

Media Roundup Issue 79 (06/07/18 – 13/07/18)

1. China axes 45 Australian university partnerships as part of global cull

06/07/18

Michael Smith

Australian Financial Review

China is axing 45 Australian university partnerships as part of a global cull of its tertiary alliances, which it says is aimed at weeding out under-resourced programs that failed to attract enough students to make them financially viable.

China's Ministry of Education said this week it was terminating a total of 229 partnerships between Chinese and overseas institutions – more than a fifth of its total 2342 programs of which around half are for bachelor degrees. Australia had the second-largest number of partnerships on the list with 45, after the United Kingdom which had 60. About 25 universities in the United States were affected

China is also shutting down five jointly run schools, although this did not affect any Australian institutions.

Read more (Paywall): <https://www.afr.com/news/world/asia/china-axes-45-australian-university-partnerships-as-part-of-global-cull-20180706-h12ccw>

2. Chinese hackers infiltrate systems at Australian National University

06/07/18

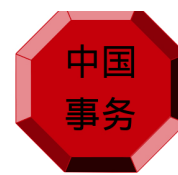
Stephanie Borys

ABC News

Hackers based in China have infiltrated one of Australia's most prestigious universities, and the threat is yet to be shut down.

The ABC has been told the Australian National University (ANU) system was first compromised last year.

In a statement, the ANU said it had been working with intelligence agencies for several months to minimise the impact of the threat.



"The university has been working in partnership with Australian government agencies for several months to minimise the impact of this threat, and we continue to seek and take advice from Australian government agencies," ANU said.

Read more: <http://www.abc.net.au/news/2018-07-06/chinese-hackers-infiltrate-anu-it-systems/9951210>

3. Stern Hu case a 'wake-up call' on the challenges of China relationship

07/07/18

Ruth Williams

Sydney Morning Herald

One Sunday morning in July nine years ago, Stern Hu, Rio Tinto's then chief iron ore negotiator in Shanghai, was arrested at his home and taken away.

At the time, the world's attention was trained on China - not on Shanghai, but on the deadly ethnic violence breaking out in Urumqi, the capital of China's western Xinjiang province, which was quickly escalating into the worst civil unrest since the Tiananmen Square massacre.

It was Tuesday night before talk of the arrest of Hu, as well as of three of his colleagues, would filter through to Australian journalists; and Wednesday morning before the news became public in Australia.

Read more: <https://www.smh.com.au/business/the-economy/stern-hu-case-a-wake-up-call-on-the-challenges-of-china-relationship-20180706-p4zpx3.html>

4. Alexander Downer: Five lessons for living with Beijing

08/07/18

Alexander Downer

Australian Financial Review

The government is going through one of those [periodic times of diplomatic difficulty with China's government](#). Don't panic. Every so often Beijing arcs up and demands obedience. It's a good tactic because it elicits a flood of advice from self-interested Australians demanding the government does more to keep



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

China happy. If Beijing is cross with us, it's our fault. I've noticed a fair bit of this in recent weeks.

[Consultants to Chinese companies tell the government it should downplay the relationship with America](#) – to keep China happy. Exporters attack the government for provoking Beijing by complaining about interference in our domestic politics. Someone even said Beijing would be happier if the Prime Minister sacked the foreign minister.

Read more (Paywall): <https://www.afr.com/opinion/columnists/alexander-downer-five-lessons-for-living-with-beijing-20180708-h12ebx>

5. Huawei wins \$136m 4G telecommunications contract for Perth trains amid security concerns

09/07/18

**Andrea Mayes & David Weber
ABC News**

Controversial Chinese company Huawei has been awarded a \$136 million telecommunications contract by the WA Government, raising concerns the deal could compromise Australia's security.

Huawei is in a joint venture with UGL to build 4G communications systems for voice and data services on Perth trains, including the yet-to-be completed [Forrestfield Airport Link](#).

WA Opposition Leader Mike Nahan said there were significant security concerns about the deal

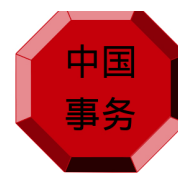
Read more: <http://www.abc.net.au/news/2018-07-09/huawei-wins-wa-telecommunications-rail-contract-security-fears/9957258>

6. Chinese fly in to promote BRI

09/07/18

**Glenda Korporaal
The Australian**

Chinese officials will be flying to Darwin tomorrow to pitch the advantages of China's Belt and Road policy to Australian business and government.



