



SUBMISSION

INQUIRY INTO THE AUSTRALIAN FOREIGN RELATIONS BILL (2020)

PREPARED BY

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DANGEROUS POLICY

FINDINGS

1. Relative harmony existed across jurisdictions on Australia's foreign policy until recent years.
2. Current disagreements between federal and state governments on Australia's foreign policy are due to major and rapid geopolitical, economic and cultural shifts.
3. Political leaders now make highly consequential decisions regarding Australia's relationship with the Chinese Communist Party.
4. New constituencies, actors and interest groups are emerging that influence Australian foreign policy, diluting the dominance of traditional policy elites and popularising portfolio decision-makers.
5. While primacy of the federal minister is desirable, absent broader changes to how foreign policy is formed and administered the proposed legislation will not achieve its intended outcomes.

RECOMMENDATIONS

1. Establish foreign policy as a permanent standing item for National Cabinet.
2. Approve the proposed Australian Foreign Relations Bill 2020 with the following amendments:
 - National Cabinet to discuss Australia's foreign policy and annulled or refused agreements.
 - Provision to enable state ministers to refer existing federal government arrangements with foreign entities to the National Cabinet.
 - Clearly define the meaning and scope of Australian foreign policy and foreign relations.
3. A new foreign policy think tank be co-founded and co-funded by the federal government and the states and territories. Its purpose would be to co-ordinate foreign policy thinking across jurisdictions and constituencies and bring different viewpoints and perspectives together. The organisation would engage with civil society, business groups and other non-state actors and influencers to synthesise a holistic view of Australia's foreign policy and strategy, and provide secretariat support to the new National Cabinet committee.

DISCORD OVER AUSTRALIA'S FOREIGN POLICY

It's a structural problem

At Federation in 1901, Australia had only one overseas mission – a High Commission in London. By 1939, this had expanded to two, now with an Australian attachment to the UK Embassy in Washington. For decades, any notion that Australia's foreign policy might differ from that of Westminster was unthinkable. The Australian Commonwealth, and all states and territories, were loyal dominions of the British empire. Australia's constitutional External Affairs powers were more a matter of administration than policy demarcation.

It was not until John Curtin's famous appeal to America after the fall of Singapore that Australia asserted any detectable independence in foreign policy. Even after the war, Australian leaders were keen to preserve the integrity of the British Empire and Australia's status within it.

Australia's overseas representation grew steadily during the Post-WWII era, crowned by the signing of the ANZUS Treaty in 1951. And yet still no significant break with London occurred in foreign policy until the Vietnam war and Britain's withdrawal East of the Suez Canal in 1968.

After this a distinctly Australian foreign policy evolved, supported by a new 'self-reliance' in security policy.¹ But even as Australia became more independent, strong concordance existed across domestic governments on core pillars of Australian foreign policy.

For the remainder of last century relative harmony in Australia foreign policy existed across government. The reasons were structural: Australia's major economic and military partners were the same; China and the Soviet Union had become implacable foes; America's power remained uncontested in the Western Pacific; Global growth was driven by established and emerging democracies; and Australia's identity and global outlook enjoyed broad consensus. In sum, Australia was strategically, economically and culturally secure, with shared interest in maintaining a comfortable status quo.

Now, in every respect, the reverse is true. Australia's major economic and strategic partners are locked in strategic competition. China and Russia cooperate as a de-facto alliance. The United States is increasingly challenged in the East and South China Seas. China will soon overtake the United States as the largest economy in the world, and an increasingly multicultural Australia consistently re-negotiates our national identity in relation to dominant Anglo-Celtic norms.

Disagreements between states and the federal government on foreign policy thinking reflect these deepening fissures across Australian society.

They may highlight the absence of legislative instruments supporting the Commonwealth's External Affairs powers, but they are not the cause. Rather it is the centrifugal forces re-shaping the geopolitical landscape globally, the consequences of which the proposed Australian Foreign Relations Bill will not, on its own, be able to manage.

¹ A concept first included by Sir Arthur Tange in the 1976 Defence White Paper.

CHINA AND AUSTRALIA

A complex relationship

For the past 48 years since relations normalised between Australia and the PRC the primary objective has been to build trade ties between the two countries and integrate Beijing peaceably into the US-led global order. With a notable interruption in 1989 after Tiananmen Square, this policy held and dramatically accelerated from the Howard-era onwards.

