

Media Roundup Issue 50 (09/12/17 – 15/12/17)

1. When pushback comes to shove in Australia's China relationship

09/12/2017

Paul Maley & Nicola Berkovic

The Australian

Australia's relationship with China has entered an unprecedented new era.

New laws introduced this week that crack down on foreign interference in Australia's political processes are the clearest marker yet that Canberra and Beijing now see each other in very different terms. At their heart, the laws represent more than an attempt to stamp out hostile and covert behaviour. They are an attempt by the Turnbull government to reframe one of Australia's most complicated bilateral relationships.

Energised by President Xi Jinping's chauvinistic speech to the 19th congress of the Chinese Communist Party and alarmed by mounting evidence of Beijing's meddling in Australia's affairs, the government has moved to defend our institutions from China's increasingly intrusive foreign policy.

Read more (Paywall): <http://www.theaustralian.com.au/news/inquirer/when-pushback-comes-to-shove-in-australias-china-relationship/news-story/e222b7f6ade5b7ea6a4e238aad0dfc3b>

2. PM will 'stand up' for Australia after China criticism

10/12/2017

AFP

Daily Mail

Prime Minister Malcolm Turnbull has said he will "stand up" for Australia, brushing aside Chinese criticism of new foreign interference laws as fears rise of overseas meddling in domestic institutions.

Canberra has announced the wide-ranging reforms to espionage and foreign interference legislation, with Attorney General George Brandis saying such as meddling was an "extremely serious problem".

Turnbull himself has singled out China as a focus of concern, citing "disturbing reports" about Beijing's influence.

The proposed reforms drew a furious response from China, which also attacked local media stories about infiltration as fabricated and reflecting hysteria and paranoia.

Read more: <http://www.dailymail.co.uk/wires/afp/article-5163869/PM-stand-Australia-China-criticism.html>

3. Australia in Asia without America

10/12/2017

Hugh White (member of the China Matters Advisory Council)

Global Times

Australians are nervously facing a new reality in East Asia today. Until now they have always relied on global powers from outside the region - first Britain and then the US - to keep their country secure and to shape Asia to suit their interests. That was possible because Britain was for so long the world's richest and most powerful state and the dominant strategic power in Asia, and when British power failed, the US took its place.

After its victory in the Cold War, it seemed likely that the US would remain the leading power in Asia indefinitely, and Australians happily assumed that it would always be there to keep them secure and make Asia safe for them.

But that is not what is happening. Instead, US power and influence in the region is declining as China's grows. For a decade, the two countries have been competing over regional leadership, as the US has tried to remain the primary power in East Asia and China has strived to take its place.

And it is now clear that China is winning this contest. Australians therefore confront the reality that within a short time - maybe a decade or two - the US may well cease to play any major strategic role in Asia, and China will emerge as East Asia's primary power.

Read more: <http://www.globaltimes.cn/content/1079577.shtml>

4. Ties at 'tipping point' amid fears of foreign interference backlash

11/12/2017

Joe Kelly

The Australian

Business is signalling the relationship with Beijing is at a “tipping point” as it urges Malcolm Turnbull to ensure tensions over new measures curbing foreign interference do not trigger a damaging reduction in the numbers of Chinese students or tourists.

National president and chairman of the Australia China Business Council, John Brumby, told *The Australian* relations were “very finely balanced”, while former Australian ambassador to Beijing Geoff Raby warned that a sustained period of turbulence could reduce international demand for a university education in Australia — an export sector worth \$28 billion a year.

The note of caution comes after the Prime Minister last week unveiled reforms aimed at limiting the ability of foreign powers to influence Australian political - affairs amid uproar over Labor senator Sam Dastyari’s links to billionaire Chinese property developer and Communist Party-linked political donor Huang Xiangmo.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/ties-at-tipping-point-amid-fears-of-foreign-interference-backlash/news-story/772a42e27b31c60359f1de78c387c7f8>

5. Australia in an age of geopolitical transition

11/12/2017

Gareth Evans

East Asia Forum

As the global centre of economic gravity shifts from the Euro-Atlantic to Asia, five accompanying geopolitical shifts demand particular attention: China’s rise, the United States’ comparative decline, India’s emergence as a major player, North Korea’s acquisition of nuclear weapons and ASEAN’s substantial loss of coherence.

China wants strategic space in East Asia and is no longer prepared to play second fiddle to the United States, either there or as a global rule-maker. It is parlaying its economic strength into geopolitical influence through the Belt and

Road Initiative, modernising and expanding its military capability and pursuing expansionist territorial claims in the South China Sea.

