This edition features:

- Summary and analysis of major developments in August 2022

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Security, defence and strategic competition in the region continued to be prominent themes in Australia’s discussions on the People’s Republic of China (PRC) this month. With the fundamental strategic challenges arising from the PRC’s posture in the region, this is likely to continue unabated in future. The government, while cleaving to its election pledge to change Australia’s rhetorical tone on the PRC, has kept national security firmly in its sights. Indeed, Opposition Leader Peter Dutton declared that, in his estimation, the government had been ‘strong enough’ in its response to ‘calling out China’s bad behaviour’.

In the face of the acute tensions in the Taiwan Strait, Prime Minister Anthony Albanese enunciated the need for adherence to continuity in Australia’s PRC policy stating, ‘We need to stay the course we’re on, which is to seek cooperation and positive relations with China where we can but stand up for Australian values and Australian national interests where we must.’

The Australia-PRC relationship overall

On his hundredth day in office, Prime Minister Albanese when asked what he wanted his legacy to be, said, ‘[T]he challenge of China’s rise is there, we need to respond to that. National security is a very broad issue now and it’s about being able to stand on our own two feet.’ He nominated strategic competition with the PRC as one of the three biggest challenges he felt he faced as prime minister this term.

In a speech to the Department of Foreign Affairs and Trade (DFAT), Foreign Minister Penny Wong told departmental staff, ‘I am asking you to help me bring DFAT back to the centre of the Australian government.’ She said:

I want DFAT to be the first adviser on Australia’s engagement in the world. That means lifting. Lifting your ambition. Lifting the quality of advice. Lifting capacity for co-ordination – internally and across government.

... We are not here to simply occupy the space. We are not here to admire the complexity of the problems we face. We are not here to mollify. We are here to advocate.
Speaking specifically in relation to the Australia-PRC relationship, Defence Minister Richard Marles made similar remarks concerning the elevation of diplomacy on August 10:

[H]ow China responds to our comments is a matter for China, but what I can assure the Australian people is that, you know, we will have a different tone to that of the former government. We want to engage in the world in a way that is respectful, is diplomatic, is sober and professional.

He repeated the sentiment on August 14:

What we have sought to do is really change the tone in the way in which we are engaging with the world, but that includes the way in which we engage with China. We’re not going about things with chest-beating. We are really trying to speak with a considered voice in a manner which is professional, which is sober and which is diplomatic.

The government’s stance on the PRC and national security has thus far received bipartisan support. Opposition Leader Dutton noted, ‘We have been very supportive of the government in this regard, and we will continue to do so because our national security is too important to play politics with.’ He declined to concede that ‘Labor’s relationship with Beijing is more conciliatory than what the Coalition had’, stating, ‘I support the comments of Penny Wong and Richard Marles and the Prime Minister. They essentially echo the comments that we’ve been making for the last couple of years.’

PRC Ambassador to Australia Xiao Qian addressed the National Press Club (NPC) on August 10, his second public address since assuming his post in January. While there were mixed reactions to his appearance, with Liberal Senator Jim Molan writing to the NPC exhorting them to ‘revoke all future speaking invitations to representatives of the Chinese Communist regime’, Acting Prime Minister Marles, on the day of the Ambassador’s address, said, ‘I actually think it’s important to hear from the Chinese Ambassador within our media.’

On the PRC’s trade punishment of Australia, Ambassador Xiao said, ‘Currently, there have been top level communications... even face-to-face contacts but we have not yet come to the stage to discuss about how to solve those specific issues. We’re ready to compare notes with the new government and to get engaged in the process.’

While the PRC Foreign Ministry continues to be vocal in its criticisms of Australia, the Ambassador has maintained a slightly more conciliatory tone. He concluded, for example, an opinion piece asserting Beijing’s view on Taiwan with the paragraph, ‘With the new Australian government coming to power, we have seen a good start to reset China-Australia relationship. Keeping the positive momentum free from unnecessary disturbance and disruption will serve the fundamental interests of our two countries and two peoples.’

