

Australia-China monthly wrap-up

September 2023



Key points:

- Prime Minister Anthony Albanese meets Premier Li Qiang. Mr Albanese raises trade, consular and human rights issues, while Premier Li pushes for greater investment access and raises Australia's Huawei ban
- The Prime Minister confirms he will visit the PRC this year. Trade Minister Don Farrell also flags a visit to Beijing in November
- The Australia-China High Level Dialogue resumes, with the Australian delegation receiving a warmer than expected welcome in Beijing
- The Australian government appoints a new ambassador to the PRC
- Beijing proposes a 'package' solution of quid pro quo World Trade Organization action withdrawals to end tariffs on Australian wine. The Australian government rejects this
- Beijing lifts its trade restrictions on Australian hay
- The Australian Security Intelligence Organisation and the Australian Federal Police raid the accommodation of a visiting PRC academic
- A delegation of Australian parliamentarians visit Taiwan and meet with its president
- Beijing's diplomacy push in the Pacific makes inroads, including forming a comprehensive strategic partnership with Timor-Leste

Elena Collinson and Corey Lee Bell

The political relationship overall

Meeting with the PRC Premier

On September 7, Prime Minister Anthony Albanese met People's Republic of China (PRC) Premier Li Qiang on the sidelines of the East Asia Summit in Jakarta. While there had been earlier speculation of a meeting with President Xi Jinping at the G20 leaders' summit, the PRC leader cancelled his attendance.¹

In [opening remarks](#), Premier Li said that the bilateral relationship 'has continued to show a positive momentum of improvement'. He added, 'A review of our past interactions shows that when our relations are good and sound, both people's benefit and when things are not going so well, both sides lose from it.'

Prime Minister Albanese expressed his agreement that 'both sides stand to benefit from improving our relations' and repeated the Australian government's well-established position on PRC relations: 'Our views

¹ A number of explanations have been proffered as to why President Xi opted not to attend, including that the decision was a snub to the host nation, India. See, e.g., Helen Davidson, 'Why is Xi Jinping missing the G20?', *The Guardian*, September 8 2023 <<https://www.theguardian.com/world/2023/sep/08/why-is-xi-jinping-missing-the-g20>>.

will not always align. We remain committed to our values and interests, but we understand that dialogue is absolutely critical.’ He made positive reference to the nations’ comprehensive strategic partnership, noting that ‘[a] stable and constructive relationship where we can realise the potential of our comprehensive strategic partnership is an interest that we both share.’

In a [press conference](#) following the meeting, the Prime Minister said he had raised the cases of five Australian citizens detained in the PRC, three of which were individuals sentenced to capital punishment, human rights issues in Tibet, Xinjiang and Hong Kong, tensions in the Taiwan Strait and the South China Sea, as well as impediments to trade.

He added that both parties ‘agreed on the value of expanding cooperation in areas of shared interests,’ emphasising that ‘one in four Australian jobs is dependent upon our international trade’ and as such, ‘[t]his was an important meeting’.

The Prime Minister also told journalists that Premier Li ‘raised some issues that China has on some trade issues and economic relations’ in a ‘respectful way’, saying that it was ‘appropriate that that occurred.’ *The Australian Financial Review* [reported](#) that Mr Li had ‘pushed... for greater investment access to Australia’, including raising issues such as Australia’s ban on Huawei.

[According](#) to Mr Albanese, Australia’s acquisition of nuclear submarines under AUKUS was not raised.

Announcement of a prime ministerial visit to the PRC within the year

Following his meeting with Premier Li, the Prime Minister [confirmed](#) he would visit the PRC towards the end of this year ‘at a mutually agreeable time’, [saying](#) that such a trip would ‘mark the 50th anniversary of Prime Minister Whitlam’s historic visit’ (October 31 – November 4 1973).

Deputy Prime Minister and Defence Minister Richard Marles [described](#) this as ‘a really significant step forward’.

The opposition softened its stance on such a visit, having previously called for it to be conditional on further progress in resolving outstanding issues in the bilateral relationship. Opposition Leader Peter Dutton characterised the planned trip as ‘[appropriate](#)’ and a ‘[good thing](#)’ that could be a platform for raising trade and human rights issues. He nonetheless emphasised the need for the trip to yield material results.