Even more startling than China's ascent has been the speed and extent of the decline in US influence. President Trump has shown no interest in the multilateral pursuit of global public goods, the low point of which was his decision to walk away from the Paris Climate Accord, and much less commitment to the region than his predecessors.

Read more: <http://www.eastasiaforum.org/2017/12/11/australia-in-an-age-of-geopolitical-transition/>

6. Seven steps to tame fears over China

12/12/2017

Bob Carr

The Australian

Sooner or later Canberra is going to decide to reset its relationship with Beijing. In one year, or in five. Here are seven things that can make it possible.

One, drop the stridency. Joe Hockey referred last week to China threatening what Australians "fought and died for". In truth, China's resistance to Japanese invasion from 1937 stands with the Russian resistance to the Nazis as the biggest narrative out of World War II. China soaked up resources that otherwise might have equipped a Japanese invasion of Australia. Malcolm Turnbull has sailed close to casting China as an enemy. The language of diplomacy exists so we keep options open. Commentary, too, by the Chinese embassy was better avoided. In the middle of a China panic running ahead of an evidentiary base, better some dignified distance.

Two, on foreign donations, go further. Ban those from any source that may reasonably be thought to be seeking to influence Australian foreign policy, even from Australian citizens who may have foreign policy fixations. There are 300 Chinese companies here. Donations have been highlighted from two South China property developers, one an Australian citizen for 20 years. This irritant in the bilateral relationship is easily fixed.

Read more (Paywall): <http://www.theaustralian.com.au/opinion/seven-steps-to-tame-fears-over-china/news-story/200f1a19a3bc2ae8f3bdc9918aaeeae1>

7. China businesses wary of Australia's 'suspicious attitude' amid political row

12/12/2017

Kirsty Needham

Sydney Morning Herald

Chinese businesses are concerned that "anti-China" sentiment in Australia will put investments at risk or block Chinese energy deals, it has been reported.

However tourism to Australia is unlikely to be hit over the peak Australian summer season, as tours are already fully booked.

Chinese state-owned company China Energy Reserve and Chemicals Group has bid \$463 million for Australian natural gas company AWE, but is facing resistance from AWE which has pointed out the Chinese offer would require approval by the Foreign Investment Review Board. On Monday, a rival bid was made by Australian company Mineral Resources.

Read more: <http://www.smh.com.au/world/china-businesses-wary-of-australias-suspicious-attitude-amid-political-row-20171212-h038k5.html>

8. China slams Malcolm Turnbull's 'hysterical, racist paranoia': anniversary unlikely to mend relations

12/12/2017

Bill Birtles & Steven Viney

ABC News Online

Events planned for a key diplomatic anniversary with Australia this week are unlikely to heal an increasingly fraught dispute over China's influence in Australia, China's state-controlled media and Chinese analysts in Beijing say.

On Thursday, Australian diplomats will attend a function at Beijing's historic Diaoyutai Guest House to mark 45 years since Australia established ties with the People's Republic.

China pays great importance to diplomatic anniversaries but this year's low-key function is being heavily overshadowed by what the Communist Party's own mouthpiece describes as "hysterical paranoia" in Australia.

Read more: <http://www.abc.net.au/news/2017-12-12/china-slams-australia-hysterical-racist-paranoia/9248950>

9. Sam Dastyari's resignation exposes China-Australia tensions

12/12/2017

Jennifer Hewitt
Australian Financial Review

It had to happen. The vicious brawling of domestic politics has rammed head-on into Australia's relationship with its most important trading partner. The results are unpredictable – and not just in the Bennelong by-election on Saturday.

The belated resignation of Labor senator Sam Dastyari is only the immediate flashpoint in an increasingly tense relationship between China and Australia.

That tension won't end with Dastyari's messy exit from parliament amid Coalition claims he was a "double agent" willing to compromise his country's interests.

This included the accusation Dastyari was taking tainted or corrupt donations, including for personal expenses, in order to push China's line in contentious areas like the South China Sea.

Read more (Paywall): <http://www.afr.com/opinion/columnists/sam-dastyaris-resignation-exposes-chinaaustralia-tensions-20171212-h03b0v#ixzz516DmTPQ6>

10. Spending by Chinese tourists reaches record \$10 billion in Australia

12/12/2017

Camille Bianchi
SBS News Online

The International Visitor Survey reveals over the past year Australia has welcomed more than 1.3 million Chinese visitors – second only, by a narrow margin, to New Zealand tourists.

