

## Media Roundup Issue 81 (21/07/18 – 27/07/18)

### X. Fresh calls for Australia to challenge Beijing's South China Sea island claims

**24/07/2018**

**Andrew Tillett**

**The Australian Financial Review**

Labour and a former senior defence official say Australia should consider co-ordinating efforts with like-minded allies to conduct [freedom of navigation patrols](#) contesting Chinese territorial claims in the South China Sea after Foreign Minister Julie Bishop ruled out doing unilateral exercises in her strongest language yet.

Ms Bishop and Defence Minister Marise Payne overnight wrapped up their annual diplomatic and defence talks with US counterparts in San Francisco, with China's increasingly assertive behaviour one of the key topics of discussion.

The US Navy under Donald Trump's administration has stepped up patrols in the South China Sea where ships sail within 12 nautical miles of artificial islands to signal the US does not recognise Beijing's claim to the disputed territories.

American [officials have been keen for several years for Canberra to carry out similar actions](#), with [Mr Trump in February saying he would "love" Australia to participate in joint exercises](#).

While Australian warships and surveillance aircraft transit the South China Sea in international waters and airspace and are challenged over their presence, they have steadfastly avoided passing within 12 nautical miles of a disputed territory.

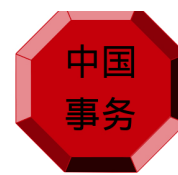
*Read more (Paywall):* <https://www.afr.com/news/fresh-calls-for-australia-to-challenge-beijings-south-china-sea-island-claims-20180724-h132r0>

### X. US tells Australia to take on China over disputed islands

**24/07/18**

**Cameron Stewart**

**The Australian**



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

A senior US congressman has called on Australia to conduct its own freedom-of-navigation operation against China in the South China Sea to help turn the strategic momentum in the region.

Joe Courtney, co-chair of the Friends of Australia caucus in congress, said he understood it might be “a little bit scary” for Australia to take such a step, but it was vital to send a message to Beijing about the resolve of allies in the face of China’s illegal activities.

In an interview ahead of the Australia-US Ministerial Consultations (Ausmin) - beginning in San Francisco today, Mr Courtney said he hoped the meeting would lead to Australia conducting its own exercise. “The more we regularise the innocent passage of ships in these areas, it’s just going to really shift where the momentum is in terms of China’s illegal claims to control what is one of the most critical bodies of water in the world,” he said.

“This is a big priority — it’s maybe a little scary still (for Australia) to take that step but I was hoping (US) Admiral (Harry) Harris was going to be ambassador because he might have been as forceful and persuasive an advocate as there is.”

*Read more (Paywall):* <https://www.theaustralian.com.au/national-affairs/foreign-affairs/us-tells-australia-to-take-on-china-over-disputed-islands/news-story/f3905d87f899ef5a91482f7ca5750f04>

## X. China’s Thirst for Australian Wine Is In Overdrive

**24/07/18**

**Angus Whitley**

**Bloomberg**

Australian wine exports to China may be surging, but the U.S. is losing its taste. Among Australia’s five biggest wine-export markets by value, only the U.S. shrank in the past 12 months, falling 8 percent, Wine Australia said Tuesday. Americans are upgrading to premium labels, away from Australia’s traditional U.S. base of lower-end wines, the group said.

The total value of Australian overseas wine sales jumped 20 percent to A\$2.76 billion (\$2 billion), the steepest climb in 15 years, led by a 55 percent jump in



exports to China. Wine costing between A\$50 and A\$100 a liter delivered the fastest growth.

Read more: <https://www.bloomberg.com/news/articles/2018-07-26/u-s-downplays-hopes-for-china-deal-soon-amid-eu-nafta-progress>

#### 4. Wine trade corked as China retaliates in spat over meddling

**28/05/18**

**Rob Taylor**

**The Australian**

A deepening spat over allegations of Chinese meddling in Australian politics has led to cases of wine piling up at Chinese ports and nationalists calling for tougher trade retaliations.

The episode shows how China is willing to use its economic leverage to force foreign governments to reverse positions it views as antagonistic. It has deployed similar tactics in its trade fight with President Donald Trump, stepping up customs inspections of US cars and soybeans.

Treasury Wine Estates, one of the world's biggest winemakers, says its products are being stalled because of new Chinese customs rules apparently targeting Australia-made wines.

