

Each week China Matters collates news items about the Australia-China relationship

Media Roundup Issue 60 (24/02/18 – 02/03/18)

<u>1. Donald Trump backs joint naval exercises in South China sea</u>

24/02/2018 Phillip Coorey Australian Financial Review

US President Donald Trump said he would love the Australian Navy to join the United States in freedom of navigation exercises in the South China Sea.

Australia has previously diplomatically avoided directly participating in the exercises, which represent statements against China's incursion into the international waterways and crucial maritime trade routes.

Asked if the United States would like to have Australian naval ships join the exercises, Mr Trump was effusive.

"We would love to have Australia involved and I think Australia wants us to stay involved," he said.

Read more (Paywall): <u>http://www.afr.com/news/donald-trump-backs-joint-naval-</u> <u>exercises-in-south-china-sea-20180223-h0wkwc</u>

2. Malcolm Turnbull's new McCarthyism on China

24/02/2018 Kevin Rudd The Australian

Last December, Malcolm Turnbull proclaimed that the "Australian people had stood up" — "Aodaliya renmin zhanqilaile" — against the Chinese. This was a parody of a statement attributed to Mao Zedong on the proclamation of the People's Republic of China, after a century of foreign occupation, that "the Chinese people had stood up".

Apart from Turnbull's dubious comparison between China's communist revolution in 1949 and Australia's national circumstances in 2017, another small problem with Turnbull's analogy is that there is no evidence that Mao said it. But then again, Malcolm has never been strong on detail. Remember the Godwin Grech affair?



One of the demands of prime ministerial office is policy consistency. But this is the same Turnbull who, when last leader of the Liberal Party, refused in 2009 to pass my legislation to ban all foreign donations to political parties. Had Turnbull done the right thing back then, much of the recent controversy on Chinese campaign donations could have been avoided.

Read more (Paywall): <u>https://www.theaustralian.com.au/news/inquirer/malcolm-</u> <u>turnbulls-new-mccarthyism-on-china/news-</u> <u>story/8fd371077779d6e04647c8bb4eabad2f</u>

<u>3. 'I miss her so much': Australian man pleads for wife's</u> <u>release from Chinese prison</u>

25/02/2018 Kate Shuttleworth The Guardian

The last time Almas Nizamidin saw his wife was on Valentine's Day last year, when he flew from Australia to China to surprise her. Now she's in prison. A month after his visit to China, his newly pregnant wife, Bizainafu Abudourexit, was caught up in a Chinese crackdown on the Uighur Muslim minority group, detained without charge, and sentenced to seven years in jail with no legal support.

Nizamidin had applied for a partnership visa for his wife to join him in Australia, but it wasn't granted in time. Nizamidin is now waging a lonely campaign as an Australian citizen to get his wife released from a Chinese women's prison at a time when Australia is navigating a new relationship with China.

Read more: <u>https://www.theguardian.com/australia-news/2018/feb/25/i-miss-her-so-</u> <u>much-australian-man-pleads-for-wifes-release-from-chinese-prison</u>

<u>4. Universities tell government we're doing our bit on international</u> <u>students, you do yours</u>

25/02/2018 Iain Watt Australian Financial Review



There is a worldwide trend towards increasing participation in tertiary education. Developed countries like Australia and the UK are at the forefront of this. In the short term this increased participation has been expensive, forcing governments to make decisions about, inter alia, how they fund universities.

In the longer term, as this trend sweeps across the developed and developing world, it will see the numbers of students seeking international education opportunities grow exponentially, bringing both opportunities and risks for Australian universities.

Read more (Paywall): <u>http://www.afr.com/news/policy/education/universities-tell-</u> <i>government-were-doing-our-bit-on-international-students-you-do-yours-20180224-<u>h0wlou?btis</u>

5. Trump Open to Joint Freedom of Navigation Operations With Australia

25/02/2018 Ankit Panda The Diplomat

On Friday, during a bilateral meeting with Australian Prime Minister Malcolm Turnbull in Washington, D.C., U.S. President Donald J. Trump expressed openness to a joint U.S.-Australia freedom of navigation operations in the South China Sea.

