

Speech by Hon Scott Morrison at the IPAC Tokyo Symposium

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In 2014, Prime Minister Abe met with President Xi on the margins of APEC in Beijing. Former US Deputy Secretary of State, Richard Armitage said “they looked like they were smelling each other’s socks.” This was a pretty honest and unsettling assessment. It is also a good metaphor for how we should continue to conduct international relations in the Indo-Pacific in response to an increasingly assertive China.

The rise of China has defined the post Cold War era and will continue to do so for generations to come. There have been many benefits. Deng Xiaoping’s economic reforms brought more people out of poverty than at any other time in human history. This is an extraordinary achievement, worthy of celebration. It is also true that the rest of the world has benefited from China’s economic rise, including Australia. Australia has never sought to contain China’s growth. From Nixon to Reagan, the courting of China provided a strategic counter balance to the Soviet Union for the US, its allies and partners. China had its own differences with the Soviets. Our interests aligned. After the collapse of the Berlin Wall, the motivations and objectives for the US-Sino relationship changed. From, at least, the Clinton administration, a growing Chinese economy was an end in its own right. It was seen as good for the world economy. Everyone benefits. There was also the view that a more affluent China, with an expanding middle class, would ultimately lead to a more liberalised and possibly even democratic China. Those living under the brutality of successive CCP regimes lived a very different experience.

The benign and accommodating view of China has proved to be, arguably, the most misplaced assumption in international relations since Neville Chamberlain proclaimed ‘peace in our time’ on his return from Munich in 1938. It has led the west to appease China’s ambitions, including the conversion of island atolls into military

installations in the South China Sea, and partitioning global concerns about China's human rights record from the main track of strategic dialogue with and about China. Xi Jinping's elevation to General Secretary of the Communist Party of the People's Republic of China at the 17th People's Congress in 2012 was a turning point for China and the world. At the time, the prevailing view was that the new President would further modernise and grow China's economy, while conducting important domestic reforms, including dealing with entrenched corruption. There was also hope for increased international engagement, including cooperation on global issues like climate change, maybe even human rights and religious freedoms. President Xi came across as a savvy, modern and internationally engaged political leader, with a positive agenda. President Xi has certainly ushered in a new era in China, but not the one many hoped for. In her 2018 work, Elizabeth C Economy from the Council on Foreign Relations described the new Xi era as China's third revolution, after Mao and Deng. President Xi has pursued a new 'Chinese Dream' grounded in an unapologetic nationalist Marxist narrative of historical grievance for China's century of humiliation from 1849 to 1949, at the hands of imperial powers including the British, the Americans and the Japanese. This dream is to restore China to its 'rightful place' as the hegemon of Asia and the Indo-Pacific and to reset the world's rules based order in China's favour, to reflect their global ascension. This nationalist vision also requires the reunification of Taiwan within China, by force if necessary, fully reincorporating Hong Kong and further centralising control and power in Beijing. We should not underestimate the appeal this ambitious narrative has with the Chinese population. Xi knows this. It could even be strong enough to endure a downturn in China's economic fortunes resulting from the home grown impact of COVID and Xi's repudiation of Deng's economic reforms that were so critical to China's economic success. China's militarist surge gives expression to President Xi's nationalist aspirations. President Xi's stated aim is to be able to fight and win wars and project force. With a budget of more than \$260 billion a year he is doing just that. The most recent report to Congress by the US Department of Defence in December 2022 notes the PLA is already one of the largest militaries in the world with around 2.2 million military service members on active duty. China also has, numerically, the largest navy in the world with a battle force of 340 ships and

submarines, including 15 nuclear submarines and more on the way. By 2024, China's second aircraft carrier will be commissioned for service. China is also improving its capability to counter submarine activity in the region, through its surface ships and aircraft. China has the largest air fleet in the region and the third largest in the world, with around 2,250 combat aircraft including fighters and bombers. At the end of 2022 China had 400 operational nuclear warheads and is likely to have 1400 by 2035. This is backed up by a growing arsenal of intercontinental ballistic missiles with a range of 5,500 kms and the world's leading technology in hypersonic missiles. Together with Russia and Iran, the PRC also leads the world in state sponsored cyber attacks. The first shots fired in any war will not be bullets, but Bits and Bytes, disabling your military systems and civil infrastructure. The authoritarianism of the Xi's regime has also been on display through China's continued abuse of human rights, especially in Xinjiang. A New York Times investigation in 2019 cited internal speeches by President Xi in 2014 referencing the "struggle against terrorism, infiltration and separatism" in Xinjiang and the need to use the "organs of dictatorship," and to show "absolutely no mercy."

