

Media Roundup Issue 25 (17/06/17 – 23/06/17)

1. Turnbull government carefully tackles Chinese interference

17/06/2017

Greg Sheridan
The Australian

The Turnbull government has expressed in strong terms its displeasure with the way Chinese diplomats deal with Chinese citizens in Australia.

The Chinese embassy in Canberra has been told by the Department of Foreign Affairs and Trade that it has no right to harass or threaten any Chinese national in Australia whom Beijing considers to be corrupt or to have taken corruptly obtained wealth out of China. Although the Turnbull government sympathises with Beijing in its wish to prosecute anyone who has illegally moved assets or broken the law in China, it insists the Chinese must operate through the Australian government and our law enforcement agencies.

The chief Chinese intelligence agency, the Ministry of State Security, is very active in Australia, and many things that Beijing does within Australia go beyond the normal bounds of diplomatic behaviour, according to government sources.

Read more (Paywall):

<http://www.theaustralian.com.au/opinion/columnists/greg-sheridan/turnbull-government-carefully-tackles-chinese-interference/news-story/087b9636cc4e294b0b6eb048320465cf>

2. Where have all the grown-ups gone on China policy?

19/06/2017

Geoff Raby
Australian Financial Review

"All that is necessary for the triumph of evil is that good men do nothing," so opined the 18th century British philosopher Edmund Burke. The recent media and talking-heads' frenzy in Australia over China calls to mind Burke's injunction not to remain silent.

For some time, the China threat chant has been building, reaching a crescendo with the recent ABC Four Corners program on China's alleged "agents of influence" in Australia and the features in this paper by Angus Grigg and Lisa Murray. The latter have sought to join the dots to China's foreign policy and the Australian Prime Minister's personal journey in office from "panda hugger" to clear-eyed and hard-headed on China.

In the hackneyed phrase, direct from the Washington neo-cons' lexicon, our PM, Malcolm Turnbull, has now "joined the adults in the room". The implication of this phrase for those who do not join the pack in taking a hard line on China is clear.

Read more (Paywall):

<http://www.afr.com/opinion/columnists/where-have-all-the-grownups-gone-on-china-policy-20170619-gwtsse>

3. Labor MP filed documents for billionaire ALP donor's Chinese business association

19/06/2017

**Nick McKenzie & Sean Nicholls
Sydney Morning Herald**

Billionaire Huang Xiangmo's political influence has extended directly into the NSW parliament with revelations that a serving NSW MP filed documents for an organisation headed by the Chinese Communist party-aligned businessman while acting as its adviser.

Labor MP Ernest Wong filed and signed off on financial documents for the Australian Guangdong Chamber of Commerce (AGCC) headed by two major Labor donors, including Mr Huang.

Mr Wong also listed his parliamentary email on the NSW Department of Fair Trading documents he lodged on behalf of the AGCC in November 2014.

Read more:

<http://www.smh.com.au/nsw/labor-mp-filed-documents-for-billionaire-alp-donors-chinese-business-association-20170618-gwtg5b.html>

4. Ex-ALP chief sets up firm in office of China-linked donor

19/06/2017

**Brad Norington
The Australian**

The former boss of the NSW ALP's head office lists his registered legal practice as James Clements & Associates, residing in the seventh-floor commercial suite of a Pitt Street building in Sydney's CBD.

The suite is owned by Chinese national, property developer and generous Labor Party donor Huang Xiangmo's company, Yuhu Group.

A visit to 276 Pitt Street confirms Mr Clements has no solicitor's shingle. There is no visible indication of a legal practice.

The office is the headquarters of three pro-Beijing organisations that promote Shenzhen and Guangdong community interests. All are headed by Mr Huang. Next door, also owned by Mr Huang's Yuhu group, is the seventh floor's only other tenant. Inside is the headquarters of another Chinese Communist Party-aligned lobby group, the Australian Council for the Promotion of Peaceful Reunification of China. Mr Huang controls this group too.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/state-politics/exalp-chief-sets-up-firm-in-office-of-chinalinked-donor/news-story/4f7aea328b564cd36eac456c72e1b6c7>

5. Defence now driving Australia's China policy, says former ambassador

19/06/2017

**Kirsty Needham
Sydney Morning Herald**

There has been a power shift in Australia's policymaking on China, with defence officials who don't understand China now the dominant voice, a former top diplomat has told Chinese media.

