

Media Roundup Issue 56 (26/01/18 – 02/02/18)

1. Wanted official returns to China from Australia

26/01/2018

Michael Smith

Australian Financial Review

Hu Juxing, a former Chinese government official living in Australia, has returned to China to face corruption charges.

Mr Hu was on a list of the country's 100 most wanted officials and had been living in Perth for the past 16 years where he had links to a number of businesses.

The People's Daily newspaper briefly mentioned Hu's return in a short story on Friday, a contrast to some prior cases of "fugitives" who were been paraded before television cameras on their return to China.

Mr Hu, a former housing department official in Taiyuan, fled China in 2002 and was accused of abusing his position and causing heavy financial losses. The former government official had links to four companies in Western Australia, two of which are registered at his home address in the Perth suburb of Atwell, the Australian Financial Review reported in 2015. At the time Mr Hu was believed to be one of 10 of China's most wanted corrupt officials hiding out in Australia.

Read more (Paywall): <http://www.afr.com/news/policy/foreign-affairs/wanted-official-returns-to-china-from-australia-20180126-h0owmm>

2. As the world changes around us, we're looking like strategic amateurs

27/01/2018

Peter Leahy (member of the China Matters Advisory Council)

The Australian

Momentous change is afoot in global affairs. Amid this change Australia and its allies will find it increasingly difficult to navigate a path that ensures the type of security and prosperity we have enjoyed over the previous few decades.

As if terrorism wasn't enough, the US Defence Secretary James Mattis, in unveiling a new defence strategy, spoke of great-power competition and said that countering China's expanding military and Russian aggressiveness was now the main focus of America's national security approach.

China's new confidence and assertiveness was highlighted in Xi Jinping's speech at the Communist Party's quinquennial congress. He spoke of socialism with Chinese characteristics for a new era in which China will move closer to centre stage and make greater contributions to mankind.

Read more (Paywall): <https://www.theaustralian.com.au/news/inquirer/as-the-world-changes-around-us-were-looking-like-strategic-amateurs/news-story/58ab0a5f9f97a07c6028f5931592b28b>

3. Our defence strategy: all the way with USA

27/01/2018

Paul Maley

The Australian

Australia has backed a new US defence strategy naming Russia and China as a greater threat to national security than Islamic terrorism in a move experts have labelled a watershed moment in Washington's strategic planning with potential long-term implications for regional security.

Defence Minister Marise Payne said while terrorism would remain an enduring threat, and while rising powers such as China had every right to question the existing order, Australia shared strategic concerns being expressed in Washington.

"It is for the US to determine what is of concern in relation to its national security, but I would note that Australia shares similar concerns," Senator Payne told *The Weekend Australian*.

Her comments come just a week after US Defence Secretary Jim Mattis released the 2018 National Defence Strategy, described by Australian strategic experts as one of the most significant documents to emerge from the Pentagon since the Cold War.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/defence/our-defence-strategy-all-the-way-with-usa/news-story/4db0d0fea9881875b3bb91be046d4f72>

4. Australia debates value of electric vehicles while China pushes ahead

27/01/2018

Kirsty Needham

Sydney Morning Herald

When Hong Dan, 26, bought her first car six months ago, the choice to go electric was simple.

First, in pollution-conscious Beijing, getting a licence plate for an electric car is easier than a petrol car.

Beijing's annual quota for conventional tail-pipe licence plates was more than halved this year, from 90,000 to 40,000, and the capital is among seven major Chinese cities to restrict conventional licence plates. Would-be drivers wait years in an annual lottery.

Those willing to get behind the wheel of an electric vehicle wait just a few months, with 60,000 plates on offer.

Read more: <http://www.smh.com.au/world/australia-debates-value-of-electric-vehicles-while-china-pushes-ahead-20180125-p4yyws.html>

5. Sydney Uni's Michael Spence lashes government over 'Sinophobic blatherings'

28/01/2018

Andrew Clark

Australian Financial Review

The row over claims of Chinese students' spying in Australia has deepened, with Sydney University vice-chancellor Michael Spence accusing the Turnbull government of "Sinophobic blatherings" and warning it is damaging one of Australia's fastest growing industries.

