

Media Roundup Issue 21 (20/05/17 – 26/05/17)

1. How China's real estate bubble pushes up prices in Australia

22/05/2017

Peter Hartcher

Sydney Morning Herald

It didn't seem a hotbed of revolutionary anger. It was one of the big, global conferences that usually are the domain of the powerful and the respectable.

But at China's annual Boao Forum in March, emotions ran high in the session on real estate prices. The five panellists on stage were debating whether China's property market was a bubble waiting to burst.

The expert panel, mostly Chinese, was divided. Some thought that the soaring prices in China's big cities were so outrageously unaffordable that they were fated to collapse.

This upset other experts, who argued stridently that prices would be solidly supported by the strong flow of population from the country to the cities, so-called urbanisation. No collapse was possible.

Read More:

<http://www.smh.com.au/comment/how-chinas-real-estate-bubble-pushes-up-prices-in-sydney-20170522-gwa9w7.html>

2. Monash University suspends lecturer over quiz question

22/05/2017

Primrose Riordan

The Australian

Monash University has confirmed it has suspended a lecturer after Chinese students complained about a quiz that suggested Chinese officials were truthful only when drunk.

China's Melbourne consulate-general intervened after a May 15 post by a student, Gao Song, complained about the quiz on Chinese social media site Wechat.

The consulate expressed concern, urged the university to investigate and pledged to monitor the situation, according to Chinese media reports.

Human resources management students at Monash's business school were asked by the quiz to fill in the blank: "There is a common saying in China that Chinese officials only speak the truth when ..." The correct answer was: "they are drunk or careless."

Read More (Paywall):

<http://www.theaustralian.com.au/higher-education/monash-university-suspends-lecturer-over-quiz-question/news-story/2bc64598623c5a0718c8fc808ef2ef14>

3. Belt and Road will go ahead with or without Australia

22/05/2017

**James Laurenceson & Elena Collinson
Lowy Interpreter**

A divide has once again opened between Australian economic commentators and defence hawks, this time over China's Belt and Road Initiative (BRI) and what Australia's response to it should be.

The latter accuse the former of being naïve about Beijing's geopolitical intentions and the BRI's strategic implications. Meanwhile, economists see hawks as being quick to deploy emotive rhetoric – a 'string of pearls' to depict ports in the region with some Chinese ownership, a 'dragonhead' to describe Chinese investment in Northern Australia – but less enthusiastic about engaging in debate based on hard data and evidence.

Whatever the strategic intentions and implications of the BRI, they are a sideshow to the structural shifts that have been underway for decades.

Read More:

<https://www.lowyinstitute.org/the-interpreter/belt-and-road-will-go-ahead-or-without-australia>

4. The trouble with the Chinese economy and what it means for Australia

22/05/2017

**Ian Verrender
ABC News**

As Donald Trump's political fortunes continue to unravel in Washington, with political scandal jostling with diplomatic intrigue and internal bickering for headlines, a more immediate problem is bubbling away to our immediate north.

It's always difficult to get a clear handle on the Chinese economy.

Official reporting generally is pre-determined, offering little more than an opaque view into the inner workings of one of the world's great economic conundrums; a centralised Communist government overseeing a capitalist economy.

But in the past week, there have been some concerning signals emanating from Beijing that all may not be well and that its latest attempt to extract itself from a looming debt crisis has done more harm than good – not for the first time.

Read More:

<http://www.abc.net.au/news/2017-05-22/the-trouble-with-china-and-what-it-means-for-australia/8545886>

5. G8 Education taps investors for \$100m

22/05/2017

Carolyn Cummins

The Sydney Morning Herald

G8 Education is tapping investors for \$100 million through a fully underwritten institutional placement to fund growth opportunities and reduce debt on the same day the company's long-time boss Chris Scott has announced his retirement.

In a trading update, the childcare centre owner also said it has terminated the second tranche of the placement with the Chinese group CIPI, part of G8's previous plans to expand into China.

The deal comes as property investors have ear-marked the childcare sector as one of growth, with more than \$120 million worth of properties bought in the past year.

Read More:

<http://www.smh.com.au/business/property/g8-education-taps-investors-for-100m-20170523-gwbdvs.html>

6. Divorce case ordered to be heard in Australia and China

23/05/2017

Jennine Khalik

The Australian

A divorce between a Chinese-Australian couple has exposed the complexities of property settlements in ending cross-border relationships.

