

Australia-China monthly wrap-up

October 2023



Key points:

- **Prime Minister Anthony Albanese announces dates for a prime ministerial visit to the PRC** and describes the trip as symbolising the ‘normalisation’ of relations. He emphasises that the US is engaging with the PRC in a similar manner
- **Cheng Lei is released** after more than three years in detention
- **Beijing commences a five-month review of its tariffs on Australian wine**, with Australia agreeing to suspend its World Trade Organization case on the matter while the review takes place
- **Australia’s Anti-Dumping Commission makes a preliminary recommendation to allow tariffs on PRC-made wind towers to expire** in April next year
- **Australia and the US take steps towards closer cooperation on critical minerals.** The Prime Minister announces a \$2 billion boost to critical minerals financing in Australia via the Critical Minerals Facility, doubling its funding to \$4 billion
- **The Australian government says it will not cancel or vary Landbridge’s 99-year lease of the Port of Darwin**
- **Australia’s intelligence chief Mike Burgess warns that the PRC is engaging in economic espionage, including intellectual property theft, on an unprecedented scale**
- **Defence Minister Richard Marles calls for the strengthening of a collective effort to deter conflict in the Taiwan Strait**, saying, ‘[W]e cannot be passive bystanders’

Elena Collinson and Corey Lee Bell

The political relationship overall

Confirmation of a prime ministerial visit

On October 22, Prime Minister Anthony Albanese [announced](#) that dates had been set for a prime ministerial visit to the People’s Republic of China (PRC). The trip would involve travel to Shanghai and Beijing over November 4 to 7, meeting with President Xi Jinping and Premier Li Qiang, as well as attending the sixth China International Import Expo.

Asked what he hoped would come out of the visit, the Prime Minister [replied](#) that ‘the visit in itself is a positive’, citing the recent ‘breakthroughs’ in trade impediments, such as in barley, coal, and timber, as well as the release of detained Australian citizen Cheng Lei (see ‘Release of detained Australian citizen, Cheng Lei’ below). He [stated](#) he would be ‘direct’ about Australia’s concerns, such as with respect to [remaining trade impediments](#) on Australian goods, the [South China Sea](#) and the [continuing detention of Yang Hengjun](#). He had also [repeatedly](#) stated throughout the month that the visit would not be ‘transactional’.

Mr Albanese [described](#) the visit as symbolising the ‘normalisation’ of relations and ‘a more stable relationship’, adding that he was ‘very much looking forward’ to the trip and accentuating the importance of dialogue. The need for engagement was also underlined earlier by Foreign Minister Penny Wong who [said](#):

[R]egardless of disagreement or where we can cooperate, engagement matters for Australia. You need to engage in order to advocate for Australia’s national interest.

The Prime Minister [maintained](#) that Australia was continuing its work towards ‘stabilising’ the relationship, at some variance with Beijing, which has [characterised](#) the relationship as having reached stabilisation, and has spoken of ‘advancing’ the relationship.

He also [emphasised](#) that the Washington ‘welcomes’ the trip, pointing out that the US ‘have had visitors to China. President Xi will visit the United States for the APEC meeting next month as well.’

Opposition Leader Peter Dutton [said](#) the opposition were ‘very happy for the visit to take place’ but that the Prime Minister would have to deliver some ‘tough messages’, noting that ‘President Biden’s been clear about that as well.’

PRC Ambassador to Australia Xiao Qian [told](#) a business audience in Canberra that he ‘expect[ed] this visit to lay down a solid foundation for a friendly and cooperative relationship... not only in the coming years, but coming decades’, highlighting the nations’ comprehensive strategic partnership.

Former PRC Premier Li Keqiang’s death

On October 27, Li Keqiang, premier of the PRC from 2013 to 2023, [passed away](#) at the age of 68 after suffering a heart attack, seven months after leaving office.

Prime Minister Albanese released a [message of condolence](#), saying that ‘significant strides’ had been made in the Australia-PRC bilateral relationship during Mr Li’s time in office.

The economic relationship overall

Wine

On October 22, just prior to departing for the US, the Prime Minister [announced](#) that Australia and the PRC had reached an agreement, arrived at late evening on October 21, that the PRC would conduct a five-month review into its tariffs of up to 220 percent on Australian wine. He stated that this was ‘a very significant decision’ as unlike some other products that had been, or continue to be, subject to trade restrictions, ‘the wine industry have indicated they were having difficulty finding other markets to fill the gap’. Therefore, the Prime Minister said, ‘this is critical.’