This is being hailed as the year of China-Australia tourism and if latest figures are an indication, it has met the mark.

Australian Chamber of Commerce and Industry's James Pearson said the influx of spending would have a strong positive effect across industries.

"Given the rise of the Chinese middle class and given the increasing numbers of Chinese people who are coming overseas, we want to see as many as possible of them come to Australia," he told SBS News.

Read more: <https://www.sbs.com.au/news/spending-by-chinese-tourists-reaches-record-10-billion-in-australia>

11. China Influence Fears Cost a Rising Political Star His Job

12/12/2017

Rob Taylor

Wall Street Journal

The downfall of a prominent lawmaker is fueling a growing sense of unease in Australia about Chinese influence in the country's domestic affairs, and raising tensions with its most important trading partner.

Sam Dastyari, a rising star of the opposition Labor Party who had taken donations from a billionaire Chinese businessman with close links to the Communist Party, said Tuesday that he would step down from his Senate seat and wouldn't contest the next election.

The move followed Mr. Dastyari's decision last month to give up a senior political role after a recording emerged of remarks he made last year, in which he supported Beijing's claims to disputed South China Sea atolls—contradicting his party's official line.

Read more: <https://www.wsj.com/articles/china-influence-fears-cost-a-rising-political-star-his-job-1513061995>

12. Chinese voters still important in Bennelong, 10 years on

12/12/2017

Phillip Coorey

Australian Financial Review

On the night of the 2007 election, when John Howard lost government and his seat of Bennelong, a very senior Liberal official was overheard at the wake cursing the "f---ing Chinese".

He was referring to the large population of Chinese-Australians who voted overwhelmingly against Howard and the government.

Maxine McKew, the Labor candidate who vanquished Howard, wrote in her memoirs that fear of racism alienated many of these voters. A series of incidents meant Howard was "no longer being given the benefit of the doubt on questions to do with race".

Read more (Paywall): <http://www.afr.com/news/chinese-voters-still-important-in-bennelong-10-years-on-20171211-h02vqf>

13. Chinese-Australians collateral damage in Dastyari saga

13/12/2017

Jieh-Yung Lo

Sydney Morning Herald

The Sam Dastyari saga has done undue damage to the Chinese-Australian community. While it has raised some much-needed questions about political donations and foreign interference, the biggest issue for me is the impact it has had on Chinese-Australians, whose loyalty to Australia has been called into doubt.

Dastyari's judgment and Huang Xiangmo's actions have resulted in the Australian public perceiving Chinese-Australians as agents of the Chinese Communist Party wanting to exert influence in Australian politics.

This impression isn't helped by the lack of knowledge of Chinese culture, history and heritage outside of China that has been on display. Journalists and politicians commenting on these issues tend to paint China and the Chinese-Australian community with one brush. What is never made clear in media reporting and the public domain is the diversity within the Chinese-Australian community.

Read more: <http://www.smh.com.au/comment/chineseaustralians-collateral-damage-in-dastyari-saga-20171212-h0313u.html>

14. Bennelong byelection: Tone of Sydney's Chinese media shifts amid foreign interference furore

13/12/2017

Nick O'Malley & Alex Joske

Sydney Morning Herald

Growing tension between the Chinese and Australian governments over allegations of undue political influence has filtered into coverage of the Bennelong byelection in Chinese-Australian media, potentially hurting the Liberal Party's chances in Saturday's knife-edge poll.

As attacks by the Coalition on Sam Dastyari over his association with Chinese government-linked donors ramped up over the past few days, the People's Daily, a major Chinese state-controlled outlet, took a hard line against the Australian government, publishing an opinion piece on Monday decrying the debate as racist and urging the government and media to "discard their political biases and prejudices."

Read more: <http://www.smh.com.au/federal-politics/political-news/bennelong-byelection-tone-of-sydneys-chinese-media-shifts-amid-foreign-interference-furore-20171212-h03i8e.html>

15. Huang Xiangmo's \$1.8m gift to Bob Carr's think tank queried

13/12/2017

Rachel Baxendale

The Australian

Australian Strategic Policy Institute executive director Peter Jennings has taken aim at Bob Carr and his China-Australia think tank, saying the former NSW premier has questions to answer after new details emerged relating to a \$1.8 million donation from billionaire Chinese businessman Huang Xiangmo.