Read more (Paywall): <https://www.theaustralian.com.au/business/wall-street-journal/wine-trade-corked-as-china-retaliates-in-spat-over-meddling/news-story/2c1631180dbdfda9e575ccf790b15df3>

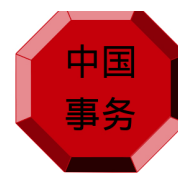
#### 5. Mid-sized powers must unite to preserve the world order

**28/05/18**

**Gideon Rachman**

**Financial Times**

International politics today looks increasingly like a bonfire of agreements, norms and rules. The US — the anchor of the world order — is assaulting the global trading system, and has withdrawn from international agreements on climate change and Iran.



China, the rising power, is building military bases across the South China Sea — in defiance of rulings by an international tribunal, and the wishes of its neighbours. Russia has annexed Crimea, part of a neighbouring country. Both America and China are increasingly tempted to break free of the constraints of international agreements and to use their power to achieve their goals, unilaterally. Russia lacks the economic might of a great power.

But it has the territorial expanse and the nuclear arsenal, and has made a mighty contribution to an atmosphere of growing international lawlessness. All of this creates a dilemma for the world's middle powers. Germany, France, Japan and Britain cannot flex their muscles like great powers. But they are international players, with global economic and security interests. They need a world with rules.

Read more (Paywall): <https://www.ft.com/content/546ca388-625d-11e8-90c2-9563a0613e56>

## 6. South China Sea battle already lost: Jim Molan

**28/05/18**

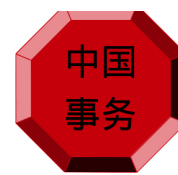
**Paul Maley**

**The Australian**

The battle for control over the South China Seas has been lost, with nothing short of all-out war capable of dislodging Chinese forces from a string of heavily fortified islands, Liberal senator and former senior army officer Jim Molan says.

Speaking one week after Beijing landed a long-range strategic bomber on Woody Island in the South China Sea, a move analysts agreed extended China's reach into Southeast Asia, Senator Molan said the West's failure to move quickly and decisively against Chinese encroachment in the Pacific had permanently altered the balance of power in Beijing's favour.

Senator Molan, who in 2014 was appointed as chief of coalition operations in Iraq, said there was no point debating whether or not the Australian navy should conduct freedom-of-navigation operations through the South China Sea — the issue had effectively been settled by the West's inaction.



Read more (Paywall): <https://www.theaustralian.com.au/news/south-china-sea-battle-already-lost-jim-molan/news-story/f32cebefde596ecb42a93cbaa81e60cc>

## 7. Bob Carr enlists Labor in new China influence row

**28/05/18**

**Nick McKenzie & Nick O'Malley**  
**Sydney Morning Herald**

Former Labor Foreign Minister Bob Carr is using ALP senator Kristina Keneally to quiz the prime minister and senior officials about Malcolm Turnbull's key former adviser on Beijing's espionage and interference operations in Australia.

Fairfax Media has confirmed that Mr Carr, who heads a think tank created by a Chinese businessman closely connected to Beijing, has asked Senator Keneally to use parliament to find out details of the employment, job title, and contract of government adviser John Garnaut.

Mr Garnaut is a China expert and former Fairfax Media China correspondent who was tasked by the prime minister in August 2016 to conduct a highly classified inquiry with ASIO into Beijing's clandestine activities in Australia.

The inquiry, which has never been released, is understood to have examined the activities of Huang Xiangmo, the same Chinese businessman who created Mr Carr's Australian China Relations Institute, and who separately headed a Sydney lobbying organisation aligned with the Chinese Communist Party.

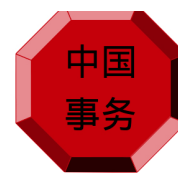
Read more: <https://www.smh.com.au/politics/federal/bob-carr-enlists-labor-in-new-china-influence-row-20180528-p4zi0z.html>

## 8. China's 'brazen' and 'aggressive' political interference outlined in top-secret report

**29/05/18**

**Stephanie Borys**  
**ABC News**

A top-secret report has raised concerns that the Chinese Government has attempted to influence Australia's political parties for the past decade. One



intelligence source told the ABC there had been infiltration at every layer of Australian Government, right down to local councils.

An investigation into the extent of foreign interference in Australia was ordered by Prime Minister Malcolm Turnbull in 2016 and he indicated what the report found last year. "Our system as a whole had not grasped the nature and magnitude of the threat," he said.

But Mr Turnbull told Parliament he could not provide extensive details about the report. "The findings of the report are necessarily classified."

