building two a year in 2028.

Australia was scheduled to purchase its first nuclear-powered submarine from the US in 2032. In view of these US budget details, there are now some concerns that delivery could be [subject](#) to some delay. US Democratic Congressman Joe Courtney, a ranking member of the House Seapower and Projection Forces Committee, issued a [statement](#) saying:

If such a cut is actually enacted, it will remove one more attack submarine from a fleet that is already 17 submarines below the Navy's long stated requirement of 66. Given the new commitment the Department of Defense and Congress made last year to sell three submarines to our ally Australia... the ramifications of the Navy's proposal will have a profound impact on both countries' navies.

Labor ministers, however, have downplayed the development, [stating](#) that all remains [on track](#), although South Australian Premier Peter Malinauskas provided a slightly different interpretation in [saying](#) that 'what the US

is essentially acknowledging is that they can't produce submarines at a pace fast enough to be able to meet their own needs, let alone anybody else's'.

On March 22, during the annual Australia-United Kingdom Ministerial Consultations (AUKMIN), the Australian government announced a [commitment](#) of \$4.6 billion to the UK over 10 years in order to contribute to the design and construction of nuclear reactors manufactured at Rolls Royce for Australia's submarines, more or less matching a payment to the US to accelerate submarine production.

Asked when the UK's nuclear industry would have 'expanded to the point it can actually meet [Australia's] demand', Deputy Prime Minister and Defence Minister Marles [said](#) that the envisioned delivery of the first of the Australian-made submarines was the early 2040s and that while 'there is a challenge in meeting that time frame', he expressed confidence that it would be met.

The Australian government also [announced](#) a joint venture between ASC Pty Ltd – an Australian government submarine builder – and the UK's BAE Systems to build the nuclear-powered submarine to be operated by the Australian and British navies, with building commencing at the end of this decade for entry into service at the beginning of the 2040s.

Mr Marles and British Defence Secretary Grant Shapps [signed](#) a status of forces agreement 'making it easier for [military personnel] to operate together in each other's countries'. An ABC [report](#) noted that such an agreement was one 'which the United Kingdom has only ever enacted with its NATO partners.'

Asked what message the agreement with the UK sends to Beijing, Prime Minister Albanese [said](#), 'It will be of no surprise, the AUKUS arrangements, I think they'd probably heard of it beforehand, we're progressing.'

US Deputy Secretary of State Campbell this month [said](#) that Washington needed to better counter the PRC's 'propaganda' regarding AUKUS, saying, 'We could tell the story better... I don't think we've done enough to tell that story to the Australian people.'

## South China Sea

On March 5, a PRC coast guard ship approached and [sideswiped](#) a Philippine patrol vessel, and two PRC coast guard vessels used water cannons against a Philippine resupply vessel.

Later in the month, two PRC coast guard vessels again [deployed](#) water cannons against a Philippine resupply ship, injuring three Filipinos and damaging the vessel.

Following the two incidents, Australia's Department of Foreign Affairs and Trade on March 27 released a [statement](#) noting that the Australian government 'shares the serious concerns of the Philippine government about the actions conducted by China's vessels'. While statements of concern have been a consistent Australian government response, this statement distinctively pointed to 'a pattern of deeply concerning behaviour by China'.

Responding to questions on the matter, a PRC Foreign Ministry spokesperson [said](#) on March 6, 'The reason behind the incident is that the Philippines broke its promise and infringed on China's territorial sovereignty and maritime rights and interests', asserting that '[t]he responsibility for the incident lies completely with the Philippines.' On March 27, the spokesperson [stated](#), 'If the Philippines does not change course, China will continue to take resolute steps to safeguard its territorial sovereignty and maritime rights and interests.'

## Support for public attribution of PRC-backed malicious cyber activity

On March 25, the UK publicly [called out](#) the actions of PRC state-backed group 'APT 31' which had engaged in two malicious cyber campaigns against the UK Electoral Commission and parliamentarians critical of Beijing.

On the same day, the US State Department [stated](#) that the same group had 'targeted US officials, politicians and campaign officials, various US economic and defence entities and officials, as well as foreign democracy activists, academics and government officials.'

In a coordinated move, [London](#) and [Washington](#) placed sanctions on two members of the hacking organisation involved and a firm identified as a front for the group. The US Department of Justice also [levelled](#) criminal charges against seven individuals in the group.

The UK government [said](#) that this ‘close coordination and cooperation with the US... sends a clear message that we will not tolerate malicious cyber activity against democratic institutions and parliamentarians.’

The next day, the New Zealand government said it had also [raised](#) concerns with Beijing about its involvement in malicious cyber activities targeting New Zealand’s parliament. Unlike the London and Washington, Wellington did not impose sanctions. New Zealand Foreign Minister Winston Peters [stated](#) that ‘We consider that this public attribution, which is a rare step in itself, is an appropriate response given the nature of the intrusion and its level of impact.’

Shadow Home Affairs and Cyber Security Minister James Paterson [told](#) *The Australian* that Australia should use its Magnitsky-style sanctions regime to match the British and US actions.

The Australian government joined with the UK and other international partners to [express](#) ‘serious concerns’ about the malicious cyber activity by PRC state-backed entities. It said, ‘The persistent targeting of democratic institutions and processes has implications for democratic and open societies like Australia. This behaviour is unacceptable and must stop.’

PRC officials [denied](#) PRC [culpability](#).

