

## Media Roundup Issue 47 (18/11/17 – 24/11/17)

### 1. China links to offshore patrol vessel bids come under scrutiny

**18/11/2017**

**Primrose Riordan**

**The Australian**

A director of a company involved in two bids for Australia's \$3 billion offshore patrol boats sits on the board of two Chinese state-owned companies linked to People's Liberation Army suppliers.

Ahead of a decision to award the defence contract for 12 navy boats, it has emerged that Cvmec director Chong Teck Sin sits on the board of China-controlled AVIC International Maritime Holdings Limited, which is a member of the PRC state-owned Aviation Industry Corporation of China group.

AVIC is a state-owned enterprise and the main supplier of military planes and helicopters to the People's Liberation Army Air Force.

Mr Chong is also on the board of Changan Minsheng Logistics, which is partly owned by Chongqing Changan, the automotive affiliate of China Weaponry Equipment Corp that supplies the PLA.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/defence/china-links-to-offshore-patrol-vessel-bids-come-under-scrutiny/news-story/9327d31b6b52d75c9e252f7b872fd74e>

### 2. Coalition's China policy is barren, Paul Keating declares

**18/11/2017**

**Glenda Korporaal & Primrose Riordan**

**The Australian**

Paul Keating has mocked the Turnbull government's "barren" foreign policy, which he says seeks to contain China and ignores predictions its economy will be double that of the US within 20 years.

“The foreign policy of Australia is the foreign policy of the US,” the former prime minister said yesterday. “And the US has no policy on China as it hasn’t been able to conceive of one.”

Mr Keating used an address at the second annual Sohn Hearts & Minds conference at the Sydney Opera House yesterday to argue Australia had the potential to “lock into the fastest and biggest economy in the world”, which would be worth more than \$US18 trillion by 2021 — the centenary of the Communist Party’s foundation.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/coalitions-china-policy-is-barren-paul-keating-declares/news-story/44a2f9b237a20cc283e3546d2dc51bea>

### 3. Defence white paper: we need to talk about China, Indonesia

**18/11/2017**

**Peter Jennings  
The Australian**

Two of Australia’s most respected strategic thinkers, Paul Dibb and Richard Brabin-Smith, set out a powerful case in *The Australian* last week to rethink defence policy.

They say so much has changed in global security since the defence white paper released in February last year that it’s time to scrap some long-held military assumptions. China is at the core of their concerns. We shouldn’t rush to assume Beijing will be “inevitably hostile to Australia”, but a more assertive China with rapidly growing military strength means a direct threat to Australian interests could develop with little notice.

That’s a serious problem, blowing out of the water a comfortable defence planning hope long built into white papers that we could have up to a decade in which to see if countries were preparing to attack Australia. As far as Chinese military power is concerned, Dibb and Brabin-Smith say we are well within that “warning time” period.

*Read more (Paywall):*

<http://www.theaustralian.com.au/news/inquirer/defence-white-paper-time-for-a-rapid-reality-injection-over-china-indonesia/news-story/3f82e6f1d887785e12492aa6a6439bb8>

#### 4. China is using its economy as a weapon, and Australia should be worried

**20/11/2017**

**David Donaldson**

**The Mandarin**

China has shown it is willing to use its economic clout to pursue strategic interests. Its behaviour is already pushing neighbours to minimise their reliance on the sometimes belligerent state. What if Australia's relations with the new superpower turn sour?

"We are trying to make it cheaper for China to purchase Taiwan than attack it," remarked a Taiwanese official on a press tour recently attended by *The Mandarin*. But while economic interdependence with a grumpy superpower is certainly less costly than military confrontation, it was clear during the trip to the island — organised and paid for by the Taiwanese government — that China is twisting the economic and democratic processes of what it sees as its own renegade province, using a series of tactics to which Australia is probably also vulnerable.

*Read more:*

<https://www.themandarin.com.au/86059-china-using-economy-weapon-australia-worried/>

#### 5. Australian officials ignorant on China's economic policy: report

**20/11/2017**

**Primrose Riordan**

**The Australian**

Australian officials advising on China's economic policy lack an understanding of how Chinese leaders and policymakers operate, according to a report to - Treasury.