Shadow Foreign Minister Simon Birmingham [said](#) that the Prime Minister ‘needs to make sure that the trip ... is a working trip with outcomes for Australia, not one that can be used for propaganda or other purposes by China. It’s got to be reaching outcomes not symbolism.’

He [conceded](#), however, that there would be some limitations in terms of what could be immediately achieved, noting that the release of detained Australian citizens Cheng Lei and Yang Hengjun as a result of the trip ‘would be a remarkable breakthrough and probably a surprising one to see that degree of outcome’.

Former prime minister Scott Morrison [spoke out](#) against the trip in the Coalition party room, stressing that ‘keenness to restore relations with China would be interpreted in Beijing as Australia being concessional and acquiescent’.

A visit to Beijing by the Trade Minister

Trade Minister Don Farrell on September 13 [flagged](#) he would also be visiting Beijing this November to meet his PRC counterpart Wang Wentao. This will be Mr Farrell’s second trip to the PRC in 2023.

Resumption of the Australia–China High Level Dialogue

The 7th [Australia–China High Level Dialogue](#) was held in Beijing on September 7. Established in 2014, the Dialogue was last held in 2020, with its resumption this year an outcome of the meeting between foreign ministers Penny Wong and Wang Yi last December.

Former trade minister Craig Emerson led an 18-person delegation to Beijing, a group which included former foreign minister Julie Bishop, Department of Foreign Affairs and Trade Secretary [Jan Adams](#), as well as representatives from wine, tourism, arts, health sectors, academia and the media. The PRC delegation was led by former foreign minister and Honorary President of the Chinese People's Institute of Foreign Affairs, Li Zhaoxing.

The PRC state mouthpiece the *Global Times* had [editorialised](#) before the Dialogue that this was a 'momentous event between China and Australia'.

Mr Li [told](#) the Australian delegation that 'China has not posed any threat to Australia, and will not do so in the future... Whether China-Australia relations can improve and develop further depends on whether both sides perceive each other correctly.'

In a late addition to the Dialogue's program, the [delegation](#) also [met](#) with PRC Foreign Minister Wang Yi, who stated that 'the twists and turns in the past few years cannot define the nature of our bilateral relations, still less can they stop the pace of China-Australia cooperation.'

He added, however, a veiled reference to Beijing's unfavourable view of American influence on Australia, stating, 'We need to advance China-Australia relations independently and without any influence or interference from any third party.' Mr Li [conveyed](#) a similar message.

The Australian provided further detail on Mr Wang's remarks, with Mr Wang [reportedly](#) saying that Prime Minister Albanese enjoyed 'very good chemistry' with President Xi. He also declared, 'I am even more confident about the future of relations'.

A PRC Foreign Ministry spokesperson [described](#) the dialogue as having taking place in a 'candid, friendly and warm atmosphere'. They noted that '[r]epresentatives of both sides at the dialogue agree that the momentum towards stabilising and improving China-Australia relations hasn't come easy.'

Views from PRC officials in Australia

In an [interview](#) published in *The Australian* on September 1, PRC Consul General in Brisbane Ruan Zongze provided an unusually frank assessment of the Australia-PRC relationship:

Australia and China, we don't have much trust in each other. We have so much deficit, so much deficit on this. And anything, a little thing happening here, we just are so sceptical about the other side's intention. And vice versa. I'm not just blaming Australia. This is not normal, right? We don't have such a very mature communication and such kind of consultation.

He added, 'Our trade, economy, education, even tourism, just name it – you guys have something really good to offer and China really needs it.'

At the end of the month, PRC Ambassador to Australia Xiao Qian, in a [speech](#) to a reception marking the 74th anniversary of the founding of the PRC, mounted a defence of the PRC's economic outlook, which has recently been gloomy, and stressed the PRC's contributions to the Australian economy. He stated, 'Decoupling and chain breaking serve no one's interest.'

The Ambassador also outlined the 'great potential' for Australia and the PRC to 'expand cooperation in areas such as climate change and clean energy'.

