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AUSTRALIA'S CHINA DEBATE IN 2018

David Brophy

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Sydney's Chinatown

Source: Paul Carmona, Flickr

FOR SOME TIME NOW, Australia's foreign policy establishment has contemplated how best to navigate the rivalry between the US and China, and debated whether or not Australia would one day have to choose between the two. Participants in this 'old' China debate might have disagreed on the timeline of China's rise, or the likelihood of serious conflict between our defence partner and our trading partner, but there was a degree of consensus as to the parameters of the question. By the end of 2017, though, a string of highly visible imbroglios had seen a 'new' China debate take centre stage: one side arguing that there was widespread Chinese Party-state interference in Australian affairs; the other accusing the first of sensationalism, even racism. Throughout 2018, some of the basic facts about China's presence in, and intentions towards, Australia seemed up for grabs. The 'China question' had become a much more polarised, and polarising one.

In this new landscape, conventional political lines have tended to blur. Hawkish narratives of Chinese expansionism occasionally draw support from those whose primary concern is with the parlous state of human rights in China. Those anxious to prevent a resurgence of anti-Chinese xenophobia sometimes find themselves taking the same side of a point as corporate actors, whose priority is to moderate criticism of the People's Republic of China (PRC) and get on with profiting from its vast economy. The government's attack on (now retired) Australian Labor Party (ALP) senator Sam Dastyari in 2017 (see the *China Story Yearbook 2016: Control*, Chapter 8 'Making the World Safe (For China)', pp.278–293) set a new precedent in the instrumentalisation of China anxieties for domestic political gain. Yet despite the Liberal Party flirting with similar rhetoric at points in 2018, the debate has yet to take on an obviously partisan colouring, and divisions within Australia's two major parties on the China question seem as pertinent as those that exist between them.

Former prime minister Malcolm Turnbull's turn towards a more confrontational stance on China is commonly attributed to impetus from the Department of Defence and intelligence agencies. A classified inter-agency inquiry, led by one-time Beijing correspondent John Garnaut, was probably the source of some of the claims about Chinese Party-state interference in Australian affairs that filtered into the media in 2017.¹ In 2018, without naming specific countries, Australian Security Intelligence Organisation Director-General Duncan Lewis maintained that foreign interference was occurring 'at unprecedented scale' in Australia.² A prominent source of specific warnings has been the Australian Strategic Policy Institute (ASPI), which in October published a study of security risks arising from collaboration between university researchers and Chinese scientists affiliated to the People's Liberation Army.³

On the other side of the think-tank divide, former foreign minister and NSW premier Bob Carr's Australia-China Relations Institute (ACRI) at the University of Technology Sydney has issued reports stressing the benefits of engagement with China, and questioning sensational claims of Chinese interference.⁴ Former Australian ambassador to China, Stephen

Mining power: there have been calls from the corporate sphere for Australia–China relations to go back to the pre-Turnbull status quo

Source: International Business Times Australia, Flickr

FitzGerald, and Linda Jakobson, who heads China Matters (a not-for-profit entity dedicated to analysing policy perspectives on China's rise), were similarly critical of Turnbull's China diplomacy, arguing that business leaders and politicians should formulate a consistent 'China narrative' to guide Australian officialdom in a more China-centric world.⁵ In the corporate sphere, Fortescue Metals CEO Andrew Forrest made no secret of his desire to restore the pre-Turnbull status quo. At a dinner event in March he complained that the debate was 'fuel[ing] distrust, paranoia and a loss of respect'.⁶

Although some Chinese-Australian scholars have involved themselves in this discussion, ethnic Chinese community groups have made few public interventions. The Australian Values Alliance, a small network of PRC dissidents, campaigns against Confucius Institutes and pro-PRC cultural activities, as do media organisations linked to the persecuted Falun Gong. Bodies aligned with Beijing, such as the Australian Council for the Peaceful Reunification of China, have tended to stay out of the fray. For its part, the Chinese embassy has limited its public commentary to warnings against adopting a 'Cold War mentality' towards the PRC.

