

China problems are real but it's no single minister's fault

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Trade Minister Steve Ciobo's visit to Shanghai last week ends a long drought in Australian ministerial visits to China. But it doesn't solve Australia's China problem.

There's no conceivable future for Australia – good or bad – in which China will not play a central role. As the Turnbull government's foreign policy White Paper said last year, China has "growing influence on the regional and global issues of greatest consequence to our security and prosperity".

Under President Xi Jinping, Beijing is feeling more confident that it has a model of government that works for it, and that it can shape an international order different from the one we have known since the Second World War.

China is Australia's largest trading partner and the biggest source of new foreign direct investment. More than a million Australians claim Chinese ancestry. About the same number of Australians were born in China as in New Zealand.

So for reasons ranging from social inclusion to international security, getting China policy right is the single most important challenge for Australian foreign policy.

Instead, the relationship is undergoing what the Prime Minister calls a "degree of tension", and others describe as a deep chill. Although Canberra is now sending conciliatory signals, no progress is being made on any of the big issues on our agenda. Ciobo met only with local officials.

There's nothing wrong with tension in bilateral relationships. The objective of foreign policy is to pursue interests and manage differences, not generate warm feelings.

But the present problems are not the result of formal policy positions. The Turnbull government's declaratory policy towards China is basically the same as every Australian government this century.

As its white paper stated, we welcome China's rise and accept that it will want greater influence. We do not seek to change the nature of the Chinese state. In Ciobo's words, our relationship "is anchored in respect for our respective histories and worldviews".

Mess of contradictions

But we want to ensure that the region into which China rises is one in which all voices are heard and where agreed rules, whether of maritime law or trade, are followed.

The source of the difficulties lies at the operational rather than declaratory level. It is not the fault of any single minister. Policy towards China is compartmentalised, domestically focused and unco-ordinated.

Differences between and within the defence, security, economic and foreign policy agencies are unusually persistent in consensus-driven Canberra. In some quarters, hard-headed opposition to China is becoming a proxy measure of loyalty to the US alliance.

Messages to Beijing and our other international partners which need to be clear and consistent diverge substantially.

Ciobo says Australia "welcomes the contribution" China's Belt and Road initiative can make to regional infrastructure, but the broader weight of messaging is that this is part of a China-driven geopolitical effort to control the Indo-Pacific and that Australia will work to establish alternative schemes.

Snippets of information are hyped through tactical media leaks. The establishment of a fish farm by a private Chinese company in French Polynesia is said to have "raised eyebrows in Canberra" because it is adjacent to an airport the French military once used for its Pacific nuclear tests. A reported Chinese interest in a military base in Vanuatu is pumped and puffed, reminding seasoned observers of the warnings a decade ago that China was about to set up a military base in Fiji.

Apparent intelligence information about Australian citizens is leaked to substantiate claims of Chinese efforts to interfere in Australian politics. The protection of the institutions of Australian democracy is a core national responsibility, but the Prime Minister's tactless appropriation of Mao's words to say that "Australia has stood up" equated China with European imperialism.

Real concerns are selectively emphasised. The rules-based order is more than the maritime order in the South China Sea. In some areas, such as international trade and the environment, Australia's positions actually align more closely with Beijing's than Donald Trump's Washington.

Critics of current policy are branded as part of a "China lobby" or as agents of influence for the Chinese government.

Australia has never had to manage a relationship which engages all our economic, political and social interests so directly and sometimes in contradictory ways. Our challenge is not simply to say what we don't want China to do, but to develop policies that help shape its behaviour in ways that serve our interests and the values we believe in. Sometimes that will require engagement with China, sometimes working with others. But it requires more clarity about our objectives, consistency in their presentation and subtlety in their application than we are showing at present.

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