

How China's Coercive Measures Against Australia Backfired

Wilson Beaver

KEY TAKEAWAYS

Coercive Chinese attempts to influence Australia's diplomatic and security behavior has caused Australia to push back against China.

Australia is now looking to de-risk its trade with China and increase its ability to defend its sovereign interests, including by cooperating more with the U.S.

Other countries facing Chinese pressure campaigns, such as the Philippines, can look to Australia's example for how to push back.

China had successfully offered economic incentives to Australia that influenced policymakers to view China's rise as a positive trend in the Indo-Pacific, with significant trade and investment from China driving economic growth for both. For example, China accounts for roughly 40 percent of Australian exports, and, therefore, a significant percentage of Australian jobs.¹

Arising political and security concerns in 2017, however, began to get in the way of friendly economic ties between China and Australia—the latter of which initiated a series of actions against China, including a legislative crackdown on foreign interference in elections, calling out aggressive Chinese behavior in the South China Sea, and banning Huawei from investing in Australian telecommunication networks. China, in turn, met these Australian political statements and

This paper, in its entirety, can be found at <https://report.heritage.org/ib5387>

The Heritage Foundation | 214 Massachusetts Avenue, NE | Washington, DC 20002 | (202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

domestic legal decisions with retaliatory moves, including delaying Australian wine at customs and restricting imports of Australian coal.²

China's carrot-and-stick statecraft had evolved into a general pressure campaign against Australian interests in 2020 after the Australian government criticized China for its handling of the COVID-19 pandemic and led an initiative at the World Health Organization imploring all member states to support Canberra's independent inquiry into the origins of the pandemic.³

Shift in Chinese Behavior

In response to Australia's call for an independent inquiry into the origins of COVID-19 and building on existing frustration with Australian political actions dating back to 2017, China commenced a much more concerted campaign of economic and political coercion against Australia. In May 2020, China began to apply general bans and new tariffs against a series of Australian goods, including barley, beef, wine, wheat, wool, lobsters, sugar, copper, timber, grapes, coal, and cotton.⁴ According to a study by the Australian Strategic Policy Institute, this represented a marked increase in coercive statecraft by China, in general, with Australia being the most targeted country and Europe the most targeted region.⁵ The study recorded a total of 21 coercive acts against Australia.

Examples of Coercive Statecraft Against Australia

Following are two examples of China's use of coercion against Australia.

Fourteen Grievances. The most infamous example of Chinese coercive statecraft against Australia is the "14 grievances," a series of complaints and demands in a document deliberately leaked to Australian media outlets in November 2020.⁶ The 14 grievances included Australian government funding for what the Chinese government considered "anti-China" research at the Australian Strategic Policy Institute, visa cancellations for Chinese students, "spearheading a crusade" in multilateral forums against China on issues of sovereignty and human rights, Australia's call for an independent investigation into the origins of COVID-19, banning Huawei from Australia's 5G network, blocking Chinese investment deals in certain Australian economic sectors, unfriendly or antagonistic reports on China by Australian media, and condemnation of Chinese aggression in the South China Sea.⁷

China's gamble backfired: Rather than convincing Australia to accede to China's demands, the grievance list incensed public opinion against China and granted Australian China hawks increased political capital to respond.

In an immediate example, Australia's then-Secretary of the Department of Foreign Affairs and Trade Frances Adamson publicly labeled the 14 grievances as a “massive own goal” for China that had “played very negatively” for it.⁸

Military Actions. Since 2020, China has also engaged in a series of military provocations against the Australian Defence Force, likely in an attempt to test Australian resolve and to demonstrate the consequences of Australia's increased security cooperation with the United States.

In November 2023, a Chinese warship caused minor injuries to Royal Australian Navy divers in an incident off the coast of Japan. Australian divers assigned to an Australian frigate were underwater working to disentangle the ship from some fishing nets when a Chinese warship approached. The Chinese ship acknowledged warnings from the Australian ship about divers below yet it continued to approach, “operating its hull-mounted sonar in a manner that posed a risk to the safety of the Australian divers,” according to the Australian Ministry of Defense.⁹ The incident prompted soul-searching from Australian defense experts, who began to ask what sort of limits the Australian military would impose on Chinese behavior, especially concerning the safety of Australian military service members.¹⁰

In May 2024, a Chinese fighter jet intercepted an Australian helicopter in international waters in the Yellow Sea, dropping flares directly in front of the helicopter. When Australia's government protested, the Chinese Ministry of Defense accused Australia of having used the helicopter to spy on Chinese military exercises.¹¹ In both cases, the result seems not to have been effective deterrence of Australian actions by China, but instead a hardening of Australian resolve in opposition to Chinese actions, including a greater Australian willingness to call out aggressive Chinese military action.

Results of China's Coercive Campaign Against Australia

The coercive statecraft campaign against Australia backfired on China, having the opposite of the intended effect. Australia did not reverse any of the political decisions that had angered Beijing. Instead, Australia has more strongly aligned with the United States and Japan in terms of security cooperation and been more willing to criticize China in international forums.