*Read more: <http://www.abc.net.au/news/2018-05-29/chinas-been-interfering-in-australian-politics-for-past-decade/9810236>*

## 9. Why Malcolm Turnbull must fight China's 'magic weapons'

**29/05/18**

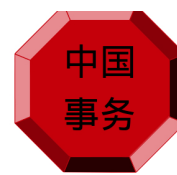
**Ross Babbage**

**Australian Financial Review**

A top-secret investigation into the extent of foreign interference in Australia was reportedly ordered by Malcolm Turnbull in 2016. The resulting briefing remains classified but many of the key issues that were addressed are not difficult to identify.

China's operations to interfere in Australia, the US and other Western democracies have expanded substantially during the past decade. In Australia's case they are now much larger and more diverse than those launched against us at the height of the Cold War. Classified briefings to Australian, US and British parliamentary committees in recent months have resulted in a marked stiffening of allied resolve.

The Chinese regime's operations against Australia are not isolated incidents. They have been launched by a communist regime whose legitimacy stands on achievement of the "China Dream" of restoring the nation's international pre-eminence. In October's National People's Congress, President Xi Jinping declared his determination "to restore China as a global leader in terms of comprehensive national power and international influence".



Read more (paywall): <https://www.afr.com/opinion/columnists/why-malcolm-turnbull-must-fight-chinas-magic-weapons-20180529-h10p97>

## 10. Chinese security officials asked about Turnbull's adviser

**29/05/18**

**Nick McKenzie**

**Sydney Morning Herald**

Chinese security officials who detained a Sydney academic in 2017 spent a full day interrogating him about Prime Minister Malcolm Turnbull's hand-picked China adviser, according to information gathered by national security officials.

Chongyi Feng, an Associate Professor in Chinese Studies at the University of Technology Sydney, was detained and questioned by Chinese officials during a visit to China in March last year about his links to liberal intellectuals in mainland China and contacts in Australia.

Fairfax Media can reveal that during the interrogation, Chinese state security officials demanded information about adviser John Garnaut, who at the time was working on an ASIO inquiry commissioned by Mr Turnbull. The inquiry was aimed at assessing the extent of Beijing's intelligence and interference operations in Australia.

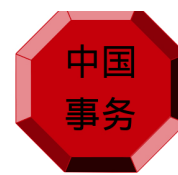
According to a source who was unable to speak publicly, Dr Feng was asked dozens of questions about Mr Garnaut during the interrogation. His email account and mobile phone were searched for Mr Garnaut's name as well as the word "DFAT," an acronym for Australia's Department of Foreign Affairs and Trade.

Read more: <https://www.smh.com.au/politics/federal/chinese-security-officials-asked-about-turnbull-s-adviser-20180529-p4zi6f.html>

## 11. Megaphone diplomacy is good for selling papers, but harmful for Australia-China relations

**29/05/18**

**Wanning Sun**



## The Conversation

The issue of China's influence in Australia is complex. It ranges from worries about national security, political donations and media infiltration to concerns about scientific collaborations, Confucius Institutes, the patriotism of Chinese students, and allegiance of the Chinese community. The most recent trope is China's so-called "debt trap" diplomacy with Australia's neighbours in the Pacific.

But there's a simple reason this anxiety about China's influence is so vexed. For the first time in history, Australia has had to deal with a world power that is not, as longtime defence analyst Hugh White puts it, "Anglo-Saxon", and is not a liberal democracy. To quote The Australian's Dennis Richardson in relation to China and the US: "Australia is friends with both, ally of one".

The media in both countries have played a significant role in inflaming tensions, as well. Increasingly, China is cast in an adversarial light in the Australian media, and vice versa with Australia in the Chinese media.

Read more: <https://theconversation.com/megaphone-diplomacy-is-good-for-selling-papers-but-harmful-for-australia-china-relations-97076>

## 12. Subduing China an empty gesture as Trump-shy Asia courts Beijing

**30/05/18**

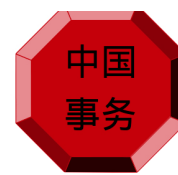
**Bob Carr**

**The Australian**

Senator Jim Molan is blunt about something Australians can't wish away: the shift in power in the South China Sea. The former senior army officer said: "The Chinese will not be dislodged from the South China Sea short of all-out war." Whether we conduct naval operations like those of the Americans is now irrelevant.

Another response is proving pretty irrelevant, too. That is the Quad, the name given to the mechanism set up last November between the US, India, Japan and Australia. The Quad had always been tentative, nothing more than a single meeting in the margins of the East Asia Summit.





