

Australia-China monthly wrap-up

September 2022



This edition features:

- Summary and analysis of major developments in September 2022

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As the 50th anniversary of diplomatic relations between Australia and the People's Republic of China (PRC) approaches, it provides, [according](#) to Foreign Minister Penny Wong, 'an opportunity to reflect' as well as 'an opportunity to look to the future'. As the Foreign Minister and her PRC counterpart met this month on the sidelines of the UN General Assembly in New York, their second meeting in 12 weeks, both nations cautiously welcomed the resumption of more regular high-level exchange. September saw the use of warmer language about the relationship from the PRC side, as well as the [revival](#) by both sides of the [descriptor](#) 'comprehensive strategic partnership', a label effectively shelved during the Morrison government's time in office. There were some rumblings, too, of the possibility of an Albanese-Xi meeting at the upcoming G20 leaders' summit in Bali next month, which Prime Minister Anthony Albanese has [indicated](#) he would welcome.

In parallel, the Australian government continued to emphasise the scale of the strategic challenges facing the country, warning as with previous months about the precariousness of the strategic environment. Strategic competition with the PRC was [underlined](#), as Japan and the UK moved to [label](#) the country a 'strategic threat', and [emphasis](#) was [placed](#) on the pursuit of '[strategic equilibrium](#)' in the region, with reinvigorated diplomacy complementing efforts towards bolstering defence capabilities.¹

Relative to previous months, the issue of ongoing tensions in the Taiwan Strait, although still closely watched, was less prominent in discussions on regional security. Ministers continued to maintain message discipline – especially in relation to Australia's commitment to upholding the status quo, even as US President Joe Biden [repeated](#) remarks which appeared to indicate a US shift away from strategic ambiguity.

A year on from its inception, the Australian government also remains strongly committed to the AUKUS trilateral security partnership and its aims, with Defence Minister Richard Marles, [noting](#) that it would function as an important mechanism for moving from interoperability to interchangeability with the US, as well as the UK.

1 This month Prime Minister Anthony Albanese travelled to the UK for Queen Elizabeth II's state funeral, and to Japan for former Japanese prime minister Abe Shinzo's state funeral. The Prime Minister offered Australian travel assistance to Pacific Island leaders planning to travel to Queen's funeral – the Solomon Islands, Papua New Guinea, Tuvalu and Samoa accepted. See Joseph Huitson, 'Anthony Albanese reveals which four Pacific nations accepted his invitation to travel to London for Queen's funeral', *Sky News*, September 14 2022 <<https://www.skynews.com.au/world-news/global-affairs/anthony-albanese-reveals-which-four-pacific-nations-have-accepted-his-invitation-to-travel-to-london-for-queens-funeral/news-story/3599012a2fc9c34dd2ccd38168e0d2ed>>. Defence Minister Richard Marles travelled to Germany, the UK and France and Foreign Minister Penny Wong travelled to Papua New Guinea and Timor-Leste, as well as to New York to attend the United Nations General Assembly High Level Week where she met with counterparts from Quad countries on the sidelines. Australia also hosted Vietnam's Foreign Minister Bui Thanh Son, the first visit to Australia by a Vietnamese minister since 2019, for a Australia-Vietnam Foreign Ministers' Meeting.

As the PRC's trade punishment of Australia continues, Trade Minister Don Farrell, while continuing to work towards the reinvigoration of the Australia-PRC economic relationship, also acknowledged that Australia had 'too many eggs in the China basket', effectively an endorsement of Hillary Clinton's 2014 [observation](#) about Australia-PRC trade.

The Australia-PRC relationship overall

Foreign Minister Wong met her PRC counterpart Wang Yi on September 23 at the United Nations in New York, having [flagged](#) previously that Australia was 'open to engagement'.

Senator Wong [described](#) the 40-minute meeting as a 'constructive conversation' which 'reaffirmed the Australian government's view that it is in the interests of both sides to continue on the path of stabilising the relationship.' She [stated](#) that moving towards stabilisation would 'require continued engagement and goodwill on both sides.'

A PRC Foreign Ministry record of the meeting [noted](#) that Wang Yi conveyed the message that 'The Chinese side stands ready to work with the Australian side to seriously take stock of experience, properly manage differences, and steer the sound and steady development of bilateral relations' and that the two countries should 'meet each other halfway'. This marked a shift from previous remarks to the Morrison government which insisted the onus was on Australia to fix the relationship.