Security challenges presented by the PRC

In a CNN interview on August 1, Prime Minister Albanese stated that while ‘we want to have good relationships with China and cooperate where we can,’ ‘[u]nder Xi, China has become more forward-leaning, more aggressive in the region. We have strategic competition.’

The Prime Minister and Defence Minister launched a Defence Strategic Review on August 3 to ‘examine force structure, force posture and preparedness, and investment prioritisation’ given the ‘changes in Australia’s strategic environment are accelerating more rapidly than predicted in the 2012 Force Posture Review.’ The review and its recommendations will be delivered to the government by March 2023. The Prime Minister said in a subsequent press conference, ‘[T]he context in which this review takes place in well known. We live in an era where there’s strategic competition and increased tension in our region. And where China has taken a more aggressive posture in the region.’

Defence Minister Marles noted that ‘[e]xploring how our capabilities can better integrate and operate with the United States, the United Kingdom and other key partners will also be an important element of the Review.’ He visited Germany, the UK and France from August 29 to September 1, publishing opinion pieces in the
Frankfurter Allgemeine Zeitung, The Times, and Le Figaro calling in each for closer ties as ‘the world faces the most serious strategic tensions for generations.’

The opposition, and the Opposition Leader in particular, deployed stronger language on the PRC in discussions of security matters. This included expressions of concern directed at the PRC’s actions in relation to Taiwan (see the next section), in the South China and East China Seas, its border disputes with India, non-adherence to the rule of international law and foreign interference. In a series of interviews, Mr Dutton referred to ‘deeply concerning acts’ that Australia should ‘condemn… because they are provocative,’ ‘acts of aggression… [that] are quite phenomenal,’ and ‘bullying behaviour’ (repeated several times). He stated in a doorstop interview, ‘[W]e need to be very open about the behaviour of China because if we just close our eyes and ears, the problem is not going to go away, it’s going to compound and get worse.’ During an appearance on the ABC’s Q+A program on August 11, Shadow Minister for Countering Foreign Interference James Paterson said, ‘The reason why the Chinese Communist Party is labelled as the biggest national security threat to Australia is because they are.’

Taiwan

United States’ House Speaker Nancy Pelosi’s visit to Taiwan on August 2, and Beijing’s aggressive responses in the form of military exercises and missile launches, prompted calls for calm from senior Australian political figures in the first half of August. These were accompanied with statements opposing unilateral attempts to alter the status quo across the Taiwan Strait, together with those affirming that Australia’s support for the one China policy remains unchanged. While the government’s responses were generally measured, significant concerns were directed at the PRC’s decision to launch ballistic missiles near Taiwan as part of a series of military drills.

In a CNN interview on August 1, immediately prior to the US Speaker’s visit, the Prime Minister was asked, ‘If China attacks Taiwan, would Australia defend Taiwan militarily?’ He responded, ‘[W]e’re not dealing with hypotheticals’, having ‘taken the view… that it is not in the interests of peace and security to talk up those issues of potential conflict.’ He also reiterated that ‘Australia supports a one China policy, but we also support the status quo when it comes to the issue of Taiwan’. These views were repeated by the Foreign Minister and Defence Minister throughout the month,2 with the Foreign Minister also refraining from being drawn into responding to questions about whether Australia ‘had hitched its wagon to the US and will back Washington if there is conflict over Taiwan’.

The Prime Minister and his senior ministers also declined to be drawn into articulating a view on the US Speaker’s visit, cleaving to the talking point that ‘the level of US engagement with their Taiwanese counterparts is a matter for them.’

Calls for de-escalation were issued by Australia in the wake of the visit. On August 3, Senator Wong said that ‘we should continue to be asserting that all parties should de-escalate tensions, and we should continue with

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others in the region to urge the maintenance of peace and stability in the region and, in particular, across the Taiwan Strait.’

