

Media Roundup Issue 84 (11/08/18 – 17/08/18)

1. Australia draws line under anti-China hysteria. Will it be enough to unfreeze relations?

11/08/18

Bob Carr

South China Morning Post

Australian Prime Minister Malcolm Turnbull was always going to do it. It was a matter of language and timing.

This week he reset the Australia-China relationship, ditching 12 months in which Australia had become the most rhetorically adversarial towards China of all of the United States' allies and partners.

It coincided with a "China panic" in the Australian media, which vastly exaggerated the modest – even meagre – evidence of China elevating its soft power Down Under. Anti-China zealots had portrayed Australia's 120,000 Chinese students as promoters of Chinese Communist Party ideology. The prime minister's speech-writer John Garnaut even wrote that "racial chauvinism is only one of the challenges that Beijing is exporting" to universities. The incendiary rhetoric was unsupported by any evidence.

Two examples of Chinese property developers making big donations to political parties were portrayed as a Beijing attempt to buy Australian democracy, overlooking the fact that 300 Chinese companies operating in Australia never gave politicians a cent. To beat up his political opposition last December, Turnbull defended new anti-espionage with a parody of Mao. "The Australian people have stood up", he told the parliament, reading a speech assumed to be written by Garnaut. It set a new standard in diplomatic clumsiness.

Read more: <https://www.scmp.com/comment/insight-opinion/world/article/2159062/australia-draws-line-under-anti-china-hysteria-will-it>

2. Turnbull resets China ties in positive UNSW speech

11/08/18

Greg Sheridan

The Australian

Donald Trump has helped Malcolm Turnbull achieve a promising reset for Canberra in its relationship with Beijing. But keep a lid on the celebrations, for in the next month or two the Turnbull government will rule on the future of the next-generation 5G mobile phone network and there is every chance Chinese giant Huawei will be excluded from participation on national security grounds.

That could well be the occasion for a new round of troubles with Beijing. In a publicly low key but acutely important week for Australia's complex geostrategic positioning, the Turnbull government also missed a real opportunity to make a statement about the importance of India.

The Prime Minister achieved what looks like at least a modest but important turnaround in the recently choppy diplomatic relationship with Beijing through a speech at the University of NSW mainly concerned with Chinese students at our universities.

It was a good and important speech. Oddly enough, this is not really because its message or the quality of its prose was particularly remarkable. Rather, it was a deliberate act of Australian public and international diplomacy with a specific diplomatic goal in sight.

Read more (Paywall): <https://www.theaustralian.com.au/news/inquirer/turnbull-resets-china-ties-in-positive-unsw-speech/news-story/699b6fb7a0878260ac181ecab0c984b2>

3. Chinese tourists' thirst for blue skies, open spaces leads to bump in educational trips to WA

11/08/18

Laura Meachim

ABC News

Middle-class Chinese parents are splashing out to give their children unique educational experiences in Australia, by taking them to the regions where they can see blue skies and open spaces.

The Western Australian city of Geraldton is tapping into the growing Chinese tourism market, by accommodating school groups who come to see the region's natural sights and attractions.

Last week, 100 students and parents visited Geraldton from Beijing, the biggest group to travel through regional WA.

Read more: <http://www.abc.net.au/news/2018-08-11/chinese-tourists-set-sights-on-wa/10106180>

4. Donald Trump sends China nuts about Aussie almonds

12/08/18

Brad Thompson

Australian Financial Review

Australian almond growers are hoping to cash in on Donald Trump's trade war after China imposed a 25 per cent tariff on American almonds, which account for 80 per cent of the global market.

Select Harvests managing director Paul Thompson said there was a lot more interest coming out of China, which now represents less than 1 per cent of Australia's almond sales.

"It is extremely positive for the almond industry in Australia but our ability to respond to it is limited at this point in time," he said.

"The real opportunity is next year for this season's crop. The industry is planting more trees but it takes three years before they yield any crop and five years before they become cash-generating."

