

## Media Roundup Issue 38 (16/09/17 – 22/09/17)

### 1. Australian tourism may suffer from Chinese investment restrictions

**17/09/2017**

**Kirsty Needham**

**Sydney Morning Herald**

Australia's tourism industry could be hit by new Chinese government restrictions on companies investing overseas, the Turnbull government fears.

The Chinese government ban on "irrational" overseas investment by private Chinese companies, and move to put property and entertainment deals on a restricted list, could hit Australia's tourism and hotel sector, according to Treasurer Scott Morrison, who has sought clarity around the issue in a high-level meeting in Beijing.

Around 1 million Chinese tourists visit Australia each year, and are soon expected to overtake New Zealanders as the largest group of international visitors. But there is a shortage of hotel rooms in major cities.

Former trade minister Craig Emerson says Australia also needs better tourism facilities outside Sydney to cater to Chinese tourists.

*Read more:*

<http://www.smh.com.au/world/australian-tourism-may-suffer-from-chinese-investment-restrictions-20170916-gyiv15.html>

### 2. Chinese VC William Bao Bean warns against Aussie start-ups expanding to China

**18/09/2017**

**Yolanda Redrup**

**Australian Financial Review**

Renowned Chinese investor and managing director of the fast growing country's first start-up accelerator, William Bao Bean, has warned Australian start-ups against seeking riches by expanding to the region, saying products that work in Australia rarely succeed in Asia.

Mr Bao Bean, who is also a partner at Chinaccelerator's venture capital fund owner SOSV, is in Australia this week to speak at the Creative3 conference in Brisbane and will also be hunting for potential local investment opportunities.

"I think Australian start-ups should take a look at expanding closer to home. The vast majority do not belong in South East Asia or China," he said. "Something you build for Australia is almost certainly not going to work in the rest of Asia.

If you want to expand there, the first step is to take your product and throw it in the garbage. Then take your special sauce and build a new product."

*Read more (Paywall):*

<http://www.afr.com/technology/chinese-vc-william-bao-bean-warns-against-aussie-startups-expanding-to-china-20170913-gyh2p2>

### 3. Chinese nationalistic film Wolf Warriors II airs in Sydney

**18/09/2017**

**Primrose Riordan**

**The Australian**

Fervour around the patriotic Chinese Rambo-style action film Wolf Warriors II, has arrived in Australia with a Sydney businessman funding a private screening where attendees sang the national anthem and signed a Chinese flag.

Australian businessman Garry Zhou, who organised the screening for 350 people, said the film has been "unbelievably" popular locally, with some people crying in the cinema.

"People were very emotional some were crying," Mr Zhou told *The Australian*.

"Because there was one part towards the end when they show the Chinese passport and it says if you are a Chinese citizen or Chinese passport holder it doesn't matter what corner of the world you're in your country is behind you, and a lot of people really resonated with that."

*Read more (Paywall):*

<http://www.theaustralian.com.au/news/nation/chinese-nationalistic-film-wolf-warrior-s-ii-airs-in-sydney/news-story/16229f24152001aa425c755d4da043ac>

#### 4. Why Australia shouldn't count on China for growth and profits

**19/09/2017**

**Peter Hartcher**

**Sydney Morning Herald**

Counting on China to deliver endless growth and profits? Then you need to know about the news item last week announcing that a big international conglomerate was forced to sell one of its businesses in China.

At first blush it seems to be just another of the ups and downs of the business world. The sixth-biggest South Korean conglomerate, Lotte, said that it had decided to sell its hypermart chain in China. Lotte is mainly a retailer, with sales worth about the same as Woolworths'. A year ago it had a thriving business with 99 hypermarkets in China. But today 87 have shut down, so there isn't much of a business left to sell.

So is Lotte just a hopeless retailer? Or is there some other explanation? The Chinese authorities say that Lotte has a bad record of fire inspections, forcing the closure of one store after another. But, mysteriously, the extra rigorous fire inspections were targeted at Lotte not following a fire but after a defence event in South Korea.

*Read more:*

<http://www.smh.com.au/comment/what-china-gives-it-can-take-away-20170918-gyjjt9.html>

#### 5. Australia hits out at Russia, China on cyber

**19/09/2017**

**Primrose Riordan**

**The Australian**

Australia has hit out at Russian and Chinese-led attempts to hand states more control in order to govern the internet in their countries.

Currently the internet is effectively governed by a number of multinational NGOs. In March, China released a white paper arguing for a new international agreement to enhance state control over the internet, extending the existing idea of sovereignty over land and sea to cyberspace. Russia has backed the concept, which both countries argue would increase national security.

“A group of largely authoritarian states are trying to push for a treaty governing the internet,” Australian Strategic Policy Institute cyber policy expert, Fergus Hanson, said.

Western countries argue these moves would further limit freedom of information.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/australia-hits-out-at-russia-china-o-n-cyber/news-story/45fd0eda29b53b3725b2b6ac63614968>

## 6. Chinese nationals the major recipients of business visas

**19/09/2017**

**Mark Schliebs**

**The Australian**

The number of Chinese nationals getting special “business innovation” visas has tripled over three years, with 923 granted state government-sponsored permits last year.