The case, which first appeared in the Family Court last year followed, by an appeal last month, could have far-reaching implications for property settlements in divorce proceedings between Chinese nationals and Australian spouses.

In what was deemed an “unusual” decision in the case known as Lan & Hao, Family Court judge Anne Rees ruled that divorce proceedings should go ahead simultaneously in China and Australia.

Read More (Paywall):

<http://www.theaustralian.com.au/business/legal-affairs/divorce-case-ordered-to-be-heard-in-australia-and-china/news-story/fe55870f3027fe801f9b8101acff5294>

7. Opportunities for business in China’s One Belt One Road

23/05/2017

Tony Boyd

Australian Financial Review

The federal government’s lukewarm response to China’s massive One Belt One Road infrastructure plan should not deter Australian business from coming up with their own comprehensive engagement strategies.

It is clear to Chanticleer following a week travelling through China talking to senior Chinese government officials, academics, economists, think tanks, bankers and leading research analysts that OBOR has become a catalyst for profound change in China and Central Asia.

It would be foolhardy to ignore the geopolitical machinations bound up with the roll out of OBOR but it would be equally unwise for businesses to turn their back on the wide array of opportunities opened up by what has been called the new Silk Road.

Read More (Paywall):

<http://www.afr.com/brand/chanticleer/opportunities-for-business-in-chinas-one-belt-one-road-20170522-gwaqoo>

8. If Australia listened to our hawks on China, we’d have been hung out to dry

23/05/2017

Bob Carr

Sydney Morning Herald

It was like a meeting with an Old Testament prophet. Towering and rock-hewn, Malcolm Fraser was grave, telling me – Australia’s new foreign minister – that America was capable of being drawn into a land war with China.

“Going to war with China and losing it. And then withdrawing from Asia.”

In this nightmare, Australia would have been recruited to join America and then left high and dry, all alone in a region that China dominated.

A dystopian vision and a long way from current realities. But on a more modest scale, Australia would be stranded right now if, after the election of Donald Trump, we'd taken the advice of our own hawks about China policy.

Read More:

<http://www.smh.com.au/comment/if-australia-listened-to-our-hawks-on-china-wed-h-ave-been-hung-out-to-dry-20170523-gwaw1w.html>

9. One Belt, One Road: Australia needs to bide its time

24/05/2017

Paul Kelly

The Australian

Seeking to make China's rejuvenation the story of the 21st century, President Xi Jinping attempts a stunning synthesis – to link the tighter, repressive control of the Communist Party with China's hard economic power to create a modern-day system of tribute states paying homage to Beijing.

There is no precedent in history for the contradiction Xi seeks to reconcile – a Marxist-Leninist machine imposing political authority amid a globally expanding economy where China is the world's great exporter, manufacturer and creditor power.

Ten days ago 29 national leaders and delegates from 110 nations including Australia came to Beijing in response to a “summons” – an invitation, of course – to honour a Chinese dream and become participants in Xi's vision to re-create the ancient Silk Road and jointly build the Silk Road Economic Belt and the 21st-century Maritime Silk Road.

Read More (Paywall):

<http://www.theaustralian.com.au/opinion/columnists/paul-kelly/one-belt-one-road-australia-needs-to-bide-its-time/news-story/22c632e9ef23a75300a2773fd4938fc8>

10. Credit curbs hit Chinese investment in Australian housing

24/05/2017
Jeff Whalley
Herald Sun

The number of foreign applications for investment in Australian housing is plunging as credit conditions tighten in China, according to Australia's top financial bureaucrat.

Treasury secretary and Reserve Bank board member John Fraser says there has been a steep fall in applications since the Chinese government moved last year to slow capital outflows and reduce credit availability.

Foreign investment applications for residential housing in Australia totalled 40,000 last financial year, Mr Fraser said on Wednesday.

This financial year, that number was expected to fall more than 60 per cent to about 15,000, he said, "partly reflecting" the change in Chinese credit markets.

The revelation follows warnings from property buyers' advocates in recent years that strong foreign demand for Australian property has contributed to a price surge in some cities.

Read More (Paywall):

<http://www.heraldsun.com.au/business/credit-curbs-hit-chinese-investment-in-australian-housing/news-story/b0e1128d07e0888ae40565462be6f236>

11. Flinders throws lifesaving challenge to China

24/05/2017
InDaily

Flinders University, a supporter of this month's historic AFL game in Shanghai, has announced a new program to help aspiring Chinese lifesavers shine at the Lifesaving World Championships in Adelaide in 2018.