Read more (Paywall): <https://www.afr.com/business/donald-trump-sends-china-nuts-about-aussie-almonds-20180811-h13ulq>

5. Top 5G suppliers linked to China's Communist Party

13/08/18

Richard Baker

Sydney Morning Herald

Three potential suppliers of equipment to Australia's next generation 5G network have connections to China's Communist Party.

While the Turnbull Government has been strongly lobbied by federal MPs and security officials to ban Chinese-owned Huawei from involvement in the 5G network, there has been little focus on the Chinese-connections of two other likely 5G participants, Nokia and Ericsson.

Though both companies are headquartered in Scandinavia and already have Australian Government contracts, much of their equipment is manufactured in Chinese factories with state-owned joint venture partners led by Communist Party officials.

This potentially makes both Nokia and Ericsson vulnerable to the same perceived pressures that Huawei's critics say make the company an unacceptable security risk for the 5G network.

Read more: <https://www.smh.com.au/business/companies/top-5g-suppliers-linked-to-china-s-communist-party-20180812-p4zwzt.html>

6. China ready to up US trade war

13/08/18

Glenda Korporaal

The Australian

China is considering stepping up imports of agricultural products from other countries following its trade war with the US, -according to a senior official.

"Many countries have the willingness and they totally have the capacity to take over the market share the US is enjoying in China," Chinese Vice-Agriculture Minister Han Jun told the official Xinhua newsagency.

"If other countries become reliable supporters for China, it will be very difficult for the US to regain the market."

The official's comments confirm that Australia, which sells beef, fruit, dairy products and wine to China, could become a beneficiary of increasingly tense relations between the US and China.

Australian beef exports to China face import duty of only 7.2 per cent as a result of the free-trade deal with China. In contrast, last month China raised tariffs on US beef from 12 per cent to 37 per cent, as part of its reflationary action against US moves.

Read more (Paywall): <https://www.theaustralian.com.au/news/world/china-ready-to-up-us-trade-war/news-story/3f6c348d15771c360613d4c4a7dec982>

7. China trips, lobbyists and media moguls: Inside Huawei's WA charm offensive

13/08/18

Nathan Hondros

Sydney Morning Herald

Foreign Minister Julie Bishop and a WA Liberal backbencher went on trips to China paid for by controversial Chinese telecommunications giant Huawei, according to declarations made in federal parliament.

A WA today investigation into the links between the company and WA's political and business leaders has also revealed Perth businessman Kerry Stokes has an influential role within the multinational as one of 30 business people from around the world advising on its business strategy.

Ms Bishop, who was in opposition and the Liberal spokeswoman on foreign affairs when she took the trip, declared Huawei paid for her to travel to Shenzhen and Beijing in 2012.

Swan MP Steve Irons declared a trip he took in 2015.

While the trips were declared immediately by the politicians, connections between Huawei and WA politicians have come under scrutiny following the decision by the state government to award the Chinese company a \$136 million contract to build a mobile data and communications network along Perth's rail corridors for the Public Transport Authority.

Read more: <https://www.smh.com.au/politics/western-australia/china-trips-lobbyists-and-media-moguls-inside-huawei-s-wa-charm-offensive-20180808-p4zwbz.html>

8. Can the Australia-China relationship survive a Huawei ban?

13/08/18

Gavin Fernando

News.com.au

Tensions between Australia and China finally appear to be easing.

Last week, the Prime Minister gave a speech on international education proposing "clearer thinking" on the relationship and the rapidly changing world.

It was a marked shift from a relationship soured by a year of aggressive rhetoric and back-and-forth threats.

But one looming government decision may restart the fire.

Huawei is the world's third-largest smartphone maker, behind only Apple and Samsung, and the largest supplier of wireless networking equipment.

Western intelligence agencies have raised concerns about the company's ties to the Chinese government for years, and the possibility that its equipment could be used for espionage, despite a lack of public evidence to support these suspicions.

The company currently provides some of the equipment used to deliver 4G mobile connections in Australia, including Optus and Vodafone, but Canberra is still considering whether this should extend to the nation's upgraded 5G network.

