

# Beware the China alarmists out there

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The quandary over what to do about People's Republic of China government influence in Australia has burst on to the political scene. For the past months there has been ongoing media commentary about the consequences of political donations by businessmen with Chinese connections; and a piece in *The Australian Financial Review* claimed that hundreds, if not thousands, of Chinese citizens in Australia are gathering information for Chinese authorities.

These are contentious issues, ones that cause unease within the government, among public servants and citizens at large.

China is not only Australia's largest trading partner and the source of growing foreign direct investment. Chinese-derived funds also support Australia's higher education sector, media organisations, research initiatives such as the Australia-China Relations Institute, and individual politicians and political parties. We have probably glimpsed only the tip of the iceberg in our understanding of the inroads the Chinese government wishes to make into Australian society. As China's power grows we should be prepared for further attempts to wield influence.

I have grappled with the sensitivities associated with Chinese influence in Australia since establishing China Matters, a public policy initiative, last year. We aim to inject nuance and realism into discussions about Australia's ties with China. Our goal is to advance sound policy. This week we convened 30 prominent Australians to formulate policy recommendations on this issue.

Our board decided from the start that we do not accept money from People's Republic of China sources, either individuals or companies. China Matters relies on a mixture of Australian government and corporate funding. We sought membership in the Australian Charities and Non-for-profit Commission, which expects its members to make public their funding sources and operational costs.

China Matters for the most part discusses sensitive issues behind closed doors. This is to enable a frank exchange between people from different backgrounds

and views without the sort of public uproar that has taken place following news reports of influence-buying by Chinese individuals and entities. Without doubt these cases serve as red flags. It is not in Australian interests to allow foreigners to influence the political process, nor should they be allowed to affect the curriculum at an Australian university.

But hysteria is not a response. These issues and the allegations associated with them risk tearing apart social cohesion and pitting Australians against Australians. The issues must be discussed and managed with common sense, an understanding of the facts and impartiality.

There are nearly one million Australians with Chinese ancestry. Close to a half-million residents in Australia were born in the People's Republic of China. There are 150,000 Chinese nationals studying here. No one should be allowed to stigmatise or implicate Chinese on the assumption that "Chinese" are on a mission for the People's Republic government. Anecdotal evidence suggests that members of diverse Australian-Chinese communities already feel they are being labelled by the tone of media reporting.

Others, in turn, feel squeezed. When people representing Chinese interests engage with Australian society, Chinese interests are often pitted against Australia's interests and values such as freedom of speech. They also call into question the essence of our political system while putting pressure on Australians of Chinese descent by appealing to solidarity among people who share a common Chinese civilisational heritage.

Obviously each case of influence should be examined on its own merits. Painting with a broad brush will only exacerbate xenophobic reporting and increase tensions among Chinese communities.

However, even picking apart what is detrimental to Australian values and what represents an alternative and inevitable facet of our deepening relationship with China can be demanding. When is a foreign official being manipulative? When is it part of what most diplomats do for a living, which is projecting a positive image of their country and its interests? An important first step is to demand transparency from Australian individuals and institutions, as well as from Chinese citizens and institutions that seek to influence Australian society.

We cannot lose sight of China's impact on Australian prosperity and the contribution of Australian Chinese communities towards a thriving multicultural society, while we must keep our focus on preserving the values that underpin Australia.

Black-and-white portrayals of China's interests are detrimental, whether overly positive or intensely negative. The insistence of the Australia-China Relations Institute that it takes "an optimistic and positive attitude" towards the China relationship is hardly a neutral starting point for unbiased work. In the same vein it is unhelpful that people at the Australian Strategic Policy Institute automatically assume actions in Australia by any Chinese state-owned enterprise is part of a strategic plan to gain influence.

There is no more complex but consequential challenge for Australian policymakers than getting Australia's relationship with China right. Nuance and realism, as well as perseverance and agility, will all be essential to navigate the maze of controversies of dealing with a society so different from our own.