

Media Roundup Issue 44 (28/10/17 – 03/11/17)

1. Australian universities are helping China's military surpass the United States

28/10/2017

**Clive Hamilton & Alex Joske
Sydney Morning Herald**

In Beijing, President Xi Jinping is systematically reforming and strengthening the military - part of the Strong Army Dream that is intimately tied to his signature slogan "the China Dream".

But it now seems that this Strong Army Dream is being realised with Australian help.

Scientists at Australian universities are collaborating with China's top military technology universities on programs beneficial to the People's Liberation Army which, contrary to its name, is the army of the Chinese Communist Party rather than the Chinese people.

The scientists' work includes sophisticated computing seen as essential to China's ambition to eclipse the United States in advanced military technology.

Read more:

<http://www.smh.com.au/world/australian-universities-are-helping-chinas-military-surpass-the-united-states-20171024-gz780x.html>

2. Arrival of seventh Chinese airline to Sydney marks new era for tourism

29/10/2017

**Matt O'Sullivan
Sydney Morning Herald**

The seventh mainland Chinese airline to launch flights to Sydney will touch down on Monday, illustrating the enormous growth in visitors from the world's emerging superpower.

With the number of Chinese travelling to Australia growing at 11 per cent a year, Beijing Capital Airlines is starting direct flights between Sydney and Qingdao, the home of the well-known Tsingtao beer. The airline will fly twin-aisle A330-200 aircraft four times a week on the route.

China has become Australia's largest source of international visitors, finally overtaking New Zealand in May.

Read more:

<http://www.smh.com.au/nsw/arrival-of-seventh-chinese-airline-to-sydney-marks-new-era-for-tourism-20171026-gz9cy4.html>

3. How should Australia respond to China's influence in our universities?

30/10/2017

Jonathan Benney
The Conversation

The federal government is concerned about Chinese influence in Australia, particularly on universities. While we don't know exactly how deep this influence runs, we do know quite a bit.

Financially, many Australian universities depend on international students from mainland China. It was recently suggested that 16% of the University of Sydney's revenue comes from these students. Over the past two decades, this rapid change has made universities look and feel different.

From a financial perspective, it didn't really matter if universities changed; the more enrolments the better. From a social perspective, university administrators suggested that the presence of Chinese students would create mutually beneficial cross-cultural communication and exchange. Academics initially thought that while it might take a while, Chinese students would "adjust" to Australia.

Read more:

<https://theconversation.com/how-should-australia-respond-to-chinas-influence-in-our-universities-86064>

4. Chinese partnerships are vital for universities and global research

30/10/2017

Brian Boyle

Australian Financial Review

Striking the right balance in Australia's political, business and diplomatic relationships with foreign partners should always be the subject of robust community debate. China is no exception. Because of the size, complexity and breath-taking speed of the Chinese economy, Australia's interactions with Beijing are coming under particular scrutiny. We will always need to take care to chart the right course between caution and enthusiastic partnership.

But in the past few months, some elements of the community debate have verged on the hysterical – with a raft of insinuations targeted at the tertiary sector.

There have been plenty of shadowy inferences, but little evidence, to suggest that Australian universities are doing anything other than being leaders in the quest to find the jobs of tomorrow. Of being at the forefront of a necessary partnership with China, on the cusp of being the world's biggest investor in science and technology.

Read more (Paywall):

<http://www.afr.com/opinion/columnists/chinese-partnerships-are-vital-for-universities-and-global-research-20171029-gzahxy>

5. Bashing of Chinese student in Canberra threatens Australia's image: newspaper

30/10/2017

Kirsty Needham

Sydney Morning Herald

An attack on Chinese school students in Canberra that saw one hospitalised could be a turning point in Chinese attitudes towards Australia, a major newspaper has editorialised.

Two local teenagers have faced Children's Court after the bashing at the Woden bus interchange last week, which has been widely reported by Chinese newspapers, radio and state media.

...

Linda Jakobson, the chief executive of think tank China Matters, said: "The *Global Times* attempts to connect dots that aren't necessarily to be connected.

"An isolated incident of violence doesn't necessarily have anything to do with the challenges and problems on Australian university campuses."

Read more:

<http://www.smh.com.au/world/bashing-of-chinese-student-in-canberra-threatens-australias-image-newspaper-20171030-gzb8p2.html>

6. A stronger Xi Jinping means a more brittle Chinese state

30/10/2017

Geoff Raby (Associate of China Matters)

Australian Financial Review

China's Communist Party's 19th Party Congress was a big win for Xi Jinping, a loss for China and a worry for the rest of the world. Xi has emerged officially as the most powerful leader of modern China since Mao Zedong. Only Mao had his "Thoughts" entered into the Constitution during his tenure in office. And on top of this, Xi's signature policy initiative, the Belt and Road Initiative (BRI), was also inscribed into the Constitution.