Loud Response to Silent Invasion

Australia's 'old' China debate carried on in 2018. Defence analyst Hugh White's late-2017 Quarterly Essay *Without America* reprised his by-now familiar critique of the view that Australia didn't have to choose between China and the US, but this time with a more pessimistic prognosis: that the US's relative decline in Asia was terminal, and Australia would simply have to accommodate to the new reality.⁷ (See also White's chapter 'China's Power, the United States, and the Future of Australia' in the *China Story Yearbook 2017: Prosperity*.) A series of American China specialists replied in the next issue, insisting that the US had the will, and policy know-how to preserve its dominance in Asia, but White stuck to his guns: 'there is no sign, from their critiques of my essay, that the key people in Washington who would have to design and develop this new policy understand the nature or the scale of the task'. Turning to the 'new' China debate, White acknowledged that Chinese influence was 'a very real problem', but criticised the government's exploitation of the issue 'to conjure threatening images of China in the hope of encouraging people to buy its argument that we can and must rely on America to shield us from it'.⁸

For White, the long-term viability of this reliance on the US was still the question on which Australians should focus. But this question was soon to be sidelined by a book arguing that China's rise was a threat not simply to Australia's interests, but to its very sovereignty, leaving us no choice but to join the US in resisting it. Clive Hamilton's *Silent Invasion*, released in February, painted a series of disparate issues surrounding China's role in Australia as part of a grand conspiracy by the Chinese Communist Party (CCP) to reduce Australia to vassal status. (An earlier subtitle for the book was *How China is Turning Australia into a Puppet State*.)⁹ The book made a splash as much for its claims — few of which were new — as for the narrative surrounding its publication. With multiple lawsuits before the courts from earlier ABC and *Sydney Morning Herald* 'Chinese influence' reportage, the legal team at Hamilton's original publisher, Allen & Unwin, were cautious towards the book. Despite the absence of any ex-

plicit threats, Hamilton cried censorship, claiming that Allen & Unwin had been intimidated by Beijing, and he eventually took the *Silent Invasion* to the small independent publisher Hardie Grant.

Best known for his commentary on climate change, Hamilton's left-leaning sympathies were reflected in the book's critique of corporate influence on Australian policy-making. But much of his rhetoric was drawn straight from the Cold War right, positioning Australia as a key battleground in a 'global war between democracy and the new totalitarianism'. In a style reminiscent of McCarthy-era attacks on scholars and China-hands who were scapegoated for the failure of US policy in post-war China, *Silent Invasion* thrust the question of loyalty to the centre of Australia's China debate. Hugh White got off lightly as a 'capitulationist', in comparison to a lengthy denunciation of 'Beijing Bob' Carr and ACRI, 'whose ultimate objective is to advance the CCP's influence in Australian policy and political circles'. Hamilton fingered a 'China club' of policy advisers, among them ANU economist Peter Drysdale, who, in 2016, delivered 'perhaps the most dangerous advice an Australian government has ever received', by arguing that Australia should not discriminate against Chinese investment. Most of Australia's China scholars could not be relied on for their analysis, Ham-

ilton argued, because they were 'policing themselves so as to stay on the right side of the CCP's legion of watchers'.

Silent Invasion received mostly critical reviews, starting with my own in the *Australian Review of Books*.¹⁰ Then-race discrimination commissioner Tim Soutphommasane said that the book's language 'smacks of The Yellow Peril revisited'.¹¹ ALP heavyweights hit back

Controversial book *Silent Invasion*
Source: Twitter

against claims that China was corrupting their party, with former prime minister Paul Keating deriding Hamilton as a 'nincompoop'.¹² The Chinese state media was similarly dismissive, publishing a photo of *Silent Invasion* sitting in a toilet bowl. Occupying more of a middle ground position, Sinologist Geremie R. Barmé endorsed Hamilton's objectives, though not his execution, writing: 'A book like *Silent Invasion* has been a long time coming; unfortunately, it happens to be this book'.¹³ A supportive Rory Medcalf, head of The Australian National University's National Security College, went into bat against Hamilton's critics, crediting him with doing Australia 'a long-term service'.¹⁴ In *The Australian*, Paul Monk praised the book as 'lucid and important'.¹⁵

