



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**  
**PROOF**  
**ADJOURNMENT**  
**China**  
**SPEECH**

**Tuesday, 16 June 2020**

BY AUTHORITY OF THE SENATE

---

## SPEECH

<p><b>Date</b> Tuesday, 16 June 2020</p> <p><b>Page</b> 94</p> <p><b>Questioner</b></p> <p><b>Speaker</b> Fierravanti-Wells, Sen Concetta</p>	<p><b>Source</b> Senate</p> <p><b>Proof</b> Yes</p> <p><b>Responder</b></p> <p><b>Question No.</b></p>
---	--

---

**Senator FIERRAVANTI-WELLS** (New South Wales) (20:32): I rise to speak about compensation post Wuhan and, inter alia, the Port of Darwin. Australians will no longer accept 'business as usual' with the Communist regime in China. Failure by the CCP to properly follow World Health Organization procedures has killed hundreds of thousands and caused huge economic damage. Domestic and collective international action is needed. Domestically, we need a clear plan to reduce our dependence on overseas supply chains and build domestic self-reliance and resilience. Supporting 'Australian made' will come at a price. Governments at all levels will need to re-examine procurement practices to favour 'Australian made'.

I now turn to the plan for reparations or compensation. This necessitates an examination of the CCP's culpability, which was canvassed in the recent report by top UK think tank the Henry Jackson Society in London, entitled *Coronavirus compensation?* It clearly states that, had the CCP provided accurate information at an early juncture, 'the infection would not have left China'. China only reported to the World Health Organization on 31 December 2019, stating no evidence of human-to-human transmission. This contradicts reports in the *South China Morning Post* citing Chinese government documents of 200 cases by 27 December. Instead, China covered up and punished the doctors who sought to tell the truth. US intelligence reports refer to massive underreporting of cases, and the CCP has been desperately trying to rewrite the narrative.

We are now in recession, with loss of jobs and livelihoods. Billions of dollars have been borrowed. Australian taxpayers will need to shoulder the enormous burden of repaying the debt. No Australian has been left untouched by the negligent actions of the CCP. Therefore, it is just that China pay compensation. Reparations are synonymous with monetary compensation. The Henry Jackson report argues that, were the UK to pursue a claim against China and secure a judgement that mandated compensation, and were China to ignore it, the United Kingdom would be entitled to pursue any lawful means for collection of that judgement. On the collective international front, given closer economic ties between the Five Eyes and indications given by President Trump and Secretary Pompeo that China must pay, the possibility of international action should be considered.

Firstly, look at whether assets owned by China or its state owned entities in Australia could be seized, liquidated or, in any way, form part of a compensation claim. To extend its influence, China has poured billions into Australia to acquire assets, including the port of Darwin. Following the seizure of any assets, they could be refloated or sold. Would China retaliate if seizure of assets was part of a compensation claim? China is a totalitarian regime. Its history of nonrecognition of international legal frameworks is well known. China is hardly likely to contest a legal claim—to do so would mean recognition of jurisdiction.

Secondly, consider whether we halt repayment of Chinese owned sovereign debt as part of any compensation claim. The Australian Office of Financial Management issues Australian government debt. The total Australian debt owned by China or its entities is not publicly available, because the public register only identifies ownership of less than half of all Australian government debt. The extent of the debt we currently owe China and its entities is within the purview of the government. A 2015 analysis by the Royal Bank of Canada suggested that China may own as much as 20 per cent of all Australian government debt. Collating numbers released in the IMF's quarterly update on foreign exchange reserves, RBC said it appeared China held around \$130 billion of the \$730 billion Australian government and quasi-government bonds in the market.

Thirdly, seek to impose tariffs on Chinese imports as part of the claim. This is a blunt tool, which the CCP is ready to use against us—and we should not be afraid to do likewise. Of course, this would further impact on the relationship, but judging by the ongoing threats by the CCP to Australia across many areas it clearly doesn't give a damn!

I now turn to the port of Darwin. The lease should never have been granted, and we should be looking to break it not only as a practical demonstration of asserting our national sovereignty and security but, potentially, as part of any compensation claim. Following its win in August 2012, the CLP started exploring the privatisation of assets,

including the port. Consultants were engaged, reports were prepared throughout 2014 and, in January 2015, an exploratory process to gauge interest was launched. Thirty-three investors, including Australian and European companies, as well as Chinese owned Landbridge, registered an interest.

Media reports showed that Landbridge was a subsidiary of the Shandong Landbridge Group, a private company founded in 2001, and that in 2013 its billionaire owner, Ye Cheng, was named by the Chinese government as one of the top 10 'individuals caring about the development of national defence'. It was found to have extensive links to the CCP and the PLA. Indeed, in an interview in Beijing in 2016, Mr Ye said the Darwin port investment fits the company's strategy to expand its shipping and energy interests and serve China's foreign policy goal, known as One Belt, One Road.

In February 2015 the NT assembly appointed the Port of Darwin Select Committee. Its inquiry indicated the federal government had advised the NT government that the port was better privatised than continuing in government hands. Key recommendations in its April 2015 report were that an Australian entity control the lease and that there be FIRB and Defence consultations regarding the strategic and security risks of a potential international investor.

On 14 September, Malcolm Turnbull became Prime Minister. The day after, FIRB contacted Landbridge, indicating the lease and purchase of shares in the port operator were exempt under the Foreign Acquisitions and Takeovers Act, because assets owned by state, territory and local governments were exempt from FIRB scrutiny. On 13 October 2015, then Chief Minister Giles announced the 99-year lease was valued at \$506 million and included Landbridge taking a controlling stake in the port operator, Darwin Port.

The lease process raises a legitimate question as to why, given the years of lead time, more effort was not made by those in key federal ministerial positions, and those advising them, to remove the foreign investment exemption, given the national security implications of allowing such a critical strategic asset to be handed over to an entity with such known and close ties to the CCP and the PLA. Those in key positions included then Defence Secretary Richardson, who, at the post-lease Senate inquiry, sought to defend his department's actions in the face of strident criticism from ASPI and the National Defence Association; and then DFAT Secretary Varghese, now UQ Chancellor and overseeing the debacle of the expulsion of Drew Pavlou following his criticism of CCP activities at the university. I note that then Trade Minister Robb left parliament in January 2016 and, some months later, took an \$880,000-per-annum job with Landbridge—and he's still promoting the BRI in Victoria.

Perhaps the answer to the 'why' lies in the fact that the lease decision was made against the background of years of dealings between Canberra and Beijing. On 7 October 2013 then Prime Minister Abbott attended the APEC summit in Bali. After meeting President Xi Jinping, he expressed confidence that he could get a free trade deal with China within 12 months. Both leaders met again on a number of occasions in 2014 and, on 17 November, President Xi addressed a joint sitting of our parliament. The next day, Minister Robb announced the \$18 billion FTA, and the FTA was subsequently signed, in June the year after.

Regardless of why the lease was signed, national security imperatives, including threats from China's actions in the South China Sea and the growing military requirements, are such that the lease should now be broken.  
*(Time expired)*