Trade Minister Farrell [repeated](#) the Prime Minister’s characterisation of the issue, saying, ‘We’ve been working really hard on this... The Chinese knew how important it was to us, and... unlike other products, we found it very difficult to find alternative markets, into say India or the United Kingdom.’ He described it as an ‘important breakthrough’. He also [cautioned](#) that while it was ‘very, very good news’, there remains ‘a little bit of water to go under the bridge yet.’

Addressing Australia’s case against the PRC in the WTO on its wine duties, Senator Farrell said, that Australia would have won the dispute ‘hands down’, but that would have still left the country ‘with a couple of years of working through the various appeal processes.’ He said that the agreement to a review allows for a ‘guaranteed time frame.’

Shadow Foreign Minister Simon Birmingham welcomed the development but also [asserted](#) that ‘these tariffs should never have been put in place in the first place’, saying that ‘[i]t was an attempt at economic coercion by China.’

Wind towers

On October 16, Australia's Anti-Dumping Commission made a [preliminary recommendation](#) to allow anti-dumping measures on PRC-made wind towers to expire in April next year. The inquiry had been initiated in May. The PRC Ministry of Commerce had in a [submission](#) dated September 20 argued against the continuation of the anti-dumping measures.

The Commission will make its final recommendation to the Minister by February 5 2024.

On October 22, as the PRC's review of its tariffs on Australian wine was announced, state media outlet *Xinhua* [reported](#) a PRC Commerce Ministry spokesperson tying together the issues of wine and wind towers, portraying the steps taken on each matter as part of a package deal:

China and Australia have reached consensus in terms of properly settling disputes of common concern, including the ones concerning wine and wind towers, under the framework of the World Trade Organization.

Such a package deal had been [proposed](#) by Beijing in September and publicly [rejected](#) by Australian ministers. Senator Farrell [said](#) earlier this month that Australia saw the two matters as 'separate issues'. Asked about Beijing's characterisation, the Trade Minister [said](#) the Anti-Dumping Commission was 'independent of government. ... and that body deals with those issues quite independent of government.' He added, 'We're not transactional.'

Both the [Prime Minister](#) and [Trade Minister](#) have continued to reject the suggestion there was any quid pro quo on the wine issue.

Lobster

On October 26, while [discussing](#) the continuing trade impediments to Australian live lobster, Senator Farrell said that although 'alternative markets' had been found, they were 'not at the price that the Chinese were buying, so it's a significant issue'.

Business relations

The US was named for the first time as the market most traded with by Australian businesses in an Australian Chamber of Commerce and Industry [survey](#) of 154 small, medium and large businesses across all Australian states and territories. The PRC had previously topped the list in all surveys since it started six years ago.

The China-Australia Free Trade Agreement was perceived by survey respondents to be the most useful of Australia's existing trade agreements.

Trade Minister Farrell in a [speech](#) to the Australia China Business Council on October 18 continued to press the Australian government's message of diversification – the 'central plank' of its trade policy strategy – saying, 'We continue to support Australian businesses engagement in the Chinese market, while encouraging them to manage risk and explore new market opportunities'.

He identified health and aged care products and services in the PRC as areas in which the government saw opportunities for further growth in commercial cooperation.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership

The *South China Morning Post*, citing an anonymous source, [reported](#) that Australia 'will not oppose' the PRC joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and will 'consider China's application on its merits.' The same source told the news outlet that Australia 'will not advocate for Taiwan's CPTPP membership, despite Japanese pressure to do so.' The source was presented as completely de-identified, rendering the accuracy of the remarks difficult to ascertain.

Foreign investment

On October 31, Australian press [reported](#) that Northern Minerals Ltd, which owns Australia's only heavy rare earth mine, had 'asked the Foreign Investment Review Board (FIRB) to probe whether recent share acquisitions are a covert attempt by Chinese interests to gain control' of the company's assets in Western Australia. The 'interests' in question involved Yuxiao Fund, an investment fund registered in Singapore controlled by a PRC businessman, which had a bid to raise its ownership of Northern Minerals Ltd from just under 10 percent to 19.9 percent [blocked](#) by Treasurer Jim Chalmers on recommendation from the FIRB.

Release of detained Australian citizen, Cheng Lei

On October 11, the Australian government [announced](#) Cheng Lei's return to Australia after more than three years of detention in the PRC. Ms Cheng's sentencing had been delayed more than six times since her one-day closed door trial in March 2022.