When asked about the prospect of the Royal Australian Navy joining U.S. Navy vessels in these operations, which the United States has been conducting roughly once every six weeks to two months since May 2017, Trump was positive.

"We would love to have Australia involved and I think Australia wants us to stay involved," he said. Turnbull, for his part, made a remark supporting freedom of navigation, but neither confirmed that Australia would be willing to participate nor ruled it out.

Read more: <u>https://thediplomat.com/2018/02/trump-open-to-joint-freedom-of-navigation-operations-with-australia/</u>



6. Echoes of Mao as Xi Jinping ends term limits

26/02/2018 Richard McGregor The Interpreter

Has Xi Jinping just made himself president for life?

The announcement on Sunday that China will amend its state constitution to remove the two-term limit for the presidency has seemingly cleared the way for just that.

Under the old constitutional provisions, Xi would have been required to step aside as president in early 2023, when his second five-year term would come to an end. Xi would not necessarily have had to cede power, however. There are no terms limits for one of the other key positions he occupies, that of secretary of the communist party, the office in which true power resides in China.

Read more: <u>https://www.lowyinstitute.org/the-interpreter/echoes-mao-xi-jinping-</u> <u>ends-term-limits</u>

7. Australia watches China leadership shakeup

26/02/2018 Australian Associated Press SBS News

China's move to alter its constitution allowing President Xi Jinping to remain in power beyond two terms has polarised Australia's government and academics.

Australia will not weigh in on China's proposed changes to its constitution that would allow its president Xi Jinping to remain in power beyond two consecutive four-year terms.

China's official news agency Xinhua revealed on Sunday a Chinese leadership proposal to remove the line stating the President and Vice-President of the People's Republic of China "shall serve no more than two consecutive terms" from the country's constitution.

Read more: <u>https://www.sbs.com.au/news/australia-watches-china-leadership-</u> <u>shakeup</u>



8. Engaging with China does not mean being an agent of China

27/02/2018 Stephen FitzGerald & Linda Jakobson (Board Directors of China Matters) Sydney Morning Herald

Clive Hamilton conveys a message which must be challenged, namely the insinuation that any person who engages with the Communist Party of China (CPC) should be viewed with suspicion or as belonging to a CPC fifth column ("Powerful relations raises a red flag", February 24-25). It is wrong and indeed damaging to Australia's interests if people (Hamilton refers to unnamed powerful corporate figures) who have dealings with the CPC are to be looked upon as untrustworthy.

As for Hamilton's warning that "it is a trap to believe that we now live in a Chinese world", we wonder what world he lives in. It is undeniable that the rise of the People's Republic of China affects us all. To ignore it would simply not be facing reality. We must learn to deal dispassionately with a government even if we abhor some of its policies and disagree with its political ideology.

Lastly, Hamilton's piece contains several inaccurate references to Linda Jakobson's work. For example, the piece states that Jakobson asserts that without Chinese investment we would spend less on hospitals and schools, so let's not have any more "public spats" and just get on with it. In fact, in the piece Hamilton refers to, Jakobson and fellow China Matters board director Andrew Parker point out that because foreign investment makes up the gap between our savings and our investment needs, lower foreign investment means making hard choices between funding our investment needs or spending on welfare, hospitals and schools. Sloppy referencing and unsubstantiated accusations call into question the credibility of Hamilton's claims.

Read more: <u>https://www.smh.com.au/national/nats-leader-mccormack-has-abandoned-country-people-on-climate-change-20180226-h0wmxf.html</u>

9. Australia has 'woken up' the world on China's influence: US official

27/02/2018 Peter Hartcher Sydney Morning Herald



Australia's moves to contain covert Chinese interference have "woken up" the world, according to a senior official in the Pentagon.

"I think it's woken up people in a lot of countries to take a look at Chinese activity within their own borders," the top official for US defence policy in Asia, Randy Schriver, told Fairfax Media.

"I think Australia has done us a great service by publicising much of this activity and then taking action. I know Australia has taken steps to change its campaign finance laws, for instance."

He said that the US would be increasing scrutiny of Chinese influence programs on its university campuses, among other activities.

