

OPINION

Relations with China still on edge despite leaders' meeting



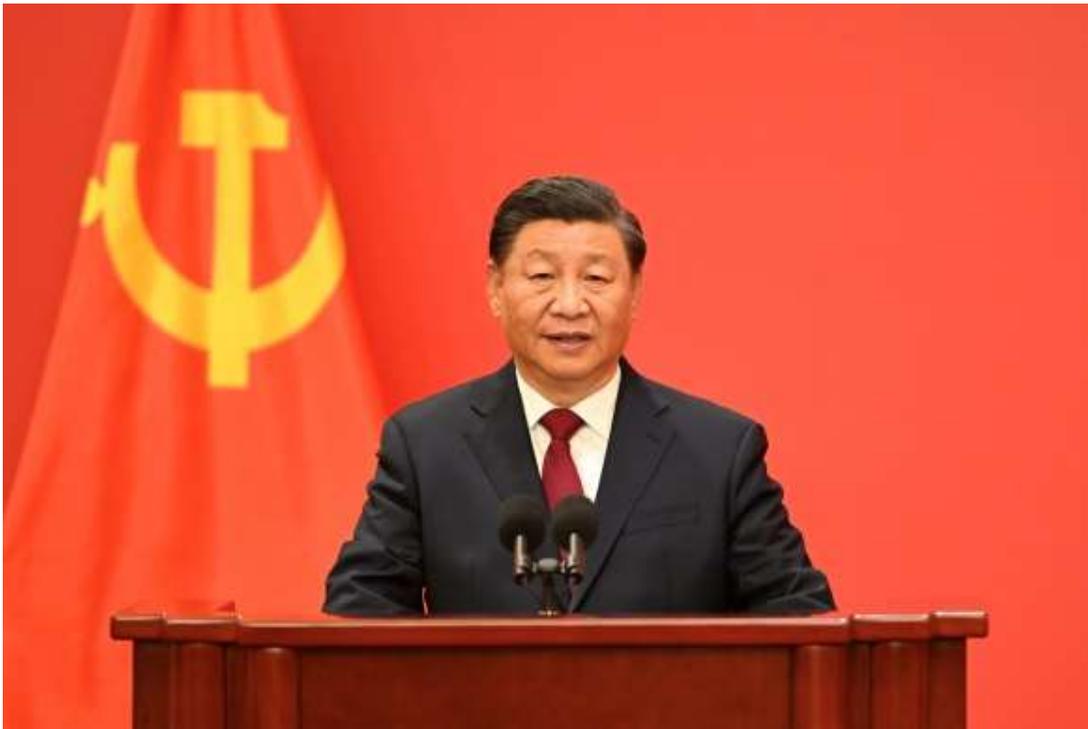
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November 15, 2022 — 7.30pm

Regardless of what it yields, Tuesday's meeting between Prime Minister Anthony Albanese and China's President Xi Jinping is a massive milestone for the simple fact that it occurred at all.

After punishing Australia with total diplomatic denial at the highest level since 2019, China's top leaders are once again willing to talk.



Chinese President Xi Jinping will meet with an Australian leader for the first time in three years. *CREDIT:GETTY*

Although Chinese ministers in the defence and foreign affairs portfolios started meeting with their Australian counterparts after the May change of

government, an Australian prime minister hasn't had face time with China's President Xi since June 2019 or Premier Li Keqiang since November 2019.

Whether this latest meeting signals the start of a broader normalisation of high-level contact and an eventual winding back of trade restrictions remains to be seen. Yet even if it does produce concrete returns for Australia, the task of managing relations with China is only likely to get harder.

China has a long and lengthening list of complaints against Australia. Among many other expectations, it wants the Australian government to take a more permissive approach to Chinese investments, stop calling out China's human rights abuses, and abandon the plan to acquire nuclear-powered submarines in partnership with the United States and the United Kingdom.

In the face of Beijing's exhortations, one of the hallmarks of the Albanese government's disciplined approach to China has been the unwavering insistence on a policy of no compromises.



Anthony Albanese will meet Chinese President Xi Jinping on Tuesday. *CREDIT: JAMES BRICKWOOD*

Canberra wants to talk and rehabilitate the Australia-China relationship. But it won't change any of its positions to please the Chinese government.

The fact that Prime Minister Albanese met with President Xi and Premier Li without making substantive policy compromises is a vindication of Australia's unwillingness to bend to a foreign power on matters of sovereign decision-making.

But the Albanese government's China strategy of combining softer rhetoric with a policy of no compromises is yet to face its greatest tests.

Both internationally and domestically, powerful forces will leave the Australia-China relationship perpetually exposed to ferocious flare-ups.

Despite recent smiles for the camera between [presidents Xi and Joe Biden](#), the US-China relationship remains riven by deep-seated mutual suspicion.



US President Joe Biden with Chinese President Xi Jinping before a meeting at the G20 summit in Bali, Indonesia. *CREDIT:AP*

With watershed US export controls introduced last month to starve Chinese tech companies of leading-edge semiconductors, manufacturing equipment, and expertise, Washington has embraced technological and economic containment.

China already saw the United States as a waning superpower intent on holding back its rise. These grim assessments will only harden in Beijing.

For years, China has sought to wind back US power and prestige globally and build a world-class military capable of prevailing against any adversary.

With tough policies now bipartisan consensus in Washington, the Chinese government will redouble these efforts.



For many years China has sought to build a super-strength military. *CREDIT:AP*

As a trading nation with huge export exposure to China and deep and abiding military and diplomatic ties to the United States, Australia will be squeezed by these increasingly competitive dynamics in the US-China relationship.

On everything from growing US military presence on our shores to collaboration with the United States on nuclear-powered submarines, China is likely to see Australia as a proxy for US power in its near region.

This doesn't necessarily mean that Australia should distance itself from the United States. But it does mean that ties between Canberra and Beijing will be continuously strained by China's deepening suspicion that Australia has been co-opted as a tool in US containment efforts.

Beyond these gloomy international dynamics, the Australian government faces a series of tough China policy choices of its own that could easily

eviscerate what little trust might have been built between Prime Minister Albanese and President Xi.

In the Albanese government's in-tray are high stakes questions like whether Minister for Foreign Affairs Penny Wong should use powers under the *Foreign Relations Act* to effectively [veto Confucius Institutes](#) at Australian universities.



There is debate on whether to review the Chinese government's 99-year lease on Darwin port. *CREDIT:GLENN CAMPBELL*

There's also the promised review of the 99-year lease by the [Chinese company Landbridge of Darwin Port](#) and the prospect that Canberra will use its Magnitsky legislation to level targeted travel and financial sanctions against Chinese officials implicated in severe human rights abuses in [Xinjiang](#).

On top of this, there's also the ever-present prospect of a large Chinese investment being rejected by either the Australian Treasurer or the Foreign Investment Review Board.

If any of these decisions don't go China's way, Beijing could easily decide to shove Canberra back in the diplomatic freezer and throw down the hammer on even more Australian exports.



Relations between China and Australia hit new lows under former prime minister Scott Morrison. *CREDIT: AP, PMO*

These very real risks don't mean that Canberra should hold back from making tough China policy decisions.

But while these decisions might be justifiable for a range of national security and domestic political reasons, they could also easily rupture the slowly repairing Australia-China relationship.

In the wake of the Albanese-Xi meeting, the mood between Canberra and Beijing continues to warm. And yet more storms are brewing at home and abroad.

With pointy China policy dilemmas confronting Canberra and US-China relations locked in a precipitous downward spiral, tough times await Prime Minister Albanese and his colleagues as they manage President Xi and his emissaries.

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