

Media Roundup Issue 49 (01/12/17 – 08/12/17)

1. Chinese President Xi Jinping backs controversial Australian political donor Chau

01/12/2017

Kirsty Needham
Sydney Morning Herald

Chinese President Xi Jinping has given his personal endorsement to an international conference run by an Australian political donor caught up in allegations of foreign influence in Australian politics.

Xi outlined China's plan to take a greater role in global governance in a speech to conference delegates who travelled to Beijing. Chau Chak Wing, who ran the conference, is one of two Chinese businessmen named by ASIO in briefings to the Labor and Liberal party organisations in 2015 about political donations.

Despite former prime minister John Howard being promoted as a drawcard on the website of the conference, the Imperial Springs International Forum, he did not travel to China this week, his office in Sydney confirmed to Fairfax Media.

Read more:

<http://www.smh.com.au/world/chinese-president-xi-jinping-backs-controversial-australian-political-donor-chau-20171201-gzwvfy.html>

2. Time to lower the temperature in the China debate

01/12/2017

Nick Bisley & James Leibold

(Nick Bisley is a member of the China Matters Advisory Council)

Australian Financial Review

Concerns that China is attempting to influence Australian politics have resurfaced spectacularly with the release of a recording of Sam Dastyari's ill-judged comments on the South China Sea and counter-espionage tactics out of a cheap spy thriller. It will crank up the sensationalism around the China-Australia debate and underlines the fact that all is not well in the Sino-Australian relationship. As the recently released foreign policy white paper

makes clear, the mood in Canberra has soured and Australia is increasingly taking a more critical line toward the People's Republic of China.

Over the past year, the Australian government has expressed concern that China is not playing by the international rules, and is seeking to achieve its ambitions through coercion and meddling in the affairs of others. While many in the region have become uneasy about the scale of Chinese power and influence, and indeed unsettled by its often unilateral actions (such as its island building in the South China Sea), few have taken such a publicly strident position toward China as Australia has over the past year.

Read more (Paywall):

<http://www.afr.com/opinion/columnists/time-to-lower-the-temperature-in-the-china-debate-20171130-gzwj73>

3. Don't assume it's not being investigated, says PM of Sam Dastyari's China links

03/12/2017

Rachel Baxendale

The Australian

Labor has accused Malcolm Turnbull of “practically begging” security agencies to investigate his political opponents, after the Prime Minister said people should not assume disgraced Labor senator Sam Dastyari isn't being investigated by police or security agencies.

Mr Turnbull called for Opposition Leader Bill Shorten to put Australia's interests ahead of his own factional survival and boot Senator Dastyari out of the Senate.

Mr Shorten sent Senator Dastyari to the backbench on Wednesday night, after it emerged that he had allegedly gone to the Sydney mansion of Chinese Communist Party-linked businessman Huang Xiangmo and suggested they speak outside, so that their conversation could not be intercepted via their phones.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/dont-assume-its-not-being-investigated-says-pm-of-sam-dastyaris-china-links/news-story/395e1bc33b208377fe82d4e860970508>

4. Australia seeks to curb China's infrastructure influence

03/12/2017

**Angus Grigg & Lisa Murray
Australian Financial Review**

A reconvened security grouping comprising Australia, the United States, India and Japan is seeking to bolster infrastructure lending across the region, in an effort to counter China's use of major projects to gain influence.

The Australian Financial Review has been told the proposal was discussed when the reformed group met for the first time on the sidelines of the East Asian Forum in Manila last month.

"They want to ensure there is another option on the table to fund infrastructure, not just what the Chinese are offering," said one person familiar with the discussion who asked not to be named.

Read more (Paywall):

<http://www.afr.com/business/infrastructure/australia-seeks-to-curb-chinas-infrastructure-influence-20171203-gzxlsy>

5. As China Rises, Australia Asks Itself: Can It Rely on America?

03/12/2017

**Jane Perlez & Damien Cave
The New York Times**

When the Australian government set out to write a new foreign policy paper, it faced hotly contested questions shaping the country's future: Will China replace the United States as the dominant power in Asia? If so, how quickly?