Australia's former ambassador to China, Geoff Raby, told the *Global Times* newspaper the shift had been away from the Department of Foreign Affairs and Trade and towards the prime minister's office and defence and national security ministries.

"Although those organisations might be experienced in the global landscape, they might not be close to China or know China well," Mr Raby said in an interview with the Chinese-language edition of the *Global Times*.

Read more:

<http://www.smh.com.au/world/defence-now-driving-australias-china-policy-says-former-ambassador-20170619-gwu56k.html>

6. Managing China, our new best frenemy

19/06/2017

Editorial

Australian Financial Review

Last last week, the national news cycle was over-excited by leaked footage of Malcolm Turnbull's humorous speech, complete with Trump gags, at the Canberra press gallery's off-the-record mid-winter ball in Parliament House. The Trump retaliation-by-tweet, or other supposed breach of US-Australia relations, did not get lift-off. Yet the hoo-ha obscured a much more significant prime ministerial turn of phrase revealed at the same time in The Australian Financial Review. In semi-private remarks in October, Mr Turnbull had described China as our "frenemy". Like the odd joke at an after-dinner roast, a few words should not be over-interpreted. Yet, in this case, the words represent a substantial shift for Mr Turnbull, once considered Australia's most pro-China leader since Gough Whitlam.

Read more (Paywall):

<http://www.afr.com/opinion/editorials/managing-china-our-new-best-frenemy-20170618-gwtkfr>

7. Australian Defence files to be moved out of privately owned data hub after Chinese buy-in

20/06/2017

Chris Uhlmann

ABC News Online

The Defence Department will terminate its relationship with a Sydney data centre in 2020 and move its secret files back into a government-owned hub, because a Chinese consortium bought half of the centre's parent company.

The department is preparing to spend up to \$200 million on the move, despite assurances from the company, Global Switch, that its files are secure.

Global Switch owns two high-security data centres in Ultimo where the company holds classified government information, including sensitive Defence and intelligence files.

Read more:

<http://www.abc.net.au/news/2017-06-20/security-concerns-over-defence-files-in-data-centres/8632360>

8. Australia concerned about transparency in China's Belt Road

20/06/2017

Primrose Riordan

The Australian

The head of Australia's foreign affairs department has said the country is concerned about the transparency of tendering in China's Belt and Road Initiative.

The BRI, also known as One Belt One Road, aims to partner with foreign governments and companies to channel more than \$US1 trillion into ports, roads and other major infrastructure worldwide to counter the country's maritime and economic vulnerabilities.

Frances Adamson, Secretary of the Department of Foreign Affairs and Trade, told the Crawford Leadership Forum in Canberra that Australia was in principle

supportive of more infrastructure in the region but apprehensive about the details.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/australia-concerned-about-transparency-in-chinas-belt-road/news-story/7549b1826c5e142b86de571c1122296d>

9. China's richest have \$30 trillion to spend, and more investing in China

21/06/2017

Kirsty Needham

Sydney Morning Herald

Australia is the third most popular destination for ultra-rich Chinese to invest wealth offshore and it's closing the gap on other countries, a new report shows.

As interest in the top two investment destinations, Hong Kong and the United States falls by 18 per cent and 3 per cent respectively, there has been a 7 per cent jump in Chinese private wealth flowing to Australia.

At the same time China's pool of private wealth swelled to 165 trillion Chinese yuan (about \$31 trillion) in 2017 – six times what it was a decade ago, and twice the size of China's GDP, according to the Bain and Company and China Merchants Bank's China Private Wealth Report.