But the number of Chinese applying for and receiving “significant investor” status — which requires \$5 million to be invested once granted — under the same visa subclass has been falling since 2014. Department of Immigration figures released under Freedom of Information laws show Chinese nationals dominate the business innovation and investment visa subclass 188.

In the last financial year, 923 of the 1206 people granted visas under the business innovation stream were from China, and a further 351 Chinese nationals received visas through the significant investor scheme. No other country had more than 100 visas granted under the program.

*Read more (Paywall):*

<http://www.theaustralian.com.au/news/nation/chinese-nationals-the-major-recipient-s-of-business-visas/news-story/14b25dca16c117f05e26dfbcd735d55d>

## 7. 'Faustian bargain': defence fears over Australian university's \$100m China partnership

**19/09/2017**

**Anders Furze & Louisa Lim**

**The Guardian**

A world-first collaboration between the University of New South Wales and the Chinese government, celebrated as a \$100m innovation partnership, opens a Pandora's box of strategic and commercial risks for Australia, according to leading analysts.

These include the potential loss of sensitive technology with military capability, an unhealthy reliance on Chinese capital and vulnerability to Beijing's influence in Australia's stretched research and technology sector.

The UNSW Torch Innovation precinct, the first outside China, was unveiled last year with Malcolm Turnbull present at the signing ceremony in Beijing's Great Hall of the People, alongside the Chinese premier, Li Keqiang.

Since 1988 the Torch program has brought business together with universities and researchers inside China to create high-tech startups. The Chinese government says it has accounted for 11% of the country's GDP. This \$100m deal included an initial \$30m from eight Chinese companies to support Australian research.

*Read more:*

<https://www.theguardian.com/australia-news/2017/sep/19/faustian-bargain-defence-fears-over-australian-universitys-100m-china-partnership>

## 8. Chinese students question Australian education sending chills through industry

**20/09/2017**

**Kirsty Needham**

**Sydney Morning Herald**

The plight of a Chinese student whose parents sold their home to pay for an Australian university education but only found a job handing out product samples has sparked debate in China questioning the value of overseas education.

The worsening job prospects for graduates returning to China could send a chill through Australia's third largest export market – international education – which is worth \$21.8 billion annually, Australian trade officials have told Fairfax Media.

A survey of 150,000 Chinese overseas students found on average that they make only 500 Chinese yuan (\$100) more per month than Chinese university graduates.

The NSW Auditor General has identified a financial risk to NSW universities if overseas student intakes fall, because almost a quarter of university revenue comes from international student fees.

*Read more:*

<http://www.smh.com.au/world/chinese-students-question-australian-education-sending-chills-through-industry-20170919-gykfgi.html>

## 9. New uni standards needed to counter Chinese censorship bids

**21/09/2017**

**Primrose Riordan  
The Australian**

Australia's elite universities and the federal Education Department must set new standards to resist pressure from Chinese government officials to change academic content, according to a prominent think tank representing diplomats, academics and business leaders.

A paper released today, China Matters, calls on Education Minister Simon Birmingham to "give a high-profile talk outlining the advantages and risks of having such a large cohort of international students from China in Australia".

In four prominent cases, academic staff at Australian universities have been targeted in Chinese social media campaigns after complaints from Chinese international students about "offensive" teaching material. In many of these cases the lecturers or universities apologised for the material, sparking a domestic debate about academic freedom.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/new-uni-standards-needed-to-counter-chinese-censorship-bids/news-story/ee439d0c635199bdf62ff3da8cd737a2>

## 10. Chinese schools gearing students for the great leap overseas

**21/09/2017**

**Rowan Callick  
The Australian**

A few days ago, I gave out some prizes at a school awards day, out near Beijing's airport. It proved highly enlightening — for me, more than for the students.

It helps answer a question asked about the growing number of Chinese students in Australia — where do they come from?

...

They say it's hard to get into the top US universities without having gone to high school there, and that the quality of the better Australian institutions is higher than most second-tier American equivalents. So we provide better value. And the social advantages are great. Reports continue to come back to parents, about how welcoming Australians are, how pleasant the climate and the environment. And they can communicate via WeChat in almost the same time zone. What I witnessed is part of a trend that is well established, that is not lightly turned around.

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/opinion/rowan-callick/chinas-schools-preparing-outbound-students/news-story/8adc07057ae652750874304502a2a6d1>

## 11. The Australian launches website in Mandarin for local readers

**21/09/2017**

**Stephen Brook  
The Australian**

*The Australian* today becomes the first local newspaper to launch a regularly updated Chinese-language website — translating reports into Mandarin for local Chinese readers.

From today, the website — [cn.theaustralian.com.au](http://cn.theaustralian.com.au) — will feature translations of national, regional and international news and analysis from across the masthead, including The Australian Business Review and Higher Education sections.

China correspondent Rowan Callick and foreign editor Greg Sheridan will feature regularly on the site, as will lifestyle and property content from *The Australian's* monthly luxury magazine WISH and Mansion Global.