Dong Dong Zhang, an Australian National University researcher and former Treasury official, said the Australian bureaucrats more instinctively understood political systems such that in the US.

"Like other advanced economies, Australian officials have had a great amount of direct contact with Chinese officials in the bilateral, regional and global official dealings and forums that occur around the year," Dr Zhang says in his report, completed with the support of Treasury.

“Yet for Australian officials advising on China’s economic policy, there remains a considerable lacunae of understanding about how Chinese leaders and policymakers operate within China’s political and policymaking system.”

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/australian-officials-ignorant-on-chinas-economic-policy-report/news-story/4401fbf1dc93a5d334553454bdf6180b>

## 6. Keating’s views on China policy are implausible

**20/11/2017**

**The Australian**

Paul Keating’s argument that Australia could “lock into the fastest and biggest economy in the world” if it seeks to contain China (“China policy barren: Keating”, 18/11) is implausible.

First, Beijing has ignored international law in the South China Sea, building military facilities on territory to which it has no plausible claim.

Freedom of navigation in the South China Sea, through which most of our trade passes, as well as the maintenance of the rule of law in Asia, and upholding the principle that powerful nations cannot simply seize territory to which they have no right, are core Australian national benefits.

Second, Xi Jinping’s government has crushed all dissent, which shows that regardless of its military or economic might, it is far from ready for global leadership.

*Read more (Paywall):*

<http://www.theaustralian.com.au/opinion/letters/keatings-views-on-china-policy-are-implausible/news-story/1c4a0b0c1e1816c95cb7535083de90f1>

## 7. RBA says Chinese buyers go cool on Australian homes

**20/11/2017**

**Sydney Morning Herald**

Chinese demand for Australian residential property has eased because of tighter capital controls imposed by Beijing and tougher restrictions on mortgage lending by local banks, a top central banker said on Monday.

The Reserve Bank of Australia's (RBA) head of financial stability, Jonathan Kearns, said foreign buyers accounted for about 10 to 15 per cent of new construction, or about 5 per cent of total housing sales and around one-quarter of newly built apartments.

"Many foreign buyers come from China, seemingly around three-quarters," Dr Kearns said in a speech to an Australia-China property conference.

"Purchases of new properties by foreign buyers have eased over the past year, reportedly because of stricter enforcement of Chinese capital controls and tighter access to finance for foreign buyers."

*Read more:*

<http://www.smh.com.au/business/the-economy/rba-says-chinese-buyers-go-cool-on-australian-homes-20171120-gzowkq.html>

## 8. Australian Furor Over Chinese Influence Follows Book's Delay

**20/11/2017**

**Jacqueline Williams**

**The New York Times**

The book was already being promoted as an explosive exposé of Chinese influence infiltrating the highest levels of Australian politics and media. But then, months before it was set to hit bookstore shelves, its publisher postponed the release, saying it was worried about lawsuits.

The decision this month to delay the book, "Silent Invasion: How China Is Turning Australia into a Puppet State," has set off a national uproar, highlighting the tensions between Australia's growing economic dependence on China and its fears of falling under the political control of the rising Asian superpower.

Critics have drawn parallels to decisions this year by high-profile academic publishers in Europe to withhold articles from readers in China that might anger the Communist Party.

*Read more:*

<https://www.nytimes.com/2017/11/20/world/australia/china-australia-book-influence.html>

## 9. 'Xi and his Era': China adopts a triumphant tone as US world leadership falters

**21/11/2017**

**Kirsty Needham**

**Sydney Morning Herald**

Beijing: An eight-page essay pumped through social media and Chinese state newspapers in recent days extolled the virtues of president Xi Jinping.

Among his achievements, in the Chinese language version, was that he had turned the South China Sea Arbitration at The Hague – which found against China – into "waste paper".

...

White predicts Australia's foreign policy white paper will say China has become big and important and is throwing its weight around, but Australia needn't worry because the US provides regional security. However, in a Quarterly Essay to be published next week, White argues Australia's assumption about US power deterring China is wrong.