Appointment of new Australian Ambassador to the PRC

On September 29, the Foreign Minister [announced](#) the appointment of a new Australian Ambassador to the PRC, Scott Dewar. Mr Dewar is a Mandarin speaker, and most recently served as the Deputy Secretary of the International and Security Group in the Department of the Prime Minister and Cabinet.

The economic relationship overall

Wine

On September 21, a PRC Commerce Ministry spokesperson [proposed](#) a ‘package’ solution to end Beijing’s tariffs on Australian wine, offering a resolution to the levies in return for a resolution to the PRC’s WTO complaint relating to Australia’s anti-dumping action against its wind towers, railway wheels and stainless sinks.

This was rejected by the Australian government. Agriculture Minister Murray Watt [said](#) that the government viewed these as ‘entirely separate matters’. He went on to say, ‘We will continue our WTO case when it comes to wine, and we will continue to defend the case when it comes to steel. But we hope that all of these things can be resolved by dialogue.’

Hay

On September 28, the Australian government [announced](#) that Australian hay exports to the PRC would resume after about two years of restrictions, during which time Beijing declined to renew most export licences.

Beef

Trade Minister Farrell [expressed](#) ‘confidence’ that the outstanding ‘biosecurity issues’ raised by the PRC government with respect to beef would soon be resolved, helped along by his and the Prime Minister’s visits to the PRC later this year. No timeframe was given.

Tourism

On September 25, the Trade Minister issued a [media release](#) on the recommencement of visa processing for the Approved Destination Status travel scheme, saying, ‘Australia is ready and excited to welcome back Chinese group tours’. He noted the PRC’s pre-pandemic status as ‘the most valuable inbound traveller market for the Australian visitor economy’, with visitors from the PRC on group tours spending about \$581 million in Australia in 2019, nearly one-third of the total in-country spend by PRC tourists.

Australian states and the PRC

NSW-Guangdong Joint Economic Meeting

On September 22, the 29th NSW-Guangdong Joint Economic Meeting was held in Sydney, during which \$130 million in commercial agreements were [signed](#). The meeting also marked 44 years of sister state relations between NSW and Guangdong province.

South Australian Premier’s PRC visit

South Australian Premier Peter Malinauskas, along with a delegation of 40 business leaders from the state’s university, education, wine, agriculture, aquaculture, tourism and trade sectors, [travelled](#) to the PRC on September 18.

Their trip itinerary included visits to Beijing, Shanghai and Jinan, and meetings with Vice Minister for the Ministry of Commerce Guo Tingting and PRC business leaders. The Premier [stated](#) that he was using the trip ‘to ensure that at a state level, our relationship [with the PRC] remains strong.’

Trade Minister Farrell [expressed](#) support for the trip, saying it would ‘continue the job’ of ‘stabilis[ing] our relationship with China and return back to a normal trading relationship.’

ASIO intervention

On September 11, *The Guardian* [reported](#) that an associate professor from a research university in the PRC on a research trip in Australia from July to August had his accommodation raided by ASIO and the Australian federal police in Perth on August 20, with his laptop and mobile phone seized. The academic was then invited by ASIO to attend a ‘security assessment interview’ for the purposes of determining his ‘suitability to hold an Australian visitor visa’. The academic declined.

He was also reportedly approached by an individual who said he was ‘from the federal government’ and offered \$2000 in cash for information on his contacts in the PRC, which he refused.

The academic has since returned to the PRC.

AUKUS

On September 15, the leaders of Australia, the UK and the US on September 15 issued a [joint statement](#) marking the second anniversary of the announcement of AUKUS.

Earlier in the month, Defence Minister Marles and Education Minister Jason Clare [stated](#) that the Australian government would invest \$128.5 million over four years to fund an extra [4,000 bachelor-level places](#) in university STEM courses to ‘meet the needs of the AUKUS submarine program’.

However, the implementation of AUKUS as continued to face difficulties in the US. During a Senate Foreign Relations Committee [hearing](#) on September 6, its chairperson, Democratic Senator Bob Menendez, said that plans had ‘not gone as smoothly as some of us would have hoped’. Defense Department assistant secretary Kara Marlin told the hearing that the US was ‘on the right trajectory’ to have the capacity to sell Australia at least three submarines in the 2030s. However, she declined to provide a response when asked if further investments would be made in the US’ industrial base – a key sticking point for a group of Republicans threatening to block the legislation.

