

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

#### **Question: sbt 59**

**Topic: Dealings with China**

**Hansard Page: E71 (22/10/09)**

#### **Senator JOYCE asked:**

**Senator JOYCE**—With the emergence of China into a superpower—we are talking about the desire for it to emerge globally also in a more environmentally sustainable way—is there also an impetus in how we act to place pressure on how they act internationally? These state owned enterprises operating in Burma, if they are 100 per cent owned by the government of China, are the same as the state owned enterprises that, for all aspirational purposes, have a relationship to those operating in Australia, which are the same as those operating in Sudan. Is there an essence of at least wanting to move somehow on a general path of dealing with people in a more humane way?

**Senator Sherry**—You have raised quite a mix of issues there. We are dealing with foreign investment. I will take that on notice. If the Treasurer has anything to add to the mix of issues contained in your question, I will obtain a response. But I will take it on notice.

#### **Answer:**

The Australian Government has taken active and ongoing steps to bring concerns about the human rights situation in China to the attention of the Chinese Government. The Australian Government's commitment to advancing the human rights outcomes in China is well reflected in our high-level engagement with the Chinese Government.

The Prime Minister made direct representations about the human rights situation in China to President Hu Jintao and Premier Wen Jiabao during his visit to Beijing in April 2008 and again to Premier Wen during the Beijing Olympics.

The Foreign Minister Stephen Smith has conveyed Australia's concerns to his Chinese counterpart, Foreign Minister Yang Jiechi, in their meetings last year, to Standing Committee member of the Chinese Communist Party Politburo, Zhou Yongkang, when he visited Australia in November 2008, and to Assistant Foreign Minister Liu Jieyi, during the bilateral Australia-China Human Rights Dialogue in February 2009. Mr Smith also raised human rights issues in his meeting with Foreign Minister Yang Jiechi on 27 March 2009 in Beijing.

Australian Government representatives regularly raise human rights concerns with the Chinese Embassy in Canberra and Chinese Government in Beijing. In February 2009, Australia raised concerns about China's human rights record at the UN Human Rights Council's Universal Periodic Review in Geneva.

The purpose of the Foreign Investment Review Board (FIRB) process is to determine whether a foreign investment proposal is consistent with, or contrary to, Australia's national interest.

In advising the Treasurer, FIRB considers a range of factors including whether an investor's operations are independent from the relevant foreign government, and whether it observes common standards of business behaviour.

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In assessing the national interest in relation to a particular investment, an assessment of the policies or approaches of the government of the country in which the investor is domiciled is generally not included.

In fact, the FIRB process focuses on how independent the investor is from its government, to determine whether the investment is commercially oriented and not subject to government interference.

It would therefore be contrary to Australia's FIRB assessment process to consider the human rights record of the government in determining whether an investment is in Australia's national interest.