The government's answers came in a so-called white paper released last month by the administration of Prime Minister Malcolm Turnbull. For sure, China is challenging the United States in Asia, though in the end, it argues, America will prevail and Australia can count on its security guarantor of the past 70 years.

But a prominent defense strategist, Hugh White, has disputed that view, arguing in a provocative new essay that China has arrived, the United States is fading and Australia must find a way to survive on its own.

Read more:

<https://www.nytimes.com/2017/12/03/world/australia/australia-us-china-alliances.html>

6. Sam Dastyari is a Chinese 'agent of influence': ex-intelligence chief

04/12/2017

Aaron Patrick

Australian Financial Review

A top former intelligence official believes there is evidence that Labor senator Sam Dastyari was deliberately targeted by the China government to advance its interests in Australia.

"There is evidence that he may have been recruited as an agent of influence," said Ross Babbage, a former head of strategic analysis at the Office of National Assessments, the government's peak intelligence adviser. "That's my belief."

Being an "agent of influence" doesn't mean the 34-year-old senator was spying for Beijing. Instead, it refers to a global campaign to build long-term support for China and its policies, and collect information, around the world through business and political relationships.

Read more (Paywall):

<http://www.afr.com/news/politics/sam-dastyari-is-a-chinese-agent-of-influence-exintelligence-chief-20171203-gzxktb>

7. Bill Shorten visited home of Chinese donor Huang Xiangmo several months after ASIO party warning

04/12/2017

Latika Bourke

Sydney Morning Herald

Labor leader Bill Shorten visited Huang Xiangmo at his Sydney mansion to secure political donations several months after Labor officials were warned the controversial business figure was of interest to ASIO over links to the Chinese government.

Fairfax Media can reveal Mr Shorten - along with his family - travelled to the tycoon's home in Mosman in March 2016, seeking help to fund Labor campaign ads for the widely expected double dissolution election in July.

The visit was well after a 2015 briefing during which representatives of the three major parties - including the then ALP national secretary George Wright - were warned by ASIO of Chinese interference in Australian politics via massive cash donations.

Read more:

<http://www.smh.com.au/federal-politics/political-news/bill-shorten-visited-home-of-chinese-donor-huang-xiangmo-several-months-after-asio-party-warning-20171203-gzxqps.html>

8. Australia's China Quandary

04/12/2017

Parama Sinha Palit

CPI Analysis

China's quest for influence and power is becoming evident in the Asia-Pacific region as much as it is elsewhere in the world. An assertive China is more visible in the region in the backdrop of the US revisiting its Asia strategy. It is not clear whether even a strong US presence will be able to curb China's growing capacity to dictate regional policies and influence policy-makers in the region.

The Chinese state appears to be functioning in line with the American political scientist John Mearsheimer's contention that rising powers need to expand in order to survive, often compelling them to seek regional hegemony provoking conflict. Major Asia-Pacific countries like Australia that have for years reposed faith in the US-led liberal rules-based regional architecture are finding it tough to contain an assertive China. As a result, the region's leadership is engaging with other Asian and extra-regional powers for mutual assurance and for maintaining regional stability. The Quadrilateral Coalition which was resurrected in 2017 by Australia, the US, India and Japan, ahead of the ASEAN summit in Manila in 2017, is the latest example indicating the concern and apprehension of regional leaders over the increasing influence of China, and their willingness to partner with other players for forging closer interactions to ensure the maintenance of a rule-based regional order.

Read more: <https://cpianalysis.org/2017/12/04/australias-china-quandary/>

9. Rio Tinto cautious on softening China

04/12/2017

Peter Ker

Australian Financial Review

Rio Tinto believes the Chinese economy could slow over the next six months and the miner will temporarily close some Australian iron ore mines over the Christmas break as part of its focus on "value over volume".

But chief executive Jean-Sebastien Jacques remained upbeat on the longer-term outlook for the mining sector, suggesting the company was willing to enter new commodities through mergers and acquisitions and was well positioned to capitalise on a "turning point" in aluminium markets.