Stronger language was used on August 5 following the launch of ballistic missiles by the PRC into waters around Taiwan’s coastline. Foreign Minister Wong issued a media release expressing Australia’s ‘deep concern’, labelling the live-fire exercises ‘disproportionate and destabilising’ and asserting that she had conveyed Australia’s concerns to her ‘Chinese counterpart along with other regional foreign ministers in the East Asia Summit in Phnom Penh’. In a joint statement following the US-Australia-Japan trilateral strategic dialogue on the same day, the Foreign Minister joined US Secretary of State Antony Blinken and Japanese Foreign Minister Hayashi Yoshimasa to ‘[condemn] the PRC’s launch of ballistic missiles’ and ‘[urge] the PRC to immediately cease the military exercises.’ The statement added that ‘[t]here is no change in the respective one China policies, where applicable, and basic positions on Taiwan’ of the three countries.

In response to this, PRC Embassy in Australia issued a statement which noted that the PRC ‘firmly oppose[s] and sternly condemn[s]… the finger-pointing on China’s justified actions’. It further stated, ‘We also hope that the Australian side... does not follow certain countries’ strategy of containing China with Taiwan, and does not create new troubles and disturbances in China-Australia relations.’

No statement on the exercises by the Quad, the grouping comprising Australia, India, Japan and the US, was issued.

As it denounced the PRC’s provocations, Australia continued to urge calm, de-escalation and restraint. On August 8, the Foreign Minister stated, ‘I think what is most critical at the moment is that the temperature is lowered and calm is restored when it comes to Cross-Strait tensions.’ The Defence Minister made similar remarks on August 10.4

Opposition views

In response to a question on whether Congresswoman Pelosi’s visit to Taiwan was ‘inappropriate,’ the Opposition Leader said that ‘she should have, and I’m pleased that she did because the reaction from China is completely over the top and it’s disproportionate to the visit’. Other members of the opposition, however, chose to use the same kind of language used by the government in relation to the visit. Shadow Defence Minister Andrew Hastie, for example, told a TV interview that it was ‘a question for the United States.’ He said, ‘In the end, we need to continue to engage with China and Taiwan, and to do so through diplomatic channels and through back channels as well, because the last thing we want is miscalculation, as Penny Wong has identified.’

On August 8, Mr Dutton termed Taiwan an ‘independent country’. In an interview the following day, he confirmed he had ‘misspoken’ in using the descriptor. He said, ‘I support the situation as it is at the moment... I don’t support the independence, I don’t support the breaking away. I respect China’s position in relation to Taiwan. But I don’t want to see conflict.’

On August 11, Mr Dutton noted the opposition ‘strongly supported’ the government’s stance. He emphasised in the same interview the danger that the PRC might try to unilaterally alter the status quo in the Taiwan Strait, stating that ‘[t]he Chinese Communist Party has been very clear about their intention to go into Taiwan by hook or by crook,’ and that ‘there were plenty within Europe that didn’t believe that President Putin was going to go into the Ukraine.’ He made a number of comparisons between the invasion of Ukraine and the ramifications of a war across the Taiwan Strait, saying that the latter ‘would be a very significant event, more sophisticated than what we've seen in the Ukraine, more powerful in its force, more casualties.’

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The Prime Minister was asked on August 16, ‘Is an independent Taiwan in our national interest, if it means that we start a war with China? I don’t want to start a war with China, do you?’ He replied, ‘No, I want peace and security in our region. And that means a support for the status quo with regard to the Taiwan Strait.’

**Former prime ministers’ views**

On August 2 former Labor Prime Minister Kevin Rudd tweeted, ‘It is not helpful for Taiwan’s own security interests for US Speaker Pelosi to visit Taipei. Nor is it in China’s interest to escalate to crisis with the US over the visit.’ In an interview with the Indian news service WION later in the month he elaborated: ‘The problem with Pelosi’s visit to Taipei is that it fools around with the symbols of one China policy, and if the US wanted to unnecessarily create an early tripwire for crisis escalation conflict and war by highly symbolic acts, it has brought Taiwan closer to the precipice of war.’

Former Liberal Prime Minister Tony Abbott in a speech to Henry Jackson Society in London said that Australia would be faced with an ‘ominous problem, far worse than the Ukraine war’ if the PRC were to take Taiwan, and stated that ‘China must be made to know that a strike on US bases would invite instant massive retaliations and an attack on Taiwan [would be] resisted not just by Taiwanese, but by US and its allies.’