As the head of Australia's oldest university, with a 67,000 student body and 15,000 high fee-paying overseas Chinese students, Dr Spence warned that continuation of a hostile attitude by the government could even threaten Australian iron ore and agricultural exports to China.

"Calling them spies or whatever without any evidence is just not very welcoming, and these are only kids whose families have made huge sacrifices to send them

overseas and I just think we need to give them a fair go," said Dr Spence, who has been vice-chancellor of Sydney University since July 2008.

Read more (Paywall): <http://www.afr.com/news/policy/education/sydney-unis-michael-spence-lashes-government-over-sinophobic-blatherings-20180128-h0pjc4?btis>

6. Chinese to increase investment in Australian healthcare sector

29/01/2018

Glenda Korporaal
The Australian

Chinese investors are expected step up their investment in the Australian healthcare sector, according to a study released today by KPMG and the University of Sydney's Business School.

The study predicts the ageing of the Chinese population, the rising health consciousness of the increasingly affluent Chinese and the government's "Healthy China 2030" policy will encourage more investment in Australia.

This follows some \$5.5 billion in investments by Chinese buyers in Australian healthcare companies from 2015 to 2017, with deals including the \$1.4bn takeover of Swisse and the \$800 million takeover of the Ansell Sexual Health business.

Read more (Paywall): <https://www.theaustralian.com.au/business/chinese-to-increase-investment-in-australian-healthcare-sector/news-story/5589a6b08bf0a0d480c6f3fd82ac5df1>

7. Momentous global change needs strategic responses

29/01/2018

The Australian

In one of the most significant strategic assessments to emerge from the Pentagon for decades, US Defence Secretary Jim Mattis has identified Russia and China as greater threats to US national security than Islamic terrorism. Australia, as Defence Minister Marise Payne told *The Weekend Australian*, shares the same concerns as those being expressed in Washington. Mr Mattis's 2018 National Defence Strategy sets out in detail what has become increasingly clear — Russia and China, as "revisionist powers", are intent on shaping the world to advance

their interests, often at the expense of US and Western influence. The pattern has become clear in Russia's alliance with Iran, its support for the Assad regime in the Syrian civil war, its annexation of Crimea in 2014 and its interventions in Ukraine. Beyond its aggression in the South China and East China Seas, China is exercising "soft power" and economic muscle in Africa, the South Pacific, Pakistan, the Philippines, and through the Belt and Road initiative. It has declared itself a "Near-Arctic State" with a view to shipping, scientific research, fishing and resource development at the pole and has even made headway with the Vatican.

Read more (Paywall):

<https://www.theaustralian.com.au/opinion/editorials/momentous-global-change-needs-strategic-responses/news-story/f5fcec69cc5e6a5f620dc1a99af573c>

8. 'We have a different perspective': Julie Bishop distances Australia from US on China, Russia threat

29/01/2018

Fergus Hunter

Sydney Morning Herald

The Turnbull government has distanced itself from a central theme of the Trump administration's new national defence strategy, which defines growing Russian and Chinese military might as greater threats than terrorism.

The American strategic outlook, unveiled earlier this month by Defence Secretary Jim Mattis, elevates "inter-state strategic competition" as the administration's primary focus and outlines Russia and China as authoritarian and revisionist powers seeking to challenge the US, undermine free and open economies and grow their militaries.

But Foreign Minister Julie Bishop on Monday said neither country posed a military threat to Australia – a statement at odds with Defence Minister Marise Payne, who recently said Australia shared "similar concerns" to the US on national security threats.