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

Commentator Rory Medcalf called the Quad “a symbol that the best hope of moderating a strong China’s behaviour involves others showing solidarity with each other”. But six months on, the Quad has failed what was always going to be its acid test: harmonising policy towards China.

From Australia’s perspective, this was confirmed with a dramatic gesture from India. Late last month India slammed the door on Australia joining the Malabar naval exercises, reportedly because India’s Narendra Modi was giving greater priority to the success of his April 27 meeting with Chinese President Xi Jinping.

*Read more (paywall): <https://www.theaustralian.com.au/opinion/subduing-china-an-empty-gesture-as-trumpshy-asia-courts-beijing/news-story/5a51bdf93adf3ea1ffd54d66f661d0c9>*

### 13. Australia's spat with China just a 'misunderstanding', says Chinese business delegation

**30/05/18**  
**David Taylor**  
**ABC News**

Several diplomatic dramas over the past few weeks have sent relations with China into the deep freeze.

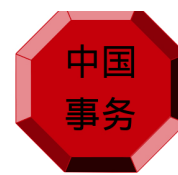
But at a summit in Sydney this week, visiting Chinese entrepreneurs said they just want to get on with business.

More than 220 Australian and Chinese business leaders gathered over two days, as part of the China Zhejiang–Australia Trade and Investment Symposium, with the sole aim of connecting investors with good ideas.

This was the largest delegation of Chinese business people to come to Australia since diplomatic tensions began to rise.

*Read more: <http://www.abc.net.au/news/2018-05-30/australia-china-spat-misunderstanding-business-delegation/9815820>*

### 14. University warns research deals with China and others are at risk



**30/05/18**

**Michael McGowan**  
**The Guardian**

Changes to laws governing collaboration between Australian and overseas research organisations could damage the increasingly lucrative trade in research partnerships, the University of NSW has warned.

The university has cautioned that amendments to the Defence Trade Controls Act could hinder the growth of a booming source of revenue for the tertiary sector and damage Australia's economy.

International research partnerships have come under scrutiny recently because of claims they could help China develop military capabilities.

The act governs the transfer of defence and strategic technologies to other countries and is the subject of a federal government review.

Read more: <https://www.theguardian.com/australia-news/2018/may/30/university-warns-research-deals-with-china-and-others-are-at-risk>

## 15. A stocktake of Australia's China policy debate

**31/05/18**

**Andrew Forrest**  
**The Interpreter**

Australia's not-so-old tendency to avoid tension that could jeopardise our economic and trade relationship with China had the unfortunate effect of making China dismissive of Australia's regional interests.

For too long, too few of us thought hard, if at all, about what a region deterred by Chinese coercion might look like. At times, it even seemed as though the perception of an equal and cooperative relationship was more important to us than the development of a genuinely substantive one.

Times are changing. The unfolding stress test of the Australia-China relationship, triggered by the debate over Chinese Communist Party interference, is bringing decision-making closer to home.



Read more: <https://www.lowyinstitute.org/the-interpreter/stocktake-australia-china-policy-debate>

## 16. Australia's real choice about China

**31/05/18**

**Hugh White**

**The Strategist**

Australia's problem with China is bigger and simpler than we think, and thus harder to solve. It isn't that Beijing doesn't like Julie Bishop, or that it's offended by our new political interference legislation, or that it's building impressive new armed forces, or staking claims in the South China Sea. It's that China wants to replace the United States as the primary power in East Asia, and we don't want that to happen. We want America to remain the primary power because we don't want to live under China's shadow.

And that's a big problem for Beijing. Its ambition for regional leadership isn't something the Chinese are willing to compromise. Nothing—not even economic growth—is more important to them. So our opposition is a big fault line running through the relationship.

Read more: <https://www.aspistrategist.org.au/australias-real-choice-about-china/>

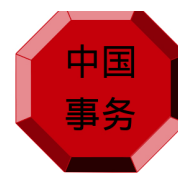
## 17. China shunned Australia's trade minister during recent visit: senate hearing

**31/05/18**

**SBS News**

China rejected a request for a senior bilateral meeting during a recent visit by Australia's trade minister, a high-ranking diplomat said on Thursday, as relations between the two major trading partners fray.

Frances Adamson, secretary of Australia's Department of Foreign Affairs and Trade (DFAT), told a parliamentary committee that Trade Minister Steven Ciobo met with the mayor of Shanghai during his visit in mid-May, after an attempt to meet with his ministerial counterpart was rebuffed.



