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At the verge... Sino-Australian political relations in the 21st century : the Australian perspective

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At the verge... Sino-Australian political relations in the 21st century. The Australian perspective

China and Australia (besides India and Japan) are the biggest and the most relevant countries in the Region of South-East Asia and Pacific. Relations between these giants underline stabilization or deconstruction of regional policy and economy. Mutual terms are closer every year. However, last decade shows, that maintaining of the good relationship is sometimes really tough. Political relations are much more dependent on economic deals than it was in the last century. The main aim of this article is to reveal how the relations between The People's Republic of China and Commonwealth of Australia look like in the 21st century. Cooperation of these two countries in the region is not simple. Chinese interests in Australian mineral resources force Australia to soften its human right requirements and policy. On the other hand Australia does not see any problems with inviting, i.a. His Holiness the 14th Dalai Lama or Rebiya Kadeer, that is not approved by the Chinese government. Both countries have totally different political systems and diametrically dissimilar way of exercising power. Nevertheless, they resemble each other in aiming the economic growth and having responsibility for the regional issues. The friendship of Australia and China is difficult but really necessary for regional stabilization.

Short history of the Chinese in Australia

The beginning of Sino-Australian relationship reaches the beginning of Australia as a new land in the world. To be precise, since the moment when southern lands have been discovered. There are a lot of authors, who put Macassan and Chinese sailors among explorers of Australian lands (besides European). Well known Australian historian — Manning Clark claims that Macassan traders and people from Bugi tribes, who were very interested in trepang and bird of paradise flowers (which prices in China were high) reached the northern coast of Australia in the 15th century¹. They probably were in contact with ethnic tribes there. Newly discovered lands they named “Marege”, which means “the trepang land”. Professor

¹ M. Clark, *Historia Australii*, Warszawa-Gdańsk 2004, p. 8.

Joseph Needham also believes, that Chinese came to Terra Australis in the 15th century, probably under the eunuch admiral Ching Ho².

After 1432, the power in Beijing had been taken by the group of people which was not interested in foreign trade. That is why, until the 19th century, they did not organized southern far-flung expeditions³. At those times England has different idea with regard to that region and Australian land. In the 18th century British politicians, except considering Australia as a penal colony, thought that it would be the best place, which could play a role as a trade agent between Great Britain and East India, China and Pacific region⁴.

Already in the first years of colonization, Chinese (few firstly) from Guangdong province in southern China settled in New South Wales⁵. One of the biggest ship owner and a pioneer of wool industry in Australia — John Macarthur employed three of them on his farm in 1820. But really huge flood of Chinese immigrants has came with the Australian gold rush period. Between 1852 and 1889 over 40 thousands of people⁶ arrived and they were decoyed by quite easy coming into a fortune. They were sent to Australia by Chinese businessmen (under a credit-ticket system) and had to work on goldfields until their debt was paid off. They came in groups of 600–700 people. They made up 3,3% of the Australian population. Came from Hong Kong, Shantou and Xiamen, they has settled in different parts of the continent, but the most of them has lived in a small temporary camps or villages in New South Wales, Victoria and Southern Australia. Living conditions of Chinese-Australians were hard. Very often in one building over 300 people lived together⁷. Additionally there was a huge amount of men and only 11 women. Gold rush offered them a chance of gaining great fortunes and having prestige in Chinese society (when they came back to the motherland). Lured by money-making settled in different parts of continent. The biggest group has worked on goldfields in New South Wales and Western Australia. With time, in major great Australian cities (Sydney, Melbourne, Brisbane) they established Chinatowns — Chinese districts with Chinese architecture, infrastructure and customs. This was really important moment of settling in Australia. However, The White Australia Policy (from 1901 Immigration Restriction Act to the 1960s and 1970s) had caused a campaign against Chinese and almost prohibited Asiatic immigration to Australia⁸.

² F. Welsh, *Australia. A New History of The Great Southern Land*, Woodstock & New York 2006, p. 2.

³ *Ibidem*, p. 8.

⁴ *Ibidem*, p. 51.

⁵ The earliest documented Chinese settler was Mak Sai Ying, who arrived in 1818, and purchased land in Parramatta. He married an English woman Sarah Thompson. In 1823 changed his name to John Shying.

⁶ *The Australian gold rush*, Australian Government Official Website, <http://australia.gov.au/about-australia/australian-story/austn-gold-rush>, [12.06.2012].

⁷ M. Clark, *Historia Australii...*, op. cit., p. 123.

⁸ *Australia. A Social and political history*, Ed. G. Greenwood, Sydney-Melbourne 1970, p. 123.

Already at the beginning of the 20th century a Minister of Defence Sir George Foster Pearce admitted: “[...] Whilst racially we are European, geographically we are Asiatic. Our own special immediate Australian interests are more nearly concerned with what is happening in China and Japan than what is happening... in Belgium, Holland, Poland, or other countries farther removed”⁹. But again, the communism, Cultural Revolution which began in 1966, Vietnam (Australians fought on the side of United States) and universal distrust caused that “Sinophobia” was observed¹⁰.

Establishing of diplomatic relations and first decades of cooperation

Diplomatic relations and official contacts were established on 21st December 1972 when Gough Whitlam was a prime minister in Australia and Zhou Enlai was the first premier of the People’s Republic of China¹¹. Shane Maloney wrote in 2006: “[...] in Shanghai, Zhou sent Whitlam a birthday cake. In the interim, Zhou had met secretly with Henry Kissinger, shaking hands on a deal that ended China’s diplomatic and commercial isolation by the us. By the time Whitlam returned to Australia, the Labor leader’s high-risk gamble seemed like an act of sublime prescience”¹². That risk set to be beneficial for this both and for other states. Firstly, Australia downgraded its relations with Taiwan. It is worth to say that China has started to implement the “open door policy”, which consists of opening markets and forming connections with other countries’ economies¹³. *New era of mutual acceptance* and cooperation has began.

