

The thaw in Australia's relations with China could be fleeting

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The release last week of Cheng Lei, an Australian journalist who had been detained by Beijing for more than three years, has highlighted a [noticeable thaw](#) in relations between China and Australia since Prime Minister Anthony Albanese took office in May. That it comes ahead of an anticipated visit by Albanese to Beijing to meet with Chinese President Xi Jinping suggests both sides have agreed to put the acrimony of recent years behind them.

But while the Albanese government has changed the tone of relations with China, the substance of its policy—on China, but also [more generally](#)—has largely represented continuity with that of its predecessors. In fact, nowhere has that continuity been more evident than with respect to what is perhaps *the* defining foreign policy and national security question for Australia: how to manage the impact of a powerful and assertive China on both Australian and regional security.

Under the government of Albanese's predecessor, former Prime Minister Scott Morrison, and now under Albanese's government, Australia has arguably made its [long-debated](#) 'China choice.' Rather than attempt to convince Washington and Beijing of the security benefits of a great power 'concert' in the Indo-Pacific, Canberra has decided to actively *do more* to sustain US power in the region. This is based on the not unreasonable conclusion that US hegemony has provided Australia with an extraordinarily amenable regional status quo.

Nevertheless, the Albanese government has undertaken these efforts with a simultaneous attempt to [avoid](#) the [febrile](#) rhetoric that often characterised Morrison's handling of China. That has been accompanied by a commitment, in Albanese's [words](#), to engage 'constructively' with Beijing, 'including on issues where there are differences' between the two sides.

In essence, the Albanese government is pursuing the same objectives as that of its predecessor, while trying to minimise the risks of raising Beijing's ire for doing so by avoiding 'megaphone' diplomacy. To date, this prudent approach has been relatively successful in improving bilateral relations from the parlous state of the previous three years, as evidenced by Lei's release.

However, the question remains as to whether this approach can be anything more than a short-term fix given the deeper structural conditions that appear destined to keep Canberra and Beijing, at best, in a latent state of tension.

The souring of Australia-China relations

When Albanese took office, Australia-China ties were arguably in their **worst shape** since the aftermath of the Tiananmen Square massacre in June 1989. There had been no bilateral ministerial meetings for over two years and no formal leader-level talks for nearly six years. The Morrison government's **ill-advised** call for an international inquiry into the origins of COVID-19 in 2020 served as the immediate cause for the open and rapid deterioration of relations, punctuated by China's infamous list of 14 **grievances** against Australia and the **imposition** of tariffs worth \$25 billion on Australian exports.

But bilateral relations had been souring for some time previously due to several factors.

First, the years from 2016 onward had been punctuated by regular controversies over Chinese interference and influence activities in Australia. These included exposure of cyberattacks on Australian **government** agencies and **breaches** of email servers at the Australian Parliament by suspected Chinese entities. Additionally, the use of social media to promote positive images of China and its government, using platforms like WeChat, had been **flagged** as an effort by the CCP's United Front Work Department to influence opinion within Australia's large Chinese diaspora. And controversies regarding the links of a number of **Australian politicians** to Chinese state or state-linked entities and individuals led to domestic legislation to regulate the conduct of officials and lobbyists with access to political elites via the **Foreign Influence Transparency Scheme**.

Second, concern in Canberra over the leverage that Beijing enjoyed due to Australia's **economic dependency** on China, as well as investments by state-linked Chinese companies in Australia, had been growing since the early 2010s. One response was the toughening of Australian foreign investment regulations under the government of former Prime Minister Malcolm Turnbull from 2015 to 2018, including consideration of a 'national security test' for Chinese investment in sensitive industries and the **appointment** of the former senior Australian intelligence official David Irvine to chair the Foreign Investment Review Board in 2017. The Turnbull government's **decision** to bar Chinese telecommunications companies Huawei and ZTE from Australia's 5G network, based on advice from the Australian Signals Directorate, further underscored Canberra's concern that investment by Chinese companies in critical infrastructure would compromise national security.

Third, Australia's consistent criticism of Chinese claims in the South China Sea proved an ongoing sore point for China. Beijing took Canberra's **position** of support for states' rights to **freedom of navigation** and freedom of overflight in the South China Sea; its criticism of China's island-building and militarisation of its territorial claims; and its support for the July 2016 arbitral court ruling that Beijing's 'nine dash line' claims were without legal foundation as signs of Australia's 'interference' in what Beijing claims as a 'core interest.'

Finally, the **worsening** human rights situation in China under Xi's leadership—including the ongoing mass repression of Turkic Muslim ethnic minorities in **Xinjiang** and the imprisonment of Chinese-Australian author **Yang Hengjun**, in addition to **Lei**, on charges of 'espionage' and 'illegally supplying state secrets overseas' respectively—also prompted strong condemnation by the Morrison government.

From Beijing's perspective, each of these developments demonstrated that Australia, in the words of a December 2020 column in the **Global Times** tabloid, was 'a warhound of the US' stepping to the 'forefront whenever a Western country launched an anti-China crusade.'

Improving bilateral relations from a low base

Albanese's ability to overcome this legacy to the extent that he is now set for an official **visit** to Beijing on Xi's invitation in the coming weeks has been aided by three major factors.