Addressing investors in Sydney on Monday after news that board member Simon Thompson would succeed Jan du Plessis as chairman, Rio said it had identified \$US1.5 billion of the \$US5 billion in productivity savings it hopes to deliver over the next five years.

Read more (Paywall):

<http://www.afr.com/business/mining/rio-tinto-cautious-on-softening-china-20171203-gzxyc2>

10. Mistrust of Australia is growing in China

04/12/2017

Nick Bisley (member of the China Matters Advisory Council)

The Interpreter

Over the past year or so the mood in Canberra has soured toward China. Indeed, of the countries unsettled by China's rise and its increasingly confident and assertive foreign policy, Australia is now among the most outspoken in its criticism of Beijing's behaviour.

This change has been visible in major set-piece speeches and in the foreign and defence policy white papers. Malcolm Turnbull's remarks at the Shangri-La Dialogue in June carefully but deliberately linked China with coercion, corruption and intimidation. Defence Minister Payne plainly stated at the Seoul Security Dialogue in September that China was not playing by the international rules. China's assertive behaviour in the South China Sea, its complete disregard for the June 2016 Permanent Court of Arbitration finding,

the interference in Australian domestic affairs and behaviour weakening the norms of restraint in international affairs are driving Australia's increasingly public concerns about China.

Read more:

<https://www.lowyinstitute.org/the-interpreter/mistrust-australia-growing-china>

11. Malcolm Turnbull announces biggest overhaul of espionage, intelligence laws in decades

05/12/2017

Henry Belot

ABC News Online

Foreign political donations will be banned and those trying to influence Australian politics on behalf of other nations will be forced to declare who they are working for, under new laws.

Prime Minister Malcolm Turnbull has announced the new legislation amid growing concerns within the intelligence community about the influence of Chinese Government agents and political donations.

Mr Turnbull said the Government could not afford to be naive about the threat of foreign interference and stressed the laws were not focused on the loyalties of multicultural Australians.

Read more:

<http://www.abc.net.au/news/2017-12-05/turnbull-announces-foreign-interference-laws/9227514>

12. China's veiled threat to Bill Shorten on extradition treaty

05/12/2017

Primrose Riordan

The Australian

Bill Shorten was issued a veiled warning from Beijing that Labor's support in the Chinese community could be influenced if the party did not support an extradition treaty promoted by the communist government.

The indirect threats, made in meetings with the Opposition Leader, Richard Marles and Penny Wong, were seen by some within Labor as an example of the

brazenness of Beijing's attempts to use networks in Australia to influence policy decisions.

The revelation comes amid government calls for senator Sam Dastyari to resign over alleged assistance to a donor with links to Chinese government organisations, and ahead of the introduction of new laws to counter foreign interference. The treaty, signed in 2007 by the Howard government, has been a sore point between the two nations after the government was forced to cancel attempts to ratify it in March in the face of internal and Labor opposition.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/chinas-veiled-threat-to-bill-shorten-on-extradition-treaty/news-story/ad793a4366ad2f94694e89c92d52a978>

13. Communist Party-linked group holds event at Hobart's Parliament House, Tasmanian politicians attend

05/12/2017

Rhiana Whitson

ABC News Online

A Chinese Communist Party-linked group's event held at Tasmania's Parliament House was designed to influence politicians to support Beijing's push for "unification" with the independent Taiwan, according to an expert on Chinese studies.

The Reception Room at Parliament House in Hobart hosted the launch of the of the Tasmanian branch of the Australian Council for the Promotion of Peaceful Reunification of China (ACPPRC) on October 16.

Then Speaker of the House Assembly Elise Archer signed off on the event, which was attended by Labor MP Lara Giddings and independent Upper House MP Rob Valentine.