Defence Minister Marles [described](#) the meeting as 'part of an attempt by our government to try and stabilise the relationship with China', while also underscoring that 'while there's been a change of government in this country, there's not been a change in our national interest.' In line with previous comments, he [said](#) further, 'We are wanting to change the tone in the relationship, we feel that there was a belligerence in the way in which the former government spoke about Australia's place in the world which did not help advance our national interests.'

Australian Ambassador to the PRC Graham Fletcher [observed](#) earlier in September that 'we are in something of a negotiation process to find viable parameters within which two quite different countries can interact and get along.' He went on to say:

I look at the United States' relationship [with the PRC]. There are many serious differences there yet the relationship functions. Japan, Canada, Vietnam, you name it, every country there are issues with China, but things can function, and we say to China why should ours be any different?

PRC Ambassador to Australia Xiao Qian [said](#) that he had been 'keeping in touch and comparing notes with colleagues in DFAT [Department of Foreign Affairs and Trade] and trying to see how we can move forward. We have a good momentum, but we need to keep the momentum. ... Either we are moving forward, or we are falling back.'

The Australia-PRC economic relationship

On September 2, Trade Minister Farrell [said](#) that Australia had offered an 'olive branch' to the PRC, stating that 'We've made it very clear that we're happy to talk to them about some of these trade blockages.' At the same time, he made the [assessment](#) that 'there's no doubt that to some extent, we put all of our eggs in the China basket. Now we've realised that there's got to be trade diversification.' He [repeated](#) the observation later in the month.

Still, the new Australian government has been encouraging of Australia-PRC business relations. During an Australia China Business Council event in the middle of the month Assistant Foreign Minister Tim Watts in a [speech](#), while criticising the PRC's economic sanctions, said that business relationships with the PRC were 'complementary' to the government's efforts. He encouraged businesses 'to stay engaged in the China market, while accounting for risk.'

At the same event, the PRC Ambassador in a separate [address](#) told the audience that the ‘Australian business community has an important role to play’ in getting the Australia-PRC relationship ‘back on the right track’.

Prime Minister Anthony Albanese on September 19, asked whether human rights violations – in Xinjiang, in Hong Kong – and Australian government concerns regarding those abuses made the development of an economic relationship with the PRC more difficult, [replied](#), ‘Australia must always stand up for our values and we’ll continue to do that, but that doesn’t mean that we can’t have an economic relationship with China.’ He described the PRC’s trade punishment of Australia as ‘counterproductive’ and ‘a lose-lose situation.’

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

On September 14, PRC Ambassador Xiao made a public case for the PRC’s accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), [telling](#) the Australian business community it would provide an ‘important opportunity for China and Australia to take our cooperation based on [our] bilateral free trade agreement to a higher level.’

He subsequently [told](#) media, ‘We’ve been asking for an early start [on the start of negotiations to join the trade agreement], but there’s no clear confirmative response from the Australian government yet.’

In response, the Trade Minister’s office [said](#), ‘Any economy seeking to join the CPTPP must meet, implement and adhere to the agreement’s high standards and rules, and have a demonstrated track record of compliance with trade commitments.’

On September 16, Japanese Ambassador to Australia Yamagami Shingo penned an [opinion piece](#) in *The Australian* advocating for Australia to block the PRC from joining the CPTPP. He stated that ‘economic coercion has become a signature modus operandi’ of the PRC, and pointed to the potential ‘risk of sabotage from within.’ He wrote, ‘We should learn from the history of having let economies in the WTO, only to see them infringing rules and undermining the integrity of the framework.’

Taiwan

On September 18, the Defence Minister was [pressed](#) on whether a takeaway from the response to Russia’s invasion to Ukraine is that ‘China should know that the West will unite in sanctions and military support.’ He did not respond directly to the question but did note that ‘China I’m sure is watching this’.