The Australia-China Relations Institute's 2016-17 annual report reveals that 36 per cent of the centre's 2016 funding came from Mr Huang, the controversial donor at the centre of the allegations that yesterday prompted Labor senator Sam Dastyari's resignation.

Mr Huang pledged \$1.8m in start-up funding over three years from ACRI's inception at the University of Technology Sydney in 2014.

ACRI has not accepted funding from Mr Huang since the \$1.8m donation.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/huang-xiangmos-18m-gift-to-bob-carrs-think-tank-queried/news-story/01b3a78639c266cc6124cd9e5cb65737>

16. China urged to make Australia 'feel the pain'

14/12/2017

Kirsty Needham

The Sydney Morning Herald

South Korean President Moon Jae-in has arrived in China with 200 business people, a sign of thaw in frosty relations with its major trading partner.

As tensions rise between the Turnbull government and Beijing, South Korea's experience is a cautionary tale.

Moon and Chinese President Xi Jinping will meet on Thursday to discuss ways to "normalise" relations. Chinese tourism to South Korea plunged 70 per cent this year.

Read more: <http://www.theage.com.au/world/china-urged-to-make-australia-feel-the-pain-20171213-h03scj.html>

17. Hugh White falters on China's rise, ANZUS demise

14/12/2017

Paul Dibb

The Australian

In his Quarterly Essay *Without America: Australia in the New Asia*, Hugh White argues that Australia faces a future alone without the US to protect us. China will take America's place as the dominant power. He predicts that US alliances with Japan and Australia will disintegrate.

This is a very pessimistic view. I share some of his concerns about our future security but I think his timelines are too compressed and I have other reservations.

First, he argues that China's economic power is rapidly outstripping that of America, which will make China more powerful than the US. He cites a graph in the foreign policy white paper claiming that by 2030 — just 13 years away — China's gross domestic product measured in purchasing parity terms will be almost twice as large as that of the US. He pounces on this to assert that China will soon have much greater strategic weight than the US, including militarily.

Read more (Paywall): <http://www.theaustralian.com.au/opinion/hugh-white-falters-on-chinas-rise-anzus-demise/news-story/b7f84f8e9e8d39b761a93544e4ae855c>

18. Beijing hauls in envoy over interference laws

14/12/2017

**Primrose Riordan & Simon Benson
The Australian**

Australia's ambassador to China has been called into the Chinese Ministry of Foreign Affairs for a dressing down over the Turnbull government's foreign interference laws amid accusations by Beijing that anti-China rhetoric is damaging the relationship.

In a sign of the increasing tensions between the two governments, Jan Adams was officially summoned by Chinese officials on Friday. *The Australian* has also learned that China's ambassador to Australia, Cheng Jingye, on Monday made formal representations to the acting secretary of the Department of Foreign Affairs, Penny Williams.

As the row deepened, Malcolm Turnbull confirmed that the government had made reassurances to Beijing that it was not seeking to single out China with its proposed foreign interference legislation.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/beijing-hauls-in-envoy-over-interference-laws/news-story/9e2dbfc027766934fb3f106e6a9cc3b3>

19. Mysterious Bennelong letter urges Chinese Australians to 'take down' the Turnbull government

14/12/2017

**Nick O'Malley & Alex Joske
Sydney Morning Herald**

An angry open letter urging Chinese Australians to "take down the far-right Liberal Party ruling party" by voting against John Alexander in the Bennelong byelection has been shared on social media by a man who allegedly met the Chinese Communist Party's department tasked with overseas influence activities.

The 1700-word letter, attributed to "a group of Chinese who call Australia home", urged people to support Labor's candidate, Kristina Keneally.

"When we look at the Liberal Party we see it's already totally different from before. It's a far-right ruling party and they are privately against China, against

Chinese, against ethnic-Chinese migrants and against Chinese international students," it reads in part.

Read more: <http://www.smh.com.au/federal-politics/political-news/mysterious-bennelong-letter-urges-chinese-australians-to-take-down-the-turnbull-government-20171213-h03pc4.html>

20. Canberra under extreme threat of overreacting over foreign influence

14/12/2017

David Uren

The Australian

There was a time when Malcolm Turnbull was seen to be an agent of foreign influence. He was opposition spokesman for communications in 2012 and had become close to senior executives of the Chinese telecommunications colossus Huawei.