*Read more:*

<http://www.smh.com.au/world/xi-and-his-era-china-adopts-a-triumphant-tone-as-us-world-leadership-falters-20171117-gznp6d.html>

## 10. One Belt, One Road: 'Colonial power' fears holding Australia, Labor warns, as China signs PNG deals

**21/11/2017**

**ABC News Online**

Papua New Guinea has signed a series of infrastructure deals with China as part of Beijing's One Belt, One Road initiative, the PNG Government has announced, with an intention to create "more efficient trade corridors between Asia-Pacific and Western Australia".

"As this [One Belt, One Road] initiative grows we are seeing infrastructure improvements across many developing countries," a statement from Prime Minister Peter O'Neill's office read.

The statement released yesterday by PNG said that three deals had been signed designed to enhance agriculture, transport and utility delivery to remote areas of PNG as well as help people engage more actively in the economy.

*Read more:*

<http://www.abc.net.au/news/2017-11-21/labor-warns-australian-caution-in-pacific-as-china-signs-png/9174272>

## 11. Airbnb targets Chinese travellers: Joe Gebbia

**21/11/2017**

**Glenda Korporaal  
The Australian**

Young Chinese tourists could become the next big users of Airbnb in the Australian market, Airbnb co-founder Joe Gebbia said in Sydney yesterday.

"There are about 400 million millennials in China who are seeking travel experiences that are the opposite of how their parents travelled," he said. "Their parents travelled on tour buses with pre-packaged travel plans where everything is like 'get off the bus, take a picture, get back on'.

"Their kids want authentic, genuine experiences and want to stay on local neighbourhoods and shop in local grocery stores and eat at local restaurants."

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/room-for-growth-as-airbnb-targets-chinese-travellers/news-story/f06570f17d383cfe1c61e8ed987850ae>

## 12. Parallel lines over China

**22/11/2017**

**Glenda Korporaal  
The Australian**

Paul Keating's attack on the Turnbull government's China policy at the Sohn Hearts & Minds conference in Sydney last Friday is another sign of a trend that is becoming increasingly apparent to Australian business.

The Turnbull government has become cooler on its ties with China, preferring to line up with a US administration that is seeking to reassert itself in the region,

while Labor politicians are far more comfortable with coping with the complexities and opportunities of dealing with the world's second-largest economy.

These days it seems as if there are two parallel tracks when it comes to ties with China.

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/opinion/parallel-lines-over-china/news-story/06ffc3b9abebde2667566c4496b277d7>

### 13. China pines for the days of Paul Keating and John Howard

**22/11/2017**

**Lisa Murray**

**Australian Financial Review**

At a forum on the Australia-China relationship on Tuesday, academic Hou Minyue seemed to pine for the days of Paul Keating and John Howard.

Canberra, said Hou, could learn something from these two former prime ministers about how to balance Australia's relations with Beijing and Washington.

His colleague at Shanghai's East China Normal University, Chen Hong, had just spent almost his entire presentation criticising the Four Corners and Fairfax Media investigation into China's infiltration of Australia's political system, claiming the reports had "planted seeds of mistrust" and "shattered a warm and trusting relationship".

It was left to Nick Bisley and James Leibold from La Trobe University, which was co-hosting the event, to attempt to explain the source of Canberra's concern and its more hardline approach toward China ahead of Thursday's release of Australia's first foreign policy white paper since 2003.

*Read more (Paywall):*

<http://www.afr.com/news/politics/world/china-pines-for-the-days-of-paul-keating-and-john-howard-20171122-gzqdwo>



#### 14. China will finance Adani mine, insiders say, but it will cost Australian jobs

**22/11/2017**  
**Stephen Long**  
**ABC News Online**

The Adani Group is close to securing finance for its controversial coal mine and railway project in outback Queensland, with an announcement expected in coming weeks that Chinese state-owned enterprises, banks, and export credit agencies are backing the venture.

Australian taxpayers may be let off the hook under the deal, which could mean Adani no longer requires an Australian Government-subsidised loan of up to \$1 billion for the railway it needs to transport the coal to port.

But China's money will come at the cost of local jobs.