This policy assumed that as China realised the benefits of the global trading system it would have little reason to be aggressively revisionist towards the existing international order. As the Chinese people grew wealthy it was believed an emerging middle class would demand greater political freedom to align with their economic emancipation. Finally, western liberal dogma prescribed that institutions of open government, protection of property rights, a free press and independent judiciary were necessary pre-conditions for a country to exceed a ceiling threshold of economic development and emerge as a modern industrialised state.

The collapse of the Soviet Union only heightened this belief. As Marxist Communism became discredited, a new 'Washington consensus' emerged, underscored by Francis Fukuyama's 'The End of History' arguing that the final triumph of western liberal democracy was certain and its spread across the world would prove inexorable¹.

This theory of Chinese political liberalisation has proven false. Far from implementing democratic reforms, President Xi has further centralised authority, crushed Hong Kong's autonomy, implemented an Orwellian system of 'social credit' on the Chinese populace, and removed constitutional term limits on his own office.

Whether it is the mass interment and 're-education' of Uighurs in Xinjiang, mercantile loan practices indenturing the developing world, or illegitimate claims over the entirety of the South China Sea, China has emerged as a revisionist, totalitarian, and internationally assertive dictatorship.

And yet this legacy of engagement has led much of the world to develop a massive trade dependency on China, including Australia. There is no question that this deep, multifaceted, and highly dynamic bilateral relationship has been of enormous economic benefit to Australia and is a primary reason for why, until the onset of the pandemic, Australia experienced three decades of uninterrupted economic growth.

Consequently, nearly all political leaders today entered office having inherited their country's trade dependency.

While illusions about China's supposed democratic awakening have been dispelled, governments now view dependency as an inescapable reality, given that the alternative is to collapse the global trade system and invite national economic ruin.

Covid-19 has altered this equation in spectacular fashion. Championed by the United States, across the world countries are examining their supply chains to onboard manufacturing and reduce dependency on China for the supply of essential products. Meanwhile, lockdowns resulting from the pandemic have drastically curtailed the free movement of goods and people, fuelling a global economic recession.

Dangerous Policy

On China, western leaders are at a moral crossroads. Global economic disruption means that continuing dependency on Chinese trade and investment is no longer an inheritance, but a choice. Policymakers must now decide whether they wish to continue strengthening this authoritarian dictatorship, knowing that the chance that doing so will lead to liberal democratic reform is nil.

Within Australia, that calculus differs markedly across jurisdiction and constituency. State and territory governments have done significant heavy lifting to build mature business ties across China over the past 20 years. Across the entire Australian economy, whether it is mining & resources, agriculture, tourism or tertiary education, the cost to national prosperity of jeopardising the Australia-China relationship is immense.

For these reasons many argue that it is not in Australia's interest to antagonise China, and this probably represents most Australian state jurisdictions. According to this view, it is not our role to criticise the Chinese government. After all, Australia has no territorial disputes with China, or any baggage resulting from China's 'century of humiliation', wherein unequal treaties were imposed by western powers after the Opium Wars of the 19th century.

An extension of this argument is that there simply isn't anything to be gained by downgrading economic ties. After all, China is no more likely to implement democratic reforms due to external pressure than from engagement. Others suggest that even if we wished to constrain China's revisionist ambition, Australia may be unable to tip the balance between the United States and China and therefore should exclude itself from any moves towards containment.

This view must be balanced against the realities of dealing with a regressive regime and the long-term direct threat that a revisionist China poses to Australian sovereignty. In June 2020 Prime Minister Scott Morrison announced that Australia was experiencing a massive state-orchestrated cyberattack, with clear inferences that it was emanating from China.

China has employed economic sanctions in response to perceived political slights, including placing a tariff on Australian barley after the government sought an international investigation into the origins of Covid-19. Widespread reports exist of Chinese agents seeking to exert covert influence on politicians, academics and business leaders, while Chinese foreign students remain weary of engaging in free political expression for fear of CCP reprisal against themselves or their families back home.

Australia's relationship with China does not occur in a vacuum. The United States has a pervasive interest in any dealings that Canberra has with Beijing. While state and territory governments need not consider Australia's broader foreign relationships beyond the immediate benefits of bilateral engagement, the Australian government must contend with significant alliance management implications.

