

Yonglin Chen's Submission to the Senate Foreign Affairs, Defence and Trade Committee on Australia's Foreign Relations (State and Territory Arrangements) Bill 2020 and Australia's Foreign Relations (State and Territory Arrangements) (Consequential Amendments) Bill 2020:

China's Interference in State and Territory and local governments, and a proposal for counter-measures

September 25, 2020

I am a former diplomat of the People's Republic of China. I graduated with a Bachelor of Arts and a Bachelor of Law from Foreign Affairs College / University in Beijing in 1991 before I joined the PRC Ministry of Foreign Affairs. I worked as a diplomat with ranks of Attache, Third Secretary, Second Secretary and First Secretary consecutively from August 1991 to May 2005. My last position was Consul for Political Affairs at the Chinese Consulate General (CCG) in Sydney. I left the CCG on May 26, 2005 and sought political asylum in Australia. I was granted a Permanent Protection Visa on July 8, 2005. I am now an Australian citizen and grateful to this country. Australia is the new home for my family, and to defend our home from foreign interference is my obligation. I have been watching closely the development of China's influence in Australia in the last fifteen years. I would like to brief how China has been endeavouring to infiltrate the Australian State and Territory governmental institutions, Universities and academic research institutes, and offer my support to the Foreign Relations (State and Territory Arrangements) Bill 2020.

China enlisted Australia in its "Greater Periphery" at its 10th internal Ambassadorial Conference held in Beijing on August 25 to 29, 2004. This signalled the start of an official strategy of turning Australia into a stable supply base of high-quality natural resources, or a backyard of China. Xi Jinping has abandoned Deng Xiaoping's "hiding capacities and biding time" strategy to embark on his ambitious "Two Centennial Goals" expansion policy. Australian resources and world leading technologies are seen as crucial for fulfilling Xi's China Dream.

- I. China's consular missions in the States of NSW, QLD, VIC, SA and WA have assigned significant resource to espionage, targeting state and territory governments and intuitions, companies and local Chinese communities. Consulates in major cities such as CCG in Sydney have staff working in:
 1. military and security espionage from the Ministry of State Security and the PLA General Staff,
 2. espionage and propaganda from the Ministry of Foreign Affairs and the Overseas Chinese Affairs Office of the State Council under the United Front Work Department (UFW) of the Central CCP Committee
 3. industrial espionage from the Ministry of Science & Technology and the Ministry of Commerce, and
 4. political espionage and propaganda from the Ministry of Education and the Ministry of Culture.

The tasks of China's consular missions in Australia include:

- Securing Australia as a stable supply base of high-quality natural and energy resources to sustain China's economic growth;
- Justifying China's territorial claims of the South China Sea and shoring up support for the "liberation" of Taiwan;
- Stealing world leading technologies and innovations;
- Amplifying CCP propaganda to sway Australian policies;
- Controlling Chinese international students to avoid possible domestic "Colour Revolution";
- Securing long-term sustainability by investing in Australia's future;
- Minimising critical voices in Australia against CCP's massive domestic human rights violation and silencing six anti-CCP groups in Australia, namely Falun Gong, Democracy dissidents, and separatists from Taiwan, Tibet, Eastern Turkistan and Hong Kong;
- Visa and consular affairs.

II. Federal MPs and Senators should be alerted to the scale of CCP's interference in our state and territory governments, local councils, universities and academic research institutes and local Chinese community organisations, and its devastating impact on Australia's future, so that they can coordinate a nationwide approach to effectively tackle the problem of CCP's infiltration.

1. China's interference in state and territory governments and local councils

China has been very successful in targeting all three levels of Australian governments through the sister state/city arrangements. China has so far established over 100 pairs of sister state/city relationship with the Australian counterparts. Some of the main achievements for China include the MOU signed with Victoria, the 99-year lease of Port Darwin with the Northern Territory, and packs of infrastructure construction projects in South Australia. Many states and territories have fallen prey to China's One Belt and One Road neo-colonialism strategy. Prior to signing a MOU with the Central CCP National Development and Reform Commission, Premier Daniel Andrews even brought the Chinese fascist ballet "Red Detachment of Women" into Australia to openly promote ideology that was at odds with Australian values.

Members of State Governments and City Councillors of Chinese heritage are often the prime target of CCP's influence operations for building close connections with state/local politicians and officials. Every year, many Australian politicians and officials are invited to go on luxurious trips to China, either free of charge or at nominal fees. With ethnic Chinese politicians and officials acting as channels, China is able to tap into

the network of movers and shakers of Australian politics. Fei Fei, a reporter from China Radio International, once revealed in an interview that NSW MLC Hon Shaoquett Moselmane "has visited China close to 20 times". Former NSW MLC Mr Earnest Wong is also known to be a frequent visitor to China.