**PRC Ambassador’s views**

In an address to the NPC, the PRC Ambassador refused to take the use of force off the table in relation to Taiwan. Alluding to the PRC’s new White Paper on Taiwan, he said ‘you can use your imagination’ with respect to its reference to what ‘all necessary means’ meant.

The Ambassador also suggested that a ‘re-education’ process would likely take place in the event of reunification with the PRC: ‘[M]y personal understanding is that once Taiwan is united, come back to the motherland, there might be process for the people in Taiwan to have a correct understanding of China.’

Treasurer Jim Chalmers described the Ambassador’s language as ‘concerning’, while the Opposition Leader called his speech ‘surreal’.

**One China policy versus one China principle**

There have been what appear to be deliberate efforts by PRC diplomats in Australia to muddy the waters with respect to the depiction of the Australian position on Taiwan, referring to an adherence to a one China principle (Beijing’s position) as opposed to a one China policy (Australia’s position). Australia acknowledges, but does not recognise, the PRC’s claim, while maintaining unofficial relations with Taipei.5

In an August 6 statement, the PRC embassy asserted:

> The one-China principle is a solemn commitment by successive Australian governments. It should be strictly abided by and fully honoured. It should not be misinterpreted or compromised in practice.

In an August 24 opinion piece in *The Australian Financial Review*, PRC Ambassador Xiao Qian wrote:

> Australia’s commitment to one-China principle is clear-cut in both concept and content.

> The government of Australia is obliged to stick to its commitment to the one-China principle, both in words and in deeds, in name and in essence, with sincerity, without discount.

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5 See the Australian Government Department of Foreign Affairs ‘Australia-Taiwan relationship’ brief <https://www.dfat.gov.au/geo/taiwan/australia-taiwan-relationship>: ‘Australia’s Joint Communiqué with the PRC recognised the Government of the PRC as China’s sole legal government, and acknowledged the position of the PRC that Taiwan was a province of the PRC. The terms of our Joint Communiqué dictate the fundamental basis of Australia’s one China policy – the Australian Government does not recognise the ROC as a sovereign state and does not regard the authorities in Taiwan as having the status of a national government.’
The PRC and the Pacific

On August 11 former Defence Department head Dennis Richardson told a TV interview, ‘I wouldn’t pay much attention to Chinese statements that they have no intention of establishing a military presence in the Pacific. I think that contest in the Pacific is going to play out over a long period of time. We need to win every time; the Chinese only need to win once.’

While the Australian government has not been as forthright, it is clear that the Pacific will remain a strategic priority for the foreseeable future. On August 31, the Foreign Minister in reply to a question concerning ‘China’s apparent interest in places like Daru and other areas on the southern coast of PNG [Papua New Guinea]’, said:

[W]e’re not going back to where we were. We know that we live in a time where China and others are much more assertive, much more forward-leaning, engaging much more in the region and I think we have to focus on what we can do and what Australia will do... We look to strategic risk and we look to what options Australia has to manage those. And that’s an ongoing challenge which we will continue to engage in carefully and appropriately.

Solomon Islands telecommunications towers

The Solomon Islands announced it had signed a contract with Huawei and China Harbour Engineering Company to build up to 161 telecommunications towers, securing an AU$96 million loan from the Exim Bank of China.

A spokesperson for DFAT stated that while the Australian government was ‘aware’ of the deal, the decision was a ‘matter for the Solomon Islands government’. They noted, ‘Australia supports infrastructure investment that is transparent and open, meets genuine needs, delivers long-term benefits and avoids unsustainable debt burdens.’

On March 2 this year the Australian and Solomon Islands governments had signed a funding agreement in which Australia would provide grant funding for the installation of six new telecommunications towers.