Read more: <https://www.news.com.au/technology/online/security/can-the-australiachina-relationship-survive-a-huawei-ban/news-story/ab43488a903c11bc5f5ec5c45d17bd69>

9. a2 extends China milk deal in latest sign tensions with Beijing are easing

13/08/18

Andrew Tillett

Australian Financial Review

The a2 Milk Company will extend its lucrative arrangement with a massive state-owned agricultural company to sell powdered infant formula into China in a deal that shows trade ties have remained strong despite the well-documented diplomatic differences between Canberra and Beijing.

The deal, which is being covered by an extensive Chinese media contingent, coincides with recent signs of a thawing of the diplomatic freeze that Australia has endured.

A signing ceremony will be held at Parliament House in Canberra on Tuesday for a2 and China State Farm representatives, attended by Trade Minister Steven Ciobo. China's ambassador to Australia, Cheng Jingye, has been invited to attend.

The agreement will renew China State Farm's exclusive import and distribution rights for a2 for another three years, with the option for a fourth.

Read more: <https://www.afr.com/news/a2-extends-china-milk-deal-in-latest-sign-tensions-with-beijing-are-easing-20180812-h13vly>

10. ASIO and the China scare

14/08/18

Bob Carr

The Australian

Australia was “unimaginable” without the dynamic presence of Chinese-Australians. Those were the words of Malcolm Turnbull last week, resetting the rhetoric of Australia-China relations.

The new language is welcome, especially to someone such as Kun Huang, who might be wondering if it had been a mistake to have been born in China 27 years ago. At nine, he had arrived as a -migrant. He worked at McDonald’s while getting a degree in -finance and went on to become a staff member to a Labor senator. Last year he was elected to Cumberland council, Sydney, with a 17 per cent swing. Any Australian party would want to claim this poster child of multiculturalism.

But in January he was “fingered” by Clive Hamilton in his submission to federal parliament because at university Huang had been a member of the Chinese Students and Scholars Association, although he says his role was organising speed dating and harbour cruises.

Read more (Paywall): <https://www.theaustralian.com.au/opinion/asio-and-the-china-scare/news-story/95709436666bb27df9d6e84802398c12>

11. Turnbull pushes the ‘reset’ button with China, but will it be enough?

14/08/18

Tony Walker

The Conversation

Prime Minister Malcolm Turnbull’s so-called “China reset” should be viewed for what it is. That is, neither a self-criticism of mistakes made in managing the China relationship, nor necessarily a self-confident assertion of Australia’s foreign policy priorities.

For all intents and purposes, Turnbull’s speech at the University of New South Wales last week was an exercise in damage limitation, as he trod lightly over vexed issues in relations with Beijing.

Among the motherhood statements about contributions Chinese-Australians have made to the greater good was a key passage in which Turnbull emphasised a common interest in “free trade and open markets in every part of the world”.

Read more: <https://theconversation.com/turnbull-pushes-the-reset-button-with-china-but-will-it-be-enough-101383>

12. Turnbull’s China reset ends influence of China hawks

14/08/18

James Laurenceson

Australian Financial Review

Last week's optimistic China-laden speech by Prime Minister Malcolm Turnbull at the University of New South Wales sparked an instant reaction from national security commentators.

Rory Medcalf, director of the National Security College at the Australian National University, leapt to say that despite the "milder rhetoric", Turnbull had "not for a moment resiled from the difficult steps ... to secure [Australia's] interests and sovereignty". True enough.

But what Australian government since Gough Whitlam established diplomatic relations with China in 1972 hasn't sought to secure Australia's interests and sovereignty?

Read more (Paywall): <https://www.afr.com/opinion/columnists/turnbulls-china-reset-ends-influence-of-china-hawks-20180814-h13y2c>

13. China: What it means for Australia and the rest of the world

15/08/18

Scott Ellis

The Age

To best understand the future of China’s influence in Australia’s economic and political future, Peter Hartcher says, it’s worth noting an important fact.

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

"If you look at the size of the Chinese economy compared to the US economy - how much one Chinese Renminbi can buy versus the equivalent number of US dollars - China actually has been the world's biggest economy for four years," Hartcher says.

"It's actually happened. We're now just waiting for the inevitable catch-up in market terms as well." What that means for the world, however, remains to be seen.