On the same day, the PRC's Ministry of National Security issued a [statement](#) asserting that the Beijing No. 2 Intermediate People's Court had sentenced Ms Cheng to two years and 11 months of imprisonment, followed by deportation after completion of her prison term.¹ A similar, if broader, formulation was used in the Australian announcement, attributing Ms Cheng's release to 'the completion of legal processes' in the PRC. The Prime Minister [said](#) in an interview that judicial processes were 'completed with time served in detention being taken into account.'

Mr Albanese [stated](#) that nothing had been negotiated with PRC authorities to facilitate Ms Cheng's release and return to Australia. He [added](#) on October 12, 'We don't deal with China on a transactional basis.'

Foreign Minister Wong [attributed](#) Ms Cheng's return to 'persistence, consistent advocacy.' She noted that Ms Cheng's had been raised in 'every meeting I've had with every Chinese counterpart', which had then been 'backed in' by Department of Foreign Affairs and Trade officials and 'amplified' by the Prime Minister at a leader level.

Asked whether Ms Cheng was 'being held as a political hostage because the former prime minister, Scott Morrison, called out the COVID situation', the Prime Minister [replied](#), '[I]t's up to the Chinese to justify the position. We made our position very clear that we didn't think the detention... was warranted.'

The opposition in a [media release](#) stated that they were 'thankful this painful episode... has come to a welcome end', acknowledging the government's 'provision of regular confidential briefings to the opposition on the situation.' They also noted their 'deep concern' for Dr Yang Hengjun, who remains in detention in the PRC, and urged the government 'to use all available diplomatic means to equally secure his return'.

Ms Cheng upon return [told](#) Australian press, 'What sounds innocuous to us here... are not in China', adding that 'the gambit of state security is widening'. She confirmed some details on the circumstances leading to her detention, stating that PRC authorities had [alleged](#) she had broken an embargo on a government briefing document by sharing it with another journalist minutes before it was scheduled for release.

Read Cheng Lei's first media [interview](#), providing some detail of her experience while incarcerated, and her [account](#) of freedom.

Detention of Yang Hengjun

In an October 28 [letter](#) to Prime Minister Albanese, Yang Hengjun's sons said they hoped Mr Albanese could 'achieve a second miracle by saving our father, who has now spent four years and nine months in detention'. They urged the Prime Minister to seek Dr Yang's release on [medical grounds](#) during his November visit to the PRC.

¹ See also Ministry of Foreign Affairs of the People's Republic of China, 'Foreign Ministry spokesperson Wang Wenbin's regular press conference', October 11 2023 <https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/202310/t20231011_11159390.html>.

Mr Albanese had [said](#) earlier in the month that the Australian government ‘continue[s] to advocate for Dr Yang’s interests, rights and wellbeing with Chinese authorities at all levels’.

Port of Darwin

On October 20, the Department of Prime Minister and Cabinet issued a [statement](#) advising that ‘it was not necessary to vary or cancel’ the 99-year lease of the Port of Darwin held by the PRC company Landbridge as there was a ‘robust regulatory system in place to manage risks’ and ‘existing monitoring mechanisms’ were ‘sufficient’. The government, it said, had accepted this advice.

The next day, Prime Minister Albanese said that the government had ‘accepted the report’ following examination of the lease by Australia’s security agencies, ‘rather than have to pay out a considerable compensation cost’, which would have applied if there was ‘forced intervention and forced sale’ by the government. He [repeated](#), however, his view, first expressed in 2015, that ‘it’s not an arrangement that I would have entered into’, adding, ‘[A]t the time, I was the Shadow Infrastructure Minister and I wouldn’t have allowed any foreign government to be in a position where they had such a long lease on a very significant port in northern Australia.’

Defence Minister Marles [said](#), ‘[W]e believe that with constant monitoring, with a total focus about our national security, we can manage the situation as we now find it.’

The opposition [criticised](#) the government for releasing the decision ‘without standing up and explaining it’, calling it ‘an appalling display of weak leadership’ and proof that the Prime Minister was ‘out of his depth when it comes to national security’. The previous conservative government had, during their time in office, also conducted a review which [reportedly](#) found no reason to overturn the lease.

On a territory level, the Northern Territory’s Labor Chief Minister, Natasha Fyles, ‘acknowledged’ the review’s findings but [stated](#) that the 2015 decision to lease the port in the first place was ‘one that Territorians did not want and one that would not have been made under a Labor government’. A spokesperson for the territory’s Country Liberal Opposition Leader, Lia Finocchiaro, said that the review ‘gives certainty to Territorians’ and that the focus should now be on growing the territory’s economy and ‘driving greater investment through our Port’.