Already in 1978, on Australian government’s initiative China-Australia Council came into being¹⁴. Their main goal was to promote mutual relations between both countries and to assist with education, cultural and economic projects. In spite of initial problems in founding common course of action, progress has been made. Exchanges and cooperation have increased in various fields. Value of sales increased from 72 mln USD in 1972 to 216 mln USD one year later¹⁵. In 1984 value of sales exceeded one billion dollars and China set to be fourth largest export market for Australia. Besides trade, extensive relations was observed in education — especially in university studies. A lot of Chinese students has settled temporarily in Australia.

⁹ F. Welsh, *Australia. A New History...*, op. cit., p. 408.

¹⁰ Ibidem, p. 482. See also on page 485.

¹¹ Mao Zedong was the Chairman of the Communist Party of China.

¹² S. Maloney, *Gough Whitlam and Zhou Enlai*, “The Monthly” no. 13, <<http://www.themonthly.com.au/issue/2006/june/1316148095/shane-maloney/gough-whitlam-zhou-enlai>>, [12.06.2012].

¹³ See: J. Fornalczyk, *Chiny w procesie modernizacji — przemiany gospodarczo-społeczne* [w:] *Współczesne Chiny: polityka, kultura, gospodarka*, ed. M. Pietrasiak, Łódź 2005, p. 193.

¹⁴ Now in Department of Foreign Affairs and Trade in Australian Government.

¹⁵ States traded primarily in wool and wheat.

Tiananmen Square Massacre in 1989 indicated the direction of partnership on the next decade. Australian government interchangeably condemned Chinese authority. The Prime Minister — Bob Hawke cried over victims at a memorial service in the Great Hall in Parliament. 42 thousand of Chinese students (residents in Australia) were allowed by Labor government to stay in Australia and never come back to China¹⁶. That was not only the possibility to educate but also an opportunity for new life. It started the second biggest wave of migration to Australia since the gold rush era. At the beginning of 2011 Australia provided higher education to over 126 thousand of Chinese students which is 26 percent of all overseas students in Australia¹⁷. Australia is now the biggest market for Chinese students for tertiary education. Since Tiananmen the human rights issue is very important thing in talks between Beijing and Canberra. After the massacre, in addition, the number of officials' visits has been reduced and some of the preferential trade regulations retreated. "In the process of China's post-Tiananmen evolutionary human rights diplomacy changes, Australia was one of the countries to be won over by China in facilitating its policy implementation. Admittedly, China's bilateral dialogue approach and technical cooperation with Australia and some other Western countries contributed to the successive failure of the American attempt to take multilateral actions to pass an anti-China resolution in the UN Human Rights Commission (replaced by the UN Human Rights Council in March 2006)"¹⁸. After those events Australian politicians started to ask a question about the place between China and United States of America. It was known, that both countries were the pillars of Australian foreign policy. On one side there is still lucrative economic relationship with a rising but ideologically alien new hegemon, on the other side military force protection and close cooperation in many areas with the greatest power in the world. The whole decade of the 90s was marked by tension. In 1991 Paul Keating became new Australian Prime Minister. Despite differences and difficulties he focused on general lowering of tariff levels within the Asia-Pacific region and tying Australia to the economic strength of China, Japan and U. S. Two years later he visited China and South Korea to campaign for strengthening APEC¹⁹. He was intent to his quest for deeper economic integration in the region.

An important point in Sino-Australian relations was a question of Taiwan. In 1972 Australia declared his policy towards this island as ambivalent. Generally because of the relations between Australia and Taiwan were episodic. On the other

¹⁶ *Children of the revolution*, The Sydney Mornig Herald, <<http://www.smh.com.au/articles/2003/12/25/1072308628745.html>>, [12.06.2012].

¹⁷ Ph. Ivanov, Australia and China's higher education revolution, The Interpreter, Lowy Institute for International Policy, <<http://www.lowyinterpreter.org/post/2011/07/26/Australia-and-Chinas-Higher-Education-Revolution.aspx>>, [13.06.2012].

¹⁸ Hou Minyue, *The Post-Tiananmen Human Rights Issue in China-Australia Relations*, [w:] "Asian Journal of Political Science", vol 15, no 3, December 2007, p. 344.

¹⁹ The People's Republic of China joined APEC in 1991.

hand interesting in gaining China as a partner in regional policy and economy was great. The Keating government has still tried to maintain proper relations with Taiwan. The economic cooperation between these two countries has been carrying out behind China. United States' support given to Taiwan democratization process has caused intensification in Australian Taiwanese contacts. This among others brought about Australian reaction on 1996 Taiwan Straits Crisis. Australia supported the US' reaction to that situation. Alexander Downer, who was the new foreign minister under the Howard government²⁰ said that Chinese firing missiles tests near the main ports and influence on presidential election should be limited. After this announcement the next diplomatic crisis has been observed. The aid that has been given by Australia to United States was judged as intervention in Chinese internal affairs. China blocked official visits to Australia and "froze movement on almost any commercial negotiations with Australian firms"²¹. Nevertheless, Australia started to straighten relationship with China very quickly. Already in 1997 both countries established The China-Australia Human Right Dialogue. It started the process of enhancing mutual trust and finding concrete ways to cooperate on relevant issues. Till July 2012 there was fourteen meetings during which a lot of deals was discussed. Chinese officials have to attend courses in international human rights law at Australian universities. All publications connected with human rights should be translated in both languages. Activity of All China Women's Federation relates to prevention of domestic violence and training in women's and children's rights²². These are only few examples of the cooperation. It was beneficial for both states (especially in economic area). But also in political field. In 1997 China gained an ally in Hong Kong issue. Again, the period of "mutual respect" became to real. John Howard has claimed that Chinese economic development and growth and reinforcement of national defence of this country is not a threat to Australia, but on the other hand he didn't want to straighten ties at military and political areas.