Organised by the Australia China Business Council, the three-day conference, which starts on Tuesday, will be the highest-level meeting held in Australia on President Xi Jinping's Belt and Road policy since last year's visit to Australia by Chinese Premier Li Keqiang.

"The Chinese are making quite an effort to explain the Belt and Road policy in some detail," Daryl Guppy, president of the Northern Territory branch of the ACBC, told *The Australian* yesterday.

Read more (Paywall): <https://www.theaustralian.com.au/business/chinese-fly-in-to-promote-bri/news-story/48cddbefe18db3f94e6e0cb99381d290>

7. Australia on the front line of clash with China, says Steve Bannon

09/07/18

Peter Hartcher

Sydney Morning Herald

Australia, you didn't know it, but you've been at the very forefront of Donald Trump's project. "I think Australia is in a fight for the ages" that will decide whether the nations of the West can keep their sovereignty against Chinese intrusion, says Trump's former chief strategist, Steve Bannon, now a coach and adviser to populist movements worldwide.

"Australia is at the forefront of the geopolitical contest of our time," he tells me in his first interview with an Australian media outlet. He goes so far as to say that "what's playing out in Australia is more important than what's happening in the US and other places".

Read more: <https://www.smh.com.au/world/asia/australia-on-the-front-line-of-clash-with-china-says-steve-bannon-20180709-p4zqfi.html>

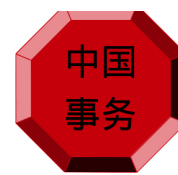
8. China is winning the digital race

10/07/18

Andrew Cannington

The Australian

Since 2015, China has been leading in global e-commerce, setting the benchmark for present and future global retailing. This trend shows no signs of



slowing. China is expected to be the first global market to hit 631 million online buyers by 2022.

China's digital economy is years ahead of many developed economies like the US and Australia. From transactions with small businesses to big-ticket items, everything is done through mobile devices in China — it's almost a cashless society.

The concept of digital wallets and mobile payment is so widely accepted in China that Chinese consumers are conducting 11 times more mobile payments than Americans. While Australia saw a rapid adoption of mobile devices, mobile payment adoption is still relatively slow.

Read more (Paywall): <https://www.theaustralian.com.au/business/technology/china-is-winning-the-digital-race/news-story/94a9cc0b318f985cbd09a0059e97f1bf>

9. China to host Pacific Islands meeting ahead of APEC

10/07/18

Primrose Riordan

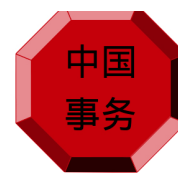
The Australian

Chinese President Xi Jinping has invited Pacific Island leaders to a summit in Papua New Guinea ahead of November's APEC meeting which the nation will host.

The move — a display of confidence in China's growing relationships in the region — also sends a message to Australia which sees the Pacific as "our patch". Fiji's Pacnews Agency reported that the invitation was revealed when PNG leader Peter O'Neill addressed the Fijian Parliament in Suva over the weekend.

"The invitation from President Xi Jinping is for those Pacific countries that recognise the One China policy. He has asked to meet with Pacific Leaders in Papua New Guinea before the APEC Leaders' Summit," Mr O'Neill reportedly said.

Taiwan still has strong relations with a number of Pacific Islands, which precludes them from establishing diplomatic ties with China as Beijing demands countries adopt a "One China" policy noting Beijing's position on Taiwan.



Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/china-to-host-pacific-islands-meeting-ahead-of-apec/news-story/961c0cb7fe2ab07e5fdf7166eb7fa005>

10. 'Breathtaking': Huawei paid for MPs' China tour, gave free phones to Saffioti, Ellery

10/07/18

Nathan Hondros

WA Today

The state government has denied any conflict of interest in the awarding of a controversial telecommunications contract, despite revelations the winning tenderer spent thousands on travel for two ministers when they were in opposition.

Transport Minister Rita Saffioti and Education Minister Sue Ellery were given an expenses-paid tour of China and free mobile phones in 2015 by the company awarded a \$136 million contract by the Public Transport Authority to fit Perth's rail network with a 4G data network.