The PRC Foreign Ministry [welcomed](#) the announcement and expressed the ‘hope’ that ‘Australia will continue to provide a sound environment for Chinese companies to invest and operate in the country.’

The Prime Minister’s US visit

On October 23 to 26, Prime Minister Albanese [travelled](#) to Washington DC for a visit hosted by President Joe Biden.

During a [speech](#) at an arrival ceremony, the Prime Minister said that ‘the heart of our alliance’ was ‘[n]ot a pact against a common enemy’ but rather ‘a pledge to a common cause.’

He elaborated on this in a lunchtime [address](#) to the US State Department:

China has been explicit: it does not see itself as a status-quo power.

It seeks a region and a world that is much more accommodating of its values and interests.

This is where it is the responsibility of every nation that has benefited from the stability and prosperity of the international rules-based order through the last three-quarters of a century, to work together and protect it.

In his meeting with President Biden, the two leaders [discussed](#) cooperation on a number of initiatives implicitly and explicitly motivated by concerns about the PRC. These included the operationalisation of AUKUS, new steps towards building ‘secure’ critical mineral supply chains and an ‘[innovation alliance](#)’, including

a \$5 billion investment by Microsoft into Australia's digital infrastructure. Mr Albanese and Mr Biden also announced joint initiatives supporting connectivity in the Pacific.²

During the leaders' [joint press conference](#), the US President was asked whether Australia could 'trust' Beijing. He replied, 'Trust but verify is the phrase.' Defence Minister Marles subsequently [stated](#), 'I think that advice is right.'

In the same press conference, Prime Minister Albanese, asked about his upcoming visit to the PRC, again sought to draw parallels between Australian and US engagement with Beijing. He said that 'various senior representatives in the US Administration have had meetings with their Chinese counterparts in recent times. Because dialogue is always a good thing.' Indeed, during the Prime Minister's visit, a spokesperson for the White House's National Security Council [stated](#) that 'President Biden believes it is important that we keep lines of communication open with China' and that 'more open lines of communication... is a good thing.'

Critical minerals

The Australia-United States Taskforce on Critical Minerals convened for its inaugural meeting in Washington during Prime Minister Albanese's visit.³

After the meeting, the Prime Minister and Resources Minister Madeleine King [announced](#) a \$2 billion boost to critical minerals financing in Australia via the Critical Minerals Facility, doubling its funding to \$4 billion.

While neither Mr Albanese nor Ms King mentioned the PRC by name while discussing Australia-US cooperation on critical minerals, US Commerce Secretary Gina Raimondo made specific [reference](#) to a 'massive global wake-up call... around the vulnerabilities of our supply chains', citing COVID, the conflict in Ukraine and 'what we see from non-market actors like China.' She stated:

[W]e've allowed ourselves to become vulnerable by being overly dependent on one or two countries or companies around the world. And as a result, extremely vulnerable to the harm that comes from these supply chain disruptions.

...

I also want to put a fine point on China. I think it's important to call this out... China has a head-start. And that means we have to work a little harder and a little faster. They have the technology and sustained investment over a long period of time, particularly in midstream processing and refining to dominate the market for critical minerals. And we all know, if China were to point that new direction unfavourable to us, it can cause a great deal of pain, very quickly. And so, we have a job to make sure that doesn't happen by drawing closer to one another and becoming less vulnerable. I'd say most troublingly, they've shown a willingness to employ export restrictions on critical minerals as a retaliatory measure. We've seen what's happening with germanium and gallium and most recently, graphite. So what I would say is, it's on us to work more closely as allies and as between government and private sector in the extraction, refining, processing in the whole chain.

Foreign interference

On October 18, Australian Security Intelligence Organisation (ASIO) head Mike Burgess attended a Five Eyes intelligence summit in California, the first joint public appearance of the grouping's intelligence chiefs. The summit had been [convened](#) by the FBI 'to shed light on the threat of innovation theft – especially by China.'

Mr Burgess [stated](#) that the PRC was engaged in 'the most sustained, scaled and sophisticated theft of intellectual property and expertise in human history' and that its behaviour went 'well beyond traditional

² These included new funding for subsea cables in the Pacific; further support for infrastructure development, including efforts to increase the Pacific's access to financing; and cooperation through a new Pacific Banking Forum to ensure Pacific nations maintain access to the global financial system.