Read more:

<http://www.abc.net.au/news/2017-12-05/tasmanian-parliament-used-by-group-link-to-china-communist-party/9224850?pfmredir=sm>

14. Australia Struggles to Chart a Course Between the US and China

05/12/2017

**James Hannah
Chatham House**

Australia's recently released foreign policy white paper, the first to be produced in 14 years, tries to bring together two competing tensions. First, Australia's region is in the process of being redefined by greater Chinese influence and decreased US dominance. That requires Canberra to assert its own agency in a contested space. Second, and more complicated, is the reality of Australia's relations to these two major powers. Australia's security is tied to an alliance with Washington, but economically China is by some distance its major trading partner.

The white paper states that 'more than ever, Australia must be sovereign, not reliant', but it understands that whatever stability can be achieved – whatever space for Australian agency – will be dependent on the relationship between the US and China. The anxiety stemming from this reactive dynamic is reflective of trends present throughout the region's states, but it is especially pronounced for Australia.

Read more:

<https://www.chathamhouse.org/expert/comment/australia-struggles-chart-course-between-us-and-china>

15. The art of influence: how China's spies operate in Australia

05/12/2017

**Charles Wallace
Canberra Times**

Intelligence activity by foreign nations is probably at an all-time high in Australia. Most of the time it is low-profile; the main effort is hacking public and private electronic systems, and phishing for data.

The collected data is used in various ways: to gain an understanding of national security systems and capabilities; to further the collector's strategic, political and economic interests; and to pressure people of interest.

The most active foreign intelligence actor in Australia is China. The espionage of China's Ministry of State Security is directed mainly at preserving and enhancing

China's national security by collecting commercial, technological and military data, and identifying zero-day cyber-attack vulnerabilities.

Read more:

<http://www.canberratimes.com.au/national/public-service/the-art-of-influence-how-chinas-spies-operate-in-australia-20171203-gzxs06.html>

16. Australia warned over 'siding against' China in security group

05/12/2017

Wendy Wu

South China Morning Post

A former Australian foreign minister has warned over his country siding against China in a security grouping with the United States, India and Japan.

Bob Carr said Australia should remain neutral and not be viewed as trying to "contain" China.

Prospects for a security coalition between Washington, Tokyo, Canberra and New Delhi gathered steam after officials from the four countries met in Manila last month for the first time for what is known as the Quadrilateral Security Dialogue, or "Quad".

The four nations did not mention China, but analysts say the grouping is partly a regional response to counter a stronger and more assertive China.

Read more:

<http://www.scmp.com/news/china/diplomacy-defence/article/2122885/australia-warned-over-siding-against-china-security>

17. Future of Adani coalmine hanging by a thread after Chinese banks back out

06/12/2017

Michael Slezak

The Guardian

Adani's Carmichael coalmine project will not be funded by Chinese banks, the Chinese embassy has said, in a move some see as dooming the project, and potentially Adani's operations in Australia.

Bob Carr, the former New South Wales premier and former foreign minister, told the Guardian he had been lobbying Chinese businesses and government for three weeks before receiving confirmation from the Chinese embassy in Australia that no Chinese bank would be financing the controversial project.

Read more:

<https://www.theguardian.com/environment/2017/dec/06/adani-coalmine-wont-be-funded-by-chinese-banks-embassy-says>

18. Chinese embassy says foreign interference laws undermine trust

06/12/2017

Primrose Riordan

The Australian

The Chinese embassy in Australia has issued a furious statement in response to the new foreign interference laws, accusing Australian politicians and officials of undermining “mutual trust”.

Yesterday Malcolm Turnbull announced new laws aimed at curbing foreign influence in Australian politics amid growing fears over the use of cash and covert activities to undermine the national interest.

Earlier this week the Chinese Foreign Ministry Spokesman made more mild comments in response to the laws rejecting any accusation that the country was interfering in Australian politics.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/chinese-embassy-says-foreign-interference-laws-undermine-trust/news-story/ab4c99f69ef60f01b569d380ba1fc2d4>

19. Turnbull told to 'discard prejudice' as China denies interfering in domestic affairs

06/12/2017

Katharine Murphy

The Guardian

China has declared it does not interfere in the domestic affairs of other countries and Beijing has urged the Turnbull government to “discard prejudice” and

deepen the bilateral relationship rather than pursue measures aimed at shoring up Australia from the risks of foreign interference.