On September 21, the Foreign Minister was [asked](#) about ‘Australia’s position’ in relation to the US President [responding](#) in the affirmative to a question on whether ‘the US would defend Taiwan in the event of a Chinese invasion’, with a statement subsequently issued – for the fourth time since Biden assumed the presidency – by the White House that US policy towards Taiwan had not changed. In line with statements made in previous months, the Foreign Minister reiterated that ‘it isn’t responsible for me to engage in hypotheticals,’ that she ‘did not want to see any unilateral change to the status quo,’ and that Australia ‘will continue to respect our long held bipartisan position on one China policy.’ She [repeated](#) the sentiment on American TV on September 24, pointing to US recognition of the one China policy. She added that Australia has ‘consistently urged de-escalation and restraint,’ stressing that ‘a conflict over Taiwan could be catastrophic’.

Defence Minister Marles on September 25 [said](#), ‘America has made clear that their policy in relation to Taiwan has not changed’.

Opposition views

A different assessment on US policy was offered by Shadow Defence Minister Andrew Hastie who [said](#) that he ‘supports President Biden’s posture towards Taiwan’, noting that, in his view, it was a change in US position. He stated:

They are standing up for an island democracy of 25 million people and it’s right and proper they should do that.

While Opposition Leader Peter Dutton broadly supported Mr Hastie's comments, [describing](#) them as '[a statement of] the obvious in terms of what the president of the United States has now stated on four separate occasions', he declined to be drawn on whether it constituted a change in US policy: 'There's speculation about the US intent in terms of that language, both by the president and then by the White House spokesperson. I'll leave others to draw conclusions about that.'

PRC Ambassador's views

Asked to elaborate on a comment made to the National Press Club last month that Beijing was 'ready to use all necessary means' with respect to Taiwan (discussed in further detail in the [Australia-China monthly wrap-up: August 2022](#)) during an [interview](#) with the ABC's *7.30 Report*, Ambassador Xiao said that it was a 'warning in reaction to what has happened in Taiwan because of Speaker Pelosi's visit' as well as to 'those who are outside forces' and 'the so-called Taiwan independence secessionist[s]'. He outlined three scenarios which would compel the PRC to use force to take back Taiwan:

In the event number one, the so-called Taiwan independence secessionist would act in a way, in whichever way, that would lead to Taiwan's secession from China.

And scenario B, in the event that a major event, a major incident happens, that would entail the secession from China, the secession of Taiwan from China.

Number three, the possibilities for peaceful reunification should be completely exhausted.

The Ambassador also spoke of 'punishment' to be meted out against the 'handful of people [in Taiwan] who have been stubborn to pursue a Taiwan independence'.

The PRC and Russia

On September 17, Defence Minister Marles [said](#) 'I think what we are seeing is greater cooperation between China and Russia and we've seen that throughout the course of this year'. He also directly identified Sino-Russian cooperation as a factor informing Australia's current defence planning.

The next day, the Defence Minister followed up on this statement by [asserting](#) that he did not take out of the Putin-Xi meeting, in which the Russian President [acknowledged](#) that Beijing had 'questions and concerns' about Russia's invasion of Ukraine, 'any sense of a division' between the two countries. 'In fact', Mr Marles said, 'I see the meeting that occurred in Uzbekistan as another step in a growing relationship... and that relationship is part of the landscape of complex strategic circumstances that we have to face.'

Senator Wong on September 24 [observed](#) that 'there have been some public indications that China is not comfortable, not entirely comfortable with Mr Putin's behaviour.' She had [asserted](#) on the same day, 'The world does look to China as a great power and as a permanent member of the Security Council, to exercise influence that it has in relation to Russia to end an illegal and immoral war.' She [noted](#) that she had put this to PRC Foreign Minister Wang during their meeting. The PRC Ministry of Foreign Affairs statement on the meeting had [recorded](#) in reference to this that 'Wang Yi also expounded on China's principled position on issues related to Ukraine.'

In relation to the PRC's self-described 'no limits' relationship with Russia, Foreign Minister Wong [said](#) this is 'a pretty big thing to say,' and that Australia would be 'continuing to urge, as I'm sure others are, China and others, to exercise their leverage.'

The PRC and the Pacific

Foreign Minister Wong [visited](#) Papua New Guinea and Timor-Leste over the end of August and beginning of September, announcing the provision of \$20 million in further COVID response assistance to Timor-Leste.

On September 7 the Australian government [announced](#) that Timor-Leste and Australia had signed a reciprocal Defence Cooperation Agreement (DCA).