Solomon Islands naval moratorium

On August 30 the US embassy in Canberra released a statement noting that it had a day earlier ‘received formal notification from the government of Solomon Islands regarding a moratorium on all naval visits, pending updates in protocol procedures.’ The next day the Solomon Islands extended this to all nations. This came on the back of repeated concerns, expressed since the Solomon Islands negotiated a security agreement with Beijing earlier this year, that the island could become host to PRC navy ships or even a People’s Liberation Army Navy (PLAN) naval base.

When asked about the decision in an interview on August 31, Defence Minister Marles said, ‘It is a matter for Solomon Islands and we respect that and understand that’. The Defence Minister also conveyed Australia’s aspiration to be regarded as ‘the natural partner of choice with Solomon Islands.’

Sale of the Conflict Islands

In mid-August a retired Australian businessman indicated that he was considering selling 21 of the privately-owned Conflict Islands in Papua New Guinea to the PRC after communications to Australia’s Foreign Minister in relation to the sale were purportedly ignored. In response to the proposal the Prime Minister stated, ‘We’re making sure that Australia’s national interests are protected... We’ll have a look at this particular transaction,’ while noting, ‘This is an issue for the Papua New Guinea government. It’s sovereign territory of Papua New Guinea, not Australian territory.’ He also stated ‘There’s a lot of real estate across the Pacific. Australian taxpayers aren’t in a position to buy all of it,’ and warned Australians to ‘think about the implications if sellers of assets came through the media, say, ‘I want Australia to buy this or else there’s implications – we’ll sell it to China’, think about where that ends.’ Later in the month the Foreign Minister echoed these statements: ‘We can’t buy every island and I am certainly not going to have a discussion through the media, but I would
say to Australians: we recognise the importance of looking at investments with an eye to Australia’s strategic interests.’

**Port of Darwin**

The review of the Port of Darwin lease, currently held by PRC company Landbridge, remains ongoing.

On August 22, the ABC reported it had lodged a Freedom of Information request for the findings of the Defence Department review of the port lease commissioned by the Morrison government. It was unsuccessful in gaining approval for their release. When asked why the information was not disclosed, the Defence Minister said ‘the information that was going to be put out there has been determined to be classified.’ He also stated that the current government did not have access to the advice provided to the previous government.

The ABC did, however, obtain ‘whole of government’ talking points that had been issued to the Morrison government in January.6

The Prime Minister told a press conference on August 22, ‘People would be aware that [the port] was leased out to a company connected, very directly, with the government of the People’s Republic of China. We opposed it, I was the Shadow Infrastructure Minister at the time and we were concerned about that. We expressed our opposition.’ He also undertook to make advice from Defence public once received. The next day Defence Minister Marles was asked if he was ‘prepared to cancel the lease’ if advised to do so. He replied, ‘I don’t want to pre-empt…what advice we get.’

In an interview on August 29, a Landbridge Port Operations board member spoke out about the ongoing scrutiny over the Darwin Port lease, saying, ‘To single us out for special treatment, I think it is undeserved’, that Darwin Port ‘is not owned by the Chinese government... [it] is owned by the Northern Territory government.’ He said, ‘From our perspective, I see nothing that we would fear should it [Defence Department review findings] be released.’

**Detention of Yang Hengjun and Cheng Lei**

During his NPC address on August 10, PRC Ambassador Xiao briefly touched on the detention of Australian citizens Yang Hengjun and Cheng Lei. He stated that Mr Yang’s case ‘still under jurisdiction process and we want to sort it out according to Chinese rule and the laws’ and on both cases claimed that ‘their basic rights are well protected’. This is contradicted by their treatment to date.

August 13 marked two years since Ms Cheng was detained by PRC authorities. The Foreign Minister issued a media release on the day stating the Australian government would ‘continue to support Ms Cheng and her family, and... advocate for Ms Cheng’s interests and wellbeing.’