*Read more:*

<http://www.abc.net.au/news/2017-11-22/china-will-finance-adani-mine-insiders-say/9177470>

#### 15. White paper: China's rise puts focus on security

**23/11/2017**  
**Simon Benson**  
**The Australian**

Australia will shoulder greater responsibility for security and economic stability in an increasingly volatile Indo-Pacific region, as a balance to China's rising power and growing uncertainty in the US about the cost and value of its international leadership, according to the first review of the nation's foreign policy settings in 14 years.

The 2017 foreign policy white paper to be released today by Malcolm Turnbull and Julie Bishop makes explicit references to China's pursuit of influence to suit "its own interests", while warning the region is engaged in an open contest for the principles and values on which order will be based.

Reasserting US predominance into the near future and a deepening of the US-Australia alliance, the white paper suggests Australia will expand strategic -

relationships beyond the US to “like-minded” democracies in the region, while adopting greater defence self-reliance and an expanded soft-power footprint.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/revealed-blueprint-to-manage-chinas-rise/news-story/30e6787dfb0a24def696005d3cf4d443>

## 16. How a worried Australia should deal with a mighty and demanding China

**23/11/2017**

**Peter Hartcher**

**Sydney Morning Herald**

Australia is a country worried about a future under a mighty and demanding China, and afraid that American leadership has already checked out.

Those concerns have been the motive behind the Turnbull government's white paper on foreign policy. And the white paper itself is the government's plan for what to do about it.

A breakthrough concept in the paper is that Australia should start something it has never done before. Balancing.

Not balancing one priority against another, or balancing the US alliance against the China relationship. But balancing in the meaning of classical European statecraft.

*Read more:*

<http://www.smh.com.au/federal-politics/political-opinion/how-a-worried-australia-should-deal-with-a-mighty-and-demanding-china-20171122-gzqwg2.html>

## 17. Alarm bells ring on China's rise in foreign policy white paper

**23/11/2017**

**Andrew Tillett**

**Australian Financial Review**

The Turnbull government is warning that China's increasing belligerence over territorial disputes and potential clash over democratic values calls for stronger

efforts to maintain American presence in Asia and to bolster ties with neighbouring democracies as a check against Beijing's rise.

Without US political, economic and security engagement in the region, power would shift too rapidly to Beijing to Australia's detriment, the government's Foreign Policy White Paper says as it strikes a hawkish tone about Beijing's behaviour.

The white paper, to be released on Thursday by Prime Minister Malcolm Turnbull, Foreign Minister Julie Bishop and Trade Minister Steven Ciobo, redefines Australia's most important strategic focus to the Indo-Pacific region and expands it from southeast and north-east Asia to include India and the Indian Ocean.

*Read more (Paywall):*

<http://www.afr.com/news/alarm-bells-ring-on-chinas-rise-20171122-gzqp7t>

## 18. Keating completely wrong on Quad talks: Turnbull

**23/11/2017**

**Primrose Riordan**

**The Australian**

Malcolm Turnbull has said former prime minister Paul Keating is “completely wrong” in criticising Australia’s involvement in the revived Quadrilateral Security Dialogue with Japan, the US and India.

The Prime Minister said Mr Keating, who is chair of the international council for the China Development Bank, was “looking at the relationship and the region through the perspective of 30 years ago”.

Late last week Mr Keating said Australia’s China policy was “barren” and the decision to get involved in the quadrilateral grouping was simply aimed at containing China.

The four nations took the first step to reforming the dialogue by arranging a meeting of officials in Manila on November 12, with Australian officials saying this was laying the groundwork for a possible leaders meeting.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/keating-completely-wrong-on-quad-talks-turnbull/news-story/21ad9231c9bdaa270e9cfb8ca43cb993>

## 19. China tells Australia to mind its own business on South Sea dispute

**23/11/2017**

**Lisa Murray**

**Australian Financial Review**

China has described the foreign policy white paper comments on the disputed South China Sea as "irresponsible" and called on Australia to butt out of the dispute.

China's official response to the white paper focused on the Australian government's comments on the South China Sea, where China asserts territorial rights over neighbouring countries.