### **Recommitment to agreements on combating illicit drug trafficking and transnational crime**

On March 19, Australian Federal Police Commissioner Reece Kershaw and Deputy Commissioner Lesa Gale visited Beijing to [recommit](#) to three joint agreements on countering narcotics trafficking and transnational crime with the PRC’s Ministry of Public Security.

Mr Kershaw [said](#), ‘The productive partnerships between the Australian and Chinese law enforcement agencies are not only valued but they are crucial in creating a safer and more secure region.’

The AFP Commissioner [met](#) with PRC Minister of Public Security Wang Xiaohong during his visit.

### **Amendment to the Defence Trade Controls Act passed**

On March 27, the Australian parliament [passed](#) the [Defence Trade Controls Amendment Act 2024](#) which extends existing controls in the *Defence Trade Controls Act 2012* by [introducing](#) three new criminal offences under the Act.<sup>5</sup>

The tightened regime will likely impact research cooperation between Australia and other countries to whom the exemptions included in the amendment do not apply, including the PRC. (For further discussion, see [Australia-China monthly wrap-up: November 2023](#)).

---

5 As law firm Baker McKenzie outlines, these include: ‘(1) Deemed Export Offence: Supplying technology listed on the DSGL to a foreign person within Australia. A supply by an entity of DSGL technology to its “foreign person” officer or employee is capable of being a supply within the scope of this offence. (2) Re-Supply Offence: Supplying goods or technology listed on the DSGL from a place outside Australia to (i) a foreign person or (ii) a foreign country, where such DSGL goods or DSGL technology requiring a permit were previously exported or supplied from Australia to a place outside Australia. As with the Deemed Export Offence, a re-supply by an entity to its “foreign person” officer or employee is capable of falling within the scope of the Re-Supply Offence. (3) Services Offence: Supplying certain services in relation to munitions goods or technology listed in Part 1 of the DSGL to foreign persons. This offence may constrain the ability of companies to utilise subject matter experts from Australia.’ See Anne L. Petterd and Kirsten Foley, ‘Australian government proposes significant changes to export controls laws’, *Global Sanctions and Export Controls Blog*, Baker McKenzie, January 29 2024 <<https://sanctionsnews.bakermckenzie.com/australian-government-proposes-significant-new-changes-to-export-controls-laws/>>.

## TikTok

On March 13, the US House of Representatives [passed](#) a bill requiring ByteDance, TikTok's parent company owned and headquartered in the PRC, to sell the app within six months or face a US ban. The bill received clear support in the House, passing by a vote of 352-65.

Asked about the Australian government's position on TikTok during a doorstep interview, Prime Minister Albanese [said](#) that advice the government received from its security agencies was 'ongoing' but that:

[T]he advice we have at this stage is that it was appropriate to put in place some restrictions on phones and devices that had sensitive material, such as those held by ministers and members of the Government. We put those measures in place. We have no plans at this stage to move beyond that.

He added:

There are millions of Australians engaged in TikTok, who use it for communication with each other, and we think that you've got to think very carefully, in my view, before you start banning things as a first stop. We will always take security advice, which is what we have done. The security advice isn't to ban TikTok, it is to make sure that, where appropriate, that there be some restrictions and the Government has put that on ourselves.

The Prime Minister [said](#) in another interview, 'You've always got to have national security concerns front and centre, but you also need to acknowledge that for a whole lot of people, this provides a way of them communicating.'

Shadow Home Affairs and Cyber Security Minister Paterson [called for](#) Australia to follow in the US' footsteps on the forced divestment of TikTok, recommending that WeChat also be treated in the same manner. He advocated for the removal of 'Chinese Communist party control over all of these apps', labelling it a 'bad faith actor' and a 'serious threat'.

He asserted that '[i]t is a risk to our national security. The government should take action to protect Australians from this serious threat.' Referring to the ban of TikTok on government devices, he said, 'If it's not safe to be on the phone of a bureaucrat, why should 8 million Australians have it on their devices without any protection at all?'

Senator Paterson, however, at the same time noted that it was acceptable for the Liberal Party to have an official TikTok account, stating that political party usage of the app was defensible as long as they were 'mitigating risks'.

Opposition Leader Dutton [stated](#) that a ban 'depends on the advice that the government's getting from the national security chiefs' while also saying that if data was 'being extracted against your knowledge or consent, then I think the Prime Minister does need to step up.'

## Foreign influence

On March 27, the Parliamentary Joint Committee on Intelligence and Security [tabled](#) the [report](#) of its review of the Foreign Influence Transparency Scheme. The Committee found that 'the scheme has failed to achieve its intended purpose with little of consequence apparent.'

It noted that:

Enforcement activity has focused almost exclusively on China with little success, while neglecting any material focus on other countries of significant concern (where there are no or very limited registrations).

It added:

These include authoritarian nations like Russia and Iran which engage in malevolent foreign influence, as well as nations with which Australia has friendly and positive relations, such as India, which engage in foreign influence operations that should be transparently declared.

The Committee recommended that, 'given the significant flaws' of the scheme, 'substantial reform is required if it is to meet its original intent... Mere tinkering will not be sufficient.'

Among the 14 recommendations was the updating of legislation to allow the secretary of the Attorney-General's Department to register individuals who meet the threshold for registration requirements but have not taken the steps to list themselves. The Committee also recommended that the government refer Australia's foreign interference and espionage laws to it for review.

*Elena Collinson is head of analysis at the Australia-China Relations Institute, University of Technology Sydney.*