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A NEW PHASE IN AUSTRALIA'S RELATIONS WITH CHINA

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Australia's relationship with China is complex and consequential. China is, and will continue to be, of great importance to Australia, to our region and to the world.

The key question for Australia is how we best make the relationship work for us.

How do we make it work, knowing that China will always press for what's best for it, just as we should always press for what's best for us.

How do we make it work, in the context of strategic competition between our friend and ally, the United States, and our important partner, China.

How do we make it work, recognising that challenges may intensify and become harder to manage in the future.

Fundamentally, we are in a new phase in the relationship.

It is not simply a matter of a 'diplomatic reset'.

Nor a reversion to the handling of years past.

Australians want – and need – to understand this relationship better.

It cannot be brushed aside by this government with a simple 'trust us we know what we're doing'. That approach no longer works in foreign policy.

The relationship between the United States and China is the most significant in the

world today. Its character will determine our region for decades to come.

It is clear that the United States and China now treat each other as strategic competitors.

The strategic competition in our region means we need to think carefully and engage actively to avoid becoming collateral.

Great powers will do what great powers do – assert their interests. But the rest of us are not without our own agency.

The choice is whether we are to be spectators to the competition between the United States and China, or active players.

We will only realise our objectives through a multipolar region.

A multipolar region in which the United States remains deeply and constructively engaged; in which China is a positive contributor; and in which the perspectives and contributions of smaller powers are respected and valued.

Part of this imperative is the increasing assertiveness China has evinced under the leadership of President Xi.

We've seen this in active engagement in regional and international organisations and in initiatives like the Asian Infrastructure Investment Bank and Belt and Road Initiative.

We've seen it in the South and East China Seas, the Mekong region and the Indian Ocean; and in Taiwan and Hong Kong.

And in the tightening environment inside China: sweeping national security laws, crackdown on civil society and human rights activists, and the mass detention of Uighurs.

In Australia, we see reports of Chinese Communist Party interference and stories of pressure on members of the Chinese-Australian communities and university students.

Having said that all, we should not reflexively and pre-emptively frame China only as a threat.

We recognise that China has a right to develop, and a right to a role in the region alongside other regional powers.

We recognise that China's economic development has been to Australia's advantage, and benefited the global economy. So too the millions of Chinese who have been lifted out of poverty.

But we also recognise that China is not a democracy, nor does the Chinese Communist Party share our commitment to the rule of law.

Differences between our systems and values will inevitably affect the nature of our interactions.

And they will, and do, affect the nature of China's behaviour and ambitions in the region.

Behaviour and ambitions which appear to be becoming more difficult to shape.

Although there continues to be convergence of interests, the divergences have become more apparent and acute – due to both Beijing's increasing assertiveness and greater awareness in Australia as to the implications of the CCP's behaviour and ambitions.

We must look at how best to engage effectively with China while always standing up for our values, our sovereignty and our democratic system.

Let us not forget that without Labor – and a handful of Coalition backbenchers – Australia would now have an extradition treaty with China.

Reflect on that.

If the Abbott/Turnbull/Morrison government had got its way, there would now be an extradition treaty with a country whose government does not share our commitment to the rule of law – the very thing that sparked the protests now enveloping Hong Kong.

Australia has a tradition of a largely bipartisan approach to foreign policy.

This does not mean uncritical support for all decisions by the government of the day.

Rather, it means having a sensible, calm and mature discussion without seeking to exploit complexities for political advantage.

But it also means speaking out where it is in the national interest to do so.

And given the instincts of this prime minister, I anticipate speaking out will become more necessary.

People who have observed me in this portfolio over these last few years know I take no pleasure from this.

And it is in this vein that I want to comment on Mr Morrison's handling of the China relationship.

There have been two troubling examples in recent times.

In handling the questions over a member of his class of 2019, Gladys Liu, Scott Morrison came up with the political tactic of saying it was racist to ask for her to account for the inconsistencies in her statements and actions.

And he sought to bring all Australians of Chinese heritage into it – apparently speaking on our behalf.

Many commentators – from Peter Hartcher and Greg Sheridan, to China expert John Fitzgerald, to Andrew Bolt – pointed out: in doing so, Mr Morrison had “done Beijing’s work for it”.

As Professor Fitzgerald explains:

“The charge that legitimate Australian concerns about Chinese government behaviour are driven entirely by bigotry and racism is one of the talking points of the CCP propaganda bureau.”

He reminds us of occasions – December 2017, March 2018, June 2018 – where the Chinese Embassy responded to government decisions and media reports that were not pro-Beijing with accusations of “racial prejudice” and “racial bigotry”.

Fitzgerald goes on:

“Within China itself, party media and establishment intellectuals echo these talking points on racism and bigotry and use the “smear” word to belittle legitimate Australian concerns.”

But what did the Prime Minister say when seeking to defend Gladys Liu?

“...there is 1.2 million Australians of Chinese heritage in this country. This has a very grubby undertone in terms of the smear that is being placed on Gladys Liu and I think people should reflect very carefully in the way they have sought to attack Gladys over this matter and the broader smear that I think is implied in that over more than a million over Australians.”