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6 According to the ABC, anticipated questions were:

*Will the government act on Defence advice that the Landbridge lease is not a security threat and conclude the review?*

*Is the lease of the Port of Darwin a national security threat?*

*Who is leading the review? Which agencies are involved in the Port of Darwin review?*

*Will government publicly announce the review’s outcomes? If so, when will this occur?*

*Has government engaged with any external stakeholders on the review (international partners, NT government, Landbridge)?*

*Will the AUKUS security partnership have any impact on Landbridge’s lease of the Port of Darwin?*

The Defence Department advised government to keep to high-level responses:

*Defence and other agencies had been engaged to provide advice on the Darwin Port.*

*The review process was ongoing and no decision had yet been made about the lease.*

*The review included the departments of Prime Minister and Cabinet, Foreign Affairs and Trade, Home Affairs and the national intelligence community. The AUKUS partnership and Landbridge’s lease of the Darwin Port were unrelated.*

One day prior, Mr Marles as Acting Prime Minister told journalists, ‘We will work tirelessly in our advocacy to China in respect of Cheng Lei’, stating that the government was ‘concerned about the application of justice... and procedural fairness,’ describing her situation and separation from family as ‘completely heartbreaking’.

The Prime Minister at the beginning of September said of Ms Cheng’s treatment, ‘[T]he Chinese government needs to do better’.

Xinjiang

On August 31, the Office of the United Nations High Commissioner for Human Rights released a report on the situation in Xinjiang. It found in its overall assessment that ‘serious human rights violations have been committed in the context of the [PRC] government’s application of counter-terrorism and counter-“extremism” strategies.’ It further found:

The extent of arbitrary and discriminatory detention of members of Uyghur and other predominantly Muslim groups, pursuant to law and policy, in context of restrictions and deprivation more generally of fundamental rights enjoyed individually and collectively, may constitute international crimes, in particular crimes against humanity.

On September 1, Foreign Minister Wong issued a statement which highlighted the government’s ‘deep concern’ about the findings of the report. She said that Australia joins ‘with others in the international community in calling on the Chinese Government to address the concerns raised in this report.’ Shadow Foreign Minister Simon Birmingham on the same day called on ‘the Albanese government to consider targeted sanctions in response to human rights abuses in Xinjiang’, noting that they would receive ‘bipartisan support’ from the Coalition.

Liberal Party rhetoric and Australian-Chinese voters

On August 10 The Australian reported that the Liberal Party review into its unsuccessful 2022 federal election campaign would investigate ‘massive swings against the Liberal Party in seats with high numbers of Chinese-Australian voters’ as shown by new Australian Bureau of Statistics figures. These swings were partially attributed by ‘party figures’ to the fact that ‘not enough was done to separate voters of Chinese heritage from the former government’s aggressive pushback against Beijing.’ Opposition Leader Dutton rejected the notion that ‘sometimes... yourself and others have made an unclear criticism between the Chinese government and the Chinese people’, saying, ‘I just don’t think we have’. He stated further, ‘When we talk about problems that we have with other countries, our comments aren’t an attack on those people’. In a separate interview he said ‘my position is not going to change’, and that to do otherwise would be ‘appeasement’. He stated, ‘[I]t’s not a slight on the Chinese – who are wonderful people and wonderful migrants to our country – when you’re talking about President Xi.’

COVID-19 inquiry

A new book by News Corp journalists noted that an April 20 National Security Committee meeting was reportedly ‘where the plan to call for [a COVID-19] inquiry was hatched’. It should be noted that then-foreign minister Marise Payne first articulated the call during a TV interview on April 19.

Australian beef ban rumours

In mid-August rumours swelled that the PRC might temporarily ban all beef imports from Australian and New Zealand over concerns of foot and mouth disease. Asked about whether the rumoured ban was expected to go ahead in a radio interview on August 16, the Prime Minister, tying the controversy with ongoing trade disputes, said: ‘Well, they certainly shouldn't. There is no justification for any of the economic sanctions that have been put in place by China.’

An opinion piece in the PRC’s state mouthpiece the Global Times responded by claiming ‘[t]here is a clear overreaction to a mere market rumour from the Australian side,’ but that Prime Minister Albanese’s statement
‘indicates the lack of political willingness to address fundamental issues impacting China-Australia economic and trade relations.’

The rumoured ban ultimately did not eventuate.

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