Over the past five years of his first term, Xi has determinedly set about consolidating and centralising power in his own hands. He established a number of "Leading Groups", which were eventually expanded to cover every major policy area from economic reform and financial policy to national security. In doing so, he relegated the State Council – equivalent to the Australian Cabinet – from being the country's main policy body to a mere implementer of policies. The Premier's role was greatly diminished.

Read more (Paywall):

<http://www.afr.com/opinion/columnists/xis-political-revolution-means-work-for-the-food-tasters-20171029-gzaq90>

7. 'Tough words': paper links alleged assault to government remarks

30/10/2017

**Rowan Callick
The Australian**

China's *Global Times* has linked the alleged assault of Chinese international school students in Canberra to "tough words" spoken to China by Prime Minister Malcolm Turnbull and Foreign Minister Julie Bishop.

The newspaper editorialised on Monday about the incident, about which two teenagers appeared in a Canberra children's court last Friday.

The international school students had declined, it was claimed, to hand over cigarettes when demanded.

The editorial said that Australia "has the obligation to protect Chinese students' security."

Read more (Paywall):

<http://www.theaustralian.com.au/news/world/tough-words-paper-links-alleged-assault-to-government-remarks/news-story/a8a34ab1bf78e53c571586148cb8e80a>

8. The man who rained on Xi's parade

31/10/2017

**Peter Hartcher
Sydney Morning Herald**

The Chinese know how to do pageantry. This was on full display last week in Beijing where the world's most durable one-party state showcased the enthronement of its leader, Xi Jinping.

Many observers, including supposedly hard-headed foreign analysts, duly genuflected at the sight of Xi with the backdrop of the huge, golden hammer and sickle emblem framed by 10 enormous red flags in the Great Hall of the People.

Some 2,200 delegates sat in serried ranks, voting unanimously and applauding rapturously in a spontaneous display of democracy with Chinese Communist Party characteristics.

Read more:

<http://www.smh.com.au/comment/the-man-who-rained-on-xis-parade-20171030-gzt4i.html>

9. No sign of FMG's China discount narrowing as Beijing cracks down on pollution

31/10/2017

**Angus Grigg & James Thomson
Australian Financial Review**

The discount received by Fortescue Metals Group for its low grade iron ore in China shows no sign of narrowing, despite assurances from chief executive Nev Power the market would begin to normalise over the longer term.

Traders contacted by The Australian Financial Review said FMG's lowest grade product (56.3 per cent iron content) was being offered at a 40 per cent discount to the benchmark for November deliveries.

This is in line with the discount for late September, but up from 32 per cent in August.

Read more (Paywall):

<http://www.afr.com/business/mining/iron-ore/no-sign-of-fmgs-china-discount-narrowing-as-beijing-cracks-down-on-pollution-20171030-gzaw1b>

10. Chinese ban on Australian beef is lifted after only three months

31/10/2017

**Kirsty Needham
The Sydney Morning Herald**

Beijing: A Chinese ban on Australian beef exports has been lifted, resolving one of the year's major friction points in the Australia-China trading relationship.

Trade Minister Steven Ciobo says the federal government has been notified that six Australian beef exporters, who made up a third of Australia's beef trade to China, can resume exporting.

Mr Ciobo had raised China's suspension of exports from the beef processors during a series of meetings in Beijing last month.

The suspension by Chinese customs and quarantine regulators in July was blamed on labelling concerns.

Read more:

<http://www.smh.com.au/world/chinese-ban-on-australian-beef-is-lifted-after-only-three-months-20171030-gzba9o.html>

11. Adani leans on China for Carmichael mine loan

31/10/2017

**Michael McKenna & Greg Brown
The Australian**

Adani has turned to China to help finance its \$16 billion Carmichael coal mine in central Queensland after Australia's four big banks ruled out lending to the controversial project.

As anti-Adani protesters continue to attempt to hijack the state election campaign with demonstrations, it has emerged that the Indian giant has been in negotiations with China's state-owned banks.

While the mega-mine has secured state and federal approvals and overcome years of legal challenges from conservationists, it is now facing new delays in securing finance as it also seeks a Commonwealth concessional loan of up to \$1 billion.

Adani's previous deadline for financial close was December but earlier this month the company said the timing was dependent on if it gets the loan from the Turnbull Government's Northern Australia Infrastructure facility.

The NAIF has stated it intends to make a decision by the end of the year for the loan, which will pay a component in rail line that will open to be used by other proposed coal miners in the burgeoning Galilee Basin.