Silent Invasion divided progressive opinion, particularly inside the Australian Greens, a party that combines a critical stance on Beijing's domestic repression and foreign public diplomacy initiatives (such as the Confucius Institutes), with a strong anti-racist platform. David Shoebridge, a figure from the left of the NSW branch, was scheduled to launch *Silent Invasion* in the state parliament, but withdrew in the face of criticism from anti-racist activists.¹⁶ Into his place stepped his factional rival from the right, Justin Field, who, in launching the book, conveyed an endorsement of it from Christine Milne, former federal parliamentary leader of the Greens.¹⁷

At the other end of the political spectrum, the book required much less soul searching. Far-right nationalists in the Australia First Party welcomed *Silent Invasion*, while criticising the author's pro-US proclivities. Conservative pundits who had long reviled Clive Hamilton for his advocacy on climate change now embraced his stance on China. On Sky News, Hamilton told Miranda Devine that Labor had been 'to large measure captured by Chinese interests,'¹⁸ and cautioned Andrew Bolt of the 'significant proportion of the Chinese-Australian population that is very patriotic, not to Australia, but to the People's Republic of China'. Bolt clicked his tongue. 'Well, that could one day prove to be a most awkward dilemma for us', he replied.¹⁹

Australia's Foreign Interference Laws

The debate surrounding *Silent Invasion* merged with that surrounding a package of new legislation, including an update to espionage offences, and a scheme to register individuals seeking to influence Australian politics on behalf of a foreign principal. Malcolm Turnbull announced these laws in late 2017, in the midst of a tense by-election campaign in Bennelong in north Sydney, an electorate home to a sizable Chinese-Australian community. In so doing he proclaimed in Chinese that ‘the Australian people have stood up,’ cribbing what he evidently believed to be a phrase from Mao Zedong’s speech at the end of the Chinese Civil War (a mistake on the part of his speech writer).

Hamilton and his *Silent Invasion* collaborator Alex Joske were among those who made submissions endorsing the draft laws.²⁰ Critics of the legislation included lawyers and human rights activists worried about their implications for civil liberties, and charities such as Greenpeace that would be hit hard by new restrictions on foreign donations. A group of Australian China scholars weighed in with a joint submission arguing that the laws endangered intellectual freedom, and that exaggerated claims of Chinese influence had poisoned the political climate.²¹ The submission elicited an immediate response from a second group of scholars and commentators, insisting that the debate had remained within acceptable bounds, and that it was necessary to ‘normalise’ the new discourse on China.²²

In June, Attorney-General Christian Porter responded to criticisms of the legislation with a second and final round of amendments, satisfying some, but by no means all, of the critics. Horse-trading at the Parliamentary Joint Committee on Intelligence and Security secured ALP support for the laws, but the minor parties and independents were unanimous in opposing them. The Greens pointed out that by only restricting foreign donations, the laws would not prevent the type of donations (that is, from local ‘agents of influence’) that had featured in the Dastyari scandal of 2017.

**Australia-China relations in 2018:
resetting the reset?**
Photo: Vincent Xu, Flickr

Anxious to shepherd the laws through, Porter insisted that they were necessary to safeguard an upcoming round of by-elections, which, he implied, would otherwise be at risk from Chinese interference. Having invoked the spectre of electoral interference to pass the laws, the Attorney-General then did the same to speed their implementation. With a federal election looming in 2019, Porter announced that new requirements to register a relationship with a foreign principal would take effect from 10 December. On that day, the Attorney-General also acquired the power to issue a ‘transparency notice’, designating someone a foreign agent. The legislation thus gives considerable ammunition to those who hope to expose ‘agents of influence’ in Australian society, though it remains to be seen if, and how, its provisions will be enforced.

A Transpacific Partnership?

