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National Security and Foreign Interference

Criticism of Chinese Communist Party influence is not about ethnicity. We need to guard against any risk of this issue turning into one of suspicion or xenophobia directed generally at Australia's Chinese communities.

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Russian interference in the 2016 American presidential election may be the most brazen assault by an authoritarian power on democratic institutions.

But it is certainly not the only example of such activity.

Democracies everywhere are finding themselves at risk. Authoritarian powers are using the very virtues and strengths of democratic societies – our openness, our willingness to engage with talent from all over the world – as a way to influence and weaken us.

It is time for democracies to join together, and to exchange insights, intelligence and best practices on building resilience against foreign interference. For instance, the decision by Canada to establish a Ministerial portfolio for the protection of democratic institutions is an inspired initiative, and one that Australia should emulate.

We should also move expeditiously to finalise and pass legislation to ban foreign political donations and ensure real-time transparency. That way all citizens can promptly see the reality of who is paying for electoral campaigns, and can thus deduce donors' motives – not after they vote, but before.

Here in Australia we have seen the Chinese Communist Party involved in what appears to be multi-faceted campaign

to influence our politics and independent policymaking.

This includes propaganda and censorship in much of this nation's Chinese-language media as well as channels of interference through intimidation of dissident voices and the establishment and mobilisation of pro-Beijing organisations on Australian soil. There is also the troubling question of political donations and their motives.

This time last year, Labor Senator Sam Dastyari stood down from the Opposition front bench following revelations that a Chinese billionaire had paid a legal bill for the Senator and covered a debt for travel expenses.

At the time, media reports linked these donations to Senator Dastyari directly contradicting his own Party's position on the South China Sea, quoting him as stating at a press conference alongside said billionaire that 'The South China Sea is China's own affair,' and that on this issue 'Australia should remain neutral and respect China's decision.'

While this was extraordinary enough, there are other even more disturbing reports. One involves an offer to provide the ALP with \$400,000 at the height of the 2016 election campaign. According to the report, the offer was withdrawn following Labor's Defence spokesperson restating the Party's position that in government it would be open to conducting freedom of

navigation exercises in the South China Sea, an issue of critical sensitivity to China.

This was one of the revelations in forensic media investigations by Fairfax Media and ABC TV's highly respected Four Corners program.

It has also been reported recently that Australia's main political parties have received close to \$6 million in donations over the last few years from individuals associated with the Australian Council for the Promotion of the Peaceful Reunification of China.

The Council, in turn, is reported to have connections to the United Front Work Department, an organisation which reports to the Central Committee of the Communist Party of China.

Now, of course, what is not clear is the precise calculation behind each such donation, and those calculations may vary from case to case.

Several explanations are possible.

One, of course, is that those making the donations have such admiration and respect for Australia's democratic political system – so distinct, as it is, from the Chinese party-state – that they would like to invest in its dynamism and longevity. Unlikely.

Another possible reason is that this is partly about buying profile, status and access for personal and commercial reasons. One donor has been quoted in the Chinese media as

saying that this is akin to buying protection from 'bandits'.

There is also the possible explanation that enthusiastic individuals, with what they may see as patriotic Chinese intent, are freelancing by making donations that they think will resonate well among the powers that be in the People's Republic of China.

Another possible explanation is that political donations are encouraged by the Chinese Communist Party, as part of its wider efforts at influence abroad.

Each of us is entitled to draw his or her own conclusions from all of this.

But whatever the mix of motives, one thing is clear. The

If we over-react to any Chinese economic threats and self-censor on issues perceived to be problematic for Beijing, it will not protect Australia from further pressure – it will signal that such pressure works.

Indeed, much of the worry about such influence is within this country's diverse Chinese communities. If, as a nation, we chose to ignore such concerns, we would be effectively treating such dissenting voices among our Chinese-Australian population as second-class Australians, whose freedom of thought and freedom of expression do not warrant protection.

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donations were enough for the Director-General of the Australian Security Intelligence Organisation (ASIO) to take the highly unusual step of directly warning the major parties that they and Australia's national security could be compromised by such donations.

For the head of ASIO to take such a step suggests he was genuinely worried, from a national security and national interest point of view.

Security agencies cannot take effective action on any of this because it has been entirely legal – all they can do is raise the alarm.