William Chiu, former Chairman of the Australian Council of the Promotion of Peaceful Reunification of China (ACPPRC, the largest PRC United Front organ in Australia) was appointed as Honorary Life Member of the Asia-Pacific Friendship Group in the NSW Parliament in 2007. A motion was passed in the NSW Parliament to praise his "contribution" when he passed away in May 2015. His position at the ACPPRC was later filled by Huang Xiangmo. Evidence emerged recently testifies to the enormous influence this controversial Chinese United Front entrepreneur had over NSW state politics.

Sister city relationship creates more chances of exchanges, visits and frequent contacts that afforded Chinese officials close connections with Councillors and Mayors in Australia. For over a decade, Sydney City collaborated with China in hijacking Lunar New Year celebration for pushing CCP propaganda. The renaming of the festival as "China New Year" showed complete disregard of many other Asian communities in Sydney who celebrate the new year on the same day. A similar discriminatory approach has also been adopted by city councils at Burwood, Hurstville, Willoughby where there are a sizable ethnic Chinese population.

In 2019, the City of Ryde Council wasted four months going back and forth debating a motion of whether the Council should issue a statement in support of protestors in Hong Kong. Councillor Simon Zhou, a friend of Huang Xiangmo, played a skilful role in blocking the debate, and in provoking hatred and conflicts between Chinese migrants from Hong Kong and those from mainland China.

In April this year, Wagga Wagga City Council decided initially to sever sister city relationship with Communist Kunming City Government. It then reversed its decision due to interference from some influential pro-CCP lobbyists.

15 years ago, when I was working at China Consulate in Sydney, many city councils were coerced by China into restricting civil rights of Falun Gong groups. The Sydney City Council even banned Falun Gong teams from taking part in the China New Year Parade. Several Councillors of Chinese descendant secretly reported politically sensitive activities of community groups to the China Consulate. Fairfield City Council used to be pro-Taiwan but has eventually been turned by the China Consulate to abandon its support for Taiwan.

2. China's influence on Australian tertiary education institutions and other academic research institutes

China is eager to transform its labour-intensive low-tech industries into those based on innovation in science and technology. Australia has world-class science and technology research in fields such as biotechnology & pharmaceuticals, superconducting materials, nano materials, solar energy and battery, Quantum computing, artificial intelligence, mining equipment and so on, even though Australia on the whole lacks a mature manufacturing industry. China has developed a variety of talent recruitment programs, such as the Cheung Kong Scholarship Program, the Plan 111 and the Fellowship Experts Workstations, to lure overseas scientists/innovators to work in collaboration with Chinese research institutes to advance China's interests.

China made a gigantic step in relaxing restrictions on recruiting foreign talents by launching the Thousand Talents Plan in 2008, and the Thousand Young Talents Plan in 2011. Meanwhile, a civil and military fusion tactic was also put in place for action.

The CSIRO, research centres and facilities at universities, and various Joint Research Centres of the Australia-China Science and Research Fund (ACSRF-JRC) are prime areas for talent hunting. A bilateral agreement and MOU on Science and Research signed in 2012 was a milestone for China, as it allowed China to officially access many of Australia's advanced technological innovations. These bilateral research collaborations usually end in one-way transferring of Australian technologies to China. Many Australian scientists of Chinese descendant and their scientist friends and colleagues find extra lucrative job offerings from their research partners in China. They enjoy free trips to China where some of them have their intellectual properties registered, even though their works are funded by the Australian Research Council. Several scientists' groups with CCP united front connections were founded to help build connection between Australian scientists and Beijing's talent recruitment programs. A few examples include the Australian Chinese Professionals Association (ACPA), Ausinan Science & Technology Society (ASTS), Chinese Association of Professionals and Scholars Australia (CAPS Australia), and so on.

China sends scientists to the laboratories and university research centres in Australia as "visiting scholars" or as researchers working on joint projects nesting on campuses. In 2013, the University of New South Wales joined hands with Shanghai Jiao Tong University in setting up a Collaborative Research Fund to sponsor a number of sensitive technology projects with potential for use by Chinese military.

It is reported that China has overtaken the US to become Australia's number one research partner. This is alarming, considering China's predatory civil and military fusion practice. MPs are advised to refer to recent disclosure on Thousand Talents Plan by the Australian newspaper and publications of the ASPI for more details.