Scaremongering around Australia’s electoral system fed on a new-found sense of vulnerability in Western democracies, exemplified most strikingly in the outcry towards Russian interference in the US elections. On key occasions, Australian politicians, along with prominent visitors from the US, cited ‘Russiagate’ as part of the justification for a tough new approach to Beijing. In 2017, and again in 2018, Barack Obama’s chief of national security, James Clapper, visited Australia, and in his speeches he likened

China's actions in Australia to Russia's role in the 2016 American elections. Hillary Clinton drew similar comparisons on her Australian speaking tour in May.²³ Not surprisingly, for some in Australia, Washington's response to 'Russiagate' therefore provided a guide in tackling Australia's 'Chinagate'. In a piece for *Foreign Affairs* in March, John Garnaut encouraged Australian intelligence agencies to 'borrow from the playbook of Special Prosecutor Robert Mueller and use the prosecution process as an opportunity to advance public education'.²⁴

The borrowing was not all one way. Australia's new narrative of Chinese influence was, in turn, well received in defence and intelligence circles in the US. In late 2017, the Congressional Executive Committee on China (CECC) identified a 'national crisis' in Australia in its hearing on 'Exporting Authoritarianism with Chinese Characteristics'.²⁵ Following the release of *Silent Invasion*, Clive Hamilton toured North America, where he met with intelligence agencies, testified at the CECC, and spoke to hawkish Washington think-tanks such as the Center for Strategic and Budgetary Assessments. His message: 'Russia is not the big threat, China is the big threat'.²⁶ Although some China experts in the US were aware that Australians were divided on the issue, the prevailing message resounding through the US foreign policy community was that Beijing had 'made deep inroads into local and national politics' in Australia.²⁷

For 'Chinagate' believers, Washington's interest in the Australian case was evidence of our important frontline role in resisting Chinese aggression.²⁸ A more sceptical interpretation would situate this trans-Pacific exchange in Australia's long history of sub-imperial lobbying — showing our relevance to Washington and thereby anchoring the US in our region. Shadow Minister for Defence Richard Marles spelled out the task in a speech he gave in Washington in May: to 'demonstrate to them that we can help share the burden of strategic thought in the Indo-Pacific ...' so as to 'retain the American presence we need in the East Asian Time Zone'.²⁹

One particularly irksome sign of America's neglect of Australia had been the absence of a US ambassador in Canberra since 2016. Australia's

China hawks were, therefore, looking forward to welcoming Trump's 2017 appointment to the position, Admiral Harry Harris from Pacific Command in Hawaii. The mood turned to disappointment in April 2018, when Harris was redirected to South Korea. The position remained vacant until November, when Trump installed long-term Republican insider Arthur B. Culvahouse Jr.

State Politics and the Chinese State

Few new stories about covert Chinese influence in Australia hit the headlines in 2018, though Beijing's overt influence made itself felt on issues large and small. On the local level, a PRC vice-consul requested the removal of a Taiwanese flag from a work of public art in Rockhampton, sparking outrage.³⁰ Meanwhile, a series of communications from Beijing ultimately led Australia to call off talks with Taiwan's Democratic Progressive Party administration on a new free trade pact.

For a while, it seemed that the political party taking claims of Chinese subversion most seriously was the Australian Greens. In Tasmania, the Greens first issued warnings that the 3,185-acre Cambria Green holiday resort, a joint venture with a PRC company, was part of a CCP plot to secure territory in Tasmania as a launching pad for its ambitions towards Antarctica.³¹ (The Glamorgan Spring Bay Council voted narrowly to approve the development in late November 2018.) The party also cited 'extremely credible evidence' that Beijing intended to interfere in the forthcoming state elections, pointing the finger at Hobart council candidate Tang Yongbei, who had briefly been a member of the Australian Council for the Peaceful Reunification of China and done volunteer work for the local PRC consulate. On this basis, critics insinuated that she was an operative for the CCP's United Front office, although the only concrete evidence they cited of 'interference' was the fact that Tang encouraged non-citizen residents to enrol to vote — a right they enjoy in Tasmania. In the end, she received a paltry 1.12 per cent of the vote.

Similar anxieties involving Chinese investment emerged in Victoria in mid-November, when the Liberal Party attacked ALP Premier Daniel Andrews for signing a memorandum of understanding (MoU) with China to collaborate on its Belt and Road Initiative. Complaining that the MoU was signed without Canberra's foreknowledge, critics cast particular suspicion on a Chinese-Australian advisor to Premier Andrews, who also served as a consultant for the Shenzhen Association of Australia. On election night, ALP stalwart and Australia China Business Council president John Brumby intimated that Chinese-Australian resentment at such slurs may have contributed to the huge swing against the Liberals in Melbourne's eastern suburbs.