Read more:

<http://www.smh.com.au/business/world-business/chinas-richest-have-165-trillion-to-spend-and-more-investing-in-australia-20170620-gwuvh0.html>

10. Almost half of us fear China could become a threat

21/06/2017

Michael Fullilove & Alex Oliver

The Australian

The past year has been unsettling for Australians. First came Brexit, then the election of Donald Trump and, soon after, the President's awkward encounter with Malcolm Turnbull. A series of terrorist incidents has shaken our equanimity.

...

Australians are also uncomfortable about the behaviour of America's geopolitical rival China. Today's poll finds that Australians' fear of China as a potential military threat has increased again, with almost half of Australians (46 per cent) saying it is likely "China will become a military threat to Australia in the next 20 years". Even so, Australians continue to see China as vital to us. China remains tied with the US as our most important relationship – 45 per cent choose the US, two points about China, in a statistically inseparable result. And despite their concerns, most Australians (79 per cent) continue to see China as more of an economic partner than a military threat.

Read more (Paywall):

<http://www.theaustralian.com.au/opinion/almost-half-of-us-fear-china-could-become-a-threat/news-story/01ae3b547985a0a26a798b77cc4fcd10>

11. Benign strategic picture for region despite Trump, tensions

20/06/2017

Laura Tingle

Australian Financial Review

A picture of a much more benign strategic environment for Australia – despite the uncertainty following the election of Donald Trump and tensions in the region – has emerged from the Crawford Australian Leadership Forum.

Eminent panellists from China, the United States, Singapore and Australia at the forum at the Australian National University on Tuesday painted a picture of China that was keen to find an accommodation with its neighbours in the South China Sea, a deal between North Korea and the United States on nuclear weapons being close, and a relatively benign and pragmatic view of United States policy by China.

Perhaps the most interesting perspective on regional affairs came from former long serving Singaporean Foreign Minister George Yeo who urged Australians to learn from the way South East Asia has dealt with China over hundreds of years.

Read more (Paywall):

<http://www.afr.com/news/policy/foreign-affairs/benign-strategic-picture-for-region-despite-trump-tensions-20170620-gwuv84>

12. Craig Laundry and the China connection

21/06/2017

**Nick McKenzie & Richard Baker
Australian Financial Review**

A self-professed adviser to the Assistant Minister for Industry, Innovation and Science, Craig Laundry, is closely tied to the Chinese Communist Party's secretive overseas lobbying organisation and has boasted of pushing the coalition MP to back Beijing's interests.

Chinese-Australian businessman Yang Dongdong, who as recently as March described himself as Mr Laundry's "community adviser", has also claimed to have supplied mobile phone services to China's leaders and navy officials when they visit Australia.

When contacted about Mr Yang on Tuesday, Mr Laundry said that the businessman was just one of many campaign volunteers and dismissed Mr Yang's claims he had ever worked as an adviser. Mr Laundry said he was "unaware" that Mr Yang had any Chinese Communist Party ties.

Read more (Paywall):

<http://www.afr.com/news/politics/national/craig-laundry-and-the-china-connection-20170621-gwvml5>

13. Political networking the Chinese way – a Sydney MP and his 'community adviser'

22/06/2017

**Clive Hamilton & Alex Joske
Sydney Morning Herald**

On the night of the 2016 federal election, a beaming Craig Laundry was photographed surrounded by two dozen campaign supporters who had helped him retain the Sydney seat of Reid he had snatched from Labor three years earlier.

Laundy has his arm draped around the shoulder of a man in the middle of the group. His name is Yang Dongdong and he claims to be a “community adviser” to Laundy. He is also a conduit to the large Chinese-Australian community in Laundy’s electorate.

The Liberal MP disavows Yang’s claims about the pair’s closeness and flatly dismisses the claim Yang has worked as an adviser, despite one of Laundy’s own casual staffers, Amanda Li, telling Fairfax Media on Monday that Yang is a “consultant” and is “quite close” to him.

Read more:

<http://www.smh.com.au/federal-politics/political-news/political-networking-the-chinese-way--a-sydney-mp-and-his-community-adviser-20170621-gww0k6.html>

14. Chinese remain keen on agricultural investment

22/06/2017

Sue Neales

The Australian

Chinese investors and companies remain eager to invest in Australian agriculture, with vineyards, dairy and aquaculture named yesterday as the most popular sectors.