In August last year the Office of the High Commissioner on Human Rights reported on their assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region (XUAR). They concluded that serious human rights violations had been committed against the Uyghur people that may constitute international crimes, in particular crimes against humanity, between at least 2017 and 2019. They found allegations of patterns of torture or ill-treatment, including forced medical treatment and adverse conditions of detention, were credible, as were allegations of individual incidents of sexual and gender-based violence. The reported cited far-reaching, arbitrary and discriminatory restrictions on human rights and fundamental freedoms, including on religious identity and expression. There were also serious indications of violations of reproductive rights through the coercive and discriminatory enforcement of family planning and birth control policies. Given the constraints placed on the UN to investigate these issues in China, this is one of the more sanitised versions you will read of abuses occurring in Xinjiang. Researchers at the Australian Strategic Policy Institute (ASPI) have identified and mapped more

than 380 suspected detention facilities in the XUAR highlighting ‘re-education’ camps, detention centres and prisons that have been newly built or expanded since 2017. ASPI’s 2020 report “Documenting Xinjiang’s detention system” stated that by late 2019 the available evidence suggested that many extrajudicial detainees in Xinjiang’s vast “re-education” network were being formally charged and locked up in higher security facilities, including newly built or expanded prisons, or sent to walled factory compounds for coerced labour assignments. At least 61 detention sites had seen new construction and expansion work between July 2019 and July 2020. This includes at least 14 facilities still under construction in 2020, according to the latest satellite imagery available. ASPI notes that ‘about 50% are higher security facilities, which may suggest a shift in usage from the lower-security, ‘re-education centres’ toward higher-security prison-style facilities’. On September 26, 2020, Chris Buckley from the New York Times reported on President Xi’s assessment of the situation in Xinjiang at a two day conference to set policy direction for China. The Times reported the President saying ‘viewed overall, Xinjiang is enjoying a favourable setting of social stability with the people living in peace and contentment,’ and went onto say that “the facts have abundantly demonstrated that our national minority work has been a success.” China is also not limiting their activities to their own country. APSI’s most recent report notes their actions to intimidate and influence the Chinese diaspora in Australia in relation to Xinjiang.

Like Japan, Australia’s economy has strong linkages with China, especially in our resources sector, and we are also an Indo-Pacific nation. We live here. Like Japan, Australia’s national interest guides our decisions. And like Japan we are a modern democracy that shares a strong commitment to the global rules based order, rightly described by Secretary Condoleezza Rice as the ‘world order that favours freedom’. Japan understands the need for engagement with China, but they also understand the need to build resilience in order to stand up to coercion. Key to Japan’s approach has been drawing like minded countries together around the notion of a free and open Indo-Pacific. This is Shinzo Abe’s great legacy. Australia passionately shares this goal as essential to achieving an enduring strategic balance in the region and we have worked closely with Japan to achieve these outcomes. As Prime