Hartcher was one of four *Age* journalists who specialise in covering international affairs and how they relate to Australia who gathered at Arts Centre Melbourne on 30 July for The Age Live discussion on China's Growing Influence.

Read more: <https://www.theage.com.au/world/asia/china-what-it-means-for-australia-and-the-rest-of-the-world-20180815-p4zxn4.html>

14. Working with China on Pacific climate change

15/08/18

Lucie Greenwood

The Interpreter

The recent release of the Lowy Institute's Pacific Aid Map has relieved some "strategic anxiety" around China's growing influence in the Pacific islands. Beijing committed only 8% of total aid to the region between 2011 and 2018.

Realising that China's place in the Pacific has been overstated has added weight to the voices of Pacific islands leaders attempting to alleviate fears held by Australia and New Zealand that China is a security threat to the region. This could open doors to collaboration with China on tackling climate change in the Pacific, where rising seas and extreme weather events will compound existing development concerns and pose an "existential" threat to lower lying islands.

China's climate aid pool is sizable: the South-South Cooperation Climate Change Fund holds US\$3 billion, and President Xi Jinping has committed to providing 10 low-carbon industrial parks, 100 mitigation and adaptation programs, and 1000 climate change training initiatives to developing countries.

Read more: <https://www.lowyinstitute.org/the-interpreter/working-china-pacific-climate-change>

15. Australian universities are under threat from more attractive, cheaper Chinese competitors

16/08/18

David Fetting

ABC News

In the YouTube video the young man browses Chinese-language books in a library, practices Chinese calligraphy with careful brushstrokes, introduces himself in Mandarin.

He is 20 years old from southern Sumatra in Indonesia, enrolled at Wuxi Institute of Technology outside Shanghai. He admits learning Mandarin is difficult, but points out it's now the world's most-used language, with English relegated to second place.

Other Indonesians studying in China, in other YouTube videos, likewise demonstrate a cultural attraction to the country, emphasising the richness of China's past, its fast-modernising present, and its hyperpower future.

Australia has much invested in its ability to attract large numbers of young Asians for tertiary study. The income they bring is increasingly how Australia's university sector is financed. Yet there is increasingly sharp regional competition for where those students choose to study — from China.

Read more: <http://www.abc.net.au/news/2018-08-16/australian-unis-biggest-china-threat-competition-chinese-unis/10117508>

16. WA state treasurer's all-expenses-paid China trip linked to controversial billionaire, communist regime

16/08/18

Nathan Hondros

Sydney Morning Herald

Questions have been raised over a senior WA Labor minister and his relationship with the Chinese billionaire who ended the political career of former senator Sam Dastyari.

A *Fairfax Media* investigation has revealed Treasurer Ben Wyatt accepted thousands of dollars in overseas travel from an organisation linked to China's communist regime and controversial property developer Huang Xiangmo.

Mr Wyatt described the all-expenses-paid, five-day sojourn to China in 2015 as a delegation organised by federal Shadow Treasurer Chris Bowen, but it was paid for by the Australian Guangdong Chamber of Commerce, which is run by Mr Huang.

Mr Huang is the Chinese businessman who was tipped off by Mr Dastyari in 2015 that his phone may have been under surveillance by intelligence agencies and who has donated hundreds of thousands of dollars to Australian political parties, including Labor.

Read more: <https://www.smh.com.au/politics/western-australia/wyatt-s-all-expenses-paid-china-trip-linked-to-controversial-billionaire-communist-regime-20180815-p4zxn2.html>

17. Australia's sheepmeat exports to China saw the largest ever start to the year

16/08/18

Food&Beverage

Strong demand from China, coupled with tight supplies in New Zealand, have been key contributors to the record Australian trade lamb prices in recent weeks.

China is the world's largest sheepmeat producer, consumer and importer. The country has been Australia's single largest sheepmeat export destination by volume for the past couple of years and is second, to the US, by value.

Meat Livestock Australia reports that Australia's sheepmeat exports to China have seen the largest ever start to the year, swelling 43 per cent year-on-year to an all-time record of almost 55,000 tonnes for the January-July period.

