

Media Roundup Issue 86 (25/08/18 – 31/08/18)

1. Australia's new Prime Minister Scott Morrison: bad news for China? Ask Huawei

24/08/18

John Power

South China Morning Post

The election of Scott Morrison as the 30th Prime Minister of Australia on Friday is unlikely to lead to a major shift in Canberra's vitally important, yet often tense relationship with China.

Before the leadership spill that handed him the reins of the governing Liberal Party, capping an extraordinary week of political chaos, Morrison offered little hint of his vision for foreign or domestic policy.

Turnbull in a China shop: did Beijing bogeyman sway an Australian election? In a brief first address as prime minister-elect on Friday evening, Morrison indicated that jobs, immigration and party unity would be among his priorities, without touching on foreign affairs.

However, the ex-treasurer's record in office and reputation as one of departing prime minister Malcolm Turnbull's closest allies offer some insight into how the new leader might handle relations with Beijing.

Read more: <https://www.scmp.com/week-asia/politics/article/2161282/australias-new-prime-minister-scott-morrison-bad-news-china-ask>

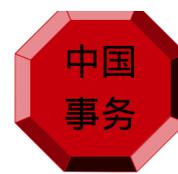
2. China says decision to block Huawei from 5G will hurt Australian business

25/08/18

Michael Walsh and Ning Pan

ABC News

Amid all the drama in Canberra this week, you could be forgiven for missing the news that Chinese tech giant Huawei will be excluded from participating in Australia's 5G mobile network.



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

Australia using security grounds to justify the 5G ban is a viable legal defence
Vodafone says the decision "fundamentally undermines Australia's 5G future"
Intelligence officials have been concerned for some time that allowing Huawei to help build the network would create national security risks.

In a statement issued on Thursday, the Government said companies "likely to be subject to extrajudicial directions from a foreign government that conflict with Australian law" would likely be unable to participate in the next generation network.

Analysts have long suggested that Huawei — as a private Chinese company — is obligated under Chinese law to assist authorities with "state intelligence work".

On Friday, Huawei — who said it will not comment further on the matter this week — criticised the decision in a statement provided to the ABC as "politically motivated" while noting that it intends to "protect [its] legal rights".

Read more: <http://www.abc.net.au/news/2018-08-25/whats-next-for-huawei-after-being-banned-from-australias-5g/10160842>

3. China pressures family of Australian-based corruption suspect to ensure his return

25/08/18

Kirsty Needham

Sydney Morning Herald

China's corruption watchdog has admitted to placing pressure on the family of a suspect living in Australia to get him to return to China.

Former bank official Lai Mingmin, 67, migrated to Sydney where he had been living for 17 years, but returned to China to face corruption investigators in June. At the time, state media reported his return to China, and his refund of the bribe he had taken, was voluntary.

But the Guangdong office of China's feared Central Commission of Discipline Inspection (CCDI) on Wednesday revealed Lai was among several suspects caught after investigators placed pressure on the overseas Chinese community.



Read more: <https://www.smh.com.au/world/asia/china-pressures-family-of-australian-based-corruption-suspect-to-ensure-his-return-20180824-p4zznf.html>

4. Julie Bishop quits as Australia's foreign minister, Marise Payne takes over

26/08/18

South China Morning Post

Beijing is looking forward to developing a good relationship with Australia's new Prime Minister Scott Morrison, a Chinese Foreign Ministry spokesman said.

"We congratulate him on his election," the spokesman said, answering a question from The Australian.

"China's policy towards the relationship with Australia has always been consistent and clear.

"A healthy and stable relationship is not only good for the two countries but also good for the regional and global peace, stability and prosperity.

"We look forward to working together with Australia to further develop the relationship in the right direction."

Read more:

<https://www.scmp.com/news/asia/australasia/article/2161380/australian-foreign-minister-julie-bishop-quits-cabinet-after>

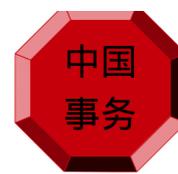
5. Chinese media says 'Australian hawks' to control foreign affairs

27/08/18

Kirsty Needham

Sydney Morning Herald

The Chinese media has called Marise Payne's move from defence minister to the foreign affairs portfolio a signal that "Australia hawks" will have a bigger impact on foreign policy.



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The nationalistic Global Times newspaper quoted Zhou Fangyin, dean of the School of International Studies at Guangdong University of Foreign Studies, on Monday as saying Payne's new role as foreign affairs minister meant "the Australian defence and security sector's influence on foreign policy will become more direct, and the US's policy impact on Australia will become more direct".

Tensions between the Trump Administration and Beijing have been rising as a trade war escalates, and China retaliates in-kind to billions of dollars in tariffs being imposed on Chinese goods. At the weekend, President Donald Trump accused China of halting cooperation on North Korean denuclearisation, which Beijing angrily denied.

The verdict on new Prime Minister Scott Morrison appears to be out in the Chinese media.

Australia-watchers have pored over Morrison's track record as treasurer, pointing out positive statements on economic and trade ties, but also his role in blocking some high-profile Chinese investments in Australia on national security grounds.