On the same day Timor-Leste President José Ramos-Horta ruled out a PRC military base in his country [saying](#), ‘We have a responsibility to our neighbours [such as Australia] not to allow Timor-Leste to be a base for any hostile power or power that is perceived by our neighbours to be potentially hostile.’ However, he did note that Timor-Leste would seek PRC investment on the construction of a gas pipeline, ‘a [national strategic goal](#) of a wide spectrum of Timorese leadership’, if the joint venture between Timor Gap, Osaka Gas and Woodside did not reach agreement, [pointing](#) to the PRC’s ‘interest’ in the project and Timor-Leste’s ‘excellent relationship with China’. Senator Wong on September 22 [said](#) that while the Australian government was not a party to the joint venture, ‘we need to look to getting that project unstuck.’ She made veiled reference to the PRC’s model of infrastructure finance resulting in unsustainable debt, a [theme](#) throughout the month.

AUKUS

At the beginning of the month, Defence Minister Marles [declared](#) that ‘the ultimate [aim] is to get through to 2030 where we produce a submarine’. This was in line with a Department of Defence [brief](#) prepared for the incoming government immediately following the federal election which said Australia was preparing to ‘transition to nuclear-powered submarines in the late 2030s.’

In an [interview](#) on September 18, Mr Marles underscored the importance of the acquisition of the nuclear subs, saying that ‘the most important platform that Australia can have in shaping its strategic circumstances... is a long-range capable submarine.’ He said the government was ‘on track’ to ‘announce the specifics’ in the first part of 2023.

On September 24, the leaders of Australia, the UK and the US issued a [joint statement](#) marking one year since the commencement of the trilateral security partnership.

Detention of Yang Hengjun and Cheng Lei

PRC Ambassador Xiao on September 6 [expressed](#) his ‘sympathy’ to detained Australian citizen Cheng Lei’s ‘family, her kids and their relatives’, saying he had been ‘trying to see if I can be [of] help as ambassador to facilitate... easier access either with between her and her relatives or her [and] the Australian embassies’, a slightly softer tone than had [previously been adopted](#) about Ms Cheng’s plight. However, the Ambassador remained firm regarding the ‘procedure’ being followed in Beijing with respect to her case.

Asked about the Ambassador’s comments regarding attempts to facilitate access between Ms Cheng and her family, Prime Minister Albanese on September 7 [said](#):

Cheng Lei should have access to her family. Australia continues to make representation and we have a very strong view about her treatment, and we’ll continue to make representation. There’s been no transparency in any of these processes at all. And the Chinese Government needs to do better.

Foreign Minister Wong [confirmed](#) she had raised Beijing’s detention of Cheng Lei and Yang Hengjun during her meeting with her PRC counterpart on September 23.

Xinjiang

Following the release of an Office of the United Nations High Commissioner for Human Rights [report](#) on the human rights situation in Xinjiang, the Foreign Minister on September 1 issued a [statement](#) articulating the Australian government’s ‘deep concern’ about the findings of the report (discussed in the [Australia-China monthly wrap-up: August 2022](#)).

The Foreign Minister further [described](#) the report as ‘harrowing reading’ and noted that ‘it confirms what Australia and the international community have held concerns about for some time... in relation to human rights violations in Xinjiang.’ With respect to what Australia’s response would be, Senator Wong said the

government would ‘consult with countries around the world’ and ‘work with international partners... about how it is we respond to this report and more broadly.’ One avenue, she suggested, would be to focus on improving the Modern Slavery Act – a pre-election undertaking by Labor – to ‘use supply chains to ensure we don’t promote, we don’t condone and we don’t financially support forced labour.’

The PRC Ambassador [labelled](#) the report an ‘absolute fabrication’ and ‘a product of manipulation and cohesion’.

Review of TikTok and WeChat

The *Sydney Morning Herald* [reported](#) on September 4 that Home Affairs and Cyber Security Minister Clare O’Neil had directed her department to investigate the data collection practices of social media companies, including TikTok and WeChat. She stated, ‘We’ve got this basic problem here where we’ve got technology companies that are based in countries with a more authoritarian approach to the private sector’.

Minister O’Neil said that the government would be ‘getting a brief about options’ but, with respect to TikTok, were not considering a ban.

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