



COUNTERING CHINA'S INFLUENCE OPERATIONS: LESSONS FROM AUSTRALIA

BY AMY SEARIGHT

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In 2017 a rising politician in the Australian Labor Party, Senator Sam Dastyari, proclaimed at a press conference with Chinese-language media that “the South China Sea is China’s own affair,” and that his Labor Party would help maintain the relationship by knowing “when it is and isn’t our place to be involved.” This statement stood in stark contrast to the position taken just the day before by the Labor Party shadow defense minister Stephen Conroy, who had [condemned China’s “absurd” island building](#) and stated unequivocally that a Labor government would authorize freedom of navigation operations in the South China Sea.

When confronted by Australian reporters Dastyari denied making the remarks, and it would be more than a year before the leaked audio of the press conference confirmed that he did, and forced him to resign from Parliament. But the image from the press event of Dastyari standing aside billionaire Chinese property

developer Huang Xiangmo, coupled with recent revelations of their [close financial ties](#), raised troubling questions about the role of Chinese influence in Australian money politics.

Australia’s energized investigative journalists, with some helpful leaks provided by the Australian security officials, began reporting on a range of activities undertaken by the Chinese Communist Party-state that had long been hidden or obscured in Australian politics and society. These activities included efforts to buy political influence, cultivate pro-Beijing voices in elite circles, coopt and control the Chinese diaspora in Australia, and shape discussion while silencing dissent Australian university campuses. What emerged from the barrage of media reporting was a disturbing and extensive pattern of Beijing’s attempts to interfere with Australia’s democratic processes along a variety of fronts. These revelations captured the attention of China watchers the world over and touched off a firestorm in Australian politics.

Prominent politicians, commentators, business and university leaders, scholars, and voices in the Chinese Australian community lined up on different sides of a national debate over how serious a challenge Chinese influence posed to Australian democracy. Prime Minister Malcolm Turnbull spearheaded legislative reforms to crack down on foreign interference, which were enacted with strong bipartisan support, and the government subsequently banned Huawei and ZTE from Australia’s 5G network. Beijing responded with a diplomatic freeze and a [slowdown on coal imports](#) from Australia.

These scandals and revelations turned Australia into a cautionary tale about the myriad and opaque ways that the Chinese Communist Party-state seeks to influence and interfere with political processes in democratic countries. But what exactly are the lessons of the Australia case for other advanced democracies and other countries in the region? The answer lies in the ways in which the Chinese Communist Party’s (CCP) sought to exploit Australia’s vulnerabilities, as well as in the sources of Australia’s resilience in pushing back on these influence efforts.

The Nature of Chinese Influence Operations

China's efforts to influence and shape public discourse and political outcomes beyond its borders go well beyond the legitimate public diplomacy that all governments engage in. The CCP uses unofficial channels in ways that are opaque, deceptive, and manipulative to influence foreign governments and citizens – leaving the realm of legitimate public diplomacy far behind. Turnbull aptly defined this as “[covert, coercive, or corrupting](#)” behavior that crosses the line “that separates legitimate influence from unacceptable interference.” In Australia, these methods have included, among others, monetary inducements to politicians to change their stance on key issues; threats to mobilize Chinese Australian voters to punish political parties who do not support Beijing's policy preferences; “astroturfing” local grassroots organizations to give the appearance of broad support for Beijing; coopting the messaging of Chinese-language media and local civic organizations; and a variety of efforts to drown out or silence critics. These efforts are deliberately hidden from public view to create a layer of [plausible deniability](#) that obscures direct ties to Beijing and makes it more difficult to nail down the degree of interference.

The wave of influence operations in Australia has also thrown a spotlight on a once little-known department within the CCP, the United Front Work Department (UFWD). Under Xi Jinping, who calls the UFWD a “[magic weapon](#)” for the great rejuvenation of the Chinese people, United Front work has been [dramatically expanded and elevated](#) within the party. Its goal is to “win hearts and minds” of overseas Chinese and other influential targets and unite them in support of the CCP and its goals while neutralizing critics.

Beijing's “Agents of Influence” and the Media Firestorm

The Dastyari affair begins with the figure of Huang Xiangmo, a billionaire property developer from China who came to Australia in 2011 and quickly gained permanent residency and political clout. Huang was a major political donor to both the Labor and Liberal

parties and also gave generously to Australian universities, including a 2014 donation to the University of Technology Sydney to establish the Australian-China Relations Institute (ACRI). Huang was also chair of the UFWD-linked Australian Council for the Promotion of Peaceful Reunification of China (ACPPRC), a United Front-led organization whose leadership and activities are closely guided by Beijing and the Chinese embassy. Perhaps not surprisingly, it was the ACPPRC that organized the pivotal Dastyari press conference.