Milestones and problems in the 21st century

Between 1996 and 2007 John Howard visited China six times (most of all Australian Prime Ministers). To make things worse, it has caused that relationship with The Middle Country since that time has been inseparable and much stronger than

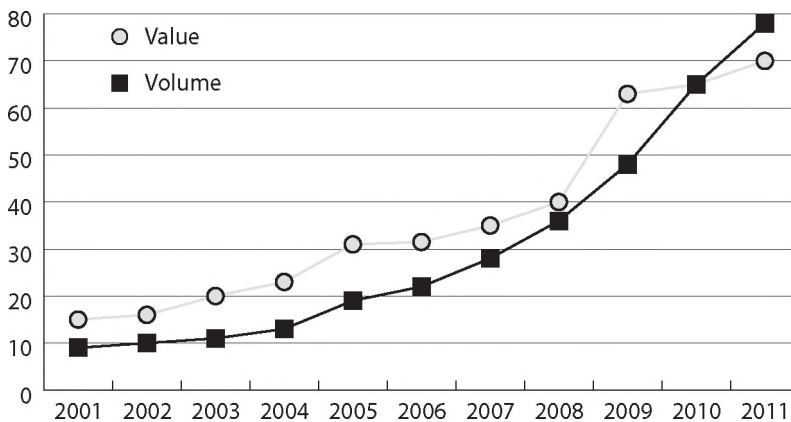
²⁰ John Howard was the Prime Minister of Australia from 11.03.1996 to 3.12.2007.

²¹ G. Dobell, *The Downer legacy: Northeast Asia*, The Interpreter — Lowy Institute for International Policy, <<http://www.lowyinterpreter.org/post/2009/09/14/Downer-seminar-Northeast-Asia.aspx>>, [12.06.2012].

²² *Second Meeting Of The Australia-China Human Rights Dialogue: 10–11 August 1998*, Department of Foreign Affairs, <http://www.foreignminister.gov.au/releases/1998/fa108_98.html>, [12.06.2012].

ever before. Economic reforms initiated by Deng Xiaoping at the end of the 1970s (e.g. rural reforms and agricultural growth, special economic zones, opening up the private sector, opening to the outside world) caused, that China's demand for raw materials has begun to increase rapidly. An intensive import of coal, iron, steel, refined petroleum, aluminium and natural gas has been for China a precondition for long-term development. Australia which is rich in resources has become the ideal partner for the Chinese. The Australian and Chinese economies are now strongly complementary in the region of South East Asia and Pacific Ocean. Former Prime Minister Bob Howke said: "I made my first visit to China in 1978. Now [A. K. — 2009] after 81 visits, I have had the opportunity first hand — over the whole of the period of this move to a market economy — to witness the impact of that decision upon China, the region and the world"²³. According to Australian statistics, two-way merchandise trade has grown from 113 AUD million in 1973, just after the establishment of diplomatic relations, to 78,2 AUD billion in 2009 and to 117,714 AUD billion in the end of 2012²⁴. And to a large extent this is due to John Howard's period. The last decade was the most intensive in mutual trade and investments (Chart 1).

Chart 1. Australia's exports to China (in AUD billion)



Data source: *Australia's export to China 2011–2011*, Department of Foreign Affairs and Trade, p.1, <http://www.dfat.gov.au/publications/stats-pubs/australias-exports-to-china-2001-2011.pdf>, [20.10.2012].

²³ B. Howke, *Looking back on China's relations with Australia*, EastAsiaForum — Economics, Politics and Public Policy in East Asia and the Pacific, <http://www.eastasiaforum.org/2009/09/27/looking-back-on-chinas-relations-with-australia/>, [12.10.2012].

²⁴ Trade and Investment, Australian Embassy, <http://www.china.embassy.gov.au/bjng/relations2.html>, [10.08.2012].

In 2004 Fu Ying took office as the ambassador to Australia (she was later a deputy minister of foreign affairs in China). At the beginning of her visit in Australia she has presented main areas of potential cooperation between Australia and China in the 21st century. The document has been accepted by Australian side — especially by the opposition party (then Labor Party). Some of the prepositions are below:

- cooperation in energy sector — import of Australian raw materials, mainly coal (huge Chinese demand could be appeased),
- cooperation in agriculture — Australian experience and advanced agriculture technology could be helpful for Chinese agriculture, which was then belated,
- cooperation in science and technology — with putting strong emphasis on biotechnology. Australia as one of the leaders in this field could be helpful in building Chinese science-research-development parks and specialized research and test labs,
- cooperation in environmental management — with putting strong emphasis on wastewater treatment — using advanced technology (very common in Australia),
- cooperation in education — with particular reference to teaching English at a basic level, and youth and student exchanges.