The Agri-Investor forum in Melbourne was told by Matthew Schofield, partner with pioneering Chinese accountancy business ShineWing, that his Chinese clients had not been deterred by reports of anti-Chinese investment sentiment.

Mr Schofield said Chinese investors wanted to be part of the story involving China’s growing demand for high-quality food, with Australia seen as a safe place to invest with high regulatory, biosecurity and environmental standards. A key appeal was that freehold land could be bought in perpetuity.

Read more (Paywall):

<http://www.theaustralian.com.au/business/chinese-remain-keen-on-agricultural-investment/news-story/58e2f293e86c0afe5bc24c1dbe0f7930>

15. China's ReTech lists on ASX, chair blasts lack of Australian investors

22/06/2017

Michael Bailey

Australian Financial Review

Australian investors have become “blindly” biased against companies with Chinese mainland origins, according to the co-chairman of a Shanghai-based education technology company that listed on the Australian Securities Exchange (ASX) on Thursday after raising \$17 million with no local support.

The \$107 million market capitalisation of ReTech (ASX: RTE), which builds corporate training systems for the likes of Ping An Insurance and McDonald's China, includes backing from the fourth and fifth people to join Jack Ma at Alibaba, as well as fellow billionaire Pang Shengdong, founder of China's second most popular web directory 2345.com.

However such illustrious company was not enough to overcome negative sentiment toward Chinese companies from Australian investors, ReTech co-chair Calvin Cheng told *The Australian Financial Review*.

Read more (Paywall):

<http://www.afr.com/business/chinas-retech-lists-on-asx-chair-blasts-lack-of-australian-investors-20170622-gww7d7>

16. Australian film industry makes China push with Asian cinema to be celebrated

22/06/2017

Bill Birtles

ABC News Online

Australia's film industry has announced a fresh push into Asia, with a new Asian film award and a program aimed at starting more collaboration projects.

The initiative launched by the Australian Academy for Film and Television Arts (AACTA) was announced at the Shanghai International Film festival.

China's box office is this year on track to eclipse the US for the first time despite a recent lull, and Australian producers are hoping to build on a growing number of co-productions.

Read more:

<http://www.abc.net.au/news/2017-06-22/australian-film-industry-makes-push-into-asia/8640506>

17. Dalian Wanda targeted after regulator halts Chinese buying spree in Australia

23/06/2017

Angus Grigg

Australian Financial Review

The days of Chinese companies bidding up asset prices in Australia appear to be numbered, after the banking regulator in Beijing ordered a review of the sector's exposure to the most acquisitive private firms.

The companies singled out for review include property and entertainment conglomerate Dalian Wanda, which has interests in Sydney and on the Gold Coast and the HNA Group, which owns a 13 per cent stake in airline Virgin Australia.

The Fosun Group, a conglomerate spanning healthcare to insurance, was also on the list for review according to local media reports, as was the privately-held Anbang Insurance Group.

The review of the banking sectors' exposure to offshore acquisitions comes after a flurry of high profile overseas deals by private Chinese firms last year.

Read more (Paywall):

<http://www.afr.com/news/world/asia/dalian-wanda-targeted-after-regulator-halts-chinese-buying-sprees-in-australia-20170622-gwwsev>

18. Jetstar muscles in on flights to China

23/06/2017

Patrick Hatch

Sydney Morning Herald

Jetstar says it will be flying non-stop between Australia and China under a new charter arrangement before the end of the year, as it positions itself to take a bigger slice of the booming Chinese market.

The Qantas-owned budget airline flies out of seven Chinese airports to other destinations in Asia but has no flights to Australia.

That will change with plans for a new charter service bringing Chinese tourists to Australia on package tours within the next six months.

“We fly 35 services a week into China through the combination of our airlines and we have a comprehensive plan for the future that sees that continue to grow,” Jetstar CEO Hrdlicka told Fairfax Media on Thursday.

Read more:

<http://www.smh.com.au/business/aviation/jetstar-muscles-in-on-flights-to-china-20170622-gwwga0.html>