



14 February 2018

Submission to Parliamentary Joint Committee on Intelligence and Security for the Inquiry into the Foreign Influence Transparency Scheme Bill 2017

I am grateful to the Parliamentary Joint Committee on Intelligence and Security (PJCIS) for this opportunity to comment on the Bill. Please note that this submission is a duplicate of my submission to the PJCIS regarding the National Security Legislation Amendment (Espionage and Foreign Interference) Bill 2017.

I write as the Chief Executive Officer and Founding Director of China Matters, an Australian public policy initiative established in early 2015 to advance sound China policy and inject realism and nuance into the public debate in Australia about the rise of the People's Republic of China (PRC). I note that China Matters does not take corporate positions on any issues. Thus the opinions expressed here are my personal views. However, it is noteworthy that this submission has the support of my fellow China Matters board directors, whose signatures follow. This support was noted at the China Matters board directors' meeting on the 14th February 2018.

I am available to testify if the Committee wishes.

Since 2016 China Matters has drawn attention to the challenges of PRC government interference in Australian society. I refer the Committee to, among others:

- Jason Sun Yat-sen Li, "[How does Australia respond to growing PRC influence and activity in Australia without creating prejudice against Chinese-Australians?](#)", *China Matters 6th National Meeting Discussion Paper*, 17 October 2017
- Dr Stephen FitzGerald, "[China's Deepening Engagement in Australian society: is it a concern?](#)", *China Matters 4th National Meeting Discussion Paper*, 22 October 2016
- Linda Jakobson, "[Beware the China alarmists out there](#)", *The Australian*, 23 September 2016
- Eva O'Dea, "[Isolated Chinese students need a warmer welcome](#)", *The Sydney Morning Herald*, 12 January 2016
- Eva O'Dea, "[Chinese language media in Australia increasingly dominated by the PRC](#)", *The Lowy Interpreter*, 18 January 2016



I acknowledge that the proposed legislation concerns all foreign interference in Australia. However, my submission, which includes three recommendations, focuses on this legislation as it pertains to the People's Republic of China. This is because issues relating to the PRC are my area of expertise, having lived and worked in the PRC for 22 years.

Recommendation #1: Avoid demonising people of Chinese heritage.

Every effort must be made to ensure that discussions by elected officials and Australian Public Service employees about the proposed foreign interference legislation do not demonise 1.3 million Australian citizens of Chinese heritage; permanent residents of Chinese heritage regardless of their nationality; and temporary visitors of Chinese heritage, regardless of nationality. The latter includes 170,000 international students from the PRC enrolled in Australian universities.

It is vital to strike the proper balance between ensuring that the PRC government does not interfere unlawfully in Australian affairs and at the same time respecting the diverse views of numerous Chinese-Australian communities. The vast majority of Australian citizens who have emigrated from societies of Chinese heritage fully embrace Australian values related to civil society, parliamentary democracy, and rule of law. However, these same people object to being perceived as less "Australian" if they are immensely proud of their Chinese heritage and admire the accomplishments of the PRC over the past decades. Those who object include Australians born in Malaysia, Singapore, Hong Kong and so on – in other words, not only former citizens of the People's Republic of China. Australians of Chinese heritage should not have to fear being looked upon by their colleagues, neighbours or society at large as 'stooges' of the Communist Party of China (CPC), as anecdotal reporting implies, if they also feel proud of China's rich cultural heritage. There are approximately 50 million overseas Chinese who live in different parts of the world. Australia's multicultural society, which is rightfully a source of pride, should not lose its ability to tolerate diversity.

In Canberra, officials and commentators should use the words 'China' and 'Chinese' more prudently. Many Australians of Chinese heritage refer to themselves as Chinese, though they do not mean they have an association with PRC or CPC. We should speak of the People's Republic of China or PRC when we mean the state – not 'China'.



Issues of PRC interference and the allegations associated with them risk seriously damaging social cohesion. The discussion about the new foreign interference laws needs to be managed with common sense and in a nuanced, balanced manner. We must differentiate between a foreign government trying to influence and trying to interfere. In public commentary, the distinction tends to be blurred.

In other words, we must carefully differentiate between actions taken by PRC government officials in Australia which are standard and legitimate diplomatic activities, and those which are in breach of Australian law. A diplomat's job is to influence the host country's citizens with the aim of portraying an issue, event or situation in a positive light from the viewpoint of the diplomat's country.

In the same vein, we must differentiate between our concerns and condemnations of various developments in the PRC, and actions of the PRC government in Australia. PRC diplomats, like all diplomats, have the right to conduct public diplomacy (i.e. meet with Australians and promote the PRC in a positive light) provided it takes place in a transparent manner and is in accordance with the law.

Recommendation #2: Provide the public with facts about wrong-doings.

The security and intelligence agencies must provide the Australian public with basic facts about wrong-doings – despite the sensitivity of classified information. This would enable Australians to develop a sophisticated understanding of the actions of the PRC government in Australian society which are considered to be unlawful foreign interference.

It is essential in a democratic society that our security agencies develop the practices and skills to be able to communicate with the public on matters that affect our democratic rights, without compromising their operations or detailed intelligence information.

Recommendation #3: The PJCIS should commission a discussion paper on the pros and cons of the new legislation.

It is important that the new legislation is not rushed through Parliament. To facilitate a measured and nuanced discussion of the proposed legislation and to enable the intelligence and security communities to provide much needed information to the public (as per



Recommendation #2) I propose that the Committee commissions an independent discussion paper to canvas the pros and cons of the proposed legislation. I suggest the PJCIS appoint a working group including experts on security, law, human rights, social cohesion, and PRC foreign policy to write this appraisal.

Linda Jakobson

CEO, Founding Director
China Matters

This submission is endorsed by the following China Matters board directors:

Prof **Stephen FitzGerald** AO, Chair of China Matters board, Australia's first Ambassador to the People's Republic of China

Mr **William Forde**, Chair of China Matters' Advisory council; former chair of Hastings Funds Management

Mr **Allan Gyngell** AO, National President, Australian Institute of International Affairs; former Director-General of the Office of National Assessments (ONA)

Mr **Andrew Michelmore** AO, Executive Manager MMG; CEO of MMG 2010-2017

Mr **Andrew Parker**, Partner, PwC, Asia Practice Leader

Prof **Michael Wesley**, Dean of the College of Asia and the Pacific, Australian National University

Noted in the minutes of China Matters Directors' meeting, 14th February 2018 at 12.15pm.