

Introductory remarks by Mr Peter Varghese AO

Chancellor of the University of Queensland at the China Matters Oration

15 February 2023

Let me begin by acknowledging the traditional owners of the lands on which we meet and to pay my respects to elders past and present. A very special acknowledgement to our guest of honour, an orator, Dr Kevin Rudd, former prime minister, the outgoing global president of the Asia Society and our soon to be ambassador to the United States.

Can I also acknowledge the Vice Chancellor of the university of Queensland professor Deborah Terry, my colleagues on the UQ senate and members of the university senior leadership team and also acknowledge the Consul-General of China, Dr Ruan. I want to particularly acknowledge and commend the work of our co host this evening, China Matters. Under the leadership of its founder, Linda Jakobson and the current Chair of the Board, Kevin McCann.

China Matters was founded on the proposition that a deep understanding of China is crucial if we are to find the right policy approaches to the central geopolitical issue of our time, the rise of China and what that means for the US led system in which Australia has prospered and found security. China Matters knows that to understand China is not to endorse its policies. By ceasing its funding the previous government apparently believed the opposite. This, despite the fact that China Studies in Australia is going backwards. The forthcoming report by the Australian Academy of the Humanities concludes, China expertise in our universities is diminishing and knowledge of China elsewhere in Australia, with some notable exceptions, remains thin. This must change because there is no more important an issue for Australian foreign trade and strategic policy than China's place in the international system and especially how the US-China relationship unfolds. There will be no quick and certainly no simple answers to those questions.

Australian policy must rest on its own view of China. We can and should draw on the analysis and insight of others, but we have distinctive interests which demand we come to our own conclusions. In arriving at these judgements we have to grapple with some fundamental questions. The US has described China as its pacing challenge, its strategic competitor and its ideological adversary. But how should Australia see China? China is clearly a strategic challenge. But that doesn't make China our enemy or adversary.

For as long as China remains an authoritarian one party state Australia will be uncomfortable with its ambition to be the predominant power in the Indo-pacific. But how is that ambition to be managed? How do we forge a new strategic equilibrium in the Indo-pacific which can both engage China and constrain and deter it from crossing the line on coercive behaviour or covert interference in our domestic politics? Indeed will even a policy of constraining China be sufficient or will we be pulled into something more akin to a full blown containment of China?

Some argue that our policy should be to weaken China and thwart its economic growth. That strikes me as morally questionable and potentially dangerous. 1.4 billion Chinese have more than enough challenges to confront without also making them poor. Whatever challenges a strong China with an authoritarian system pose and they are many, a weak and failing China may pose an even bigger challenge. It would be a source of instability at the centre of our strategic system. There is no alternative to dealing with China. We cannot wish it away. Nor can we shoehorn it into our preferred position. China has its own view of what it is and what it wants. And unlike the old Soviet Union it is ultimately integrated into a global economy and remains the largest trading partner of a large number of countries.

And what should be assumed about China's future trajectory? Will it inevitably become the largest economy in the world with a matching strategic reach? Or is it already a peaking power with a limited window of opportunity to secure its strategic ambitions? Can China maintain strong economic growth if it reduces the role of the private sector in an economy with even higher levels of state control? And if it cannot, how does the Chinese Communist Party retain its control? Will anxious nationalism compensate for a slowing of economic growth as a source of legitimacy for the party and what do the deeper structural challenges of demography - a slowing of globalisation, a search for alternate supply chains and an understandable determination in many countries to reduce their economic dependence on China - mean for China's economic model?

Also, where does ideology fit into all of this? Marxist Leninist ideology is important for the narrative of the Chinese Communist Party. But to present the China challenge as an existential challenge between democracy and autocracy seems to me a misleading simplification. Certainly China wants to make the world safe for autocracy. It will robustly defend the legitimacy of its system, even its superiority. Its leadership believes that the tide of history runs in China's favour. But unlike the Soviet Union during the real Cold War, China is not necessarily looking to crush democracy abroad. Moreover the democracy versus autocracy frame has very little resonance in our own region. It is not the way our Asian partners see it and we will not get very far trying to convince them otherwise.

I can think of no one better qualified to address these questions and to give us if you like a balloon's eye perspective than Kevin Rudd. He has dealt with China from his early days as a diplomat, as a foreign minister and as prime minister. In his post-political career he has led the Asia Society and its policy institute, a think tank that contributes hugely to our understanding of China's place in the world. And if that were not enough, he also took himself to Oxford and recently completed a doctorate on Xi Jinping. Not bad for a typical underachiever.

In robust democracies, all politicians polarise, and former prime ministers even more so. But on one thing most of us can agree, Kevin Rudd is a first rate analyst and on China he is rightly regarded globally as a person worth listening to. That will, I'm confident, be a considerable asset in his next job as our ambassador to the United States. There is arguably no bigger task for Australia in Washington than to inject an Australian perspective on China and the management of the US-China relationship. And Dr Rudd will not have to work on his talking points, he has written a book on the subject. So it is indeed a great pleasure to invite to the podium Dr Kevin Rudd to deliver the inaugural China Matters Oration.