Read more: <u>https://www.smh.com.au/politics/federal/australia-has-woken-up-the-</u> world-on-china-s-influence-us-official-20180226-p4z1un.html

<u>10. China zealotry comes at a cost, if it stops shared university</u> <u>research</u>

27/02/2018 James Laurenceson Australian Financial Review

As I sit at my desk contemplating the latest round of panicky comments about China's influence operations in Australia – including claims about how they are supposedly undermining the military technology lead of the US – my attention keeps being drawn to two astonishing statistics.

Both are in a US National Science Foundation report published in January. The first standout conclusion: no less than 23 per cent of US international articles in science and engineering are now co-authored with Chinese collaborators. This is up from a mere 5 per cent in 2002.

Researchers in the US these days are nearly twice as likely to work with those in China than those in the UK, which finished in second place.

The Australian share was just 6 per cent.

Read more (Paywall): <u>http://www.afr.com/opinion/columnists/china-zealotry-comes-</u> <u>at-a-cost-if-it-stops-shared-university-research-20180226-h0wp5p</u>



<u>11. Xi's Jinping's indefinite reign stokes fears China won't play by the</u> <u>rules</u>

27/02/2018 David Tweed & Enda Curran Australian Financial Review

Xi Jinping's decision to cast aside China's presidential term limits is stoking concern he also intends to shun international rules on trade and finance, even as he champions them on the world stage.

The Communist Party's bid to repeal the constitutional prohibition enacted after the turbulent Mao Zedong era - allowing Xi to stay on indefinitely - is only the latest domestic standard discarded by the president. Since coming to power in 2012, he's jailed once-untouchable retirees of the country's top political body, declined to name a successor and created a series of party panels to take over government policy making.

Xi has demonstrated a similar willingness to challenge the rules overseas, despite casting himself as a defender of the post-World War II order in speeches to United Nations diplomats and Davos billionaires. Countries have accused Beijing of putting an economic embargo on South Korea, meddling in Australian politics and ignoring an international tribunal's ruling against Chinese claims to the disputed South China Sea.

Read more (Paywall): <u>http://www.afr.com/news/politics/world/xis-jinpings-indefinite-</u> <u>reign-stokes-fears-china-wont-play-by-the-rules-20180227-h0wplu</u>

<u>12. The book Xi Jinping wants you to read for all the wrong reasons</u>

28/02/2018 David Brophy The Sydney Morning Herald

I've seen up close the repressive surveillance state that the Chinese Communist Party wields against vulnerable groups. My research has taken me to China's northwest region of Xinjiang where a panoply of checkpoints, digital monitoring, and political re-education camps keep the local ethnic group, the Uyghurs, in line.

Xi Jinping's impending coronation as president for life promises to only entrench China's high-tech authoritarianism. These realities make me all the more



conscious of the need to think seriously about how we in Australia might contribute to positive political change in China. What I'm convinced of is that such change won't come about by ramping up military pressure on the PRC, or indulging in fears of a Chinese invasion of our country.

Unfortunately, those are the two themes that have dominated our recent discussion of the implications of China's rise. Clive Hamilton's new book, Silent Invasion, is the culmination of a steady stream of breathless reportage on China's imagined subversion of Australian institutions and freedoms. It leads him to the conclusion that the People's Republic is on the verge of turning Australia into a vassal state. That's not only wrong, but dangerous.

Read more: <u>https://www.smh.com.au/politics/federal/the-book-xi-jinping-wants-you-</u> <u>to-read-for-all-the-wrong-reasons-20180227-p4z1x7.html</u>

<u>13. A rush to judgement won't benefit Australia in South China Sea</u> <u>dispute</u>

28/02/2018 Nicholas Stuart Sydney Morning Herald

An enduring feature of our Facebook-driven world appears to be a new enthusiasm for binary divisions. There's no room for grey. Everything's quickly divided and categorised as either black or white; good or bad.

Algorithms push us away from civilised discourse and towards extremes. Instead of attempting to find common ground and some shared facts from which we can move forward together, the clamour of shrill, shouting voices occupies the civic space as each side attempts to drown the other out.