This is not to say that the Australian government is best placed to manage arrangements with foreign state entities in all circumstances. The often-repeated Canberra mantra that 'we have information that state premiers aren't privy to' is tired and overwrought. Although the Australian government is better placed to understand the detail of evolving security threats, everyone is aware that China poses special challenges for Australia. Physical separation of Australia's capital city from other major urban centres isolates Australia's defence and security agencies whose job it is to counter the China threat, absent the full spectrum of commercial, people-to-people, cultural, and political links that characterise the deep and multifaceted Australia-China relationship that exists today.

This tightrope between economic prosperity, alliance management, sovereignty and values is too narrow for any single Australian government jurisdiction to execute wholly independently.

Our rapidly changing geopolitical environment requires that Australian foreign policy not merely be deferential to the Minister for Foreign Affairs, but actively aligned across jurisdictions through shared enfranchisement.



DEMOCRATISATION OF AUSTRALIA'S FOREIGN POLICY

New political levers

Until the last few years, sophisticated foreign policy debates have been the preserve of parliamentarians, cloistered policy wonks and retired diplomats. Absent major wars, foreign policy has seldom been a topic of live national discourse, let alone a subject that significantly impacts Australian elections.

Initially, the mission of Australia's few international affairs institutes was to elevate foreign policy issues in the national consciousness, giving public visibility to Australia's global interests and concerns. Think tanks used online innovations such as blogs and digitised surveys to canvas ideas and nurture debate.

Academic institutions and associations created new courses and programs to attract young talent. While international scholarships, partner programs, and endowments promoted volunteering, career pathways and bilateral people-to-people exchanges.

These organisations have met only partial success. They are effective at identifying and developing new talent, but other than supplying talking heads for Australia's media programs, public-facing organisations have made only modest headway in making foreign policy a popular concern.

However former voter apathy towards foreign policy is undergoing a transformational shift across the entire western world.

The rise of long-form podcasts and broadcast social media is rapidly expanding the national foreign policy constituency, with general audiences increasingly attracted to formats suited to in-depth discussion about complex challenges.

In some dramatic cases, popular sentiment has shattered the monopoly held by traditional elites. The Brexit referendum saw ordinary British people vote to leave the European Union, and then see off a concerted campaign to overturn it. Donald Trump eviscerated Republican Party dogma on the Iraq War, and then the Democrats on liberal interventionism to become President of the United States, all despite never having previously run for office.

In these instances, and many others, social media tools, and the influence and popularity of independent content creators, was instrumental in tearing down long-held barriers and popularising foreign policy decision-making.

There is no going back. 19th century romance ideas of high international diplomacy being played out by geriatric statesman pointing at gargantuan hand-drawn maps is long passed. Civil society has burst onto the scene, with newly formed organisations and outside individuals having a dramatically increasing influence.

Indeed our own channel has existed for only three months and yet analytics indicate the beginnings of an exponential growth curve in terms of subscribers, views and watch hours.

This is by no means abnormal, mirrored by many other more established platforms reaching audiences and exerting influence. The consequence is that, for many politicians and their local constituents, foreign relations increasingly resembles other areas shared state and federal responsibility such as health, education, jobs, transport and taxation.

LOBBYING VERSUS DIALOGUE

A new national division

Unfortunately, Australia's foreign policy influencers behave more like lobbyists than forums facilitating analysis and deliberation. Many are listed on the Foreign Influence Transparency register. Entities and individuals regularly appear in the media strenuously advocating foreign policy positions and actions, while publicly denouncing alternative perspectives and their proponents.

This has created a hostile, winner-take-all jungle in Australia's foreign policy influence. Cohesion in grand strategy depends entirely on individual factions maintaining political ascendancy in perpetuity.

Take Australia's policy towards China and the US alliance, for example. Various foreign-supported think tanks, research institutes and academics that operate in Australia consistently advocate aggressive China containment initiatives such as participation in freedom of navigation exercises in the South China Sea, expansion of American strategic presence on Australian soil, curtailing of Chinese foreign investment and movements towards collective defence arrangements in Asia.

Conversely, Australia's corporate bodies, education institutions, and business leaders stress restraint when it comes to antagonising China. They argue that Australia should visibly exclude itself from any disputes between China and its neighbours or the United States, and avoid taking any action that could jeopardise bilateral trade or the broader economic relationship.

Australia's dealings with the Chinese Communist Party has proved naïve. Preserving sovereignty and liberal democracy must be paramount, lest our dependency on China grow such that we irreparably compromise both.