Read more (Paywall):

<http://www.theaustralian.com.au/news/nation/adani-lean-on-china-for-carmichael-mine-loan/news-story/45692e861f3c68f2bd2ed7dc3a183e9e>

12. Australia weighing closer democratic ties in region in rebuff to China

31/10/2017
David Wroe
Sydney Morning Herald

Acting Prime Minister Julie Bishop has signalled Australia is open to reviving plans for a sensitive four-way diplomatic and security co-operation with the United States, India and Japan - an arrangement that has historically angered China, which sees it as a containment strategy.

It is understood that Ms Bishop recently discussed with US Secretary of State Rex Tillerson and Japanese Foreign Minister Taro Kono the prospect of setting up formal four-way meetings among the major democracies - known as the "quadrilateral dialogue" - and how to encourage India's involvement.

Ms Bishop, who is also Foreign Minister, told Fairfax Media: "Australia, the United States, Japan, India and other nations have committed to ensuring that the Indo-Pacific remains a peaceful and stable region."

Read more:

<http://www.smh.com.au/federal-politics/political-news/australia-weighing-closer-democratic-ties-in-region-in-rebuff-to-china-20171031-gzbzhq.html>

13. How small investors can make money out of China

31/10/2017
John Collett
Sydney Morning Herald

Australian-Chinese entrepreneur Michael Cho knows all about the opportunities and risks of running businesses and investing in China.

Cho, who is in his early 50s, moved to Melbourne from China when he was 10, studied science and has been in Guangzhou for the past 15 years.

His business interests are in biotech and medicine, but his main one is a patented cancer therapy.

"I have made money and lost money – that's China" he says.

"China is just a huge market, if you can break into the market you will be very successful. But it is hard."

He invests in shares with a friend who lives in Shanghai. "He's like a broker to me," Cho says.

He has made money out of Tencent, owner of messaging platform WeChat, and Alibaba, China's Amazon.

Read more:

<http://www.smh.com.au/money/investing/how-small-investors-can-make-money-out-of-china-20171027-gz9qd5.html>

14. Trump visit to strengthen united opposition to North Korea

01/11/2017

Glenda Korporaal

The Australian

Just over a year ago, Australia's biggest concern over its economic ties with China was whether we would get caught up in a trade war with a nation driven by a newly elected protectionist Trump administration.

The latest test of the US-China relationship will come next week when President Donald Trump makes his first visit to China as part of a 12-day swing through Asia.

There will be some strutting on Trump's part about trade issues, including ways to cut America's \$US350 billion (\$456bn) trade deficit with China, talks over China's intellectual property rights and a push for greater scope by US companies to invest in China.

But next week, Trump's instinctive concerns about appealing to his populist base in the US with protectionist rhetoric will be countered by a more serious concern to see Beijing as an ally against the increasingly fractious regime in North Korea.

Read more (Paywall):

<http://www.theaustralian.com.au/business/opinion/trump-visit-to-strengthen-united-opposition-to-north-korea/news-story/2b207f7f4daab3726986f705761e115a>

15. ALP at crossroads on US and China

01/11/2017

**Primrose Riordan
The Australian**

Labor defence spokesman Richard Marles says Australia faces “security anxieties” with China and has labelled Trump administration policies “repugnant” amid an internal foreign policy dispute.

Mr Marles’ speech at the University of Oxford followed the release of Labor’s Future Asia policy — led by NSW MPs Chris Bowen and Jason Clare — and a push by Penny Wong not to view China’s Belt Road Initiative with “reflexive negativity”.

The Australian can reveal Labor right MPs outside of NSW want Mr Marles to take a more robust view of China and have expressed concerns about Labor moving away from the current government position on the communist nation’s global infrastructure project. While Mr Marles, like Mr Bowen and Senator Wong, said the Belt Road Initiative should be considered only on a case-by-case basis, he labelled China’s initiative as “a vision of foreign influence”.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/alp-at-crossroads-on-us-and-china/news-story/9df5f3aa4dd873907421046f41447e63>

16. DFAT head Frances Adamson says China-Australia can manage their differences

01/11/2017

**Michael Smith
Australian Financial Review**

Department of Foreign Affairs and Trade Secretary Frances Adamson has acknowledged Australia's political relationship with China is "not always plain sailing" but both countries recognised closer relations are in their long-term interest.

Ms Adamson also defended the government's position on China's giant "Belt and Road" infrastructure plan, saying it was already engaging with Beijing on the

prospects for Australian business involvement even though it had not formally signed up to the initiative

Earlier this month, Ms Adamson gave a speech in Adelaide which referred to "untoward influence" in Australian universities and urged students to remain true to their values.

The comments came amid growing concern about reported attempts by Chinese authorities to influence campuses.

