

Submission to the Inquiry into Diversifying Australia's Trade and Investment Profile

Committee Secretariat
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Date: 15 May 2020

Dear Committee

Submission to the Inquiry into Diversifying Australia's Trade and Investment Profile

The Terms of Reference were presumably kept broad as not to specifically identify China. Whether or not recent events with China are coincidental to this inquiry or whether the inquiry is specifically about China is irrelevant. The issue here is not necessarily whether Australia should allow or disallow foreign investment or diversify trade, the issue is what is the intent of the foreign investor or the intent of the trading partner? On this occasion, our major trading partner is China.

I have read the submissions made to date with some of them advocating deeper ties with China to maximise trade while a few indicated national security risks. The main considerations of those in favour of more foreign investment and more trade with China come down to profit. Yes, an exporter has every right to manufacture and export as much as they want to maximise profits. Yes, foreign investment in the property market is also legitimate, except that Australians are being priced out of, for example, the housing market. Selling agricultural products and raw materials to China or any other country is not the issue. However, China is governed by a dictatorial regime, the Chinese Communist Party (CCP).

If the EU or an EU member state were our largest trading partner, we would not be having this inquiry. EU member states are led by largely democratic and benign governments that don't have expansionist plans to dominate the Asia-Pacific region which Australia belongs to. Let me draw an analogy: would Australia trade with North Korea and enable the Kim Dynasty to build more intercontinental ballistic missiles armed with nuclear warheads that can reach Australia? Would we let this dictator or his proxies buy Australian assets? The answer would be a resounding 'no'.

The geo-political strategy to engage with dictatorial regimes in the hope of bringing about democratic change has proven to be wrong. The Soviet Union folded because they were on their way down for many years. Surrounded by superior countries in terms of money, technology, manufacturing and military power, they had no choice but to 'give up'. Also, thanks to a moderate leader, Gorbachev, the downfall of the Soviet Union went relatively 'smoothly'. No other dictatorial regime has folded since World War II. In the case of China, we are deliberately enabling this regime by ignoring human rights, the obvious dangers to our Asian neighbours and the blatantly obvious

influence in Australian politics and the consequences if we don't kiss the Chinese flag. I remind the Committee of recent threats by the CCP and its representatives in Australia regarding the independent inquiry into the corona virus. The CCP gave to understand that they were not happy and would boycott Australia.

Exports to China total 38 per cent or \$117 billion per annum. The reason we are exporting mainly to China is because of their proximity to Australia. They are the undisputed global leader in manufacturing. However, they are resource poor and that is why we predominantly sell raw materials to them. China manufactures 20 per cent of the world's manufacturing output. There are few products that China does not manufacture.

Unfortunately, Australian raw materials can most likely be found in Chinese military equipment. The US has stopped China buying computer chips that are found in Chinese military products, and to be frank, Australia should do the same just as we don't allow India to use uranium for nuclear weapons.

I have the utmost respect for the Chinese people but at the same time, I have zero respect for the CCP that has subjugated its citizens for over 70 years. Over the past two decades, the CCP has 'infiltrated' nations world-wide by buying into multi-national companies, buying infrastructure and lending money to desperate nations. In return for money, lesser nations have given the CCP strategic military concessions. Chinese officials have infiltrated international organisations by stealth and continue to do so. In 2019, the CCP spent US\$177.5 billion on their military, an increase of 7.5% to the previous year. However, some sources suggest that the figure is more like US\$200 billion.

As the world has flocked to China out of greed to manufacture cheaply to increase profits, the world has inadvertently given China the technology necessary to become a global technology manufacturing and military giant. Why does China need such a huge army?

Australia, through its own ignorance, has voluntarily stepped down to become a basic manufacturer and exporter of beef, nuts, wine and cheese. Many western nations, including Australia, are now inferior to China in many ways, mainly because China has the ability to convert raw materials into high value products, including military weapons. Australia doesn't have the facilities, skills or desire to manufacture anymore. Blinded by profit and greed, it's easier to do a deal with the devil and manufacture at low cost in China. It's easier to sell raw materials to the devil because we've got money in our pockets. The economy is booming.