It is now up to the political class to decide whether there is, within Australian democracy, enough self-respect to function without money linked to the Chinese Communist Party. This, after all, is a massive, secretive, self-interested and foreign organisation, with interests that can sometimes clash directly with Australia's.

Also disturbing are attempts to silence critical Chinese-Australian voices.

Take the troubling case of a highly-regarded Sydney academic, Associate Professor Chongyi Feng, from UTS, who was detained earlier this year in China while on an Australian Research Council-funded visit.

Professor Feng has now explicitly identified his 10-day interrogation as being an effort to, quote: 'shut me down and set an example to dissenting views and critical voices among the Chinese diaspora and beyond.'

This could be read as a crude signal of intimidation – telling Chinese Australians not to criticise Communist party interference in Australian domestic affairs.

Professor Feng is an important voice – he demonstrates that it is not just Australia's security agencies who are concerned about the Chinese Communist Party's interference in Australia's domestic affairs.

Indeed, much of the worry about such influence is within this country's diverse Chinese communities. If, as a nation, we chose to ignore such concerns, we would be effectively treating such dissenting voices among our Chinese-Australian population as second-class Australians, whose freedom of thought and freedom of expression do not warrant protection.

That is why it is to the credit of the Australian Government that it made representations on the Chongyi Feng case. It is fair to assume that his release was in large part a function of the public outcry about his detention, as well as Australian government pressure. He certainly believes so.

In the media space, there is also cause for concern. Several leading Australia media outlets have signed distribution deals with the Party's Propaganda Department.

The Australian public can now enjoy censored and propagandist Chinese publications – like *China Daily* – simply by looking at the attractive liftouts inserted in your copy of the *Sydney Morning Herald*, *The Age* or *The Australian Financial Review*.

To be fair, this is not especially effective propaganda. It may even be a waste of Chinese government money, given that these same newspapers continue to publish objective and critical investigations into Chinese influence-buying.

But it is disturbing to think that, in time, the business model of Australia's venerable quality press will be propped up by such funds, and that sooner or later the directness and incisiveness of their China reporting may become muted. After all, the sudden withdrawal of such funding could become an act of leverage and coercion.

What is more hidden from the English-speaking Australian public, and more worrying at this stage for our country as



a whole, is Beijing's effort to control and shape overseas Chinese-language media.

Additionally, the use of WeChat and Weibo by many Chinese speakers in this country means that the Communist Party can censor what they are reading without having to own Australian-based publications at all.

As respected China scholar John Fitzgerald points out, what is exceptional here is not that China is seeking to engage with the more than one million Australians of Chinese origin. Engagement with a diaspora community is a normal and healthy thing for any government to do – Ireland does it, India does it, Australia does it, China can and should too. What is extraordinary is the level of influence, sometimes manifested through intimidation, that the Communist Party has over Chinese language media in this country.

This is about silencing dissent. It is not ordinary soft power. All nations project the 'soft' power of attraction, of winning the debate.

We should welcome and indeed facilitate Chinese voices in a transparent and evidence-based contest of ideas about this country's future.

But a picture is emerging of excessive influence through money, censorship and coercion.

This is neither the soft power of free expression nor the hard power of military force.

Instead, it is the sharp power of intrusive influence.

It undermines the principles of trust and mutual respect that are meant to inform worthy efforts by both nations to build a durable and comprehensive relationship.

It is vital to underline at this and all junctures that criticism of Chinese Communist Party influence is not about ethnicity. We need to guard against any risk of this issue turning into one of suspicion or xenophobia directed generally at Australia's Chinese communities.

There needs to be reassurance given to Chinese Australians that they are included, welcomed and cherished as integral to the social and political – as well as economic – fabric of this multicultural nation.

To reiterate, it is vital to remember that many Chinese Australians are anxious about the role of the Chinese party-state inside this country.

They are also understandably worried about the harm the actions of a small number may do to the reputation of the Chinese diaspora here, whether citizens, permanent residents or students.

So the issue of foreign interference needs to be addressed in a context of respect for the rights of Chinese Australians. That means this needs to be an issue that is seized and owned by the moderate, bipartisan centre of Australian politics. This way, the issue cannot be captured by extreme voices or be distorted, misconstrued or falsely portrayed as one of xenophobia.

The Chinese community makes an enormous contribution to this nation and is Australia's greatest asset in engaging with China.

