

The current mess in Australia/China relations

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The Australia/China relationship is at its lowest point since the bloody crackdown in Tian'anmen Square on 4 June 1989 which provoked western sanctions against China. Arguably, it is even worse now. Back then the Chinese Government was bending over backwards to entice ministerial-level visits from Australia. Today the Chinese Government is telling our Ministers not to bother applying.

The Australia/China relationship has always been difficult to manage, but never more so than today. For the past decade, Beijing has adopted an increasingly muscular foreign policy stance commensurate with its rise to economic pre-eminence and with its vision of itself as a leading global nation and actor.

With China's rise, the global order has changed and Canberra is having great difficulty coming to grips with this. The steep deterioration in the bilateral relationship needs to be understood against the background of a rapidly changing geopolitical order and an ideologically pre-conditioned policy-making establishment in Canberra which is quixotically hoping for the return of the old, US-led order. This is now damaging Australia's interests.

The Australia/China relationship is by far the most important foreign policy priority for any Australian Government. On one hand, China is absolutely essential to the future well-being of all Australians. China today permeates Australian society – some form of Chinese is the second most widely spoken language in Australian homes; fee-paying Chinese students largely support Australia's higher education sector financially, while Chinese tourists have long been the biggest spenders. They are now also the most numerous. All of these trends will continue to deepen.

Yet China presents Australian Governments with complex foreign policy challenges. China stands far apart from the international norms of political and social organisation that prevailed in the old order. Consequently, issues such as human rights and freedom of speech and media constantly arise and need careful management. At the same time, China has successfully challenged the US's pre-eminence.

In response, the Security Establishment (Defence, ONA, ASIO, ASIS, PM&C's International Division, and the think tanks they fund such as ASPI) some time ago concluded that the China relationship was too important to trust to DFAT.

The Foreign Minister's, and hence her department's role in managing this critical relationship has become inconsequential. To try to play herself back into the Canberra China game, the Foreign Minister gave a bizarre speech, written by her office, in Singapore last year in which she declared China to be unfit for regional leadership because it was not "democratic". The Department did not see the final text until it was delivered. Part of the problem for DFAT is that their Minister is not trusted by the Prime Minister. A Deputy who has survived three leaders does bear watching. The contrast between Howard and Downer could not be starker.

Before becoming Prime Minister, the Security Establishment was concerned that Turnbull was "soft" on China. They had done a good job with Abbott who also, before becoming Prime Minister, and as a point of differentiation following the poor management of the relationship by the Rudd Government, had indicated he wanted to re-set relations with China based on a greater level of trust.

But it was not long before Abbott was embracing Prime Minister Abe as his friend, describing Australia's relationship with Japan as our closest in the region, and during Abe's visit to Sydney praising the bravery of Japanese soldiers during the Second World War. The RSL had to remind him that not all Australians saw it that way.

In response, Turnbull gave an important speech in London in which he pointed out that had it not been for China tying down over a million Japanese troops during WW2 with their resistance and at horrendous loss of life and suffering, Japan would have occupied Australia. When this idea for the speech was suggested to Turnbull he quipped that it was "seditious". Perhaps, but it certainly helped to inject some balance into the discussion and was noticed in Beijing.

More worrying for the Security Establishment, though, was Turnbull's publicly announced intention to re-examine the Rudd Government's ban on Huawei's participation in the NBN. Despite the fact that like-minded countries, such as the UK, New Zealand, Singapore and India, permit Huawei to supply equipment to certain parts of critical telecoms infrastructure, Australia maintains a blanket ban.

The blanket ban remains regardless of the technical solutions to ensure that, even if Huawei were acting as an agent of the Chinese State, the integrity and privacy of data could be protected. Australia has the most stringent restrictions on Huawei of any country other than the United States. This is maintained in the absence of any evidence in the public domain that might justify such a position.

Moreover, the discussion has never been conducted in terms of costs and benefits to the Australian public. Rather than primarily a security issue, the case ought to be made in terms of consumer welfare and returns to taxpayers. Huawei is considerably cheaper than the alternatives, hence Turnbull's openness to involving Huawei in certain parts of the network when he was Minister for Communications.

The main beneficiary of the blanket ban on Huawei from the NBN is its US rival, CISCO. It is relevant that ex-CIA and US defence employees find their way onto CISCO's payroll when their public service careers end. A study of these links and their connections to Australia's Security Establishment would be revealing.

In case there were any doubt about the enormous influence of the Security Establishment on the Turnbull government over China policy the appointment of David Irvine as Chairman of the Foreign Investment Review Board (FIRB) says it all. He is the first appointment without any background in Treasury or business. His qualifications, impressive in their own right, are as a long-serving head of Australia's intelligence services and a former Ambassador to China who has worked on China throughout his distinguished career.

In short, FIRB is now about China and China's investment in Australia. And so another important Australian institution is being subverted not by China, but by those who believe Australia must resist China at every turn. In the wake of the Landbridge acquisition of a clapped out WWII dock in Darwin – not the Darwin Port as it is presented in the media – new laws on investment in “critical” infrastructure were enacted. Irvine's appointment resulted from this.

It is evident that ASIO, as part of its China-threat campaign, has taken it upon itself to brief selected media against certain individuals who it suspects – rightly or wrongly – of being Chinese agents of influence. The scurrilous Four Corners program of a year ago reported that a former ONA officer's house had been raided and that a classified document had been found. Assuming the individual himself had not told the ABC, then the information presumably could only have come from ASIO. Similarly, ASIO would appear to be the most likely source of the media briefing about former Senator Dastyari's cautioning of businessman Huang that his phone was being tapped.

Why is ASIO politicising itself and in doing so undermines its integrity and independence and so weakens Australia's security.

The response to those seeking to promote a more constructive and balanced approach to how to respond to China's rise and the changed international order is to attack them as apologists for China, fellow travellers, mercenaries and Panda huggers – the last is the most damning. It is intended to stifle legitimate

policy discussion and development. The mess that Australia's China policy is now in attests to this.

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