

## Media Roundup Issue 75 (09/06/18 – 15/06/18)

### 1. Chinese vessel believed to be spy ship docks next to HMAS Adelaide in Fiji

**09/06/18**

**Andrew Greene**

**ABC News**

It may not have looked like much of a match — or a showdown for that matter — but when Australia's largest warship HMAS Adelaide arrived at the Fijian port of Suva on Saturday, it had an interesting neighbour.

A Chinese ship fitted with communications equipment docked alongside the new Canberra-class landing helicopter dock.

The Royal Australian Navy suspects the Chinese vessel is a spy ship, which deliberately arrived at the same time to carry out surveillance on the Australians. HMAS Adelaide and other Australian warships visiting Fiji will "take the appropriate security precautions", but the surveillance craft is "just another ship", Captain Jim Hutton, Commander of the Navy's Joint Task Group 661, said.

Read more: <http://www.abc.net.au/news/2018-06-09/chinese-spy-ship-docks-next-to-hmas-adelaide-in-fiji/9852748>

### 2. Australia stands firm against China and puts security first

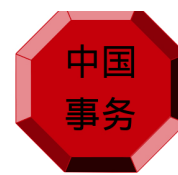
**09/06/18**

**Paul Kelly**

**The Australian**

It now seems certain that in an act of Coalition-Labor bipartisanship, the Australian parliament will pass path-breaking laws to protect our institutions and democracy from new forms of foreign interference in a warning to China and other authoritarian powers.

This bipartisan agreement finalised late this week is a milestone for our national security and foreign policy. It recognises that in the age of the internet, democracies are vulnerable to a new threat — interference by foreign targeting of media, politics, finance, confidential data and ethnic communities.



The likely win for the Turnbull government on these laws is tantamount to a statement of Australian resilience. Above all, it is a declaration Australia has the psychological determination, national capability and political unity required to defend itself against unprecedented threats to our democracy and decision-making.

Read more (Paywall): <https://www.theaustralian.com.au/news/inquirer/australia-stands-firm-against-china-and-puts-security-first/news-story/a6ca449216817c477939f72276503ff9>

### 3. China 'trying to steer Asia-Pacific business from US influence'

**11/06/18**

**Primrose Riordan**

**The Australian**

The Chinese government is “targeting” Australian businesses and influential people to pressure Australia into shifting away from a hard stand toward Beijing, a former national security adviser says.

John Lee, who previously advised Foreign Minister Julie Bishop, also believes China is the “elephant in the room” in the latest Foreign Policy White Paper.

He said that while it did not name China, the paper looked at how to manage Beijing’s tendency to break with international norms and rules.

In recent weeks Australia business leaders have urged the government to tone down its language on China and have pushed Prime Minister Malcolm Turnbull meet Xi Jinping in Beijing.

Exporters have been rattled by a go-slow on Australian wine and a delay in a major chilled beef deal with Beijing and some have blamed the trade issues on the bilateral tensions.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/china-trying-to-steer-asiapacific-business-from-us-influence/news-story/9db6e1dfbb1d94a30e0fd7e87099e935>

### 4. Costs of Australia’s relationship with China are adding up

**11/06/18**

**Jennifer Hewett**

**Australian Financial Review**



Even if it's not yet publicly spelled out, there's a growing difference of opinion between Australia's political and business leadership over China.

Australian business leaders are alarmed about the potential impact on Chinese trade and investment due to the ratcheting up of public tension between China and Australia. Australian political leaders are more worried about the potential impact on national security unless they are willing to risk Chinese ire, including some form of economic retaliation.

These contrasting viewpoints are only becoming more obvious as the Australian government presses ahead with legislation aimed at espionage and foreign interference. Naturally, the government insists its bills are not targeting China but all foreign governments attempting to influence Australian democratic processes.

Read more (Paywall): <https://www.afr.com/opinion/columnists/costs-of-australias-relationship-with-china-are-adding-up-20180611-h1187f?logout=true>

## 5. China's more flexible support better than Australia's, says PNG

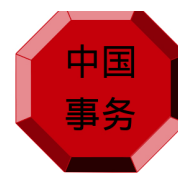
**12/06/18**

**Ben Packham**  
**The Australian**

Papua New Guinea elites have branded Australia's \$541 million-a-year PNG aid program as "paternalistic" and overly bureaucratic compared with what they say is "more flexible" and "more effective" support from China.