Prominent voices in this community are leading the pushback against Communist Party orchestration of influence – in media, in politics, in society and on university campuses.

In our conversations about how to respond to this



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interference, we need to be careful not to assume that the Chinese Communist Party is all-powerful.

The risk is that we will buy the story that our economy is so comprehensively dependent on China that Australia cannot afford to cause China much difficulty on security and political issues, even when our interests diverge.

Indeed, perceptions of Australia's vulnerability to Chinese economic pressure are exaggerated.

Economic pressure from China that would have the biggest impact on Australia – most notably through iron ore trade – would also impose restrictive costs on Beijing.

Privately or publicly, Beijing criticises or complains to Canberra frequently over multiple issues.

But the accompanying threats tend to be implicit or general – that the bilateral relationship will suffer some unspecified deterioration if Australia does not heed China's wishes.

Even where Canberra has seriously annoyed Beijing, such as by supporting legal rulings on the South China Sea, Beijing has not directed economic pressure specifically at Australia.

Before Beijing resorted to serious economic measures, entailing costs to itself, it would likely take political steps like cancelling diplomatic dialogues.

If Beijing felt it needed to send an economic signal to reinforce its displeasure, its initial response would likely involve non-tariff barriers over quarantine and safety standards, or making life difficult for businesses operating in China, with limited long-term economic impact on itself or Australia.

Beijing has adopted this approach towards South Korean business interests, yet has not succeeded in its goal of changing Seoul's stance on missile defence cooperation with the United States.

Economic vulnerability is often as much about perception as reality – and it is in China's interests for Australia to imagine itself highly vulnerable.

Already, some voices in business, academia and the media focus on the possible economic impacts of annoying China.

The perception of economic harm can have an outsized effect on domestic interests, creating pressure for rapid political compromise.

If we overreact to any Chinese economic threats and self-censor on issues perceived to be problematic for Beijing, it will not protect Australia from further pressure – it will signal that such pressure works.

As the recent border standoff with India, and the failure by Beijing to compel South Korea to abandon its missile defences indicates, other countries in the region can resist pressures from China when their interests diverge.

For its part, Australia is discovering that its paramount China challenge is not a few thousand nautical miles away in the South China Sea. It is right here at home.

So, what do we do about it?

The political class needs to take a set of decisions in the interest of Australian sovereignty, in the interest of Australia's independent policy, to restrict and limit foreign influence in Australian decision making.

Pressure is building not only

for transparency, but also for significant law reform.

Prime Minister Malcolm Turnbull and Attorney-General George Brandis have initiated a comprehensive review of Australia's espionage and foreign interference laws.

This review is vital, as these laws seem flimsy and outdated.

It is essential to define what about foreign interference counts as criminal, what is more in the realm of unacceptable diplomatic practice, and what is merely a side-effect of the many benefits of global and regional connectedness.

On donations, it seems obvious that we need to get foreign donations out of our political system. Both major parties (and indeed the Greens) have committed to the idea, and the Joint Standing Committee on Electoral Matters has looked closely into it.

Again, this needs to be a negotiated, bipartisan solution.

It is essential to define what about foreign interference counts as criminal, what is more in the realm of unacceptable diplomatic practice, and what is merely a side-effect of the many benefits of global and regional connectedness.

There is a rare opportunity now for consensus on this much-needed reform, in the interests of national security, credibility and self-respect.

Foreign interference in Australia is not solely a national security issue.

It is a fundamental test of Australian social inclusiveness, cohesion, equity and democracy that we ensure all in this country have freedom of expression, freedom from fear and protection from untoward intervention by a foreign power.

So far, 2017 has seemed a bruising year for Australia's links with China.

But rather than a crisis, this is a long-overdue reality check, from which a healthier and more sustainable relationship can emerge.

What we are really seeing in Australia is a new maturity in relations with China, moving beyond the base motivations of fear and greed that have too often distorted our national conversation about one of the world's great civilisations and powers.

The new China narrative is informed by Australian sovereignty, confidence and vigilance – and an aspiration to build a durable relationship grounded in non-interference.

Now the Australian political class is much more willing, more so than even a year ago, to draw the line about unacceptable levels of foreign influence.

The challenge now is to avoid complacency. This problem is now out in the open. But it is far from over.

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