Furthermore, Australia's effective response to the economic restrictions imposed by China not only abrogated the intended effect of China's actions, but also provided an example to other countries in the region that may face similar action by China in the future.¹² For instance, China's decision to cut off Australian coal imports forced China to seek increased coal from Russia and Indonesia. This pushed a significant amount of Russian and Indonesian

coal off the market, forcing India, Japan, and South Korea to turn to Australia for coal. In fact, the result was an increase in the price of coal internationally and a rise in export earnings for Australian coal producers.¹³

Likewise, increased military incidents have failed to deter Australian policymakers who, instead, are a driving force behind Australia's dramatic planned increases in military spending. This includes a shift to a "strategy of denial" whose implicit adversary is China. Additionally, under the landmark 2021 AUKUS agreement—the security partnership among Australia, the U.K., and the U.S.—Australia will host U.S. *Virginia*-class submarines at HMAS Stirling, the naval base near Perth on the Indian Ocean, and plans to purchase several of the nuclear-powered, conventionally armed submarines for itself in the early 2030s.¹⁴

Political and diplomatic coercion through actions like the publication of the 14 grievances have been the most self-defeating action of all. With no hard power behind it, and mitigated economic consequences (some sectors, like wine, took mild hits in the economic coercion campaign), the issuance of the 14 grievances served as a wake-up call to the Australian public and encouraged Australian policymakers to distance themselves even further from China and position themselves closer to its allies the United States and Japan.

Conclusion

The goal of coercive statecraft is to leverage sticks and carrots that will affect the decision-making process in a foreign country to one's own benefit. China's recent application of the concept has been a failure. In attempting to coerce Australia to change its political and diplomatic stances, China's pressure inadvertently backfired. Instead, China's campaign caused Australia to diversify its export markets, increase its defense spending, and more publicly oppose China in the Indo-Pacific.

China's coercive statecraft against Australia may even have had spillover effects in the region, contributing to New Zealand's drive to diversify its export markets away from China and further engage with the United States and the Philippines. Before Xi Jinping, many countries in the Indo-Pacific had a positive view of China's rise. Today, China's self-defeating behavior has turned neighbors in the region against it and ultimately undermined its long-term foreign policy goals.

Wilson Beaver is Senior Policy Advisor for Defense Budgeting and NATO Policy in the Douglas and Sarah Allison Center for National Security at The Heritage Foundation.

Endnotes

1. Jonathan Kearsley, Eryk Bagshaw, and Anthony Galloway, “‘If You Make China the Enemy, China Will Be the Enemy’: Beijing’s Fresh Threat to Australia,” *The Sydney Morning Herald*, November 18, 2020, <https://www.smh.com.au/world/asia/if-you-make-china-the-enemy-china-will-be-the-enemy-beijing-s-fresh-threat-to-australia-20201118-p56fq5.html> (accessed August 19, 2025).
2. Fergus Hunter et al., “Countering China’s Coercive Diplomacy,” Australian Strategic Policy Institute and International Cyber Policy Centre *Policy Brief* No. 68, February 2023, https://ad-aspi.s3.ap-southeast-2.amazonaws.com/2023-02/Countering%20Chinas%20coercive%20diplomacy_1.pdf?VersionId=HZDwezgnFY5eitQtEMEU7WuFci8S75z (accessed August 19, 2025).
3. Colin Packham, “Australia Says All WHO Members Should Back Coronavirus Inquiry,” Reuters, April 23, 2020, <https://www.reuters.com/article/us-health-coronavirus-australia-idUSKCN225041/> (accessed August 19, 2025).
4. Jeffrey Wilson, “Australia Shows the World What Decoupling from China Looks Like,” *Foreign Policy*, November 9, 2021, <https://foreignpolicy.com/2021/11/09/australia-china-decoupling-trade-sanctions-coronavirus-geopolitics/> (accessed August 19, 2025).
5. Hunter et al., “Countering China’s Coercive Diplomacy.”
6. Kearsley, Bagshaw, and Galloway, “‘If You Make China the Enemy, China Will Be the Enemy.’”
7. Ibid.
8. Jonathan Kearsley, “Why China’s Infamous ‘14 Grievances’ List was a ‘Massive Own Goal,’” 9 News, June 23, 2021, <https://www.9news.com.au/national/china-list-of-grievances-australia-backfired-on-beijing/0c67e39e-733b-45e3-bd67-d1d91c6b2467> (accessed August 19, 2025).
9. “Chinese Warship Injures Australian Divers with Its Sonar,” *The Maritime Executive*, November 18, 2023, <https://maritime-executive.com/article/chinese-warship-slightly-injures-australian-navy-divers-with-its-sonar> (accessed August 19, 2025).
10. Sam Roggeveen, “China’s Sonar Ping Harassment Poses Test of Australia’s Will,” *The Maritime Executive*, November 19, 2023, <https://www.maritime-executive.com/editorials/china-s-sonar-ping-harassment-poses-test-of-australia-s-will> (accessed August 19, 2025).
11. Stephen Dziedzic, “China Changes Story on Military Confrontation, Accuses Australia of Spying,” Australian Broadcasting Corporation, May 8, 2024, <https://www.abc.net.au/news/2024-05-08/beijing-shifts-story-chinese-australian-forces-confrontation/103820684> (accessed August 19, 2025).
12. Wilson, “Australia Shows the World What Decoupling from China Looks Like.”
13. Hunter et al., “Countering China’s Coercive Diplomacy.”
14. Australian Government, Australian Submarine Agency, “AUKUS: Submarines in Western Australia,” undated, <https://www.asa.gov.au/aucus/submarines-western-australia> (accessed August 19, 2025).