In interviews with senior PNG figures, Deakin and Sydney University researchers were told Australia's influence in PNG had "diminished considerably" amid growing Chinese investment in the region under its Belt and Road Initiative. They heard concerns that Australian aid money "goes back to Australia" in expatriate wages and fees and despite genuine affection towards Australia, "there is animosity and anger about being lectured to".

"Indeed, there was a view presented that while Australian aid was highly accountable and funded state institutions to improve governance and address corruption, such aid was highly paternalistic. (Australia says) 'We give you money, you have to spend it this way,'" the researchers said.



Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/chinas-more-flexible-support-better-than-australias-says-png/news-story/c5c0ad5f5a0dead450f595ce84886b5d>

## 6. Australia 'flirting with danger' in debate over China, race commissioner warns

**12/06/18**

**Katharine Murphy  
The Guardian**

Australia's race discrimination commissioner says we are "flirting with danger" in the debate over Chinese influence in our democracy, warning that antagonism towards state-sponsored interference could spill over "into a general suspicion of Chinese-Australians".

In an intensification of a public warning delivered earlier this year, Tim Soutphommasane will use the opportunity of a community forum on Tuesday to spell out his concerns with the Chinese influence debate, and he will also blast the recent "panic" from politicians over African youth crime in Melbourne.

With his term as commissioner due to finish in August, Soutphommasane will also use Tuesday's outing to also push back against recent public commentary from members of the government that his position at the Australian Human Rights Commission should be abolished.

Read more: <https://www.theguardian.com/australia-news/2018/jun/12/australia-flirting-with-danger-in-debate-over-china-race-commissioner-warns>

## 7. China tensions cast shadow on investment

**13/06/18**

**SBS News**

Chinese investors have become more cautious about pursuing deals in Australia as a result of heightened political tensions between the two countries, a new report says. A report from the University of Sydney Business School and financial services firm KPMG says there is a higher level of apprehension among Chinese investors towards Australia because of political debate and diplomatic tensions, a perceived decline in support from the Australian government, and little support among the media.



The report says only 35 per cent of 45 Chinese companies that were surveyed felt that they were welcome to invest in Australia - down from 52 per cent in 2014. Professor of Chinese Business and Management, Hans Hendrischke, says the last three years have been financially favourable for Chinese investors in Australia, as they gain familiarity and confidence in the Australian market. "While most Chinese investors retained a level of optimism about their Australian investments, some investors are apprehensive due to diplomatic tensions and the sense of feeling unwelcome," Professor Hendrischke said.

Read more: <https://www.sbs.com.au/news/china-tensions-cast-shadow-on-investment>

## 8. Why Chinese women students face problems in Australia

**13/06/18**

**Sian Powell**

**The Australian**

Feelings of loneliness, shyness, social isolation and, worst of all, facing overt bigotry: Chinese students enrolled in Australian universities can have an emotionally difficult time.

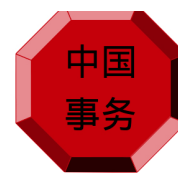
Associate professor Fran Martin, a reader in cultural studies at the University of Melbourne, is researching the experiences of 56 young Chinese women now studying in Australia.

She plans to follow their lives for five years, with the research culminating in a book. So far she has learned that although the young women mostly do not regret choosing to study in Australia, their social hopes were usually not met, and most had trouble making non-Chinese friends.

"They are concentrated in certain cities and in certain courses," she says. "I've heard the students themselves estimate, and I've also heard staff estimate, that they would be around 80 or 90 per cent of certain master's courses. So it's very hard for them in that situation to even meet any locals."

Read more (Paywall): <https://www.theaustralian.com.au/higher-education/why-chinese-women-students-face-problems-in-australia/news-story/1c3967a9815fe0c2c12ff21f1654e3af>

## 9. Deal to be inked for Solomon Islands undersea internet cable Australia stopped China building



**13/06/18**

**Matthew Doran and Stephen Dziedzic**

**ABC News**

It is the 4,000-kilometre cable that Canberra did not want Beijing to build. But today, Australian and Solomon Islands officials will sign up to the first stage of a multi-million-dollar contract to sink an undersea high speed internet link between the impoverished Pacific nation and the Australian mainland. Getting to this stage has taken diplomatic pressure and rare intervention from one of Australia's top spies.