Chinese telecommunications giant Huawei, [which announced on Friday it won the lucrative deal](#), picked up the tab for the five-day trip, including travel costs within China, accommodation, meals and entertainment.

Read more: <https://www.watoday.com.au/politics/western-australia/breathtaking-huawei-paid-for-mps-china-tour-gave-free-phones-to-saffioti-ellery-20180710-p4zqol.html>

11. China-Australia trade: the real killer will be our hypocrisy

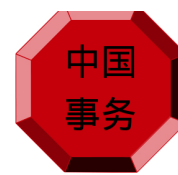
10/07/18

Su-Lin Tan

Australian Financial Review

During the recent Australia China Business Council's [annual Canberra Networking Day](#), the council's national president, John Brumby, gave a heartfelt speech about the need to repair Australia's relationship with China.

He lamented the two countries' relationship was "fraying" for the first time since they began forging strong economic ties.



"While the trade and investment relationship remains robust, the deterioration in the government-to-government relationship has the potential to undermine our business opportunities and future success," he said. "To put it bluntly, the relationship needs reset and repair – to return to a position of mutual trust, respect and friendship – to the long-term benefit of both Australia and China.

Read more (Paywall): <https://www.afr.com/brand/boss/real-threat-to-chinaaustralia-trade-and-investment-is-hypocrisy-20180618-h11jak>

12. Get-tough rhetoric has denied us any sway with Beijing

10/07/18

Bob Carr

Australian Financial Review

As foreign minister I recall an irritating flare-up in our relations with one of the Pacific states. There had been a "misunderstanding" at Sydney airport that upset the island state's prime minister. The anger ran strong and the state contemplated a big anti-Australian gesture: terminating an arrangement under which we trained their police. And, here's the rub, inviting China to fill the gap.

More interesting was the Chinese response, captured by one of our agencies. China rejected the notion of moving in because it knew it would antagonise Australia.

At the time we had differences with China over [Huawei](#) and US Marines, but still managed a mutually respectful, pragmatic relationship.

Read more (Paywall): <https://www.afr.com/opinion/columnists/gettough-rhetoric-has-denied-us-any-sway-with-beijing-20180710-h12h6w>

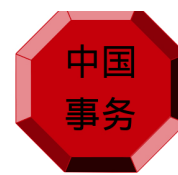
13. All eyes on slowing China

11/07/18

Glenda Korporaal

The Australian

While the world is focused on the growing trade war between the US and China, figures to be released next week will shed more light on how much the Chinese economy has been slowing this year.



Changes in the Chinese economy in recent years have made it less dependent on exports and more dependent on domestic factors such as investment, construction and retail sales. When Donald Trump announced the imposition of tariffs on steel imports into the US, many were surprised to see how little of its total steel production China exported and how little of those steel exports went to the US.

Economists have been playing down short-term implications of a trade war with the US, but watching closely for signs of whether the economy in China — by far Australia's largest trading partner — is easing off or slowing down faster than expected.

Read more (Paywall): <https://www.theaustralian.com.au/business/opinion/all-eyes-on-slowng-china/news-story/50db3489ae3ae3fb59076f24ad98b87b>

14. Ban on foreign students interning for MPs amid fresh China concern

11/07/18

Andrew Tillett

Australian Financial Review

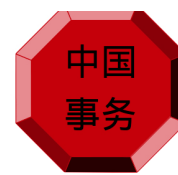
Foreign university students have been banned from undertaking formal internships in federal parliamentarians' offices amid concerns from MPs over the behind-the-scenes access enjoyed by Chinese students.

Under the new edict, parliamentary internships organised through the Australian National University will be restricted to Australian citizens, although MPs will still be able to give internships or work experience to foreigners on an informal basis.

The Australian National University offers semester-long internships to students across the Canberra bureaucracy for political science students and those with an interest in public policy for course credit.

Read more (Paywall): <https://www.afr.com/news/ban-on-foreign-students-interning-for-mps-amid-fresh-china-concern-20180710-h12hrr>

15. Treasury secretary outrage at worsening US-China protectionism



11/07/18

Jacob Greber

Australian Financial Review

Treasury secretary John Fraser has lashed out at the United States and China over the [worsening trade war](#), warning Washington will "pay a price" for adopting protectionist policies that hurt workers.