In return, Australia would gain a financial profit and a strong, solid, and reliable partner in trade and in politics in the region of East-South Asia and the Pacific. It would also gain in the future well-educated workforce. All of these points have been implemented for many years. In fact, this long-term and advanced cooperation is based on these pillars.

On April 2005, Australia and China agreed to commence negotiations on a Free Trade Agreement (FTA) following consideration of a joint FTA Feasibility Study. The study was completed in March 2005, and concluded that there would be significant economic benefits for both Australia and China through the negotiation of an FTA. Just before getting down to the negotiations president Hu Jintao said that China-Australia relations have achieved new progress in recent years with remarkable results achieved in the exchanges and cooperation in various fields²⁵. The first round of negotiations was held on 23rd of May 2005 in Sydney and was related to the formal and procedural issues. Australia committed itself to carry out among Chinese officials a lot of effective communication and negotiation trainings. During the second round both countries exchanged information about mutual trade and investment systems. Four workgroups came into being. They debated on:

- agriculture (agriculture technology and trade of sanitary and phytosanitary systems, as well as barriers in agriculture products trade),

²⁵ *Hu Jintao meets with Australian Prime Minister*, Ministry of Foreign Affairs of the People's Republic of China, <<http://www.ambchine.mu/eng/xwtdt/t194278.htm>>, [2.10.2012].

- trade in goods (tariffs, non-tariffs barriers, the administration customs, rules of origin and public procurement),
- trade in services (education, tourism, telecommunications, finance, transportation, professional services and mining, and also regulations for temporary entry of people),
- intellectual property rights, competition policy, transparency and conflicts settlement²⁶.

Every time the negotiations are complex. Subsequent meetings were focused on the development of a draft agreement. Further progress was made in talks on the movement of goods and technical barriers to trade (TBT) and customs procedures. However, the debate will be continued at the next meeting. At the end of 2012 they are before the nineteenth round, but nobody can be sure of the positive results. During this time a lot of events could be destructive for the negotiations.

There were a lot of scrapes between Howard and Hu Jintao. At the end of John Howard's premiership in 2007 His Holiness The Dalai Lama came to Australia with an official visit. Every time, when this type of visit is held, Chinese authorities react negatively. China warned Canberra that the Dalai Lama's visit there could harm bilateral ties. Foreign Ministry spokesman Qin Gang told journalists: "We have expressed our strong dissatisfaction and staunch opposition to the Australian side for allowing the Dalai Lama to Australia to engage in splittist activities [...] The Dalai Lama is not a simple religious figure. He is a long-time political exile engaged in splittist activities and destroying national unity"²⁷. The 11-day visit brought about a diplomatic dispute. Australia always tries to exploit this type of events to put pressure on Beijing on human rights. That's why, despite criticism from China, John Howard met with The Dalai Lama. Howard has provoked a diplomatic row at a moment when trade links with China have never been closer. On the other hand Australian officials tried to placate Beijing by saying that the Buddhist icon had not been using Australia as a platform to promote Tibetan independence²⁸. It threw Chinese into confusion and the conflict was not very deep and didn't last long.

The year 2007 brought hope of change — improvement in relations not only economic, but also political. Australian new Prime Minister Kevin Rudd — trained sinologist, who speaks Mandarin fluently has immediately became a "friend of the

²⁶ *Australia-China FTA Negotiations. Second Round of Negotiations*, Australian Government Department of Foreign Affairs and Trade, <http://www.dfat.gov.au/fta/acfta/050901_subscriber_update.html>, [15.12.2010].

²⁷ China warns Australia over Dalai Lama, The Sydney Morning Herald, <<http://www.smh.com.au/news/world/china-warns-australia-over-dalai-lama/2007/06/12/1181414278558.html>>, [12.06.2012].

²⁸ Alexander Downer felt obliged to ask China to respect different political system and culture in Australia, adding that the Dalai Lama is considered to be a significant religious personality and his visit does not affect the position of Canberra on the issue of Chinese sovereignty over Tibet.

Chinese people²⁹ and quickly gained popularity with the Chinese public. Good contacts with East Asia were among the three pillars of his government's foreign policy. Chinese policy élites had great hope that the Sino-Australian relationship could become a model for the relationship between China and the West. At the beginning of the premiership he announced that respects the one-China policy and will not interfere in the dispute in the Taiwan Strait. A lot of polite speeches and kind letters were directed from Australia to China and inversely. During the meeting on April 2008 Kevin Rudd and Hu Jintao agreed that "the political relations between Australia and China are developing well and the engagements and dialogues between the leaders of the two countries are moving deeper and further, which have strongly boosted the development of bilateral relations. Australia views China as a long-term partner"³⁰. It started the bilateral strategic dialogue. Both sides reached agreement in five issues (very similar to those which are the basis of FTA): to strengthen high level exchange and enhance mutual trust in politics, to expand mutual interest and deepen bilateral cooperation, to expand peoples' contacts and increase friendly exchange in cultural and educational sectors, to strengthen dialogue and communication and care about the sensitive issues of both sides and to strengthen regional cooperation to mutually promote regional peace and stability³¹. How great must have been their surprise when Kevin Rudd, during the lecture at Beijing University in 2008, paid attention to significant problems with human rights in Tibet and expressed his deep anxiety about this issue. "The current situation in Tibet is of concern to Australians. We recognize the need for all parties to avoid violence and find a solution through dialogue. As a long-standing friend of China I intend to have a straightforward discussion with China's leaders on this"³² he said. Chinese media, which is under control of leading party, did not mention it at all. In spite of it, many businessmen had misgivings about the fact, that a lot of deals can be suspended. There were not significant consequences, because Mr Rudd was too valuable for the Chinese government at that time. He has supported Chinese aspiration to strengthen their role in G20 and he was the mediator between Western countries and China in talks about emission cuts. In 2009, China signed an agreement for the purchase of 2,25 million tonnes (per year) of liquefied natural gas from the Gorgon field in Australia. It was then one of the largest com-

²⁹ For Kevin Rudd and for journalists this definition was not as polite as the Chinese would like it to be. In history they named some people in the same way e.g. Joseph Stalin, Norodom Sihanouk — Cambodian ex-king, Hugo Chávez.