He had visited Huawei's headquarters in the southern Chinese city of Shenzhen (as had Coalition foreign affairs spokeswoman Julie Bishop and its legal affairs spokesman, George Brandis).

The Gillard Labor government controversially banned Huawei from participating in tenders for the NBN, citing unspecified security concerns.

Read more (Paywall): <http://www.theaustralian.com.au/business/opinion/david-uren-economics/canberra-under-extreme-threat-of-overreacting-over-foreign-influence/news-story/2034be6611ec0139b2cf3bb19d0a3ade>

21. Australia's envoy to China summoned over foreign interference law

14/12/2017

Fergus Hunter

Sydney Morning Herald

Australia's ambassador to China was summoned for a meeting at Beijing's Ministry of Foreign Affairs, in another sign of heightened tensions over the Turnbull government's crackdown on foreign interference.

While Prime Minister Malcolm Turnbull has maintained that sweeping new laws are not directed at any one country, he has described reports of Chinese interference as "disturbing", triggering anger from the communist government and state-run media.

Ambassador Jan Adams' meeting – first reported by *The Australian* and confirmed by Fairfax Media – comes as Mr Turnbull rejects the Chinese criticism, saying he is standing up for Australian sovereignty.

Read more: <http://www.smh.com.au/federal-politics/political-news/australias-envoy-to-china-summoned-over-foreign-interference-law-20171213-h04bec.html>

22. Saying the unsayable in Australia's relations with China

15/12/2017

Mark Harrison

The Interpreter

The issue of influence by the government of the People's Republic of China in Australian public and political life reached a turning point with the resignation of senator Sam Dastyari. It concluded a year of forceful reporting and vitriolic debate about China in Australia, fuelling a steady flow of controversies and revelations about how deeply China's interests reach into Australian institutions.

In the case of Dastyari, much of the media coverage has focussed on partisan party politics and wins and losses for the government and the opposition. However, his resignation is symbolic of a fundamental change in the nature of Australia's relationship with China, one that is as significant in its own way as Brexit for the UK or the election of Donald Trump for the US.

For more than 30 years, policy and public life in Australia has been dominated by the notion of engagement with Asia. Expressed in a multitude of policy statements and national development aspirations, and always in a curiously urgent tone, 'Asia' has been invoked as Australia's future. In the 1980s, Asia meant Japan, then the 'little dragons' of northeast Asia, and in the last 20 years, the biggest dragon of them all, China.

Read more: <https://www.lowyinstitute.org/the-interpreter/saying-unsayable-australia-s-relations-china>

23. Destroying Sam Dastyari's political career has been needlessly nasty

15/12/2017

**Graham Richardson
The Australian**

The unravelling of Sam Dastyari has been an excruciating experience for his many friends. Over two weeks, his life has been picked apart. He has been accused by Peter Dutton of being an agent of influence and by Scott Morrison of being caught cheating on Australia. These are the typically nasty attempts of a government that has had little to cheer about during the past 18 months.

The gloves came off and Dastyari was politically assassinated by a gleeful group of government ministers and a couple of left frontbenchers who should have known better. It is worth noting that the leader of the left, Anthony Albanese, stuck with Dastyari to the end. He was concerned about the principle of forcing out of office a senator who had not been charged with a crime. Given that Linda Burney was given a right-wing seat as part of a deal in which Dastyari had a big role, her intervention will not be forgotten.

Read more (Paywall): <http://www.theaustralian.com.au/opinion/columnists/graham-richardson/destroying-sam-dastyaris-political-career-has-been-needlessly-nasty/news-story/30d25d1423e1d2bf3be9fce9edad495>

24. Australia's Chinese community 'key target of Chinese government influence operations'

15/12/2017

**Kelsey Munro
SBS News Online**

The resignation of Labor senator Sam Dastyari over his links with Chinese property developer and political donor Huang Xiangmo has cast a spotlight on political donations as a tool of foreign state influence in Australia.

But there is significantly more to the Chinese Communist Party's little understood influence operations overseas, according to a US expert in Chinese intelligence operations, and it is Australia's diverse ethnic Chinese community that is most likely to be targeted or have their freedoms effectively restricted by such efforts here.



Peter Mattis, a former US government China analyst and expert in Chinese intelligence and espionage from the Jamestown Foundation in Washington DC, called the connections over which Dastyari lost his job one of the "few icebergs floating above the water line."

Read more: <https://www.sbs.com.au/news/australia-s-chinese-community-key-target-of-chinese-government-influence-operations>