³ The Taskforce had been established under the Climate, Critical Minerals and Clean Energy Transformation Compact signed by Australia and the US in Hiroshima earlier in the year.

espionage'. He [added](#), 'I generally don't mention countries', but the PRC has 'sanctioned the wholesale intellectual property theft over a good number of decades... That behaviour must be called out and must be addressed.'

He also [spoke](#) of a plot disrupted by ASIO in September to 'infiltrate a prestigious Australian research institution', in which a visiting professor from the PRC 'set his Australian PhD students research assignments in line with his intelligence requirements.' He stated that the academic 'removed' from Australia 'before the harm could be done'.

Home Affairs Minister Clare O'Neil [said](#) that Mr Burgess was allowed to comment 'factually' on national security and that she 'support[ed] him in doing so.'

Taiwan

In an [opening address](#) to the Seoul Defence Dialogue on October 18, Defence Minister Marles called for a strengthening of a collective effort to deter conflict in the Taiwan Strait. He said:

Australia does not take a position on the final status of Taiwan other than it must be arrived at peacefully, consistent with the will of peoples on both sides of the Strait, and not through the use of force or coercion. But the consequences of US-China conflict over Taiwan are so grave that we cannot be passive bystanders.

Earlier in the month, former prime minister Scott Morrison travelled to Taiwan for the first time, [meeting](#) with Taiwan's President Tsai Ing-wen and Foreign Minister Joseph Wu that day and delivering an address at the Yushan Forum the day after.

In his address to the Forum, he called for a reconceptualisation of Australia's one China policy, equating the maintenance of current settings to 'appeasement':

Some will argue that updating our understanding of the status quo regarding Taiwan and our one China policy settings risks provoking the PRC and injuring the fragile stability that has been achieved over the past fifty years.

But such criticism confesses to the PRC being an aggressor that needs to be appeased through one China policy settings, rather than actively deterred. I am in the deterrence camp.

PRC Ambassador Xiao [described](#) Mr Morrison's Taiwan visit as a 'serious concern', but overall the reaction from Beijing was muted.

Regional relationships – Southeast Asian nations

Philippines

On October 10, Foreign Minister Wong and Trade Minister Farrell met their Philippine counterparts, Foreign Secretary Enrique Manalo and Trade Secretary Alfredo Pascual, for the 6th [Philippines-Australia Ministerial Meeting](#) in Adelaide.

The [joint statement](#) issued after the meeting said the two nations were 'looking forward to the positive contribution [AUKUS] will make to regional balance and the collective security of the region'. It also noted the two nations' position 'that the South China Sea Arbitration Award of 12 July 2016 is final and binding on both parties'. Secretary Manalo had [emphasised](#) during ministerial discussions that 'the West Philippines Sea, South China Sea remains of foremost regional concern.'

The [joint statement](#) out of Prime Minister Albanese's meeting with President Biden also noted the nations' recognition that 'the 2016 South China Sea Arbitral Award is final and legally binding on the parties in that proceeding'. The statement expressed concern about the PRC's 'excessive maritime claims'. President Biden then [stated](#) in a press conference:

The United States Defence commitment to the Philippines is ironclad. The United States Defence agreement with the Philippines is ironclad. Any attack on the Filipino aircraft, vessels or armed forces will invoke our mutual defence treaty with the Philippines.

Senator Wong [indicated](#) that the joint patrols in the South China Sea [discussed](#) by Prime Minister Albanese and President Ferdinand Marcos Jr in September were still on the table. She said, '[W]e're not making an announcement on when, but the intention remains as the leaders announced'.

Regional relationships – Northeast Asian nations

Over October 18 to 19, Defence Minister Marles [travelled](#) to Seoul and Tokyo to attend the Seoul Defence Dialogue 2023 and meet with the nations' defence ministers.

During a panel discussion at the Seoul Defence Dialogue on October 18, Mr Marles stated that 'getting the hard power equation right is only part of the picture'. He said that nations should also seek to diversify supply chains while not 'falling the trap of decoupling'; 'participate in the difficult task of norm building' through international organisations; and 'commit to transparency' in detailing defence strategies.

Mr Marles met his new South Korean counterpart, Shin Won-sik, the following day. The ministers [exchanged](#) signed memoranda of understanding (MoUs) between the Australian and Korean Army, Navy and Air Force focused on the creation of opportunities 'for increased interoperability'.