³⁰ Chinese President Hu Jintao Meets with Australian Prime Minister Kevin Rudd, Ministry of Foreign Affairs of the People's Republic of China, <<http://www.fmprc.gov.cn/eng/wjlb/zjjg/bmdyzs/xwlb/t425256.shtml>>, [12.08.2012]

³¹ China, Australia hold first strategic dialogue, "China View", <http://news.xinhuanet.com/english/2008-02/05/content_7574457.htm>, [17.06.2012].

³² Beijing University speech by Australian Prime Minister Kevin Rudd, The Australian, <<http://www.theaustralian.com.au/news/kevin-rudds-speech-at-beijing-uni/story-e6frg6n6-111116015758#sthash.VHhHG2Bn.dpuf>>, [12.06.2012].

mercial transactions in Australia's history, worth 50 AUD billion. China became the most important trade partner and market for Australia (China has overtook Japan). Because of the trade contacts with China Australia did not suffer from economic and global crisis. Export to China has made Canberra in 2009 a trade surplus of 5.5 billion AUD. For China Australia is ninth trade partner. Since this moment China's economic growth contributes directly to Australia's prosperity.

In spite of this good economic and statistical data 2009 was rather difficult year in mutual relations. Firstly because of the Australian Defence White Paper. China's rise in economic, political and military terms has become more evident. That's why the outlook of military and defence has changed — the document said³³. Australia sees United States of America as the most powerful and influential strategic actor over the period to 2030. The paper declared China would be Asia's strongest military power "by a considerable margin" and warned the pace and scope of its growth had the potential to give its neighbours cause for concern if not properly explained³⁴. It proposed a substantial boost in Australia's air and naval power in response to China's increasing military presence in the region. Initially, the reaction of Chinese authorities was not exposed. But secret notes (from USA and Australia) posted on WikiLeaks shows that government in China was agitated after the publication of the White paper and had threatened Australia would "suffer the consequences" if references to China were not watered down³⁵. Cooling of political relations had little impact on economic contacts.

Two large energy companies Chinalco and Rio Tinto were about to finish negotiations and finalize the contract for investments and supplying of iron ore. When suddenly in June 2009 the Rio Tinto agents had rejected the offer (Chinalco wanted to buy the part of the company), Chinalco accused them of corruption and stealing trade secrets (but officially it has nothing in common with the offer rejection). Four employees (three Chinese and Australian — the Head of Delegation³⁶) went to jail on charges of disclosure of states secrets (but not economic espionage, what was suggested by some publicists). The arrest of Rio Tinto staff caused serious diplomatic friction between Canberra and Beijing, especially that the part of the trial (despite the resistance of the Ministry of Foreign Affairs of Australia) has been held behind closed doors. The accused confessed to receiving benefits property and the court sentenced them to prison for 7 to 12 years. At the same time, Rio Tinto and Chinalco have resolved the diplomatic problems, reached an agreement and signed another contract trade, cutting themselves off from the corruption disclosure³⁷.

³³ *Defending Australia in the Asia Pacific Century. Force 2030*, Department of Defence, Commonwealth of Australia 2009, p. 19 .

³⁴ Ph. Dorling, R. Baker, *China's fury at Defence Paper*, The Sydney Morning Herald, <<http://www.smh.com.au/national/chinas-fury-at-defence-paper-20101209-18rel.html>>, [12.06.2012].

³⁵ Ibidem.

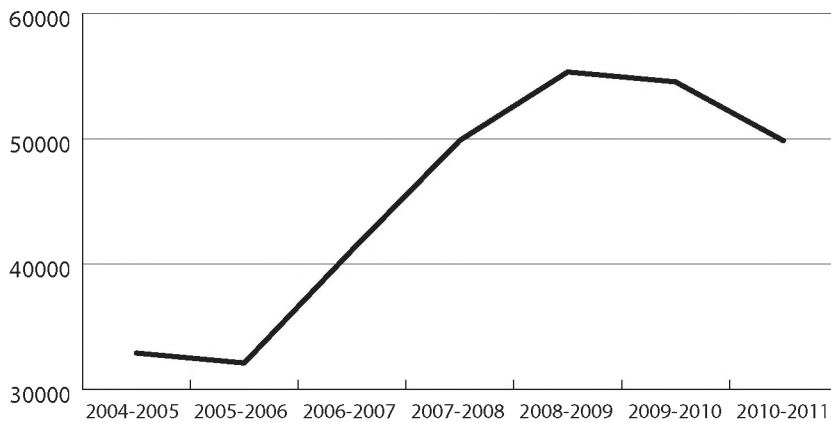
³⁶ Stern Hu — the Head of the Delegation, Liu Caikui, Ge Mingqiang, Wang Yong.