First, Albanese's **desire** to reestablish government-to-government communication has aligned with a post-pandemic 'pragmatic' **turn** in Chinese foreign policy geared to 'improving diplomatic ties that have soured badly and boosting a deeply strained economy.' China's pandemic-induced economic difficulties, **combined** with the increased importance of Australian commodity supplies after the Russian invasion of Ukraine, have arguably factored into Beijing's easing of bilateral tensions.

Second, the Albanese government's [consistent messaging](#) that it 'will cooperate where we can, disagree where we must, manage our differences wisely, and above all else ... vigorously pursue our own national interest' in relations with Beijing has positioned Australia as a more conciliatory actor than it was under Morrison's government. This approach has paid some dividends. Since Albanese's [meeting](#) with Xi on the sidelines of the G-20 summit in Bali in November 2022, there has been a pronounced uptick in high-level dialogue and a [variety](#) of ministerial-level talks, [including](#) on the vexatious trade and tariff issues. Lei's release should also be seen in this light.

Third, Albanese has also made some tactical compromises. For instance, it [suspended](#) Australia's World Trade Organization [case against Chinese tariffs](#) on Australian barley in return for Beijing removing the 80.5 percent anti-dumping and countervailing duties it had imposed. Although this decision, as Benjamin Herscovitch [noted](#), denied Australia the opportunity to 'highlight China's trade malfeasance' through a likely successful WTO case, it did provide the Albanese government with a domestic political win, restoring Australian barley producers' access to the Chinese market and demonstrating the diplomatic benefits of mutual concession and compromise.

Perhaps most problematically for critics, the Albanese government has [pulled](#) its punches on one of the most difficult human rights issues in the quest for reestablishing working relations with Beijing. While in opposition, the Labour Party not only condemned China's repression in Xinjiang but also [called](#) for tougher measures by the Morrison government. Yet now in office, it has not acted on that sentiment by, for instance, sanctioning Chinese officials and entities implicated in that repression, even though the Morrison government passed legislation allowing for such [Magnitsky-style](#) sanctions in 2021.

How Australia's 'China choice' limits the resetting of relations

Such cautious improvement in bilateral ties has so far produced some beneficial results for Australia. Yet the question remains as to how far this 'calm and consistent' approach can go in resetting the relationship. In fact, Australia's recent thinking on how to adapt to the rise of a powerful and assertive China suggests that the current improvements may well prove to be fleeting.

Under former Prime Minister John Howard's long tenure from 1996 to 2007, Canberra's ability to manage Australia's continued commitment to its security alliance with the US while simultaneously deepening economic and trade engagement with China was based on the assumption of continued US primacy in Asia. Washington's power, and Australia's alliance with the US, [amounted](#) to an insurance policy should China translate its growing economic heft into military and strategic power to undermine regional security. This approach has been of [declining](#) utility since the late 2000s, as crises of US power induced by the global financial crisis and military [misadventures](#) in the Middle East combined with growing Chinese power and assertiveness to undermine faith in the assumption of continued US primacy in Asia.

However, rather than accept declining US power and accommodate itself to growing Chinese power and influence, [successive](#) governments from that of former Prime Minister Kevin Rudd, from 2007 to 2010, through to Albanese have chosen to focus Australian strategic and defence policy on bolstering US power in the region to [combat](#) a China that, in the words of current Foreign Minister Penny Wong, 'uses every tool at its disposal to maximise its own resilience and influence.'

Australia's 'China choice' is thus a choice for a balance-of-power world. Indeed, as Wong [asserted](#) in that same April 2023 address to the National Press Club in Canberra, Australian statecraft aims to ensure a 'predictable region, operating by agreed rules, standards and laws. Where no country dominates, and no country is dominated. A region where sovereignty is respected, and all countries benefit from a strategic equilibrium.' The best way to ensure this, Wong [implied](#), is through supporting US efforts to maintain the status quo, as competition between Washington and Beijing 'is not merely about who is top dog' but rather 'about the rules and norms that underpin our security and prosperity, that ensure our access within an open and inclusive region, and that manage competition responsibly.'

Balance-of-power systems [are](#) ultimately not geared toward avoiding war. Rather, they are geared toward avoiding hegemony, if necessary at the price of war. Thus Australia has begun to [reorient](#) its defence strategy and capabilities toward deterrence, most notably demonstrated through the [2021 AUKUS agreement](#) with the

UK and the US as well as this year's [Defence Strategic Review](#). The [deepening](#) commitment to the US alliance has been coupled with [increased investment](#) in diplomatic, economic and security cooperation with other allies and like-minded states, as well as efforts to 'de-risk' the [Australian](#) economy from its dependence on China.

This posture, as Wong argued, aims to ensure that the region can continue 'trading together at the epicentre of global economic growth, through a transparent system, where economic interdependence is not misused for political and strategic ends.' In addition, it is meant to sustain Australia's capacity to contribute to a 'sufficient' balance of power 'to deter aggression and coercion.' Ultimately, 'strategic reassurance through diplomacy,' Wong concluded, is to be 'supported by military deterrence.'

It is not surprising that successive Australian governments sought to capitalise on both trade opportunities and strategic stability while US primacy remained uncontested. But national security is, if anything, an endeavour that requires acceptance of risk, in this case that deterrence might fail, leading the balance of power to slide into conflict. For the first time in many years, Australians are realising this simple fact—and the attendant reality that none of its choices are without potential peril.

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