3. China's influence on the local Chinese communities

The CCP has a strategic interest in manipulating the Chinese diasporas. In Mao's days, it was done in the name of exporting the Communist revolution worldwide. After the Tiananmen Massacre in 1989, the CCP has increased its effort in expanding the united front network. There are five main Chinese united front groups in Australia, namely (1) the Australian Council for the Promotion of Peaceful Reunification of China (ACPPRC, the largest United Front organization in Australia), (2) Australia China Economics, Trade & Culture Association (ACETCA), (3) the Australian Council of Chinese Organizations (ACCO) in NSW, (4) the Federation of Chinese Associations VIC Inc (VICFCA) and (5) the Federation of Chinese Associations of the Australian Capital Territory Inc. These five organisations form the upper echelon of the united front network in Australia. Community leaders from these groups are either wealthy businessmen who have benefitted from their connection with Chinese authorities or dedicated representatives who are patriotic to China. China handles them behind the scenes. These united front organisations are obliged to toe the CCP political line on issues concerning Taiwan, Tibet, Falun Gong, Uyghur internment Camps, HK National Security Law and other matters of CCP interests. Some of them may have been paid to spy on the communities. The VICFCA played a major leading role in organising the rally on July 23, 2016 in support of the China's territorial claim at the South China Sea.

The CCP uses the Chinese communities as a base to radiate its influence on mainstream Australia. In June 2014, the Overseas Chinese Affairs Office (OCAO) of the State Council and its China Overseas Exchange Association launched a comprehensive program to target overseas Chinese communities with eight initiatives. These initiatives are (1) Overseas Chinese Communities Construction Plan, (2) China Aid Centres Plan, (3) Chinese Education Development Plan, (4) Chinese Restaurants Booming Plan, (5) Chinese Traditional Medicine Care plan, (6) Cultural Exchange Plan, (7) Careers Assistance Plan and (8) Information Service Plan. There are three China Aid Centres in Australia. The Chinese Australian Services Society (CASS) was the first in Australia to be accredited as a "China Aid Centre" in 2015. In 2017, in a foreign policy white paper submission made to the DFAT, the CASS said Australia should stop being America's "deputy sheriff" in the Asia Pacific. The CASS has received generous funding from the Australian Federal and State governments.

The CCP's interference in local Chinese community affairs leads to conflicts and hatred among community members.

4. China's control of the Chinese Students and Scholars Associations (CSSA).

The Chinese CSSA system is a tool created by Chinese missions overseas. The CCG in Sydney created and runs all NSW CSSAs. Currently every university in Sydney has a

CSSA. The CSSAs are funded by the Chinese Government, and their projects sponsored by China's state-owned enterprises (SOEs) in Australia, some united front organisations in NSW, and other Chinese official institutions. They often hold their annual assembly or symbolic board members elections at the premises of the CCG Education office.

As a CCP tool, the CSSA has been successful in asserting ideological control on the majority of Chinese students on Australian university campuses. CSSAs are used to promote CCP propaganda, to monitor students and to collect information useful for China. Students are mobilised to conduct counter-rally protests against any group or academic seminar critical of the CCP, to welcome visiting CCP leaders and to rally support for China when it is needed. Most Chinese students have been discouraged to engage in independent thinking on political issues. They are one-child policy babies spoiled by parents; they grow up in economic boom and are generally ignorant of atrocities committed by the CCP throughout its turbulent history. They come to study in Australia with the hope of acquiring Australian permanent residency or of improving employment opportunities in China.

Graduates, postgraduates and Ph.D. candidates from China who continue to study or obtain jobs in Australia will maintain their connections with the Chinese Government. Many of them will be recruited through China's talent programs with the help of locally registered entities such as Australian Chinese Professionals Association (ACPA), Ausinan Science & Technology Society (ASTS), Chinese Association of Professionals and Scholars Australia (CAPS Australia), Australia China Talents Development Association (ACTDA).