³⁷ A. Kandzia, Chińsko-australijskie stosunki gospodarcze w XXI wieku. Harmonia z rysą w tle [w:]

Chinese try to find new markets and new global brands. The greatest investments they make in the energy sector but also locate their capital in the housing and construction sector and more often in tourist services and the food industry. Australians are interested in investing in mining, agriculture, banking, financial services, telecommunications and media, but Chinese authorities tries to limit it. Australia-China Business Council (founded in 1973) actively promotes two-way trade and investment and calls both countries to balance their mutual investments. What is really important, Australia will probably become in 2013 the third country to establish direct currency trading with China (which moves toward internationalizing its currency).

At this time also non-government links has played a vital role in the Australia-China relationship. Australia has become one of China's major partners in terms of training and development of talents and scientific innovation. Between 2005 and 2011 315 731 Chinese student has got their new visas and could come to Australia to gain education³⁸. But students from Australia choose Chinese universities less often. After friction over violence against Indian students in Melbourne and Sydney, the number of Asian student especially from India and China had decreased (Chart 2). But still Australia is first destination among Chinese students.

Chart 2. Chinese student visa applications granted (from 2004–05 to 2010–2011).



Source: Own elaboration based on *Student visa program trends 2004–05 to 2010–11*, Department of Immigration and Citizenship, p. 18

Współczesna Azja Wschodnia. Wybrane zagadnienia, red. K. Żakowski, Łódź 2011, p.113.

³⁸ *Student visa program trends 2004–05 to 2010–11*, Department of Immigration and Citizenship, p. 18.

A lot of organizations were established to help people in settling in the new place, finding the language schools and starting new life in the community and culture (e.g. The Australia-China Youth Association, Chinese Studies Association of Australia, Australian Chinese Community Association).

In student exchange, both countries agree they should develop a safety handbook for Chinese students in Australia, while China will also explore effective ways to increase the number of Australian students in China.

Another event, which was held in 2009 had a big influence on Sino-Australian relations. Beijing did not accept the visit of Rebiya Kadeer. She is the leader of the World Uighur Congress (WUC) and Chinese officials tried to persuade Australia not to go ahead with her speech³⁹. As *The Guardian* says: "Melbourne international film festival's Richard Moore fielded a phone call from an angry cultural attaché at the Chinese consulate in the city, over the inclusion of the film about business-woman Kadeer"⁴⁰. He wanted to withdraw the film from the festival. It did not happen. Chinese students encouraged to boycott the festival but there were not any far-reaching consequences. The Rio Tinto case and Rebiya Kadeer visit are considered to be the worst points in Sino-Australian relations for the past few years.

The end of Kevin Rudd's premiership was not very popular in China. His era was difficult for both countries but the Mandarin speaking premier focused on proper relations always guaranteed stabilization. He could do and say more than anyone else, but on the other hand he at last made concessions. Julia Gillard who overtook Rudd in the middle of 2010 was before the Minister for Education and Deputy Prime Minister and she was well known in China. She was expected to maintain the cooperative relations⁴¹. From the very beginning strategic partnership with China has always been a high priority for Prime Minister Gillard. When Gillard visited China for the first time as Australian prime minister in April 2011, she mentioned in passing to her hosts the need for a more structured relationship. In March 2012 in the letters to President Hu Jintao she proposed the regular high-level dialogue.

Before her first visit to China social attitudes were not very good. 44 % of Australians expressed in the survey for Lowy Institute that they fear Chinese military threat. At that time Julia Gillard has emphasized that the most important strategic

³⁹ Chinese authorities believe that World Uighur Congress is a front for terrorists pushing for a separate East Turkistan homeland.

⁴⁰ B. Child, *Rebiya Kadeer row engulfs Melbourne film festival*, *The Guardian*, (<http://www.theguardian.com/film/2009/jul/15/rebiya-kadeer-melbourne-film-festival>), [10.10.2012].

⁴¹ Chinese side expected her first visit to the Middle Country. USA wanted her to come to America. To reconcile both partners Julia Gillard chooses Brussels as her first destination as Prime Minister. During this visit she told: "Foreign policy is not my passion. It's not what I've spent my life doing". See: T. Wald, *Foreign affairs not my thing says Prime Minister Julia Gillard on Europe trip*, (<http://www.news.com.au/national-news/foreign-affairs-not-my-thing-says-prime-minister-julia-gillard-on-euro-trip/story-e6frfkvr-1225934656425>), [10.10.2012].

partner for Australia is United States. Other countries are further away. However, in April 2011 after talks with Chinese officials Prime Minister announced a “new strategic partnership” between Australia and China (during the meeting in China between Julia Gillard and Li Keqiang — china’s premier a 1,6 billion AUD deal was signed to develop wind farms across Australia and 1,5 billion AUD deal to develop lead and silver mines in Queensland⁴²). On the other hand in 2012 the Gillard government has introduced the carbon tax (of 23 AUD per tone of carbon dioxide emission. They created the list of 294 most non-green companies. For Chinese companies with their shares in Australia it is a significant increase in production costs. Complementarity of the two economies is undeniable and ties between them are much stronger every year.