The sharp comments from a foreign ministry spokesman come in response to the Turnbull government's decision to press ahead with a crackdown on foreign interference, with the introduction of legislation aiming to counter incidences of espionage and improper foreign influence within Australia's political system.

In telegraphing the imminent introduction of new legislation, the prime minister, Malcolm Turnbull, said on Tuesday the reforms were not directed at any one country, noting foreign interference was a global issue.

Read more:

<https://www.theguardian.com/australia-news/2017/dec/05/turnbull-told-to-discard-prejudice-as-china-denies-interfering-in-domestic-affairs>

20. Beijing accuses Turnbull of bias and Australian media of racism

06/12/2017

**Kirsty Needham & David Wroe
Sydney Morning Herald**

The Chinese government has swiftly rejected claims it interferes in Australian politics, with the foreign ministry, state media and Chinese embassy accusing Australia of bias.

The Turnbull government's foreign interference laws prompted the strong response.

China had "no intention to interfere in Australia's internal affairs or exert influence through political donations", said foreign ministry spokesman, Geng Shuang, in Beijing.

The backlash to the foreign interference legislation, unveiled by Prime Minister Malcolm Turnbull on Tuesday, is far tougher than China's response to the foreign policy white paper last month.

Read more:

<http://www.smh.com.au/world/beijing-accuses-turnbull-of-bias-and-australian-media-of-racism-20171206-gzzv1z.html>

21. China's attack on 'some Australian media'

07/12/2017

**Rowan Callick
The Australian**

Is the Chinese state gunning for Australia following the government's announcement of legislation on foreign interference?

Leaving aside the fulminations of *Global Times*, which glories in each click from outraged online readers, the core response has come from the Foreign Ministry, whose spokesman Geng Shuang commented on the issue in two successive daily briefings.

He made two main points, urging Australia to “discard bias” and denying “any intention to interfere in Australia's internal affairs”.

The Chinese embassy in Canberra issued a statement echoing these remarks while adding a separate strong attack on “some Australian media” whose reports, it said, were made up, were “filled with Cold War mentality and ideological bias, and reflected a typical anti-China hysteria and paranoid”, and were tainted with racial prejudice.

Read more (Paywall):

<http://www.theaustralian.com.au/opinion/columnists/rowan-callick/chinas-attack-on-some-australian-media/news-story/7cdeeb612895a0949747e509bd92c249>

22. Beijing lashes Canberra in diplomatic row

07/12/2017

**Primrose Riordan, Simon Benson & Rowan Callick
The Australian**

The Chinese government has launched an extraordinary intervention into Australia's politics, attacking the government, senior bureaucrats and journalists, and lashing out against a “Cold War mentality”, following Malcolm Turnbull's crackdown on foreign interference and fuelled by resentment over the foreign white paper.

In a blunt appraisal, the Chinese embassy yesterday issued a rebuke of “so-called Chinese influence” following what it described as “unjustifiable accusations” against the communist nation.

Relations between China and Australia have soured this year following the breakdown in support for an extradition treaty, conflict over the South China Sea, opposing views on China's Belt Road Initiative and pushback against Chinese influence in Australia.

Read more (Paywall):

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/beijing-lashes-canberra-in-diplomatic-row/news-story/ee5f6342ec1ab0a2a5c6dd2c7258ef09>

23. Australia has dropped the ball in its relationship with China

07/12/2017

Angus Grigg

Australian Financial Review

When Australia and China celebrated 40 years of diplomatic relations in 2012, the gala dinner in Beijing was notable for Treasurer Wayne Swann's mispronunciation of the name of every Chinese dignitary in the room.

But while the Treasurer's lack of tonal precision caused some gnashing of teeth that night, it was also viewed somewhat endearingly as striving hard to engage and connect with China.

That perception was only strengthened by Treasury Secretary, Martin Parkinson, going aphonic from the sheer volume of talking and drinking required during the visit.