As one of Australia's top centres for high performance and athlete testing, Flinders is a key supporter of a new lifesaving skills and development program offering emerging lifesaving nations, including China, the chance to shine at the championships.

The World Lifesaving Championship 2018's Lifesaving Development and Training Program – in partnership with Flinders – is part of efforts to reduce the number of drownings internationally by bringing participating countries' lifesaving and first aid skills up to the highest international standards.

Read More:

indaily.com.au/news/2017/05/24/flinders-throws-livesaving-challenge-to-china/

12. Trump plan to keep China in check

25/05/2017

Cameron Stewart

The Australian

Australia is set to play a greater military role in Donald Trump's new Asia-Pacific strategy to counter a rising China, influential US senator John McCain said.

The chairman of the powerful US Senate armed services committee told *The Australian* that beefed up naval forces developed by both the US and Australia would jointly target "peace through strength" in the Pacific. It would help to ensure freedom of navigation in the face of China's increasingly belligerent behaviour in the South China Sea. His comments are the strongest sign yet that Australia is being viewed by the Trump administration as a pivotal partner in Washington's plans to challenge China's growing hegemony in the region.

In an interview with *The Australian* in Washington ahead of his visit to Australia early next week, Senator McCain said the threat of Islamic State and the challenge posed by a rising China and a rogue North Korea made the US-Australia alliance more important and relevant than ever. The former Republican presidential candidate will visit Australia next week and meet Malcolm Turnbull to reinforce the value of the US alliance as part of a four-nation visit to the region.

Read More (Paywall):

<http://www.theaustralian.com.au/news/world/trump-plan-to-keep-china-in-check/news-story/8a109024d7bc2dbcb57fc23229c8e860>

13. The go-betweens who help Chinese settle in Australia

25/05/2017

Su-Lin Tan

Australian Financial Review

If the proliferation of Mandarin speakers in Australia, along with restaurants offering food from China's most far-flung provinces, hint of a growing Chinese diaspora, the statistics merely confirm it. As at March 2017, Chinese-born migrants comprise the nation's third-highest resident population, after New Zealand and Britain, according to Australian Bureau of Statistics data. While there are also large numbers of other Asian migrants to Australia – from Malaysia, Singapore and Hong Kong – Immigration Department figures show the number from the Chinese mainland has more than tripled since 1997. And if they're not migrating here, they're visiting: Tourism Australia

reports that 1.1 million Chinese visited in 2016, on a par with visitors from New Zealand.

Wealthier Chinese migrants have entered Australia via the Significant Investor Visa, which requires them to invest \$5 million into complying investments for a minimum of four years before being eligible to apply for a permanent visa. The Chinese are attuned to social status, and accumulating luxury goods is a typical way to gain it. Not unlike other migrants, once here they seek mentors from within their communities – especially those they can trust, who have a good moral standing and speak good English. People who can guide them through their transition into life in Australia.

Read More (Paywall):

<http://www.afr.com/brand/afr-magazine/the-gobetweens-who-help-chinese-settle-in-australia-20170418-gvmowd>

14. Buckle in for bumpy ride before China's Belt and Road Initiative

26/05/2017

Rowan Callick

The Australian

China's huge Belt and Road Initiative was launched a little more than a week ago, but for those living there it feels like years, such is the weight of the propaganda effort that, rather than roads and bridges, has been driving it thus far. The timing of the launch is great for Beijing, with Europe and especially the US in comparative disarray. But we cannot know for years the extent to which this ambitious new "Journey to the West" will prove a success on the ground.

A few days ago, *Dawn*, Pakistan's most read English newspaper, revealed the full blueprint for the \$55 billion China-Pakistan Economic Corridor, by far the biggest BRI project to date. The stunned newspaper said: "The plan envisages a deep and broad-based penetration of most sectors of Pakistan's economy as well as its society by Chinese enterprises and culture. Its scope has no precedent in Pakistan's history."

The BRI is starting to be questioned and tested, rightly for such a huge commitment.

Read More (Paywall):

<http://www.theaustralian.com.au/opinion/columnists/rowan-callick/buckle-in-for-bumpy-ride-before-chinas-belt-and-road-initiative/news-story/50dddf435076890a4d94d4a87f76304>