Taiwan

Taiwan’s newly appointed representatives in Australia have adopted arguably more vocal public stances than their predecessors.

Its new chief representative, Douglas Hsu, formerly the top US specialist in Taiwan’s foreign ministry, assumed the role in August. This month in an interview with *The Sydney Morning Herald/Age* he warned of Beijing’s ‘divide and conquer’ strategy, stating, ‘We have to be very careful about the narrative [on Taiwan’s territorial status] out from Beijing, and I encourage all the bureaucrats: don’t be lazy. Dig into what you signed up for ... and you will find that you haven’t signed up for anything Beijing says you did.’

He told *The Australian*, ‘[W]e understand we have to beef up our asymmetric warfare capability. We also have to work with like-minded partners to send out the message loud and clear to Beijing to make sure they do not act irrationally.’

And in an interview with the *Daily Telegraph* he said, ‘What is important to tell people in Australia is that Taiwan is a democratic model in the Chinese speaking world.’²

(See also sub-sections ‘Visit by an Australian parliamentary delegation’; ‘Application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership’).

² See James Morrow, ‘China still a threat to us’, *Daily Telegraph*, September 15 2023, p 24.

Visit by an Australian parliamentary delegation

A group of eight Australian politicians led by Labor MP Josh Wilson and Liberal MP Paul Fletcher³ travelled to Taiwan for a four-day visit commencing September 25. The delegation met with Taiwan's President Tsai Ing-Wen, Foreign Minister Joseph Wu and other senior government officials. Reporting on the meeting, *The Australian* noted that the delegation had allowed Taiwanese officials to release photos featuring them with President Tsai, 'a departure from previous "invisible" Australian delegations.'

On September 28, PRC Ambassador Xiao said that the visit 'might easily be utilised by the political forces in Taiwan for their independence forces movement... and I don't want to see that happen,' adding that Australian politicians 'need to respect that there's a commitment by the Australian government of [the] one China policy'.

Shadow Foreign Minister Birmingham characterised these remarks the next day as 'an unwelcome comment'.

In the wake of the visit, the newly appointed director-general of the Taipei Economic and Cultural Office in Sydney, David Cheng-Wei Wu, said that engaging with Taipei and Beijing need not be regarded as zero sum: '[W]e think that when you are stabilising relations with China, you can also engage with Taiwan. ... Beijing has no right to decide how Taiwan engages with the world.'

Application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Taiwan's chief representative in Australia in his first media interview late last month called on the Australian government to ensure that consideration of Taiwan's application is 'based on the ability of applicants to fulfil commitments under the CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership] instead of any political considerations.'

Asked on September 27 what his position was on Taiwan's application to accede to the CPTPP, the Shadow Foreign Minister said, 'That economies and countries who seek to join should be judged on their merits and their merits alone. That politics, geopolitics should not enter into consideration of whether or not a country can join the CPTPP.' He added that if Taiwan could meet the applicable standards of the partnership, 'they should be welcomed as a member.'

Regional relationships – Southeast Asia

Southeast Asia Economic Strategy to 2040

On September 6 in Jakarta, the Prime Minister and Foreign Minister launched the report *Invested: Australia's South-East Asia Economic Strategy to 2040* by Special Envoy for Southeast Asia Nicholas Moore. In accompanying remarks, Mr Albanese stated that the strategy 'reflects an enduring truth: this is where Australia's economic destiny lies.'

The strategy aims to grow two-way trade with the region by \$534 billion, as well as significantly increase two-way investment, over 17 years. At present, three percent of Australia's overseas investments are in Southeast Asia, and in 2021, two-way trade was \$127.1 billion.

The Australian government committed \$95.4 million to immediately support three of the 75 recommendations in the report.⁴

Prior to the strategy's release, Mr Moore briefed the National Security Committee of Cabinet on the pathway it outlined, thereby underlining the 'complete link', in Prime Minister's words, 'between the economy and

³ The delegation also included Labor MPs David Mulino, David Smith, Graham Perrett, Labor Senator Catryna Bilyk and Liberal Senator Matt O'Sullivan.