Minister I was proud to share this journey with three Japanese Prime Ministers Abe san, Suga san and Kishida san, who became trusted friends. The approach followed by Australia and Japan was to be clear eyed and resolute about China's threats and behaviour, but pragmatic about our shared opportunities and interests. China has not yet adjusted to this approach. Together with Japan, as well as the United States and India, we pushed back against China's assertiveness. We have not been intimidated. Prime Minister Kishida's new national security strategy describes China's posture as "unprecedented and the greatest strategic challenge in ensuring the peace and security of Japan and the peace and stability of the international community, as well as in strengthening the international order based on the rule of law, to which Japan should respond with its comprehensive national power and in cooperation with [the United States], like-minded countries and others." His new defence strategy notes 'we live in the world of a historical inflection point and in the face of the most severe and complex security environment since the end of WWII.' In July 2020, I offered the same reflection when I updated Australia's national defence strategy, noting we were witnessing the same dangerous combination of destabilising forces in the Indo-Pacific that we had seen in the 1930s and outlined a significant reorientation of Australia's defence posture, that continues under the new Australian Government. I said we could not be complacent or blind to the threat. Nor could we continue to indulge in passive appeasement of China's assertiveness, as this would only serve as an invitation. We were already on track to meet our goal of lifting defence spending to 2% of GDP. Our defence strategic update in 2020 refocussed and reorientated our defence force posture to ensure we could keep potential adversaries further away from Australia, including the enhancement of our long range defensive strike capability, expanding our cyber warfare capabilities and placing a priority focus on our immediate region. Our new objectives outlined were to shape Australia's strategic environment; deter actions against Australia's interests; and respond with credible military force, when required. These goals are broadly shared with Japan. This led to our enthusiastic advocacy and participation in the QUAD leaders dialogue, where I served with Prime Minister Suga as a founding member and rejoining the Malabar defence exercises; the AUKUS agreement we formed with the United States and the United Kingdom that is now a cornerstone of

Australia's national security architecture along with ANZUS, and the completion of essential bilateral defence, intelligence and security arrangements with our partners in the region including India and Japan, and being the first nation to complete a Reciprocal Access Agreement for our respective defence forces with Japan. My reason for highlighting these broader initiatives is to highlight that any attempts to address human rights violations in China will never be achieved in a region where China enjoys strategic hegemony. It is only from the platform of a free and open Indo Pacific, that such worthy and important objectives can be practically pursued in a region that upholds and respects the global rules based order. This is an outlook we also share with Japan.

In late 2021, my Government moved to introduce a Magnitsky style sanctions regime with bi-partisan support, to modernise our autonomous sanctions regime. This followed the adoption of key recommendations of a bi partisan joint parliamentary committee report in December 2020. When introducing the legislation into the Parliament we noted that Australia had a proud history of promoting and protecting human rights globally, supporting the international rules-based order, and acting for the peace and security of the international community and using our existing country-specific autonomous sanctions regimes to those ends. Historically, there were two sanctions regimes operating in Australia; those imposed through the Charter of the United Nations Act 1945 (Cth) to implement decisions of the United Nations Security Council (UNSC); and through our Autonomous Sanctions Act and regulations from 2011 that could impose sanctions without reference to any United Nations decision. There are also other measures available under our banking and customs regulations. Sanctions imposed under our Autonomous Sanctions Act addressed matters of 'international concern' in specific countries or regions. This included the application of sanctions for human rights violations in Myanmar, Zimbabwe and Syria, and Russian threats to the sovereignty and territorial integrity of Ukraine. By April 2022, our Government had imposed sanctions on nearly 750 individuals and entities under these arrangements in response to the illegal invasion. Such situations include 'the grave repression of the human rights or democratic freedoms of a population by a government, the proliferation of weapons of mass

destruction or their means of delivery, and internal or international armed conflict. While the power to impose sanctions under the Autonomous Sanctions Act 2011 was very broad, we recognised that improvements could be made through the inclusion of thematic sanctions, such as those afforded by Magnitsky style laws, to ensure we could respond in a more timely and flexible manner in sanctioning of individuals, where we considered this to be in Australia's national interest, including in concert with like minded partners, without the need to first establish a country regime. The Autonomous Sanctions Regime (Magnitsky-style and other thematic Sanctions) Amendment Act became law in Australia in December 2021. The Bill established three new thematic sanctions regimes: serious violations or serious abuses of human rights; activities undermining good governance and the rule of law, including serious corruption; and malicious cyber activity. The inclusion of a new thematic cyber review, in addition to the Magnitsky-style sanctions, provided an additional tool of statecraft, to serve alongside other law enforcement and operational mechanisms, to enhance Australia's response to instances of egregious malicious cyber activity that impact our interests. Under the new laws the Foreign Minister was given the authority to impose sanctions with the agreement of the Attorney General, where they were satisfied a person or entity had engaged in, has been responsible for, or has been complicit in an act that constitutes a serious violation or serious abuse of a person's right to life; or right not to be subjected to torture or cruel, inhuman or degrading treatment or punishment; or a right not to be held in slavery or servitude, or right not to be required to perform forced or compulsory labour. The application of Australia's human rights sanctions regime is reserved for the most egregious situations of international concern. At the time of its introduction we were careful to stress that sanctions would only be applied as a tool of Australia's foreign policy. In other words there should not be any presumption regarding our use of these powers. They were to be considered by Australia in accordance with our values and our interests on a case by case basis. To reinforce this point I ensured it was my Government's policy that consideration of any such sanctions must include discussion by the National Security Committee of Cabinet, before the Foreign Minister made any determinations. One of the risks of introducing Magnitsky style laws is that countries are set up to become de-facto international courts of justice.