5. China has been very successful in embedding the Confucius Institute (CI) into major Australian universities. China sees the CIs as its agents of soft power. The CIs, run under instructions from the CI Headquarter (Han Ban) in Beijing, pose a threat to academic freedom. They should be regarded as a Trojan Horse of the CCP, planted in Australian tertiary education institutions to support an extensive spy network.
6. China currently has approximately 270 companies in Australia. A good number of them are large SOEs. These Chinese investors offer technical and financial resources to support or to offer a convenient cover for China's espionage operations. Many Chinese language community media in Australia rely heavily on advertisement income from these Chinese companies to sustain their business.
7. PRC media branches in Australia are actively involved in the united front operations, even though theoretically they have been integrated into local Chinese language media. China Radio International has been providing customised ready-made or half-made sources for the Mandarin programmes of FM 2000 – 98.5. Nearly all local Chinese media serve up CCP propaganda for lucrative incentives, but among them the Today Media Group, the Australian New Express Daily owned by Dr Chau Chak Wing, the Australian

Chinese Times, and Tsing Tao Daily Australia closed in February, have strictly toed the CCP line. Australian taxpayers are still footing the bill for SBS TV's morning Chinese news running via satellite from China Central Television (CCTV). SBS Radio Mandarin is notorious for its equivocal news report regarding China and has been operating a Weibo account that follows CCP's censorship guidelines. ABC TV and the Chinese language version of the Australian newspaper occasionally have some confusing and misinformed news reports that can be attributed to some of their misguided staff. Most other privately-owned Chinese media are pro-CCP, with the exception of China Vision Times and the Epoch Times. These pro-CCP media platforms give academics from research centres/institutes of China's state-run universities a platform to spread Communist propaganda.

8. China has built the largest Big Data collection system in the world. Its mass surveillance has extended to Australia, especially in areas of national defence, academic research and Chinese community. According to Junmei Wu (granted Protection Visa by the Department of Immigration), former reporter of People's Daily Online, China has developed a software with a capacity of "snatching the data from a server for 50,000 times per hour". People's Daily Online Australia branch has this role.
9. WeChat is the only information source for the majority of Chinese immigrants from mainland China. I believe over 90 % of Mainland Chinese immigrants are using WeChat on a regular basis both for information and for communication. Their over-reliance on WeChat and their continuous exposure to propaganda from a hostile Communist regime will make it harder for this sector of the Chinese diaspora to fully embrace Australian values.

- III. Based on the above assessment of CCP's interference in Australian states and territories, I conclude that China has been quietly but successfully pushing Mao Zedong's combat strategy of "encircling cities from rural areas" in Australia. This is done deliberately to exploit our open democracy in an effort to undermine our federal government.

Therefore, I strongly propose the Federal Government to take initiative to regulate foreign affairs with regards to the states and territories, local governments, universities and academic centres, industries of strategic importance to national interests.

- IV. I further propose some counter measures as follow:
 1. Review all agreements and contracts signed between Australian entities and China state-run entities. Any agreement and MOU regarding security or top national interest signed with foreign governments should be submitted to the Federal Government for approval or registration. Political concerns of local communities can be reported to DFAT for a comprehensive consideration. For example, in 2016 the Sydney City Council

sought advice from DFAT on whether or not the Council should lease the Town Hall to a Maoist Concert hosted by a local pro-CCP entity.

2. The Federal Government shall monitor all state-run entities of foreign autocracies. The PRC state-run entities including official missions stationed in Australia, PRC media and "think tanks", PRC Sovereign Investments and SOEs, PRC universities and research institutes, PRC funded projects, and PRC provincial or central government funded propaganda programmes should be categorised as a special group for scrutiny. Agreements reached with PRC state-run entities are subject to approval from or registration with the Federal Government. This is the way Australian entities are treated in China. Australia will act on reciprocity principle.

The Department of the Attorney General should enforce relevant legislation on united front organisations and entities funded by PRC to ensure compliance.

3. Close down some ongoing PRC funding projects such as China Aid Centres, Confucius Institutes and Confucius Classrooms.
4. Close down the Chinese Students and Scholars Association to halt CCP's control over Chinese international students, as many of them may continue to live in Australia permanently after graduation.

Introduce a compulsory course on Australian values for international students from autocracies. People from autocracies like China can reasonably be presumed to have suffered systematic indoctrination, consequently they will have limited understanding of concepts such as human rights, democracy and freedom. Some of them will eventually acquire permanent residency here. So, I believe a compulsory course of this kind will help ensure that new migrants endorse Australian values.

5. Follow the examples set by the USA in restricting top-level cooperation with China on science, technology and innovation so as to protect our intellectual property and national security interests.
6. Maintain a national register at DFAT of visits and exchanges between state/local government and China. Foreign diplomatic/consular missions' visits to local ethnic community organisations will also need to be registered at DFAT. China Culture Centres should be registered as foreign missions;
7. Follow the example set by the USA in restricting China's MSS officials from visiting Australia, considering the bad records of the MSS. Limit the number of MSS delegates to a controlled level if a visit is necessary.
8. Ban the downloading of WeChat apps, and require SBS Mandarin TV to stop broadcasting morning news via satellite from China Central Television Beijing. //END