⁴ These three initiatives are: (1) the formation of Investment Deal Teams (\$70.2 million over four years) who will be based in Southeast Asia and will work with Australian investors, Southeast Asian businesses and governments to identify and facilitate investment opportunities; (2) the establishment of a Southeast Asia Business Exchange Program (\$19.2 million over four years) to boost two-way trade; and (3) the creation of a Placements and Internships Pilot Program for Young Professionals (\$6 million over four years) an exchange program for young professionals. See Anthony Albanese, Penny Wong, Jim Chalmers and Don Farrell, 'Invested in Southeast Asia', media release, September 6 2023 <<https://www.pm.gov.au/media/invested-southeast-asia>>.

economic relations and national security'. The Foreign Minister also **emphasised** the link between Australia's economic prosperity and regional security:

The government sees this is a very important part, not only of prosperity, but also assuring Australian security, economic strength, military deterrence, and diplomatic reassurance. These three aspects of Australian power work together to secure Australia's prosperity and security.

The Trade Minister **said** that the strategy does not 'replace the need for a trading relationship with China' but rather 'give[s] us some diversification' and provides 'an alternative to China'.

Indonesia

Mr Albanese visited Indonesia to **attend** the 3rd Annual ASEAN-Australia Summit and the 18th East Asia Summit in Jakarta from September 6-7. While there, he announced two initiatives to support regional food security in Southeast Asia⁵ as well as a second tranche of initiatives under the \$200 million Australia-Indonesia Climate Infrastructure Partnership.⁶

Philippines

The Prime Minister then travelled to Manila where he met with Philippines President Ferdinand Marcos Jr on September 8.

While there have been previous bilateral meetings between the heads of governments of both countries, such as that between Malcolm Turnbull and Rodrigo Duterte on the sidelines of the ASEAN Summit in Manila in 2017, these have been on the sidelines of multilateral meetings. Mr Albanese is the first Australian prime minister to embark on an official bilateral visit to the nation in two decades.

The leaders **upgraded** the relationship to a **strategic partnership**, boosting defence and economic ties.⁷ Under the upgraded partnership, both nations committed to conducting joint patrols in the South China Sea, and instituted annual meetings between defence ministers.

Prime Minister Albanese had **told** the East Asia Summit in Jakarta that the Permanent Court of Arbitration at the Hague's 2016 ruling on the South China Sea was 'final' and 'binding'. President Marcos **thanked** Mr Albanese for his 'strong support' for the Philippines in making it 'very clear that the claims that are being made upon our Philippine maritime territory are not valid and have not been recognised'.

On the matter of joint patrols, the Philippine Ambassador to Australia Hellen De La Vega **told** *The Sydney Morning Herald* at the beginning of the month that '[i]t's really very important that we are vigilant. We should remind countries that there's no place for coercive behaviour in the region.'

5 These are (1) investment in the ASEAN-CGIAR Innovate for Food Regional Program to support joint research between ASEAN and Australia to develop new agricultural practices and technologies to support regional food security; and (2) the expansion of the Meryl Williams Fellowships for women in agricultural science to enable approximately 20 fellows from ASEAN member states and Timor-Leste to undertake study programs in Australia. See Anthony Albanese, 'ASEAN summits: Working together on shared prosperity security and stability for the Indo-Pacific', media release, September 8 2023 <<https://www.pm.gov.au/media/asean-summits-working-together-shared-prosperity-security-and-stability-indo-pacific>>.

6 These are (1) \$50 million to de-risk private infrastructure projects to support Indonesia's net-zero ambitions; and (2) \$100 million to support Indonesia's sustainable finance and just energy transition agenda. This second tranche of funding will also support the establishment of a bilateral mechanism to advance collaboration on the electric vehicle ecosystem under the Partnership. See Anthony Albanese, 'ASEAN summits: Working together on shared prosperity security and stability for the Indo-Pacific', media release, September 8 2023 <<https://www.pm.gov.au/media/asean-summits-working-together-shared-prosperity-security-and-stability-indo-pacific>>.