Australian intelligence agencies never wanted the Solomon Islands to allow Chinese company Huawei to build the link, and were keen to prevent it happening.

Read more: <http://www.abc.net.au/news/2018-06-13/solomon-islands-undersea-cable/9861592>

## 10. Chinese investment in Australia falls as political debate hits confidence

**13/06/18**

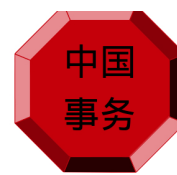
**Hans Hendrichske and Wei Li**

**The Conversation**

Chinese direct investment in Australia has declined, according to a new report by the University of Sydney and KPMG. In 2017, the value of investment fell by 11% in US dollar terms, from \$11.5 billion in 2016 (A\$15.4 billion) to \$10.3 billion (A\$13.3 billion).

In early 2018, we also surveyed nearly 50 Chinese executives in Australia. The responses show Chinese investors are feeling apprehensive and reluctant to engage in a climate of insecurity created by current debate about China's role in Australia.

Read more: <https://theconversation.com/chinese-investment-in-australia-falls-as-political-debate-hits-confidence-98144>



## 11. Huawei faces 5G veto amid national security concerns

**13/06/18**

**Phillip Coorey and Angus Grigg  
Australian Financial Review**

Chinese telco giant Huawei is all but certain to be excluded from providing equipment for Australia's soon-to-be-built 5G wireless networks, based on national security concerns, senior sources say.

With Prime Minister Malcolm Turnbull expected to announce the final decision soon, multiple sources have told *The Australian Financial Review* that national security agencies remain concerned about Huawei's links to the Chinese government and have recommended against letting the firm bid for 5G contracts.

"It's hard to see how compromising your telecommunications network is in the national interest," said one source familiar with deliberations. "The security agencies found it hard to see that there's any way around it." Another with knowledge of the issue said Australia's security and defence agencies were firmly against allowing Huawei to provide equipment.

Read more (Paywall): <https://www.afr.com/news/huawei-faces-5g-veto-amid-national-security-concerns-20180613-h11c0z>

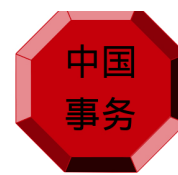
## 12. Aboriginal bark paintings described as among Australia's 'greatest treasures' bound for Beijing

**14/06/18**

**Bridget Brennan  
ABC News**

A decades-old bark painting of an ancient saltwater crocodile in Arnhem Land will make an historic journey to China next month.

This intricately painted — and very carefully preserved — mystic creature is known as a "totemic crocodile" and was created by one of the old masters, Yirawala.



Getting this piece, along with 150 precious bark paintings, carvings and tools from Canberra to China for the forthcoming Old Masters tour is fraught with risks.

Because bark is susceptible to bending and cracking when the temperature changes, sending the paintings overseas presents a delicate logistical challenge.

Read more: <http://www.abc.net.au/news/2018-06-14/australias-greatest-treasures-bound-for-beijing/9860108>

### 13. 'I share Australian values': Chinese-Australian developer hits back at foreign ownership fears in Tasmania

**13/06/18**

**Natalie Whiting**

**ABC News**

Plans for a \$100 million resort on Tasmania's east coast are raising concerns about foreign ownership and influence in the Apple Isle, but one of the developers behind the project has hit back saying he has lived in Australia for 30 years and shares Australian values.

The proposed resort stretches over more than 3,000 hectares and would include a golf course, 70 villas, 240 units and up to 120 hotel rooms, a range of shops and health facilities including palliative care services.

It would be near the small town of Swansea, home to just over 800 people.

Read more: <http://www.abc.net.au/news/2018-06-13/chinese-development-sparks-tasmania-foreign-ownership-fears/9845018>

### 14. Chinese investors wary of Australia as tensions linger

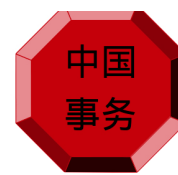
**13/06/18**

**Michael Heath**

**Sydney Morning Herald**

Chinese investors are turning cautious on Australia as a survey showed the No. 2 economy's state-owned enterprises pulled back on deals for the first time in three years.