Read more: <https://www.smh.com.au/world/asia/chinese-media-says-australian-hawks-to-control-foreign-affairs-20180827-p5000w.html>

6. Foreign Minister to meet Chinese officials

27/08/18

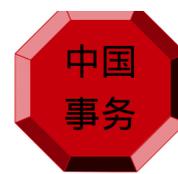
Australian Associated Press

The Australian

Australia's new Foreign Minister Marise Payne plans to meet with Chinese officials in New York to work on the relationship between the two countries.

China's relationship with Australia has been strained over allegations of spying and attempted political interference, but Senator Payne says she will meet with Chinese officials next month.

"I'm looking forward to attending the UN general assembly leaders week and I'm sure that there will be engagements through that process," she told Sky News on Monday.



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Australia has also opposed the militarisation of the South China Sea, which China promised not to do until it recently landed military aircraft on artificial islands it created in the shipping zone.

"It's most certainly my view that the actions of all of us who participate in that part of the world, the South China Sea, a critical transit area, should be contributing to security and stability," Senator Payne said.

Read more (Paywall): <https://www.theaustralian.com.au/news/latest-news/foreign-minister-to-meet-chinese-officials/news-story/88243907cadf76648d9b65af009d738b>

7. Marise Payne defends 5G ban on Chinese telcos Huawei and ZTE

27/08/18

Christopher Knaus

The Guardian

The incoming foreign affairs minister, Marise Payne, has defended a decision that shut Chinese telecommunications giants out of Australia's 5G network, saying it was necessary to protect national security.

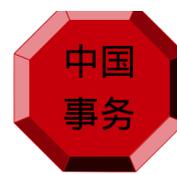
The decision to bar Huawei and ZTE from supplying equipment to Australia's 5G network was made amid the Liberals' leadership ructions late last week, meaning it was largely overshadowed by the political turmoil.

But the decision did not go unnoticed abroad. It angered the Chinese government, which labelled it wrong and said it would compromise business relationships.

"The Australian government has made the wrong decision and it will have a negative impact to the business interests of China and Australia companies," China's commerce ministry said in a statement on its website.

Payne, who will soon be sworn in as foreign affairs minister, on Monday defended the decision, saying it was not targeted specifically at Huawei and ZTE. She said it applied to any company that had obligations that clashes with Australia's national security.

Read more: <https://www.theguardian.com/australia-news/2018/aug/27/marise-payne-defends-5g-ban-on-chinese-telcos-huawei-and-zte>



8. China intensifies criticism of Australia's Huawei 5G ban

27/08/18

Michael Smith

Australian Financial Review

The Chinese government has ramped up criticism of Australia's ban on telecommunications giant Huawei bidding for 5G mobile phone network contracts, accusing the Morrison government of "double standards" and discrimination against the country's companies.

The *People's Daily* newspaper, whose content directly reflects the views of the ruling Communist Party, published a strongly-worded opinion piece on the decision on Tuesday and warned that mixing politics with business would create a "sad obstacle" for cooperation between Australian and Chinese companies.

"Australia has a strong ideological prejudice on China and they are taking a discriminative approach and trying to politicise business operations," the newspaper said in its overseas edition.

"If they show strong distrust on Chinese companies while choosing other foreign companies, that is naked double standards. All this shows the decision on banning 5G by Chinese companies is a political decision and a sad obstacle on cooperation between Australian and Chinese companies."

Read more (Paywall): <https://www.afr.com/news/policy/foreign-affairs/china-intensifies-criticism-of-huawei-5g-ban-20180828-h14lr0>

9. PNG port plan stokes fears of China military build up

28/08/18

Paul Maley and Primrose Riordan

The Australian

Plans to build a multi-use port on Papua New Guinea's Manus -Island have stoked fears that China could be set to gain a foothold on the strategically vital -island, as Beijing is potentially in line to help fund the facility.

Australian government officials, defence experts and Manus Island residents are concerned at the high level of Chinese foreign investment on Manus Island, a



site long considered pivotal by -defence strategists because of its sweeping command of the Pacific Ocean and the maritime -approaches to Asia.

The Australian can reveal that a plan by the PNG government to refurbish four ports across the country — Wewak, Kikori, Vanimo and Manus Island — has alarmed locals who fear Beijing is courting the Pacific island -nations, particularly PNG, for strategic advantage.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/png-port-plan-stokes-fears-of-china-military-buildup/news-story/f0fa6fc36a1dbfc8d8acfe2bb4ea2907>

10. Chinese students treated as cash cows at Australian universities

28/08/18

Angus Grigg

Australian Financial Review

Australian universities have failed to properly integrate Chinese students into campus life, treating them as a commodity to raise revenue, a problem likely to hurt future international enrolments.

The Australian Financial Review Higher Education Summit also heard how the longer term threat to Australian universities was the rise of China's own institutions, while the concentration of mainland students in some courses was deterring enrolments from other parts of the region.

"We have outsourced the pastoral care of Chinese students [in Australia] back to bodies with links to the local embassy and the Communist Party," said James Leibold, an associate professor of Asian studies at La Trobe University.