This reckless handling was replicated in the way in Mr Morrison announced he no longer considered China to be a developing country.

Now, there are legitimate questions to be asked about whether China should take on more global responsibilities commensurate with its size and power.

And there are legitimate concerns about whether the WTO remains fit for purpose and what reforms are needed to ensure it reflects current economic realities.

But the Prime Minister declaring that China should be considered a newly developed country – while in the United States, after attending a Trump rally – does nothing to further these reforms; the issue of China’s status in the WTO, or any multilateral arrangement, must be dealt with in those organisations and through negotiation with other members.

Worse though, Mr Morrison’s pronouncement was easily construed as Australia just tagging along behind the US Administration’s position.

This gave unnecessary fuel to the Chinese government's narrative that Australia just follows the United States; that when we make decisions that China doesn't like – on 5G or the South China Sea for example – we do so only because we have been asked to by the US.

We saw this in the way the Chinese Embassy responded to Mr Morrison's statement:

"The assertion of China being a "newly developed economy"... is both one-sided and unfair. And it is basically an echo of what the US has claimed."

This was further reinforced by the comment from visiting academic Chen Xiaochen, who asserted that

"In some cases Australia was actually being a pawn for the United States."

Australia is of course entitled to state what we want wherever we want.

But on any issue this should always be part of a considered and well thought out plan.

Not a political tactic.

Australians expected Scott Morrison to persuade President Trump to protect our interests in how he deals with the trade war.

The reality is that Scott Morrison's comments were mostly intended to distract from his failure to achieve anything much of substance with Donald Trump, especially on how he deals with Australia's interests in the trade war.

And on this point: it is far too early to be confident that the partial deal struck last week will lead to a resolution of the far bigger matters still under dispute – and that they have been resolved in a way that sees Australian interests protected.

It is important now for Scott Morrison to demonstrate that Australian farmers won't be worse off under the deal struck between the US and China.

Distraction tactics are not enough.

After his visit with President Trump, with nothing to show on trade, Scott Morrison threw out a new ball to chase: calling China "newly developed".

And it worked!

Who noticed that he got nothing helpful from President Trump on the trade war?

Now, all of this is very slick and very clever.

But our foreign policy community knows that it is not in Australia's national interest to play into China's narrative.

It knows that our national interest is not served when decisions are made for short-term political gain.

But this is what Mr Morrison does. It is part of an emerging pattern of behaviour.

We saw this in his deployment of US-style populism in his recent Lowy speech where he claimed Australia was being told what to do by global organisations.

Mr Morrison said, and I quote:

“..it does not serve our national interests when international institutions demand conformity rather than independent cooperation on global issues.”

He said:

“We should avoid any reflex towards a negative globalism that coercively seeks to impose a mandate from an often ill defined borderless global community. And worse still, an unaccountable internationalist bureaucracy.”

And, that there’s a “new variant of globalism that seeks to elevate global institutions about the authority of nation states to direct national policies.”

What does he actually mean?

The Prime Minister knows full well that the commitments made by Australia – the agreements and conventions we are party to – have been voluntarily entered into.

They have all been decisions made by the Government of the day in our nation’s interest – and sometimes in the shared interests of all nations.

His rhetoric is reminiscent of the right-wing nationalism we are seeing in the US and elsewhere.

We are better than this.

Our national interests are not this.

There is a reason why successive governments – both Labor and Coalition – talked about the importance of global cooperation through multilateral organisations.

Mr Morrison knows Australia is a trading nation, and as a substantial power but not a major power, relies on global cooperation.

Our prosperity depends on it.

Scott Morrison also knows the nationalist agenda in the US is an anti-immigration agenda – but it is equally an anti-trade agenda. You can’t be pro-free trade and anti-globalist – and we all need to call Scott Morrison’s bluff on this.

Even if Scott Morrison seeks to follow President Trump in closing Australia to immigration, he can never close Australia to trade.

The Prime Minister is simply trying to distract and divert.

There's no doubt Scott Morrison is the best political tactician in Australia right now.

He is the master of the political manoeuvre, but he hasn't delivered anything of substance, because that's not who he is.

A year into his prime ministership, we now have some context to guide us.

Scott Morrison's first foray into international affairs was to try to change Australia's long-standing, bipartisan position on Jerusalem and the Iran nuclear deal in order to chase votes in the Wentworth by-election.

As some pointed out, Australia's position is not ultimately decisive in the political landscape of the Middle East.

But having a credible position on the Middle East – built on support for a two-state solution – is fundamental to being taken seriously in the international community. It is also important in managing key bilateral relationships, like Indonesia, which was predictably furious about the Prime Minister's tactic.

So is it enough to be a clever political tactician, when key relationships with our nearest neighbours are at stake?

Is it enough to play short term political tactics on something so profoundly important as the integrity of our political system or the assertion of our national interests?

Australia's Prime Minister needs to look beyond the next manoeuvre, stop undermining his foreign minister and trade minister, and develop a serious long-term plan for Australia's engagement in the region and the world.