Spurred by the Dastyari incident, media investigations into the ties between CCP-linked money and politicians uncovered that [China-linked businesses were the largest donors](#) to both the Labor and Liberal parties, donating more than A\$5.5 million between 2013 and 2015. The subsequent political scandals began to shed light on the range of ways that CCP-linked donors and proxies sought to exert influence, not just over political parties, but also academic campuses, research institutions, influential individuals, and groups within the ethnic Chinese community. Reporting focused on how overseas Chinese students were being surveilled and organized by local consulates to pump up patriotic, pro-party messages on college campuses while stifling dissent.

The barrage of revelations ignited an intense national debate just as Turnbull announced draft legislation to counter foreign interference and espionage. Many in the business and academic communities argued that fears over Chinese influence were being exaggerated while many in the broader ethnic Chinese community felt that they were being unfairly targeted. But the political ground had shifted decisively, and broad public support emerged for taking a tougher stance on foreign interference.

Why Did China Target Australia?

Australia was an attractive target for China's interference operations because of its strategic value as a US ally in an increasingly contested Asia-Pacific region. If China could sideline Australia from taking active part in efforts to constrain Chinese maritime behavior, it would sharply undercut American regional leadership and strengthen China's hand in

pursuing its ambitions in the South China Sea and more broadly.

Australia also offered some tantalizing vulnerabilities for Beijing, including its economic dependence on China as a trade partner and the growing dependence of Australian universities on tuition revenue from Chinese students and research funding from CCP-linked patrons. These two factors created natural constituencies of support which consistently advocated for a cooperative relationship with China.

Two other notable features made Australia particularly vulnerable. First, Australia was [one of the few advanced democracies](#) that did not prohibit campaign donations from foreigners, creating a wide-open loophole for wealthy Chinese political benefactors with links to the CCP to seek to influence political parties. Incredibly, Dastyari had in fact not broken any laws before being drummed out of office.

Second, Australia has a large community of ethnic Chinese Australian citizens, which is a natural target for the United Front. The CCP and UFWD have worked for decades in these communities to coopt Chinese community organizations and help people sympathetic to Beijing to rise in local prominence—while also filtering out negative media coverage in Chinese-language press and drowning out critics.

The Strength of Australian Democracy

Australia's resilience in the face of China's large-scale influence efforts makes it a case study in how democracies can marshal a defense against corrosive Chinese influence. First and foremost, Australia's independent and boisterous free press launched aggressive investigations into many facets of Chinese influence and brought to light many troubling incidents. Once these issues were surfaced by the media, a vibrant public debate ensued, and over time public opinion moved decisively against China. Last year's [public opinion poll](#) by the Lowy Institute showed that people's trust in China dropped by 20 percentage points in a single year, from 52% to 32%.

Australia's swift political response is also notable. Campaign finance, counter-interference, and

espionage laws were enacted in 2018 that, among other things, banned foreign donations and toughened sanctions and enforcement provisions. A [new coordinating office](#) was also created with the mandate to formulate a comprehensive strategy and follow up on specific cases of foreign interference, and last December a new intelligence task force was launched with more dedicated resources to target enforcement of the new provisions.

Ultimately, Australia's strong democratic culture, political will, and a healthy shot of transparency proved to be an antidote to Chinese intrusion into Australian domestic politics. Australia has not softened its South China Sea policy, and subsequent efforts by Beijing to freeze diplomatic relations and slow down imports of Australian coal have failed to dislodge support for the government's tougher stance. However, the Australian public and government should not fall complacent. The CCP has made long-term investments in relationships and networks that will not be eroded overnight, and it is refining its toolbox through trial and error.

The “Magic Weapons” of Advanced Democracy

If the United Front Work is a “magic weapon” for Mao and Xi, then transparency and rule of law are the magic weapons for democracies. Legislative reforms and a free and vibrant press must help shine a light on the shadowy web of inducements, threats, cooptation, and self-censorship that actuates Chinese influence. This may entail tackling uncomfortable issues for democratic systems, but advanced democracies such as Australia have some advantages to bring to this challenge and should leverage their strengths to combat malign influence.

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