

Canberra shuffles its China briefcase to decouple, rather than improve relations.

by **Jocelyn Chey**

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After more than half a year's delay, Foreign Minister Maryse Payne [has announced](#) the appointment of a new Chair of the National Foundation for Australia-China Relations, Ms Pru Bennett, a senior advisor to the global strategic advisory Brunswick Group.

Bennett will replace former federal government minister and close advisor to Kerry Stokes, Warwick Smith, who had been announced as the incoming Chair of the new body that replaced the Australia-China Council, founded by Malcolm Fraser in 1979. Smith resigned in April this year, apparently because he felt that the Foundation needed to be more independent of government if it were to have any chance of rebuilding relations with China. His departure highlighted a split between the government and the business community as to how those relations should be handled.

Since April, relations have further deteriorated, and security issues have come to dominate the space between Canberra and Beijing. It has become a tit for tat series of accusations. There is no point arguing about who started the playground fight but a quick recap is useful as it shows how swiftly relations have deteriorated. Can the new Foundation find some common ground to rebuild trust and communication?

First came Payne's call for an inquiry into the origins of Covid-19, to which the Chinese Embassy reacted by releasing its version of a conversation between Ambassador Cheng Jingye and DFAT Secretary Frances Adamson. Then the *Sydney Daily Telegraph* published an editorial blaming China for spreading the virus and defacing the Chinese national emblem by superimposing a coronavirus image and, after complaints from the Consulate, [followed up with more insults](#).

Hong Kong became an issue in late May when Beijing revealed plans to impose a national security law since the Hong Kong government had not succeeded in passing its own legislation. Payne signed two joint statements with other national leaders calling on China to respect Hong Kong's special status known as "One Country Two Systems." This was strongly rejected by the Chinese embassy as meddling in Chinese internal affairs.

Next, China accused Australia of dumping barley and banned some sources of export beef on quarantine grounds. Even though these were regular trade issues that had

been ongoing for some time, sections of the Australian press branded these actions as threatening a trade war. In May, the Chinese Ministry of Education warned intending students and their families that there had been an increase in racist incidents in Australia. Even though this was confirmed from various local sources, the Australian press took the Ministry's statement as a threat to cut off our revenue from international students and ASPI Associate [John Fitzgerald](#), writing in [The Strategist](#), traced this directly back to Payne's call for an enquiry.

A further sign of deteriorating relations was the handing down of a death sentence in June on Australian Karm Gillespie who had been jailed in Guangzhou since 2014 for drug smuggling. While we may set aside some of the earlier incidents and press rants as coincidental or justified by external circumstances, this announcement by the Guangzhou court was certainly approved by Beijing and indicates that China noted that Canberra is definitely leaning towards antagonism.

Such a conclusion might well be justified. On 14 June, the *Sunday Telegraph* published an article attacking *China Matters*, a very reputable policy institute that prides itself on its informed and unbiased analysis, and said it was "lobbying against Australian national interests."

Finally, last week Prime Minister Scott Morrison, with defence minister Linda Reynolds at his side, called a press conference to highlight a "current" cybersecurity threat from a "sophisticated state-based cyber actor." Once again, no name was given, but Canberra was warning the nation of a major cyberattack, and [head of ASPI Peter Jennings was happy to inform journalists](#) that the PM had China in mind.

The same week ASPI released a paper outlining a new soft power campaign in Australia to strengthen influence in the community, and, in return, China's Ministry of Foreign Affairs spokesperson [Hua Chunying accused ASPI](#) of beating an anti-drum, noting its extensive funding by foreign companies and government agencies.

This is certainly a challenging environment for Pru Bennett as she takes up the reins at the new Foundation to help build "a constructive relationship with China, founded on shared interests, mutual benefit and mutual respect, including through the Comprehensive Strategic Partnership," to quote Payne's press release. Bennett worked in Hong Kong for BlackRock Investments, which maintains a presence in China and seeks to engage Chinese companies in international financial markets in spite of pressure from the US Administration, and this is a good sign that Bennett will be able to represent Australian business interest in maintaining fair trade relations with China.

However, the financial press has noted that on various advisory boards she has generally supported majority views rather than taking a lead position, and the Brunswick Group where she is now Senior Advisor, has [a negative view](#) of China's economic prospects. One wonders whether Bennett will be able to inspire fellow

Foundation Members and the Canberra establishment with a new view of the importance of rebuilding relations.

As mentioned in an [earlier post](#), the Foundation membership includes a one-sided view of China, emphasising its insidious predatory approach to international relations. Others have noted the general securitisation of Canberra's foreign policy. Witness the [announcement](#) of the appointment of US President Donald Trump's former staffer Kirstjen Nielsen to lead Canberra cyberwar preparations. Nielsen headed the US Department of Homeland Security from 2017 and was responsible for such policies as the forced separation of children from the families at the Mexican border.

Jocelyn Chey is Visiting Professor at the University of Sydney and Adjunct Professor at Western Sydney University and UTS. She formerly held diplomatic posts in China and Hong Kong. She is a member of the Order of Australia (AM) and a Fellow of the Australian Institute of International Affairs. Professor Chey is an Associate of China Matters.