However, too often those on the other side of the debate have their reputations impugned or unfairly patriotism called into question. Conversely, pro-China advocates have at times sought to paint those raising awareness of CCP aggression and human rights abuses as stooges for the United States, or even neo-conservative propagandists.

To a large extent, the perceived need for an Australian Foreign Relations Bill is derived from this deepening national division. Simply legislating a veto power will do little to hold back this tide. For the legislation to prove effective it must be paired with new mechanisms for dialogue between different actors to rebuild Australia's strategic accord. In this regard government – both federal and state working in partnership – has a critical role to play.



AUSTRALIANS FOREIGN RELATIONS BILL

Role of State and Territory Governments

It was clearly inappropriate for the government of Victoria to sign up to the Chinese Communist Party's One Belt, One Road initiative absent Australian government endorsement. This display does little to help the people of Victoria and much to embarrass the nation on the world stage. Other examples are even more preposterous, such as in 2011 when Sydney's Marrickville City Council instituted a 'boycott' of Israeli goods within that administrative area.

Local governments have no claim to be involved in foreign policy. The Minister for Foreign Affairs should have absolute remit to disallow agreements between local government entities and foreign powers, and is fully entitled to question such negotiations in the first instance.

State and territory governments are not in this same category, however.

Australia's foreign relations are a huge influence on each jurisdiction's prosperity, community cohesion and service provision. State Premiers and relevant ministers are critical stakeholders in Australia's foreign policy, both in development and delivery.

While primacy of the federal minister is both necessary and desirable, absent broader changes to how foreign policy is formed and administered the proposed legislation will not achieve its intended outcomes.

Instead, State Premiers will find workarounds to maintain overseas partnerships, arguments will arise over what is 'foreign policy' for the purposes of this legislation, the Minister's legislated power will be routinely disputed, and frequent legal actions brought at taxpayer expense.

Taken as is, the proposed *Australian Foreign Relations Bill* will create a new front for different levels of government to capitalise politically by exploiting current and worsening differences in foreign policy disputes. And just as with intra-national borders during the Covid-19 pandemic, the law itself will be subservient to, not master of, regional political realities.

To ensure that an *Australian Foreign Relations Bill* helps to restore national cohesion in Australia's foreign policy it is necessary that State Premiers be enfranchised as well as deferential. While the Minister for Foreign Affairs should wield ultimate veto power over arrangements between sub-national governments and foreign entities, foreign policy should likewise become a standing concern for National Cabinet wherein state perspectives can be properly represented and included in federal decision-making.

For Australia, the 21st century promises to be the most challenging for foreign policy stewardship by far. To navigate successfully it is not enough for State Premiers to be subordinated, rather they must be meaningful custodians, bridging differences where they exist, and in alliance with the Australian government pursue shared foreign policy objectives in a sustained and forward-thinking way.

Conclusion

Dangerous Policy thanks the Senate Standing Committee on Foreign Affairs, Defence and Trade for this opportunity to contribute a submission to Australia's Foreign Relations Bill inquiry.

In principle, there is nothing wrong with passing supporting legislation that provides clarity to an existing constitutional prerogative. However, it is critical that the government recognise that what has caused such legislation to appear necessary are frictions in Australia's geo-political landscape and domestic constituency that will only intensify.

Therefore, as part of this legislation the government should create new mechanisms that include state and territory jurisdictions in Australia's foreign policy formulation and decision-making, in addition to asserting federal primacy. This approach recognises and responds to the enormous complexity of the global environment and the increasing popular influence on Australia's foreign policy direction.

At the end of the day, the Prime Minister and Minister for Foreign Affairs are accountable for a unified national foreign policy, but State Premier buy-in is essential to making any such policy a success.

About Dangerous Policy

Dangerous Policy is a new podcast and discussion forum, based in Australia, discussing global issues facing life and society. Founded in June of this year it is still in its early growth phase, and yet at the time of writing had already reached over 11,000 people, with subscriber growth running at approximately 50% per month compounding.

About the Author

Crispin Rovere is the founder of Dangerous Policy. He is a nuclear analyst, political forecaster and commentator. Crispin is frequently published and regularly cited in media outlets and was one of the few to predict and narrate Donald Trump's rise to power and the presidency. Crispin was a founding member of the Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament, and is author of *The Trump Phenomenon*.