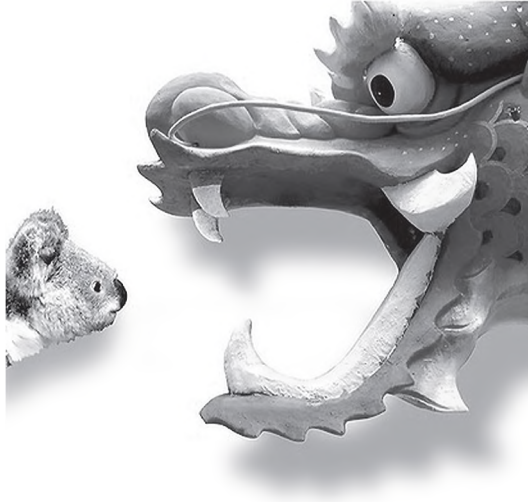
In regional policy relations between Australia and China are clear. The One-China policy is accepted by politicians from southern partner. Australia has become the middle power and has a very strong position between China and United States and is actively engaged in the region. Is the bridge from West to East. The Great Power clash in the East-South Asia and Pacific Region gives Australia the new role. It has to maintain the stability, security and peace there. Both Australia and China have strong and enduring interests in a stable, secure and prosperous region (which is one of the fastest growing region in the world). In November 2011 President Barack Obama met with Julia Gillard and they announced plans for the first sustained American military presence in Australia. He implied that China should be submitted the us policy in this part of the world⁴³. China has not been satisfied with the Australian agreement for US troops station, but economy is still behind. There were some accusations of wanting to isolate the largest partner, but any sudden movement should be made. Julia Gillard competently balances between the two partners. Next year she is going to Beijing to secure closer ties with China.

For many years in the press the greater publicists show their satirical images that are the commentary on the current policy and governments’ commitment in building regional relationships between Australia, China and United States of America. They often see Australia as a servant or assistant for China in the region of East-South Asia and Pacific. It is similar to the situation in the 90s. when Australia was called “The deputy sheriff of America”. Some examples are below.

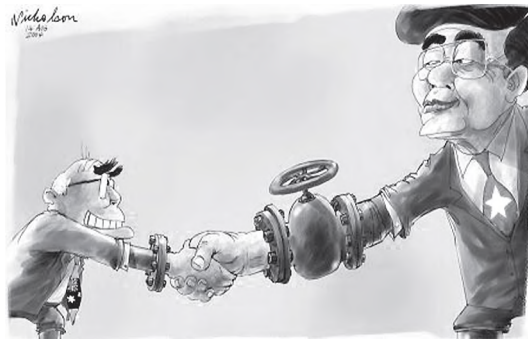
⁴² Ph. Hudson, Julia Gillard strikes deal with China to boost Australian ties, news.com.au, <<http://www.news.com.au/national-news/federal-election/julia-gillard-strikes-deal-with-china-to-boost-australian-ties/story-fnh052ip-1226616203387>>, [20.10.2012].

⁴³ A. Kandzia, *ANZUS — the history, current situation and perspectives of the strategic partnership between Australia and U.S.* [w:] “Antypody. A Quarterly Magazine of Australia, New Zealand and Oceania Research Association”, Issu no. 6, Kraków 2012, p. 26.

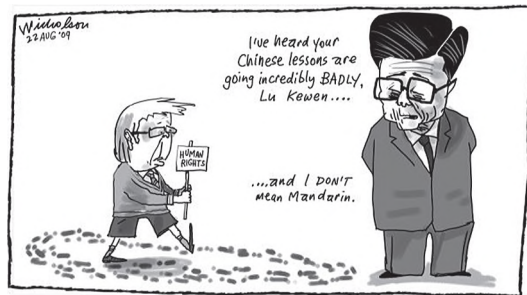
Picture 1. Author: Suzanne White, by: T. Harcourt, *Sino-the-times in labour market and economy*, The Sydney Morning Herald, <<http://www.smh.com.au/opinion/politics/sino-the-times-in-labour-market-and-economy-20091117-ijb5.html>>, [12.06.2012].



Picture 2. Author: Paul Kelly, by: *The dangers of mounting us-China rivalry*, <<http://www.a-w-i-p.com/index.php/2010/08/12/the-dangers-of-mounting-us-china-rivalry>>, [12.06.2012].



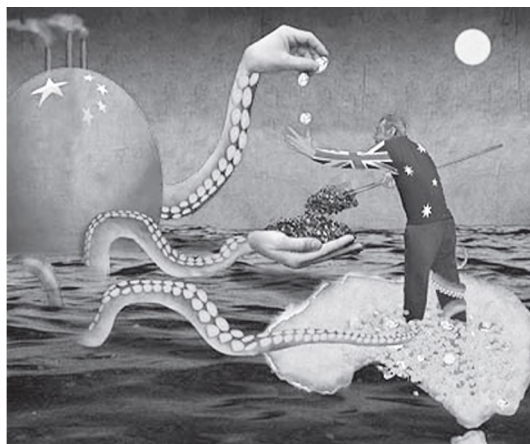
Picture 3. Author: Peter Nicholson, His own collection of pictures, <<http://nicholsoncartoons.com.au/kevin-rudd-chinese-lessons-wen-jiabao-600.html>>, [12.06.2012]



Picture 4. Author Alan Moir, by: Wei Yuan Min, *The Bermuda Triangle: In between America and China. Australia's balance and juggling game*, The 4th Media, <<http://www.4thmedia.org/2012/06/16/the-bermuda-triangle-in-between-america-and-china-australia%E2%80%99s-balance-and-juggling-game/>>, [16.06.2012].



Picture 5. Author: M. Morgenstern, by: *Australia's Chinese entanglement*, The Economist, <<http://www.economist.com/node/13576089>>, [12.06.2012].



We cannot forget in this article about cultural and tourist ties between our two countries. According to the Australian Bureau of Statistics — in 2010 the number of Chinese tourists in Australia reached 454 thousand⁴⁴. 337 thousand of Australians went to China at the same time. The ongoing economic booms in Asia, and more directly, China, continued to buoy the Australian tourism industry. As it was told before many students want to study in Australia and they gain their visas. Chinese is from 2011 the biggest immigration group among all nationalities. Both countries have embassies (in Canberra and Beijing) and consulates in major cities (China's in Sydney, Melbourne, Brisbane and Perth; Australia's in Shanghai, Guangzhou and Hong Kong).