Total investment by Chinese buyers Down Under dropped 11 per cent to \$US10.3 billion (\$13.6 billion) in 2017 from a year earlier, according to a KPMG and University of Sydney report. While that's part of a global trend after China tightened foreign investment rules and clamped down on capital outflows, the decline also reflects mounting political tensions, the report said.

"Sentiment has currently shifted, with a higher level of apprehension by Chinese investors towards investing in Australia," said Hans Hendrischke, co-author and professor of Chinese business & management at the University of Sydney.

"Seventy per cent of respondents stated that the political debate had made Chinese companies more cautious about investing in Australia."

Read more: <https://www.smh.com.au/business/the-economy/chinese-investors-wary-of-australia-as-tensions-linger-20180613-p4zl2u.html>

## 15. Alibaba moves to transform Australian fintech

**14/06/18**

### **Australia China Business Review**

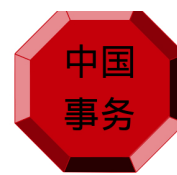
Alibaba Group's innovative facial recognition, artificial intelligence and data analytics technology is coming to Australia's financial services sector, under a partnership with local technology group TAS.

The landmark deal between TAS and Alibaba's cloud computing arm, Alibaba Cloud, will provide Australian businesses with the opportunity to access cutting edge cloud computing and data centre services.

TAS and Alibaba will also develop a joint innovation centre in Australia under the deal, to develop and tailor new technologies and services for the Australian market.

TAS has been providing technology solutions in Australia's financial sector for nearly three decades, servicing about 60 institutions with cloud solutions for internet and mobile banking, internal systems as well as connection to third parties and ATMs.

Alibaba Cloud ASEAN and Australia-New Zealand general manager Raymond Ma said the tie-up with TAS would support the digital transformation of Australian financial services.



Read more: <https://www.acbr.com.au/alibaba-moves-transform-australian-fintech>

## 16. Wines from Pernod Ricard's business held up at China ports

**14/06/18**

**Colin Packham**

**The Australian**

Wine shipments from Pernod Ricard's Australian business have been held up at Chinese ports, two sources have told Reuters, the first foreign company to be harmed by a deterioration in relations between Australia and China.

Six Australian wine companies have faced delays at Chinese customs since Prime Minister Malcolm Turnbull complained of Chinese political interference in late 2017, straining ties between the two trading partners, a senior government official says.

The listed French company Pernod Ricard owns the big-selling Australian wine brand Jacob's Creek.

Australia has accused China of meddling in its domestic affairs and is introducing foreign interference laws. China has denied any such activity. "Pernod Ricard through its ownership of Jacob's Creek has been impacted by China's restrictions," said a government source briefed on the issue, who declined to be identified as he is not authorised to talk to the media. Pernod Ricard's head office in France acknowledged that there had been an impact but declined to go into details.

Read more (Paywall): <https://www.theaustralian.com.au/business/companies/wines-from-pernod-ricards-business-held-up-at-china-ports/news-story/deb34b7a138b675de758c09891edbf90>

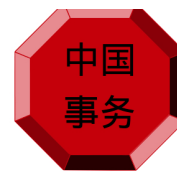
## 17. Key intelligence role for 'China hawk' Andrew Shearer

**15/06/18**

**Primrose Riordan**

**The Australian**

Andrew Shearer — the former national security adviser to John Howard and Tony Abbott who has taken a tough line on Beijing's political meddling in



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

Australia — has been appointed the new deputy director-general of key intelligence agency, the Office of National Assessments.

Mr Shearer, most recently based in Washington as a senior adviser at the Centre for Strategic and Inter-national Studies, has spoken out against Chinese government interference in Western democracies and accused Beijing of using “united front” political warfare tactics.

“Australia needs to be ready for a long struggle, as do the US and other democracies targeted by China’s political influence -activities — tackling covert, corrupt and coercive practices head-on,” Mr Shearer, a strong supporter of the US-Australia -alliance, warned in an article late last year.

*Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/national-security/key-intelligence-role-for-china-hawk-andrew-shearer/news-story/d275f3f60f9d80639ddf9cb3861494cc>*