"We indicated to the Chinese that a meeting with Mr Ciobo's counterpart would have been welcomed," Adamson said on Thursday during a Senate estimates hearing.

Read more: <https://www.sbs.com.au/news/china-shunned-australia-s-trade-minister-during-recent-visit-senate-hearing>

## 18. Tougher foreign interference laws can't come soon enough

**31/05/2018**

**David Crowe**

**Sydney Morning Herald**

Imagine the scenario at the next federal election when a foreign power seeks to wield its influence to help a friend or punish an enemy in the Australian parliament.

An Australian politician could easily collect donations from a wealthy patron close to a foreign government in exchange for influence over policy. A foreign government could use its muscle with ethnic media to wage a vendetta against an elected MP. A donor to a political party could shape its policy while hiding his or her link to a foreign agency.

Read more: <https://www.smh.com.au/politics/federal/tougher-foreign-interference-laws-can-t-come-soon-enough-20180531-p4zipb.html>

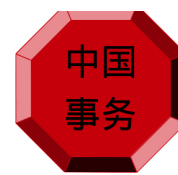
## 19. Is Australia's friendly gesture toward China just a subterfuge?

**31/05/2018**

**Yu Lei**

**Global Times**

Australian Prime Minister Malcolm Turnbull and Foreign Minister Julie Bishop have recently spoken of their willingness to improve ties with China and have stable bilateral relations. China and Australia are closely linked with economy and trade and share common interests and views on promoting global trade liberalization. These should be driving forces to strengthen cooperation and maintain healthy ties. In this respect, the attitude of the Australian leaders



deserves praise.

China has long been committed to maintaining healthy relations with Australia. Australian leaders shouldn't use it to ward off domestic political pressure or to impress voters. It may work in the short term, but will damage hard-won trust between the two countries in the long run.

Read more: <http://www.globaltimes.cn/content/1104998.shtml>

## 20. John Howard urges an end to freeze with China

**01/06/2018**

**Dennis Shanahan**

**The Australian**

John Howard has urged the Turnbull government to repair the Australia-China relationship with face-to-face meetings and by building personal relationships between the national leaders.

The former Liberal prime minister, who resolved a 1996 fracture in relations with China over naval rights in the Taiwan Straits, told *The Australian* that the turning point then was his personal meeting with then Chinese president Jiang Zemin in Manila.

"With a country the size of Australia, the relationship between the two leaders is important," Mr Howard told *The Australian*. "The Chinese saw our relationship as something that deserved regular watering at the highest level."

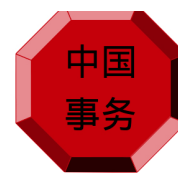
Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/john-howard-urges-an-end-to-freeze-with-china/news-story/3bfce0597b9882a71c6aab3ef33c745>

## 21. Walking the walk on values with China

**01/06/2018**

**Fergus Ryan**

**The Strategist**



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

In the three months' worth of data I collected from the top 10 foreign embassies in China—measured by follower numbers for my just-released report [Weibo diplomacy and censorship in China](#)—the Australian embassy's account was censored just three times.

The first of those instances occurred on 15 November 2017 when the embassy sent out a post highlighting [Prime Minister Malcolm Turnbull's meeting with Chinese Premier Li Keqiang](#) at the ASEAN Regional Forum in Manila.

The [second](#) and [third](#) instances came on 21 December 2017 when the embassy sent out excerpts of a speech by Australian Ambassador to China Jan Adams at the Australia–China 45th Anniversary Lunch at Beijing's Diaoyutai Guest House.

Read more: <https://www.aspistrategist.org.au/walking-the-walk-on-values-with-china/>

## 22. What we know about why Chinese students come to Australia to study

**01/06/2018**

**Hannah Soong**

**The Conversation**

In 2016-17 Australia's third largest export, international education, leapt [from A\\$23.6 billion to a record high of A\\$28 billion](#). Within the higher education sector, the highest intake of international students is of Chinese origin. Behind these statistics are the individual stories and aspirations of Chinese students' parents who provide them the financial resources and emotional support. Yet, we know so little about why it matters so much to their parents, and what long-term impacts overseas study has on them and their families when they return home.

Knowing what aspirations Chinese parents have for their children will help us understand what keeps our international education export industry vibrant today. And more importantly, sustainable tomorrow.

Read more: <https://theconversation.com/what-we-know-about-why-chinese-students-come-to-australia-to-study-97257>