Unfortunately, attempts to bifurcate debate inevitably result in pointless conflict – exactly as is happening in the South China Sea at the moment.

Read more: <u>https://www.smh.com.au/opinion/a-rush-to-judgement-wont-benefit-australia-in-south-china-sea-dispute-20180227-h0wpx6.html</u>

<u>14. Clive Hamilton is treating us as mugs</u>

28/02/2018 Graham Richardson The Australian



Anyone who accuses the likes of Bob Carr and Paul Keating as being akin to Chinese agents of influence knows he is in for a fight. When he has form as an outrageous, outlandish and, worst of all, foolish attention seeker, he really should think better of it and keep his mouth shut and his pen in his desk drawer.

Keating's sin is the fact that he chairs an Australian Chinese Business forum. Trying to facilitate more trade with our biggest trading partner seems to me to be in Australia's best interest.

Carr's attempts to urge Australia to have an independent foreign policy is also sensible. We do not have to slavishly follow the US on absolutely every aspect of foreign policy. When it comes to China any sensible Australian with an IQ above 50 knows that economically now and into the foreseeable future, Australia needs Chinese co-operation.

Read more (Paywall): <u>https://www.theaustralian.com.au/opinion/columnists/graham-</u> <u>richardson/clive-hamilton-is-treating-us-as-mugs/news-</u> <u>story/adca7132b4c541e9b5ecaa1ec7d435f5</u>

<u>15. Do as we say, not as we do: Xi Jinping's power grab exposes the</u> <u>China way</u>

28/02/2018 The Economist The Australian

The decision announced on Sunday to scrap term limits for President Xi Jinping pierces the veil of Chinese politics. It reveals that, at a time when the ruling Communist Party is presenting China to the world as a modern, reliable and responsible state, capable of defending globalisation, the internal political system that the party monopolises is premodern, treacherous, inward-looking and brutal. It also shows that Chinese leaders' attempts to make the party otherwise have not got far.

Those attempts began in the 1980s under Deng Xiaoping, then the country's paramount leader. In order to encourage predictability and institutional stability after the chaos of the last years of Mao Zedong, Deng introduced a series of reforms which stressed rules and norms, instead of strongman decision-making. The reforms included mandatory retirement ages and term limits for high-ranking politicians. The constitution of 1982 says the president "shall serve no



more than two consecutive terms". The just-announced proposal by the party's Central Committee, which has 200-odd members, would get rid of this requirement. The recommendation will be approved at a meeting of the rubberstamp parliament, the National People's Congress, which starts on Monday.

Read more (Paywall): <u>https://www.theaustralian.com.au/news/world/do-as-we-say-not-as-we-do-xi-jinpings-power-grab-exposes-the-china-way/news-story/5b6c83705b37d9e2628f9cd47d53f2f5</u>

<u>16. We need to talk about Australia's international policy</u>

28/02/2018 Nick Bisley (member of China Matters Advisory Council) The Interpreter

Julie Bishop's recent speech to the Menzies Centre at King's College London included some interesting signalling about Australian foreign policy. As Euan Graham observes, the speech appears to be part of a broader government strategy to soften Australia's rhetoric on China, and unsurprisingly included a plea to the UK to do more to support a "rules-based order" increasingly under strain. Oddly, ASEAN did not get the rose-tinted treatment one might have anticipated given Sydney is gearing up to host the special ASEAN-Australia summit in mid-March.

But the ideas canvassed in the speech maintain consistent themes of Bishop's time in the foreign minister's office: optimism about the future; the importance of the rules-based order; the Indo-Pacific as Australia's region; and an attempt to soberly recognise the significant geopolitical risks facing the country and its region.

The other pattern the speech continues is the government's unfortunate habit of giving its key set-piece foreign policy speeches overseas and directed at an international audience.

Read more: <u>https://www.lowyinstitute.org/the-interpreter/we-need-talk-about-</u> <u>australia-s-international-policy</u>



<u>17. Tony Abbott's office helped secure donation despite ASIO</u> warning

28/02/2018 Nick McKenzie, David Crowe & Richard Baker Sydney Morning Herald

Tony Abbott's office helped a billionaire labelled an "agent of a foreign country" to donate to the Liberal Party, even though Mr Abbott had earlier been warned by ASIO about the donor's links to the Chinese Communist Party.