Read more (Paywall):

<http://www.afr.com/news/world/asia/australia-has-dropped-the-ball-in-its-relationship-with-china-20171206-h00788>

24. China unveils its own counter-espionage rules

07/12/2017

Lisa Murray

Australian Financial Review

Just a day after the Australian government unveiled tough new laws on foreign interference, China released its own set of rules extending the power of authorities to implement the country's three-year old counter-espionage law.

The new regulations include broad definitions of what constitutes punishable conduct with foreign academics, commentators, political activists and religious figures potentially in the firing line.

Foreigners may be barred from entering China "if they are believed to be likely to take part in activities that undermine China's national security", according to a document released by the State Council on Wednesday.

The state security department can also deport foreigners suspected of being involved in "espionage" activities and ban them from entering the country for ten years.

Read more (Paywall):

<http://www.afr.com/news/world/china-unveils-its-own-counterespionage-rules-20171207-h00tjn>

25. Chinese power 'may lead to global academic censorship crisis'

07/12/2017

Ellie Bothwell

Times Higher Education

China's "new era" of increased global power poses a threat to academic freedom across the world and could result in global university leaders seeking to appease the country's Communist Party, experts have warned.

China's president Xi Jinping heralded the dawn of a "new era" of Chinese power during a recent speech at the Communist Party congress and said that it was time for his nation to transform itself into "a mighty force" that could lead the world on political, economic, military and environmental issues.

Academic experts on China said that there are already signs that the balance of power in Sino-Western university partnerships is shifting towards China, while recent reports show that China is exerting increased ideological control over foreign institutions based both inside and outside the country.

Read more:

<https://www.timeshighereducation.com/news/chinese-power-may-lead-global-academic-censorship-crisis>

26. Australia's White Paper woes

07/12/2017

Hugh White (member of the China Matters Advisory Council)
East Asia Forum

Low expectations have triumphed in the responses to the Australian government's recent Foreign Policy White Paper, which has been widely welcomed for providing both a convincing assessment of the international challenges that Australia faces and a credible response to them.

This says a lot about how little Australians have come to expect of their governments, because the White Paper so obviously underestimates the seriousness of the situation and offers no convincing policy response to it. If this is 'good enough', then Australians are accepting that their country should keep drifting into the most profound and problematic shift in international circumstances in decades without any comprehension of what is happening or any idea of how to deal with it.

Read more: <http://www.eastasiaforum.org/2017/12/07/australias-white-paper-woes/>

27. Safeguarding our democracy

08/12/2017

The Australian

We should not be rattled by China's volley of invective. Defending the integrity of our democracy from foreign interference goes to our bedrock values. And respectful, constructive relations with China serve our national interests. These two imperatives do not have to be at odds. It's true that Foreign Minister Julie Bishop's job right now must be an uncomfortable one, but the prickly regime in Beijing would not tolerate outsiders meddling in its own affairs. It's up to our government to put Australia's case calmly and clearly.

Anti-China bias, McCarthyism, fabrication, racism: these slurs from the Chinese embassy are a response not only to our proposed foreign interference laws but also to the new foreign policy white paper (which called out China's strategic self-assertion at the expense of international norms), the Sam Dastyari affair (which has been amplified by partisan politics because of Bill Shorten's failure of

leadership), and media reports of Beijing's attempt to leverage the local Chinese community.

Read more (Paywall):

<http://www.theaustralian.com.au/opinion/editorials/safeguarding-our-democracy/news-story/a0c19251a95be838275d9a16bdc19aea>

28. Confucius Institute in NSW education department 'unacceptable' – analyst

08/12/2017

Louisa Lim & Anders Furze
The Guardian

A former senior intelligence analyst for the Australian government is calling for an urgent review of an arrangement whereby a Chinese government-affiliated entity is embedded inside a state government department.

The New South Wales Department of Education is the first government department in the world to host a Confucius Institute, part of an international network established by Beijing in 2004 to promote Chinese language and culture and, in the words of a former senior Chinese official, “an important part of China’s overseas propaganda set-up”.

Read more:

<https://www.theguardian.com/world/2017/dec/08/confucius-institute-in-nsw-education-department-unacceptable-analyst>