In unusually blunt language for Australia's top economic official, Mr Fraser condemned escalating tit-for-tat tariffs between Australia's two biggest trade partners as "terrible" and "not in our interest".

"One can only hope that common sense will ultimately prevail," Mr Fraser told an economists' conference in Canberra on Wednesday in remarks first reported by [Fairfax Media](#).

Read more (Paywall): <https://www.afr.com/news/economy/trade/treasury-secretary-outrage-at-worsening-uschina-protectionism-20180711-h12k8m>

16. Canberra 'poisons Canada on China'

11/07/18

Primrose Riordan

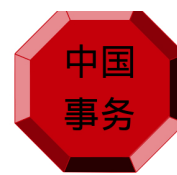
The Australian

Australia is partly responsible for poisoning China's trade relations with Canada, China's ambassador to Ottawa, Lu Shaye, has suggested.

The Turnbull government has made a number of moves that have upset Beijing, including passing laws to combat foreign interference — seen as aimed at China — taking a tough stance on the participation of Chinese companies in infrastructure projects and speaking out against Chinese lending in the Pacific Islands.

Further, Canada's Prime Minister Justin Trudeau recently said he had discussed Chinese ownership of engineering companies with his "Australian colleagues" before he blocked China Communications Construction's bid to buy Toronto's Aecon Group, a construction company.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/canberra-poisons-canada-on-china/news-story/e5a94b20f37a601f05c3357f7586186c>



17. Australia, Solomon Islands, PNG sign undersea cable deal amid criticism from China

12/07/18
Liam Foxx
ABC News

The leaders of Australia, the Solomon Islands and Papua New Guinea have marked the start of a project to lay an undersea internet cable between the three countries amid criticism from China that Australia is trying to contain its influence in the region.

Prime Minister Malcolm Turnbull was joined by his PNG counterpart Peter O'Neill and Rick Houenipwela from the Solomon Islands in Brisbane yesterday to witness the signing of a memorandum of understanding that paves the way for the project to proceed.

Australia is spending nearly \$137 million to lay the cable and Mr Turnbull described it as a "very practical way" of providing foreign aid.

Read more: <http://www.abc.net.au/news/2018-07-12/australia-solomon-islands-png-sign-undersea-cable-deal/9983102>

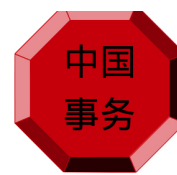
18. Opening-up: The view from down under

12/07/18
Karl Wilson
China Daily

Australia's first ambassador to the People's Republic of China reflects on decades of transformation

Editor's note: This year marks the 40th anniversary of the launch of China's reform and opening-up policy. China Daily talks to some people from overseas who have experienced or witnessed the important drive.

When Stephen FitzGerald arrived in Beijing to take up his post as Australia's first ambassador to the People's Republic of China in April 1973, he was entering a country on the threshold of monumental change.



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It was a transformation that in the space of 40 years would see the economy grow at breakneck speed, deliver unprecedented economic growth, lift some 700 million people out of poverty and see the country become one of the most powerful nations on earth.

Read more:

<http://www.chinadaily.com.cn/a/201807/12/WS5b46b943a310796df4df5fcd.html>

19. US-China trade war sinks the Australian dollar, Wall Street, oil and gold

13/07/18

David Chau

ABC News

With US-China trade tensions continuing to rise, almost every major asset has tumbled — including the Australian dollar, gold, oil, base metals and global stocks.

The United States was the catalyst, after confirming on Wednesday it would impose tariffs on a further \$US200 billion (\$271 billion) worth of China's imports. The Dow Jones tumbled 219 points, or 0.9 per cent, to 24,700. The S&P 500 closed 0.7 per cent lower, while the Nasdaq is down 0.6 per cent.

Industrial names including Boeing, 3M and Caterpillar — which have been some of those hardest hit by the recent trade dispute — were among the Dow's biggest drags.

Read more: <http://www.abc.net.au/news/2018-07-12/us-china-trade-war-sinks-australian-dollar-aud-wall-street-gold/9983914>