Read more: <https://foodmag.com.au/australias-sheepmeat-exports-to-china-saw-the-largest-ever-start-to-the-year/>

18. Huawei may reset the China reset

16/08/18

Jennifer Hewett

Australian Financial Review

The Turnbull Government is not alone in trying to "reset" the relationship between China and Australia. Huawei's large advertisements in Australian papers this week declare "one in every two Australians depend on Huawei for their telecommunications needs".

The figures claimed reflect Huawei's existing business supplying equipment to Optus, Vodafone and TPG for the 4G mobile network along with state transport and ambulance systems as well as the growing popularity of its mobile phones.

The ads are part of the campaign by the giant Chinese telco equipment supplier to persuade politicians its technology should also play a key role in the roll-out of 5G in Australia. Whether the Turnbull government will be convinced is far less obvious given concerns expressed by American and Australian security agencies.

Read more (Paywall): <https://www.afr.com/opinion/columnists/huawei-may-reset-the-china-reset-20180815-h140vx>

19. Confucius classrooms review defeated

16/08/18

Primrose Riordan

The Australian

Left and right wing senators united in parliament to call for review of all Chinese government-funded Confucius classrooms and institutes in Australia. On Wednesday Greens Senators voted to endorse a motion put forward by Australian Conservatives Senator Cory Bernardi.

The motion called for Education Minister Simon Birmingham "to work with his state and territory counterparts to ensure full reviews of their engagement with these institutes and classrooms". Aside from the Greens senators, Senator Pauline Hanson, Brian Burston, Peter Georgiou and Fraser Anning also supported the motion.

The government and Labor voted against to defeat the motion. LNP Senator James McGrath defended the government's position. "We will continue to act to advance Australia's prosperity, ensure the independence of our decision-making and academic freedom at our universities and secure the safety and freedom of our people," he said.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/politicsnow-malcolm-turnbull-faces-internal-pressure-over-neg/news-story/93f387b503c167a5bd7a3a39e3e3cee5>

20. Canberra's ruling on Huawei looms as next test of China-Australia ties

17/08/18

Glenda Korporaal

The Australian

China's *Global Times* newspaper has urged Australia to give a Chinese telecommunications giant the go-ahead to supply its 5G technology to Australian companies, describing it as the next test of bilateral relations.

"If Australia wants to improve relations with China, August is a crucial time," the newspaper writes. It says the decision would be a "real manifesto of (Australia's) attitude towards China", and says that if Australia banned Huawei from taking part in the 5G network, it would rank next to the US in "boycotting Chinese tech companies".

"August is crucial to determine how resolute (Malcolm) Turnbull is to improve relations with China," it writes.

The tabloid *Global Times* is part of the *People's Daily* newspaper group and has a focus on international issues. While it is government-owned, it is widely seen as taking a more outspoken stance on global issues than the more conservative official outlets.

Read more (Paywall): <https://www.theaustralian.com.au/business/canberras-ruling-on-huawei-looms-as-next-test-of-chinaaustralia-ties/news-story/df512ad7db43aacd9629b34ac28f683f>

21. Plunge in number of Chinese residents granted Australian citizenship

17/08/18

Eryk Bagshaw

Sydney Morning Herald

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

The number of Chinese-born residents being granted Australian citizenship has plummeted, amid a backdrop of tensions between Beijing and Canberra and political debate over immigration levels.

Department of Home Affairs data obtained by Fairfax Media shows just 1559 Chinese-born residents have been granted citizenship during the first eight months of this financial year - a fraction of the 6500 successful Chinese applications in 2016-17.

In previous years, up to 10,000 Chinese-born residents applied for Australian citizenship, of which 8000 to 9000 were approved. Between 2012 and 2016, residents of Chinese heritage represented 6 per cent of total applications for Australian citizenship and 6 per cent of total approvals.

But the Home Affairs figures show that while the number of Chinese applications has remained steady, the number of approvals fell to less than 3 per cent of applicants between July 2017 and February 2018.

Read more: <https://www.smh.com.au/politics/federal/plunge-in-number-of-chinese-residents-granted-australian-citizenship-20180816-p4zxsd.html>