Read more (Paywall):

<http://www.afr.com/news/policy/foreign-affairs/dfat-head-frances-adamson-says-china-australia-can-manage-their-differences-20171101-gzcm2j>

17. Adani: Chinese state-owned company could help bankroll Carmichael coal mine

02/11/2017

Stephen Long

ABC News Online

For years it has been a mystery where Adani would get the money to build its giant Carmichael coal mine in North Queensland.

Now we may have the answer.

The ABC has learned that a Chinese state-owned enterprise, China Machinery Engineering Corporation (CMEC), is in negotiations with Adani and its principal engineering and procurement contractor, Downer EDI.

If the deal goes ahead, it would see CMEC awarded contracts to build key mining plant and equipment in return for China's financial backing of the Carmichael mine.

CMEC is listed on the Hong Kong stock exchange, but is 78 per cent owned by the giant Chinese state-owned enterprise China National Machinery Industry Corporation Ltd, or Sinomach.

Read more:

<http://www.abc.net.au/news/2017-11-02/adani-chinese-state-owned-companies-in-deal-to-bankroll-mine/9109880>

18. New Xi Jinping era puts China first

02/11/2017

Rowan Callick
The Australian

China's economic policy is heading through a period, after the Communist Party congress, of continuity on the surface but steadily building change within.

But the new ubiquitous slogan, Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era, is inciting fervent studies at all levels of Chinese society — including in the business community — about what socialism means today, what Chinese characteristics might involve and what is new in this “new era”.

Steve Tsang, director of the SOAS China Institute at London University, says: “In this new era, the Chinese Communist Party is confident of its own socialist developmental model. It no longer looks outside its borders for inspiration, and it emphatically rejects any democratic or Western model. Instead, Xi now feels China should openly assert itself. It is the era of putting China first and making China great again.”

Markets — equity, currency, rates, even the most politically sensitive: housing — will continue to set prices. But within a range. Above and below that range, the regulators and policy setters will step in.

Read more (Paywall):

<http://www.theaustralian.com.au/business/opinion/rowan-callick/new-xi-jinping-era-puts-china-first/news-story/fd6e8bb7c53d24c21076cbcdd9e63c92>

19. China needs a road ahead for the region's development

02/11/2017

Brian Toohey
Australian Financial Review

There is nothing to fear from China's Belt and Road Initiative. If it succeeds in boosting economic growth in China and the countries along the BRI's trade routes, this will be a good thing for the world including Australia. Yet Australian policymakers – unlike businesses – fear the BRI creates disturbing strategic risks.

That's why the government has not followed around 65 other countries and formally endorsed the concept, while still letting businesses take advantage of the big construction and other contracts on offer.

In common with their US colleagues, this small group of strategic advisers fears a stronger economy will make China more powerful. Once again, these strategists are working themselves into a lather about something Australia can do nothing about. Would the strategists prefer China was again desperately poor? Back then a weak China was seen as a threat because its impoverished hordes would soon pour down and eat Australia's lunch.

Read more (Paywall):

<http://www.afr.com/opinion/columnists/china-needs-a-road-ahead-for-the-regions-development-20171102-gzdf0z?btis>

20. BTIM's Vimal Gor says stakes high for Australia in China's One Belt One Road

02/11/2017

Vesna Poljak

Australian Financial Review

Australia should not resist embracing China's One Belt One Road initiative if it is serious about diversifying growth away from mining, and keeping up with its more innovative trading partner, BT Investment Management's Vimal Gor says.

"Should Australia deem the risks of deepening ties with China too great, we may well stand to lose more than we gain," the bond fund manager says. In 10 years' time, there is a reasonable chance China has comparable air quality, public education and affordable housing to Australia. That means the impetus for middle-class Chinese families to move abroad will erode.

"If Australia turns its back on China, it may well forgo the opportunity not only to grow its educational exports to China, but also to grow and learn alongside China as it pursues its goal of becoming a global leader in innovation."

Read more (Paywall):

<http://www.afr.com/markets/btims-vimal-gor-says-stakes-high-for-australia-in-chinas-one-belt-one-road-20171102-gzdfsd?btis>

21. Chinese foreign guru Yang Jiechi on rise for year of the tiger

03/02/2017

**Rowan Callick
The Australian**

The diplomatic face of Chinese President Xi Jinping's new era will be a familiar one: Yang Jiechi, who rose to prominence befriending American Republican royalty.

He built an intimate relationship with both Bush presidents.

Wide-ranging personnel promotions and demotions are starting to be revealed following the communist party congress that concluded last week.

Mr Yang has been elevated to the 25-member politburo, is director of the leading small group on foreign affairs that advises Mr Xi directly, and is already a state councillor.

Read more (Paywall):

<http://www.theaustralian.com.au/news/world/chinese-foreign-guru-yang-jiechi-on-rise-for-year-of-the-tiger/news-story/b0c0f581bb8d2f615a722926d27242cf>