This is not our role. Nor did I see it as the purpose of these laws. We did not create these laws to become the instrument of other's agendas, no matter how noble. Like all our laws they are to be exercised in our own sovereign interest, taking into account our own network of partnerships and alliances. There should therefore be no expectation of their use, other than for the reasons we decide. This includes rejection of any view that because sanctions have been applied by one of our partners they should be applied by Australia and if we choose to apply in one set of circumstances, they must be applied by force of precedent elsewhere. Like Japan, Australia has our own sphere of interest that is primarily focussed on our region. For Australia our perspective is also influenced by the fact we are the most successful multicultural and immigration nation on earth. As a result, Australia is home to many diaspora communities. This means that from time to time, Australia will become especially aware and may choose to impose sanctions as a consequence of the distress and harm caused to these communities in Australia. Since the enactment of Magnitsky style laws, Australia has imposed sanctions on 68 individuals and 3 entities involved in egregious human rights violations and abuses. This began on 29 March 2022, when my Government imposed our first set of Magnitsky sanctions, starting with the 14 Russian individuals responsible for the serious corruption that Sergei Magnitsky exposed and a further 25 Russian perpetrators and accomplices of his abuse and death. Since then 'Magnitsky' sanctions have been applied against senior law enforcement, political and military figures in Iran , Myanmar and most recently Russian individuals involved in the attempted assassination of former opposition leader Alexei Navalny. All of these were done with bipartisan support.

The question naturally arises whether our new sanctions regime should be applied to any Chinese nationals for human rights abuses, especially in Xinjiang. There is certainly credible and actionable evidence that has been gathered against such individuals. It is now a matter for the new Government to consider. While it would be naive to believe that targeted sanctions of Chinese officials in Xinjiang or higher up would lead to the elimination of such abuses, this argument alone does negate the merit of such sanctions. As a former Prime Minister, I understand there are always practical issues to consider within the relationship, not the least being the practical

issues of possible impacts on Australian citizens being held by the Chinese Government. However, one argument that should not prevail is that we would not progress such sanctions for fear of political, trade or diplomatic reprisals from the Chinese Government. Like Japan and countries like Lithuania, Australia has paid a price for standing up to China. We tightened our foreign investment rules, especially for strategic investments in our transport, energy, telecommunications and data infrastructure. We denied Chinese companies any role in building our 5G telecommunications network. My predecessor Malcolm Turnbull bravely created new laws to prevent Chinese interference in our universities and political system. We supported our south east Asian neighbours when they pushed back against China's incursions and claims in the South China Sea. We called for an independent inquiry into the origins of COVID and successfully pursued this call through the World Health Assembly. The Chinese Government responded by imposing illegal trade restrictions on Australian products and putting Australia in the diplomatic deep freeze, engaging in regular public tirades against Australia. I am pleased that diplomatic dialogue has resumed between Australia and China. It should never have been terminated by the Chinese Government in the first place. I will be more pleased when the illegal trade sanctions are removed. This is not something we should be thankful for, it is something we should demand and expect. The resumption of dialogue has occurred because Australia took a strong stand. We took action with friends like Japan, India, the United States, and the United Kingdom, and rallied like minded countries through initiatives such as the Quad and AUKUS to call out the bullying of the Chinese Government. Going forward I am pleased the new Australian Government can take advantage of China's change in tactics, but they must be careful not to change our posture or resolve, or give the impression of such a change. President's Xi may have changed his tactics, but his intent is still the same. You can be sure that President Xi is keeping his 'Chinese Dream' alive. Going forward Australia must continue to be prepared to 'smell China's socks'.