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/media/the-australian-launches-website-in-mandarin-for-local-readers/news-story/65ff8624eb5777d81112208616053091>

## 12. Chinese students in Australia: Do we protest too much?

**21/09/2017**

**James Laurenceson**  
**The Interpreter**

Chinese students in Australia are attracting attention. Former Fairfax China correspondent John Garnaut said last month that Chinese students embody a 'racial chauvinism' that Beijing is exporting to Australian universities. This was followed by The Australian's China correspondent Rowan Callick asserting that an ideological campaign is behind a 'war being waged' by Chinese students against their 'politically incorrect' lecturers in Australia.

Sometimes Australia can slip into panic mode when faced with the evidence of China's rise – in this case, an increase in the number of Chinese citizens able to afford an education and pay their way at our schools and universities.

But here's the rub – there are currently 108,260 Chinese students with their heads in the books at more than 30 Australian universities. Yet only four incidents have been reported.

A new policy brief by China Matters injects some much needed depth and balance into the debate. It emphasises that recent complaints only apply to some Chinese students, although it adds:

*"...even a minority could taint the image of the entire PRC cohort and give rise to serious tensions."*

*Read more:*

<https://www.lowyinstitute.org/the-interpreter/chinese-students-australia-do-we-protest-too-much>



### 13. Defence bans on Chinese drones

**21/09/2017**

**Primrose Riordan**

**The Australian**

The Australian Defence Force was forced to stop using drones made by a Chinese manufacturer over cyber-security fears, triggered after the US Army banned the surveillance aircraft.

US officials last month ordered army personnel to cease the use of Da-Jiang Innovations Technology (DJI) drones, citing “cyber vulnerabilities”.

US Army staff were directed to un-install all DJI applications and remove batteries and media technology from their devices.

The Australian can reveal the ADF suspended the use of “all commercial off-the-shelf unmanned aerial systems” following a US Army report in May, which examined the threats and “user vulnerabilities” associated with the drones.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/defence-bans-on-chinese-drones/news-story/599fa7173396d3fe94a9955564fdf490>

### 14. China calls for “enhanced co-operation” with Australia

**21/09/2017**

**Geoff Chambers**

**The Australian**

China has called for “enhanced co-operation” with Australia to help deliver “peace, stability and development” across the Asia-Pacific region.

China’s ambassador to Australia Cheng Jingye said the Asian superpower sought to establish a “deepening mutual trust” with Australia.

“China and Australia are both important countries in the Asia-Pacific. China looks forward to steadily deepening mutual trust and further strengthen mutual

co-operation with Australia, while properly handling the differences, with a view to building a better comprehensive strategic partnership," Mr Cheng said.

Speaking at a function on Wednesday, celebrating the 68th anniversary of the Founding of the People's Republic of China, Mr Cheng said the China-Australia Year of Tourism had "yielded positive results".

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/china-calls-for-enhanced-cooperati-on-with-australia/news-story/d11281510eb8a97c3851e9dd386d3fa7>

## 15. George Brandis considers new laws cracking down on Chinese spying in Australia

**22/09/2017**

**James Massola, Nick McKenzie & Richard Baker  
Sydney Morning Herald**

Attorney General George Brandis is planning a once-in-a-generation shake-up of the legal framework governing who can lawfully influence Australian politicians, amid fears of clandestine Chinese Communist Party influence over politics in this country.

Mr Brandis flew to Washington in July, shortly after a series of Fairfax Media reports on the issue of foreign interference, and was briefed by US national security officials about introducing US style "foreign agent" laws into Australia.

Fairfax Media has also confirmed that Mr Brandis has been given detailed intelligence briefings that suggest Chinese Communist Party-affiliated lobbyists and business people have sought to exert influence in local, state and federal governments, and with ex-politicians in Australia.

*Read more:*

<http://www.smh.com.au/federal-politics/political-news/george-brandis-considers-new-laws-cracking-down-on-chinese-spying-in-australia-20170921-gymazc.html>

## 16. Why is Australia talking tough about major trade partner China?

**22/09/2017**

**Bob Carr**

**South China Morning Post**

This year, Australia declared rhetorical war on China. The words being used by Australian leaders are the harshest any time since diplomatic relations commenced in 1972, with the exception of comments at the time of the Tiananmen crackdown. The tone is harsher than that of any other US ally, including Japan.

Ironically, the pronounced shift occurs in the six months in which Australian exports to China reached a record high, exceeding levels in the 2003-2012 resources boom and at a time when, according to one poll, 42 per cent of Australians think Donald Trump's presidency is a "critical threat" to Australia's vital interests.

Foreign Minister Julie Bishop gave two speeches at the start of the year calling on the US to become more involved in Asia to counter China: "Most nations wish to see more United States leadership, not less, and have no desire to see powers other than the US calling the shots."

To academic Hugh White, from the Australian National University, this sounded like a hankering for the old days when the US was the only power in Asia that mattered to Australia. It risks sounding like a call for containment, which up until now has not been indulged by Australian leaders.

*Read more:*

<http://www.scmp.com/comment/insight-opinion/article/2112335/why-australia-talking-tough-about-major-trade-partner-china>