Australian industry has become an economic hostage to the CCP as Andrew Forrest of the Fortescue Metals Group recently demonstrated by inviting China's Victorian consul-general to speak publicly and promote China and wave the naughty finger at Australia. Elsewhere, Serbian President Aleksandar Vucic greeted Chinese doctors who arrived in Serbia recently by kissing the Chinese flag; and the Chinese Consulate in the US asked the Wisconsin State Senate to praise the CCP for 'sharing key information' about the coronavirus. The CCP demands kowtowing and is not shy to approach governments, individual politicians and business people with pre-scripted thank you statements as has been evidenced. That's how badly the world has succumbed to the CCP's influence.

China has a history of pushing its borders into other countries and territories. China's invasion of the South China Sea and invading coastal waters around Vietnam and the Philippines demonstrates their mindset of expansionism while deliberately ignoring international law. On April 3, a Chinese coast

guard ship sunk a Vietnamese fishing vessel in disputed waters off the Paracel Islands. On April 13, the CCP deployed a ship, which it had used last year to harass international drilling rigs and Malaysian and Vietnamese oil and gas exploration vessels. On April 18, the CCP announced that it had established administrative control over the disputed Paracel and Spratly Islands. What's next, the CCP will establish administrative control over Pacific islands and then Australia?

The Pacific islands are a good example of the CCP buying into them by financing new roads, road upgrades, airports, wharf developments and government buildings. In return, the CCP requires signs of allegiance, for example, by Pacific islands denouncing Taiwan. Foreign investment in selected Pacific islands may constitute a national security risk if our neighbours are forced to align with China. Australia is ignorant in believing that trade with China will continue without consequences. The CCP has already bought its way into African nations and Papua to secure much needed raw materials. If Australia doesn't kowtow to the CCP, they will cut ties with us soon and bankrupt us. The bit of nuts, wine and beef we sell to China is irrelevant.

Although my focus is on China, Turkish, Russian, the United Arab Emirates or North Korean foreign government backed enterprises should not be permitted to buy Australian assets or operate in this country. Any country that does not have a democratically elected government should be banned from operating in Australia. I am not talking about the Chinese takeaways, kimchee restaurants or kebab stores. I am talking about major strategic investments. Foreign companies should not be able to own majority shares in infrastructure, resources or water, electricity or gas.

13.4% of Australian agricultural land is foreign owned. In 2016-2017, foreigners invested \$30 billion into the country's property market. Due to foreigners being able to buy prime real estate in Australia, property prices have sky rocketed. Undoubtedly, greed is the driving factor for allowing foreign ownership in Australia. More buyers mean higher demand and more profit. In regards to real estate, the result is that ordinary Australians have been priced out of the market. Foreign investment needs to be regulated in such a way that there are no negative effects to Australians.

Taking into consideration the mindset of China in particular, how it's bullied its way around the South China Sea and literally bought its way into global economies, Pacific islands, the United Nations, the World Health Organisation and even Australian politicians, these factors must be considered when deciding to allow foreign trade and investment in Australia. It's not who but what is their intention? I have highlighted the CCP's intentions. Will the elected representatives of the Australian people now stick their heads in the sand and hope the issue will go away? Will Australia favour short term economic success rather than move forward intelligently, strategically and take control of the issues now before we become too committed to the CCP or will we kowtow? The consequence on relying on one major export market will be that in a few decades, Australia won't be 38% reliant on China - it will be 100% dependent.

China is a global issue and cannot be resolved unless Australia, the EU and the USA form an alliance to invest in countries that do not have dictatorial regimes and that are willing to be part of the righteous global community. My very strong recommendation is for western countries to form an alliance to encourage investment and manufacturing in pro-democratic countries where human rights are observed and where the government has a benign history. An authorised global think tank or committee void of career politicians and CCP puppets with access to global funds could identify countries for investment, make contact and introduce manufacturing and other investment

opportunities for the purpose of getting out of China. If the China people dispose of the CCP regime and forms a democratic government, China may be worthy of becoming a manufacturing hub one day.

My submission is meant 'as is'. I do not want it edited. My views are not aligned with any political party or ideology. I'm a pragmatic realist and my opinions are based on evidence available in the mainstream media.

In closing, I'd like to re-iterate that the Asia-Pacific Region is under subtle but very obvious threat by the CCP. The history of the CCP has demonstrated that they have a tight grip on not just China but on surrounding countries. The CCP are continuing to increase their influence by infiltrating global public and private organisations. The short term economic gains Australia has had by 'sleeping with the devil' will ultimately culminate into full dependency as trade and foreign investment by China in Australia grows. The alternative is to form alliances with pro-democratic nations to ween ourselves off of this dependent relationship. There's a solution. Take it!

Kind regards