A serious and long-term plan that can proactively navigate us through the strategic competition between the US and China, and manage this new phase in our relationship with a more assertive China.

Given the disruption in the world, it's easy to make the excuse that there's too much out of our control. Australia can only achieve so much.

And it is true that we can't solve all the world's problems – but we do have to solve our own. We do have agency.

But there is no plan.

And if you need any confirmation of this, again, just look at the Prime Minister's recent speech at Lowy.

It was a disturbingly lightweight speech for the prime minister of a third term government.

It laid out no pathway on strategic competition. Not one new idea, not one solution.

And it ditched the one plan that the Government did have – Julie Bishop’s Foreign Policy White Paper – which championed multilateralism and the rules-based order as fundamental to our national interest.

Mr Morrison has no plan for dealing with this new phase in Australia’s relations with China.

Let me be clear: Labor wants to engage on China in a bipartisan way.

But the Government has no such motivation.

I have made repeated requests to the Foreign Minister that relevant agencies, such as the Department of Foreign Affairs and Trade, and the Office of National Intelligence, provide a detailed and comprehensive briefing for parliamentarians on Australia’s relationship with China.

Labor continues to believe this is the best approach, though the Minister has yet to reply.

Labor is also establishing Caucus processes for engagement across the breadth of the China discussion, because Labor believes it is the job of all parliamentarians to protect and advance the national interest.

It is regrettable that we have to do this without the Government’s participation. The national interest is best served by a bipartisan approach to the relationship – in rhetoric and handling as much as in actions and decisions.

As a country we need to get on the same page.

How we collectively manage the relationship with China matters because there are substantial and growing differences in the substance of the bilateral relationship.

It is inevitable that Australia will make more decisions that China doesn’t like.

This means that the way the relationship is handled will become even more important.

The realities of China and of our region mean we can’t just pretend China doesn’t exist, or wish China away – despite what some commentators and strategic analysts appear to want.

That would be counterproductive even if it were possible.

China will remain important to Australia’s prosperity.

Australia has benefited from China’s remarkable growth and will continue to benefit from a prosperous China.

And China will be critical to the shape and character of the entire region.

In this next phase in the relationship, engagement remains in best interests of Australia, and of China.

Engagement and cooperation are vital even within a context of difference, disagreement, or competition.

But the nature of that engagement needs to be redefined.

So, just as I have advocated for the need to define the boundaries in US-China strategic competition, so too do we need to define the boundaries in our engagement with China.

This will require asking – and answering – questions like those Professor Bates Gill has posed: “In this more constrained atmosphere, what should be the rules of engagement with China to best realise Australian values and interests? Where are opportunities for engagement in this environment and where are the risks?”

Allan Gyngell and others have spoken of ‘small yards with high walls’.

This approach is sound.

Where it is necessary to place limitations around engagement, these boundaries should be as restricted as possible, and as robust as necessary.

The boundaries and terms of engagement will differ on different issues and in different sectors.

On research collaboration, for example, rather than ruling out engagement across entire fields, limitations such as export controls and visa checks could apply to a narrow set of the most sensitive defence-oriented technology – as China expert Dirk Van der Kley recently proposed.

While the government must provide leadership, this is not just a task or responsibility for government alone.

All stakeholders – government, opposition, the foreign policy community, business, industry – need to work together to identify those opportunities for deeper engagement where our interests coincide and to manage difference constructively.

To that end there is a particularly important role and responsibility for the media.

Australian media has a responsibility not only to hold the government of the day to account but to ensure they themselves don’t unthinkingly or inadvertently reinforce China’s tactics or narrative.

As Fitzgerald warns in his recent ASPI report, *Mind Your Tongue*:

“Within Australia, mainstream media organisations amplify CCP claims of racism and bigotry through uncritical repetition.”

This is vital even more so in the context of much of the Chinese language media landscape in Australia being owned and manipulated by the CCP.

Australia's diversity and multiculturalism is an integral part of our contemporary identity. It is one of our greatest strengths.

As we work together as a country to navigate the relationship, we need to include a wide range of Australian voices, including those of Australia's Chinese communities. And we must guard against racial fault lines from our past being allowed to resonate today.

This would not only have consequences for our national cohesion and national identity, but also diminish our national power and influence.

Leadership is essential to ensure Australia remains united as we work together as a country to navigate the challenges and opportunities in this period.

We should be clear that Australian sovereignty is beyond politics and never up for negotiation.

We must not succumb to sacrificing the national interest for short-term political gain.

I believe the national interest is best served by a bipartisan approach to our international engagement.

But Mr Morrison's motivations are not the national interest.

They are short-term political interests.

We've seen this now with his response to Gladys Liu, his statement about China's status, his anti-globalist Lowy speech, and decision on Jerusalem.

His willingness to use reckless language and take risky decisions for domestic political gain.

I truly hope Mr Morrison changes this approach and returns to a constructive, bipartisan approach to foreign affairs, so we can act together in the national interest.

Until he does, we all have a responsibility to call him out.

ENDS