Over the last 10 years, the proportion of the Australian population who were born in China increased from 0,8 percent to 1,8 percent⁴⁵. Chinese minority in Australia has own communes, own schools and institutions. Very often they use the same institutions as Australians and try to melt into the Australian society. Lots of them are born in Australia already. There are many organizations that make life easier in Australia, e.g. Australia Chinese Community Association, which has departments in every state. It organizes a lot of events to promote Chinese culture among Australians. To facilitate communication and living a lot of Australian websites are well-translated to Chinese language. Companies and hospitals have a Chinese language speaker on staff. "Australia's participation in the Shanghai World Expo in 2010 projected an informed contemporary image of Australia and strengthened Chinese perceptions of Australia as innovative, creative and dynamic"⁴⁶. Non-official links play an important role in understanding each other and eliminating stereotypes.

Resume

"Of all the important relationships that Australia has with other countries, none has been more greatly transformed over the last 10 years than our relationship with China"⁴⁷ told John Howard in 2006 during the meeting in China. China has been one of the key countries, relations with which have occupied the centre stage

⁴⁴ *Short-term visitor arrivals*, Australian Bureau of Statistics, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/3401.0Feature%20Article1Dec%202010?opendocument&tabname=Summary&prodno=3401.0&issue=Dec%202010&num=&view=>, [20.10.2012].

⁴⁵ Australia's population by country of birth, Australian Bureau of Statistics, <http://www.abs.gov.au/ausstats/abs@.nsf/Products/84074889D69E738CCA257A5A00120A69?opendocument>, [20.10.2012].

⁴⁶ Australia's Bilateral Relationships, Australian Bureau of Statistics, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/1301.0~2012~Main%20Features~Australia%275%20bilateral%20relationships~210>, [10.10.2012].

⁴⁷ R. Bowden, *Concerns Expressed Over Australia's Uranium Deal With China*, <http://www.worldpress.org/Asia/2327.cfm>, [10.10.2012].

in the Australian foreign policy. It is inevitable for both countries. Economic ties mean that both Australia and China want to maintain stability and peace in the region. They always stress that they are the most important and powerful nations in Asia and Pacific (besides India and Japan). The positive trends can be observed in these relationships, but also they have to face the challenges and difficulties. Lack of democracy in China and rather little effective discussions on human rights are problematic for Australia to go politically closer to China. However, current relations are on a friendly footing. Sensitive issues are discussed in a proper way. Polite diplomacy is giving both a lot of benefits. Each time all difficulties were managed to solve. It is worth to say that both nations have solid foundation for cooperation. Never had any border war (what is obvious), never ran another war as direct enemies (besides Anglo-Chinese war 1859–1860 and the episode in Vietnam), never had to break official diplomatic relations. They always view the bilateral relationship from a long-term and strategic perspective, expand common interests, and advance the dialogues, exchanges and cooperation in all fronts. They both try to face opportunities in this partnership. The development of people — to — people relations is key to the future. Although, Chinese need stronger public representation in communes and in federal parliament. The two countries should intensify the cultural and education exchanges and consolidate the social foundation of China-Australia relationship.

Australia has had formal diplomatic relations with China for four decades. To preserve the long-term interests with a key trading partner Australia needs to create a China-informed generation of policy makers and business professionals across sectors⁴⁸. In the end of 2012 Australian politicians describes China as a partner in securing peace in the Asia-Indo-Pacific region. They wanted to increase military engagement with China (and at the same time not to move away from the United States). Canberra and Beijing know that their activities in the region are crucial and know very well how to take advantage of this partnership mutually.

⁴⁸ K. Brown, Australia — China: Strategic Partners, The University of Sydney's China Studies Centre (CSC) Submission to Australia's China Strategy in the Asian Century, (<http://www.dfat.gov.au/issues/asian-century/submissions/061%20-%20China%20-%20University%20of%20Sydney%20China%20Studies%20Centre.pdf>), [10.10.2012].

* ABSTRAKT *

Wydarzenia xx w. pokazały, jak ważne dla polityki regionalnej w każdym zakątku świata jest utrzymanie dobrych relacji pomiędzy największymi krajami regionu. Tak też jest w przypadku obszaru Azji Południowej i Wschodniej oraz Pacyfiku. Cztery najważniejsze kraje — Chiny, Indie, Japonia i Australia od kilkunastu lat niezwykle intensywnie dbają o zachowanie stabilizacji w regionie. Relacje polityczne coraz bardziej uzależnione są od kontaktów gospodarczych. Celem owego artykułu jest ukazanie zawiłych stosunków politycznych (będących również pokłosiem relacji ekonomicznych) pomiędzy Chińską Republiką Ludową a Związkiem Australijskim w końcu xx i na początku XXI w. Oba państwa, tak odmienne pod kątem systemów politycznych i sposobu sprawowania władzy, mają podobne nastawienie wobec utrzymywania wzrostu gospodarczego na wysokim poziomie oraz chcą brać odpowiedzialność za sprawy regionu. Każdy z dwójki partnerów musi pójść i iść na pewne ustępstwa. Przyjaźń Australii i Chin jest trudna, jednak niezwykle potrzebna dla utrzymania stabilizacji politycznej i gospodarczej w regionie.

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