Mr Leibold said this was not only reducing the experience for Chinese students, but meant Australia was missing out on a huge opportunity to build relationships with those coming from the mainland.

Read more (Paywall): <https://www.afr.com/news/policy/education/chinese-students-separated-from-university-life-20180828-h14mtx>

11. Belt and Road: China's biggest brand



28/08/18

Merriden Varrall

The Interpreter

Most public discussion of China's Belt and Road Initiative (BRI) tends to paint it as a coherent strategy of the Chinese Communist Party. One school argues that this strategy is largely economic in focus, the other major approach focuses on the political drivers.

What both need to consider is that either way, the BRI is actually just a brand. It's a marketing tool, a label applied with a sweeping generosity to a huge range of projects being undertaken by a vast array of actors – a large proportion of which existed well before President Xi Jinping announced his pet project in 2013.

This vast web of projects and deals around the world is less about China attempting to attain global domination than about desperately promoting, among Chinese people, Xi and the Chinese Communist Party's right to rule.

Read more: <https://www.lowyinstitute.org/the-interpreter/belt-road-china-biggest-brand>

12. China and human rights: Is Australia 'making a difference?'

30/08/18

Sophia Richardson

Sydney Morning Herald

Australia's relationship with China has been tumultuous of late: political scandals, security threats, a perceived need for draconian new legislation, angry rhetoric from Beijing. It's not a surprise that officials, including members of the new Australian government, and ordinary people across Australia have struggled to find the right answers to a complex and charged relationship.

But as Australia tries to strike a balance between benefiting from and being threatened by its relationship with Beijing, a key piece of solving this puzzle has largely dropped out of the debate: pressing for better respect for human rights inside China.



Since coming to power in 2013, Chinese President Xi Jinping and his government have directed the most pervasive rollback on rights since the 1989 Tiananmen Square Massacre. China has adopted a slew of laws on national security, cyber-controls, and civil society that further restrict everything from the right to a fair trial to privacy rights to freedom of expression and association.

Read more: <https://www.smh.com.au/politics/federal/china-and-human-rights-is-australia-making-a-difference-20180829-p500g0.html>

13. Australia, US and UK try to brake China's dollar advance across the Pacific

30/08/18

Colin Packham

Australian Financial Review

The United States, Australia, France and Britain will open new embassies in the Pacific, boost staffing levels, and engage with leaders of island nations more often in a bid to counter China's rising influence in the region, sources have told Reuters.

The battle for influence in the sparsely populated Pacific matters because each of the tiny island states has a vote at international forums like the United Nations, and they also control vast swathes of resource-rich ocean.

China has spent \$US1.3 billion (\$1.8 billion) on concessionary loans and gifts since 2011 to become the Pacific's second-largest donor after Australia, stoking concern in the West that several tiny nations could end up overburdened and in debt to Beijing.

In April, then-prime minister Malcolm Turnbull warned Beijing against establishing a military base in the South Pacific because it would jeopardise regional peace.

Read more (Paywall): <https://www.afr.com/news/politics/world/australia-joins-us-and-uk-in-trying-to-brake-chinas-influence-in-the-pacific-20180829-h14plb>

14. Code of criticism rankles Beijing

30/08/18



Primrose Riordan
The Australian

Marise Payne is under attack in the Chinese media over her stand on the South China Sea, after an Australian envoy raised concerns that China's proposed code of conduct for the contested waters was -"prejudiced".

Australian Defence analysts believe China is trying to insert clauses into the code so that companies from some countries are excluded from energy exploration in the waters and so Beijing can veto military exercises between ASEAN nations and the US and Australian navies.

"The draft negotiating text -includes China's proposal that parties 'not hold joint military -exercises with countries from outside the region, unless the parties concerned are notified beforehand and express no objection'," Australian Strategic Policy Institute Analyst Huong Le Thu wrote.

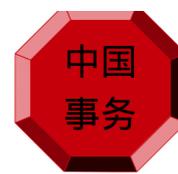
Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/code-of-conduct-criticism-rankles-beijing/news-story/2ce58002f85761bc5d37c6937ffcde66>

15. Huawei ban a 'huge loss': China business lobby demands explanation

31/08/18
Jennifer Duke
Sydney Morning Herald

Australian China Business Council national chief executive Helen Sawczak has called the government's ban on Chinese telecommunicationst providers' involvement in building the 5G networks a "huge loss" and wants an explanation of the national security concerns behind the decision.

The ban, announced last week in a joint statement from Communications Minister Mitch Fifield and Prime Minister Scott Morrison (in his role as Treasurer), was in response to an "extensive review of the national security risks to 5G networks". The decision rules out China-based giant Huawei from partnering with Australian telecommunications companies as they rush to roll out the new networks in the next few years.



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The upcoming fifth generation of mobile networks infrastructure is particularly security-sensitive as the technology is expected to open up a new era of connectivity, potentially linking critical infrastructure like electricity and water, along with driverless cars and medical services.

Read more: <https://www.smh.com.au/business/companies/huawei-ban-a-huge-loss-china-business-lobby-demands-explanation-20180830-p500mu.html>