Concerns with Chinese investment in Australia increase — ALP Premier Daniel Andrews signs MoU to collaborate with China on its Belt and Road Initiative

Source: WBK, Flickr

Resetting the Reset?

By the time he secured his new foreign interference laws, Malcolm Turnbull's enthusiasm for decrying Chinese activities was cooling. In a speech that would be described as a 'reset' at the University of New South Wales in August, Turnbull highlighted the importance of scientific collaboration with the PRC (in which UNSW leads the country), and his own family connections to China.³² Beijing seemed to take the hint, and ended an eighteen-month long freeze on ministerial-level talks, paving the way for first the trade minister, and then the foreign minister, to visit China in November.

Turnbull's carefully worded speech allowed for multiple interpretations, itself a sign that he was reverting to earlier norms and Australia's traditionally more ambiguous rhetoric on China. ACRI saw in the speech a welcome turn away from the hostile posturing of previous months.³³

Pro-China supporters in
Canberra

Source: Howard Poon, Flickr

Mandarin-speaking former prime minister Kevin Rudd, for his part, thought the PM had gone too far, accusing him of betraying Australian interests with a ‘grovelling *mea culpa*’ to Beijing.³⁴ Meanwhile, Rory Medcalf described it as a skilful articulation of the ‘new normal’ of heightened vigilance.³⁵

The deliberate multivalence of Turnbull’s speech allows us to only speculate as to his motives at this time. A Hoover Institute report claimed that Turnbull’s move to ease tensions was a product of pressure from China and ‘powerful domestic lobbying groups’, but the PM’s calculations must have also extended to the triangular relationship with the US.³⁶ Many believe that 2017’s anti-Chinese turn was to some degree a response to Donald Trump’s promise to put ‘America first’, and deprioritise US alliances in Asia. Anxious to prevent any such retrenchment on the part of its ally and patron, Australia issued loud warnings about the growing Chinese threat. By the middle of 2018, Washington was making similar noises: the FBI had identified China as a ‘whole of society threat’ to the US, and Vice-President Pence was rattling the sabre with bellicose rhetoric. At this point, Canberra may have felt that its own tough talk had served its purpose, and Australia could tone it down. Alternatively, Turnbull may have decided that America was unlikely to follow through on its rhetoric, and Australia risked isolating itself in a region where everyone else was hedging between China and the US.

Whatever the case, as 2018 drew to a close, Australia's diplomatic balancing act looked as unstable as ever. Having deposed Malcolm Turnbull, one of incoming Prime Minister Scott Morrison's first acts was to announce the 'Pacific pivot' — a package of infrastructure loans to Pacific nations, along with new defence collaborations — designed to thwart Chinese influence on Australia's 'family' in our own 'backyard'. A few days later in Singapore, Morrison reprised the mantra that Australia would not take sides between China and the US, insisting that he was 'getting on with business with China'.³⁷ The following week, he announced that Australia would collaborate with the US to revive the Manus Island naval base in Papua New Guinea — a move with the obvious aim of obstructing Chinese encroachment in the Pacific.

Australia's discourse on China was sliding back into a familiar rut, and the opposition ALP wasn't offering anything by way of alternative. In a speech in October, party leader Bill Shorten said that Labor rejected 'strategic denial of others' as a goal, but then claimed the Manus Island base as Labor's own policy. Although it likes to position itself as being more Asia savvy than its Coalition rivals, the ALP's vision for the future of the region is no less militaristic, calling for more US marines in Darwin, and US warships to dock in Western Australia.³⁸

The political class's bipartisan support for a military response to China's rise puts paid to claims that Beijing's political interference has eroded Australia's long-standing commitment to Washington's pre-eminence in Asia. But the deeper anxiety driving exaggerated claims about the current state of PRC influence in Australia is not without foundation: if US-China conflict intensifies, Beijing may well seek to exacerbate the contradictions between Australia's pro-US posture and its dependence on Chinese trade, and exert pressure in new ways. Notwithstanding the validity of some of the specific accusations, the recent preoccupation with domestic influence peddling has obscured the need for a more thorough discussion of Australia's place in the world and its options. Should that situation persist, the Australian public may find itself ill-prepared for a future crisis in our region.

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