"The white paper has a positive assessment of China's development and the China-Australia relationship but it made some irresponsible comments on the South China Sea," a foreign ministry spokesman said at a news conference on Thursday.

*Read more (Paywall):*

<http://www.afr.com/news/world/china-tells-australia-to-mind-its-own-business-on-south-sea-dispute-20171123-gzrpbu>

## 20. Foreign Policy White Paper: Turnbull addresses the China problem

**23/11/2017**

**Sam Roggeveen**

**The Interpreter**

Some part of the media describe the 2017 Foreign Policy White Paper, released this morning, as striking a hawkish tone; by contrast, a few of my contacts who have read the document closely conclude that it's a bit anodyne. I'll make my own judgments after a more careful reading, but what I can say is that the Prime Minister's speech at the launch, and to a lesser extent Foreign Minister Julie Bishop's remarks, were anything but bland and innocuous.

Back in February I wrote that the White Paper needed to confront the tension in our foreign policy between the clashing interests of the US, our major strategic partner, and China, our primary economic partner. Well, the PM

certainly confronted it this morning. Turnbull had strong language for China about its behaviour in the South China Sea, and said Australia would defend itself against interference and coercion in our domestic affairs and democratic processes. The PM was also blunt about the region's future:

*"We are navigating a rapidly changing multi-polar world in which each of the major players are testing their relationships with each other...power is shifting and the rules and institutions are under challenge. We are experiencing unprecedented prosperity and opportunity, but the liberal rules-based order that underpins it all, is under greater stress than at any time since its creation in the 1940s."*

Read more:

<https://www.lowyinstitute.org/the-interpreter/white-paper-turnbull-addresses-china-problem>

## 21. Foreign Policy White Paper: Bill Shorten says China's rise nothing to fear

**23/11/2017**

**Andrew Tillett**

**Australian Financial Review**

Labor has given bipartisan backing to the central thrust of the Turnbull government's Foreign Policy White Paper which urges Beijing to follow global rules and keeping the US engaged in Asia, even though Opposition Leader Bill Shorten maintains fears over China's rise are overblown.

Mr Shorten's more optimistic assessment strikes a contrast with the white paper, which warns that, while there are economic opportunities in Asia, China is increasingly asserting its influence and challenging the US's regional dominance.

Releasing the white paper, Prime Minister Malcolm Turnbull said it was the first time in Australian history that our dominant trading partner, China, was not the same as our dominant security partner, the US.

Read more (Paywall):

<http://www.afr.com/news/foreign-policy-white-paper-bill-shorten-says-chinas-rise-not-hing-to-fear-20171123-gzrea8>

## 22. Julie Bishop dismisses China's concerns over defence

**24/11/2017**

**Primrose Riordan  
The Australian**

Foreign Minister Julie Bishop has brushed off criticism of the Foreign Affairs White Paper from Beijing, where the foreign ministry spokesman said the country was “gravely concerned” with language in the document.

Ms Bishop said she had a meeting with China’s Ambassador to Australia Cheng Jingye yesterday and he was “very positive about the Australia China relationship”

She told ABC Radio the feedback she had received from China’s officials is that “they respect the stand we have taken in the white paper”.

The official government line, delivered by Foreign Ministry Spokesman Lu Kang, was that despite the “overall positive” tone on China in the paper, Beijing was concerned about the assessment of the South China Sea.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/julie-bishop-dismisses-chinas-concerns-over-defence/news-story/e66f35e836d8f8367c3872b0b9a84501>

## 23. White Paper reveals Australia's anxiety

**24/11/2017**

**Global Times**

Australia calls itself a civilized country, but its behaviour is confusing. While it is economically dependent on China, it shows little gratitude. Being on the periphery of the Western camp, it has often tried to meddle in Asian affairs on behalf of the West.

Australia’s anxiety is fully revealed in this White Paper. Europe is grappling with its own affairs, and US President Donald Trump is retracting US’ foreign strategy. Affected by China’s rise, Australia has adopted a narrow-minded mentality toward this trend. As the US government welcomes China’s peaceful rise, Canberra continues with its negative attitude.

*Read more:* <http://www.globaltimes.cn/content/1076928.shtml>