In mid 2016, Mr Abbott's office played a role in encouraging Australian-based Chinese property developer Huang Xiangmo to give thousands of dollars to at least one Liberal candidate in the lead up to the election.

The previous year, while Mr Abbott was prime minister, he had received specific warnings from ASIO about Mr Huang's opaque connections to the Chinese Communist Party and how this may be linked to his donation activity.

Read more: <u>https://www.smh.com.au/politics/federal/abbott-s-office-involved-in-china-donation-after-asio-warning-20180228-p4z27a.html</u>

18. China relationship 'challenging': Frances Adamson

01/03/2018 Rachel Baxendale The Australian

DFAT chief Frances Adamson concedes that her plans to visit China have been deferred several times in recent months and that the relationship with our largest trading partner is "complex" and "challenging", but denied that Australia has been put into a diplomatic deep freeze.

The Australian revealed today that China has stalled on ministerial visits, deferred Ms Adamson's planned trip and put off a broad range of lower-level exchanges to pressure Malcolm Turnbull over the new foreign interference laws and naval challenges to disputed Chinese claims in the South China Sea.

In evidence to Senate Estimates today, Ms Adamson said China and Australia were in agreement on their mutual interests and the need for mutual respect.



Read more (Paywall): <u>https://www.theaustralian.com.au/national-affairs/foreign-affairs/china-relationship-challenging-frances-adamson/news-</u> <u>story/a43532987fa7a39e618d27936166184a</u>

<u>19. China ties going through rough patch but no diplomatic deep</u> <u>freeze, DFAT says</u>

01/03/2018 Andrew Tillett Australian Financial Review

The head of the Department of Foreign Affairs and Trade says Australia is going through a complex and challenging period with China but maintains diplomatic relations are continuing despite the Turnbull government rousing Beijing's ire in recent months over Chinese influence, foreign aid and the South China Sea.

Asked a series of questions by Labor's foreign affairs spokeswoman Penny Wong about the high-profile spats, Secretary Frances Adamson rejected suggestions Australia was enduring a diplomatic deep freeze when she appeared at a Senate estimates hearing on Thursday.

"It's been the case no matter who has been in government in Australia that there have been occasional periods of tension in our relationship with China, occasional periods where differences are to the fore but they have never got in the way of us each seeking to pursue a relationship that is of mutual benefit," Ms Adamson said.

Read more (Paywall): <u>http://www.afr.com/news/china-ties-going-through-rough-patch-but-no-diplomatic-deep-freeze-dfat-says-20180301-h0wttb</u>

20. Students from China, India and Nepal surge at Australian universities despite jobs squeeze

01/03/2018 Michael Koziol Sydney Morning Herald

Chinese and Indian students have not been deterred by negative media coverage or reports of racist attacks, and are flocking to Australian universities in record numbers.



New statistics show amost 190,000 foreigners applied to study in Australia between July and December, an increase of 14.1 per cent on the same period in 2016, with Indian applicants surging by 32 per cent and Chinese applicants by 13 per cent. Nepal overtook Brazil as the third-largest source of applicants, rising by 46 per cent to nearly 12,000 prospective students.

More than 90 per cent of applicants were granted student visas, with 41,000 - a quarter of all student visas issued in the quarter - going to Chinese nationals. A further 20,000 were Indian nationals. The grant rate for Chinese applicants steadily declined over the course of 2017 from 98.3 per cent to 93.8 per cent.

Read more: <u>https://www.smh.com.au/politics/federal/students-from-china-india-and-nepal-surge-at-australian-universities-despite-jobs-squeeze-20180301-p4z2bd.html</u>

21. Leaders warned against 'flaming prejudice' in China influence debate

01/03/2018 David Wroe The Sydney Morning Herald

Race Discrimination Commissioner Tim Soutphommasane is calling on political leaders to conduct the debate on foreign interference "without flaming any prejudice" against Chinese Australians.