Mr Marles then travelled to Tokyo to meet his Japanese counterpart, Kihara Minoru, for the annual Australia-Japan Defence Ministers' Meeting. In [opening remarks](#), Mr Marles asserted that 'there is no country in the world with whom we have a greater strategic alignment than Japan.' Pointing to the two nations' respective alliances with the US, the 'complex relationship' both have with the PRC, he said, '[W]hen we think about Australia's future national security, completely central to that is the very best relationship that we can have with Japan. It is foundational for us'.

Regional relationships – Pacific Island nations and Timor-Leste

Fiji

Fiji's Prime Minister Sitiveni Rabuka [visited](#) Australia on October 16 to 21.

In a [speech](#) on October 17, Mr Rabuka called for a 'zone of peace' in the Pacific, in which nations would commit to 'refraining from actions that may jeopardise regional order and stability' and 'maintaining respect for each other's sovereignty and territorial integrity.' Foreign Minister Wong [said](#) of the peace plan that '[i]t's a vision that we share.'

The Fijian Prime Minister said in the same speech, 'Fiji's position is very clear. We are friendly with China now, and the US always, and do not want to be caught in the struggle between the superpowers'. He welcomed Washington's pivot to the region and [called on](#) Australia 'to look after the Pacific' and not 'abandon us again'. He also rejected aid that came with strings attached, stating, 'Unfortunately, some aid donors expect us to be compliant, to submit to their demands, so we have to be very, very careful.'

The next day, Mr Rabuka and Mr Albanese [signed](#) an updated Vuvale Partnership which 'elevates our shared commitment to tackling climate change and strengthening our economic and trade partnership', announced a boost in Australian aid and signed a new MoU on cybersecurity cooperation. The leaders also agreed to include Fiji as a pilot country for a new Australian visa processing service.

Asked about Pacific views on security cooperation with the PRC during a [press conference](#) Prime Minister Rabuka replied, 'We're more comfortable dealing with traditional friends that we have similar systems of government, our democracies are the same brand of democracy'.

At the end of the month, Fiji withdrew from a United Nations [cross-regional joint statement](#) calling on the PRC to end human rights abuses in Xinjiang, [stating](#) the move was ‘based on its policy of non-interference’, and noting ‘Fiji attaches great value to its bilateral relations with the People’s Republic of China’.

Papua New Guinea

On October 4, Australia [delivered](#) a fourth Guardian class patrol boat to Papua New Guinea, the 17th *such vessel delivered under the Australian government’s Pacific Maritime Security Program*.

The next day, Defence Minister Marles and Papua New Guinean Defence Minister Win Bakri Daki met in Geelong for the annual [Australia-Papua New Guinea Defence Ministers’ Meeting](#). In a [joint statement](#), the ministers ‘committed to continuing to support Bilateral Security Treaty negotiations’ and marked several developments in growing ties between the two’ nations defence forces. This included the [secondment](#) of a PNG Defence Force officer to Townsville’s 3rd brigade, the first time a Pacific military officer had been appointed as a deputy commander of an Australian combat brigade.

Timor-Leste

Timor-Leste President José Ramos-Horta in a [discussion](#) about Timor-Leste’s new comprehensive strategic partnership with the PRC, signed last month, stressed that his government’s focus was on development assistance as opposed to military cooperation. He also referred to a reluctance on Beijing’s part to increase support for defence infrastructure due to Australian ‘sensitivities’:

[W]hen I chat with the Chinese about increasing their support to our police force, like building our whole compound, they’d say they’d be willing to do it, but they’d be concerned about the overreaction, or potential overreaction in Australia and elsewhere.

So, the Chinese are actually sensitive to the sensitivities of our neighbours. They are more respectful of Australia’s position than Australia is of the Chinese position.

He said further, however, that ‘There is a much better climate between us and Australia’, making reference to unspecified progress in the development of the Greater Sunrise gas fields.

Pacific Engagement Visa

On October 18, the Australian Senate [passed](#) legislation facilitating the delivery of a new Pacific Engagement Visa, which will enable up to 3000 nationals of Pacific Island countries and Timor-Leste to migrate to Australia as permanent residents annually.

Return of smuggled artefacts

On October 25, Australia [returned](#) to Beijing three artefacts of historical significance that had been smuggled out of the PRC: two Tang Dynasty figurines and a dinosaur fossil.

The PRC Foreign Ministry [expressed](#) Beijing’s ‘appreciation’, saying the handover ‘sets a fine example of China-Australia people-to-people exchanges.’

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