7 Prime Minister Albanese announced four initiatives while in Manila: (1) an increase to Australia Awards Scholarships to the Philippines to more than double current numbers; (2) the re-establishment of a Philippines Institute at the Australian National University; (3) a new reciprocal Work and Holiday visa for Australians and Filipinos; and (4) a \$64.5 million contribution to peacebuilding in Mindanao. See Anthony Albanese, 'A stronger partnership between Australia and the Philippines', media release, September 8 2023 <<https://www.pm.gov.au/media/stronger-partnership-between-australia-and-philippines>>.

Regional relationships – Pacific Island nations

Vanuatu

The prospects of Vanuatu ratifying a security agreement with Australia, signed in mid-December last year, suffered a setback when the nation's former Prime Minister Ishmael Kalsakau, a strong advocate of the agreement, lost a no-confidence vote and was replaced by Sato Kilman on September 4.

The security pact was listed as one of the core [reasons](#) for the no-confidence vote, with opposition lawmakers claiming the agreement would compromise the nation's neutrality and put at risk development assistance from the PRC, its biggest overseas creditor.

Mr Kilman [told](#) the ABC immediately after his election that the nation's security pact with Australia was 'a sticking point', saying, that 'at this point in time I am not sure whether it is in the best interests of Vanuatu or not'. He said that the new government would need to 'revisit' the agreement to 'see whether it is a good thing for Vanuatu or not.' The agreement with Australia had been signed in December last year.

Foreign Minister Wong [said](#) that Australia was open to further discussions on the agreement: 'We will engage with them and take on board what it is that they want to change, if anything, in the agreement and we'll work through that together.'

Timor-Leste

On September 23, Timor-Leste Prime Minister Xanana Gusmao and President Xi [signed](#) an agreement upgrading ties to a comprehensive strategic partnership in Hangzhou.

In a [joint statement](#), the nations agreed to cooperation under the Belt and Road Initiative, to 'explore the possibility of cooperation in the exploitation and development of oil and natural gas', and to strengthen high-level military exchanges. It also asserted Timor-Leste's opposition to 'any form of Taiwan independence'. Beijing also undertook to assist with infrastructure development.

The next day, Timor-Leste President Jose Ramos Horta [said](#) in a TV interview, 'We are not aligned with China', noting, 'We have a very good relationship with China, as we have a great relationship with Japan, South Korea, with the US, Australia, New Zealand and with all the European countries'. He also described concerns about Dili's relationship with Beijing as 'a bit silly'.

Commenting on the agreement, Foreign Minister Wong [noted](#) that Australia also shares a comprehensive strategic partnership with the PRC. She also highlighted that President Horta had 'made clear that Timor-Leste is not seeking to align with China'.

Solomon Islands

On September 22, Solomon Islands Prime Minister Manasseh Sogavare singled out the PRC for praise in a [speech](#) to the UN General Assembly, while also decrying 'the toxic mix of geopolitical power posturing'. He said:

We acknowledge the value of south-south cooperation because it less restrictive, more responsive and is aligned to our national needs.

We applaud the People's Republic of China for the initiative in accelerating the implementation of the [United Nations'] 2030 agenda [for sustainable development] through their Belt and Road Initiative, global development initiative, global security initiative and global civilisation initiative.

Prime Minister Sogavare [opted not to attend](#) the second Pacific Islands summit hosted by President Joe Biden at the White House on September 25. He [told](#) a press conference on his return to the Solomon Islands that 'nothing came out of [the first summit]', adding, 'They [the US] lecture you about how good they are'.

While Foreign Minister Wong opted not to address the Solomon Islands leader's remarks directly, [noting](#) that it was 'a matter for Prime Minister Sogavare what he wishes to say' to the UN, Shadow Foreign Minister Birmingham [said](#) that in his view, 'some of the analysis and comments' by Prime Minister Sogavare 'were wrong'.

Fiji

Foreign Minister Wong [travelled](#) to Fiji on September 13, her fourth visit to the nation as foreign minister, to attend the Pacific Islands Forum Foreign Ministers' Meeting in Suva. While in Fiji, she made several [announcements](#) in relation to access to climate finance. These included a commitment of Australian funding for climate finance experts in eight Pacific Island nations, and continuing support for the Leaders' Climate Champions Program. Foreign Minister Wong also noted that she had agreed to a request from Prime Minister Rabuka to embed someone in his office to work on climate change policy issues.

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