In a speech to be delivered on Thursday, Mr Soutphommasane will warn that "many, many" Chinese Australians have serious concerns about prejudice being stoked in the foreign interference debate. He singles out prominent author Clive Hamilton as flirting with "fears about yellow hordes".

Separately to Fairfax Media on Wednesday, Mr Soutphommasane said politicians needed to avoid inflammatory language on the issue.

"Our political leaders must strike a judicious balance in protecting our national interest, without inflaming any prejudice," he said. "It's tricky work, but it can be done. It's best done through avoiding excited rhetoric, or anything that blurs the line between politics and race."

Read more: <u>https://www.smh.com.au/politics/federal/leaders-warned-against-flaming-prejudice-in-china-influence-debate-20180228-p4z24w.html</u>



22. Are China and Australia at a Breaking Point?

01/03/2018 Merriden Varrall The Diplomat

2017 was the 45th anniversary of bilateral ties between the People's Republic of China and Australia. It was not an ideal celebration of the relationship. Over the past year there has been heated discussion within Australian media and political circles about Chinese influence in the country, and its role in the world more broadly. Australian politicians have been public in their critique of China as a threat. China has reacted strongly, both at the official and unofficial levels. Much Chinese media has been scathing in its coverage of Australia.

It is fair to say that the bilateral relationship is at a very low point. But are bilateral relations set for a major break?

Read more (Paywall): <u>https://thediplomat.com/2018/02/are-china-and-australia-at-a-breaking-point/</u>

23. China donor Huang Xiangmo issues challenge to big parties

02/03/2018 Rachel Baxendale The Australian

The Chinese billionaire donor at the centre of a debate over foreign influence in Australia has challenged Australia's major political parties to follow the lead of West Australian Liberal MP Andrew Hastie and return more than \$2 million in donations his companies have paid to them since 2012.

Huang Xiangmo, a permanent Australian resident who controls the Yuhu Group, has said that if Labor and the Liberal Party are serious about distancing themselves from him, they should return the money, and he vowed to donate it to charity.

Both major parties yesterday refused to give a direct answer when asked whether they would pay back the money.

Read more (Paywall): <u>https://www.theaustralian.com.au/national-affairs/foreign-affairs/china-donor-huang-xiangmo-issues-challenge-to-big-parties/news-story/c67f7b005245285136f1f295a7f859f5</u>



24. Iron ore magnate Andrew Forrest slams Australian paranoia about China

02/03/2018 Paul Garvey The Australian

Billionaire Andrew "Twiggy" Forrest has slammed the "immature commentary" and "paranoia" that has infiltrated Australian attitudes towards China, in a passionate attempt to restore the deteriorating relationship between the two major trade partners.

Speaking at an Australia-China Business Council dinner in Perth last night to mark the Lunar New Year, the Fortescue Metals Group founder described 2017 as the "annus horribilis" for Australia's relationship with its northern neighbour.

Mr Forrest said China was an ally that had been neglected in recent times as Australia lost sight of its long-term national interests and indulged in "immature commentary".

Read more: <u>https://www.theaustralian.com.au/business/mining-energy/iron-ore-</u> magnate-andrew-forrest-slams-australian-paranoia-about-china/newsstory/b0b7fa2f456361c47265df18112b2178

25. A steady course between two uncertainties

02/03/2018 Editorial The Sydney Morning Herald

As Australia seeks to steer a middle course between its main ally and its main trading partner, the task is made slightly easier by off-putting behaviour from both.

Further evidence emerges regularly of China's concerted efforts to curry favour in Australia using persons of influence and their political parties. The latest example of this, as we have reported, is Tony Abbott, whose office facilitated donations from a Chinese businessman to the Liberal Party despite his having been warned previously by ASIO about the businessman's links to China's Communist Party.



We have no reason to doubt Mr Abbott's assurance that the donations in question fell within the rules at the time. Nor is the case exceptional. The same businessman has donated large sums roughly equally to both sides of politics. Both sides, quite rightly, are now having serious second thoughts about the whole issue of foreign influence in Australian politics and specifically foreign donations to political parties.

Read more: <u>https://www.smh.com.au/national/a-steady-course-between-two-uncertainties-20180301-h0wuto.html</u>