Read more: <http://www.smh.com.au/federal-politics/political-news/we-have-a-different-perspective-julie-bishop-distances-australia-from-us-on-china-russia-threat-20180128-h0ppym.html>

9. China's South Pacific aid: what are we afraid of?

29/01/2018

Anthony Bergin
The Strategist

Australia has always been the big fish in our Pacific pond, although we haven't always lived up to our grand rhetoric of Pacific leadership.

In the recent foreign policy white paper, Australia pledged to step up its support to help create a more resilient Pacific and Timor-Leste. The paper notes that competition for influence in the region is growing, and proposes extending selected Australian government services into the Pacific and giving Pacific islanders access to the Australian labour market.

The white paper says we'll help to integrate Pacific countries into the Australian and New Zealand economies and into our security institutions. It says, without providing details, that an Australian Pacific Security College will be established. Overall, the paper promises that Australia will bring 'greater intensity and ambition' to our approach in the Pacific.

Read more: <https://www.aspistrategist.org.au/chinas-south-pacific-aid-afraid/>

10. China's growth story is far from dead: it's still unfolding

29/01/2018

Geoff Raby (Associate of China Matters)
Australian Financial Review

As Mark Twain famously said, the news of my death is greatly exaggerated. And so it is of the imminent hard landing of the Chinese economy under a mountain of debt, bringing with it the demise of the China economic miracle.

An undercurrent of wishful thinking runs through much of this. The China model confounds conventional economic wisdom on the respective roles of market and state and, accordingly, is doomed eventually to re-set the balance between market and state, or fail.

China has long defied dire predictions from the "hard-landing" school of analysis. Last year's official GDP growth rate of 6.9 per cent exceeded all expectations - even the government's own target of 6.5 per cent. China has now sustained growth at over 6 per cent for the past seven years, enough to increase

total GDP and per capita incomes by over 50 per cent. Not bad for an economy that was supposed to be on the verge of shuddering to a crawl all those years.

Read more: <http://www.afr.com/opinion/columnists/chinas-growth-story-is-far-from-dead-its-still-unfolding-20180129-h0pw2u?btis>

11. Penny Wong slams Coalition's 'clumsy' approach to China relationship

30/01/2018

**Rachel Baxendale
The Australian**

Labor foreign affairs spokeswoman Penny Wong has slammed the Turnbull government's "ham-fisted and clumsy" approach to Australia's relationship with China, after Foreign Minister Julie Bishop yesterday distanced herself from comments made by Deputy Prime Minister Barnaby Joyce and Defence Minister Marise Payne.

Over the weekend, Mr Joyce and Senator Payne backed the US Department of Defence's new National Defence Strategy, which singled Russia and China out as threats.

US Defence Secretary Jim Mattis has since stated that: "Interstate strategic competition, not terrorism, is now the primary concern in US national security."

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/penny-wong-slams-coalitions-clumsy-approach-to-china-relationship/news-story/407acc18863ca41f65e8326cf1308ced>

12. We bash China at our own peril

30/01/2018

**Graham Richardson
The Australian**

For far too long, casting a friendly eye in the direction of China has been a hazardous undertaking in this country, as Sam Dastyari could readily attest.

The statement US Defence Secretary Jim Mattis made this week included an acknowledgment that Russian and Chinese power was "eroding" American influence.

If he had stopped there then little or no controversy would have ensued. However, like his boss, President Donald Trump, Mattis could not resist the temptation to lay the rhetoric on too hot and too heavy.

Read more (Paywall): <https://www.theaustralian.com.au/opinion/columnists/graham-richardson/we-bash-china-at-our-own-peril/news-story/1b1373cabd26415ed662861a076c01bb>

13. AFP and ASIO to co-operate on China investigations

30/01/2018

**Nick McKenzie & Richard Baker
Sydney Morning Herald**

Australia's police and intelligence chiefs are ramping up efforts to charge spies and counter foreign interference as senior officials concede the previous "catch and deport" system needs overhauling.

Fairfax Media has confirmed ASIO chief Duncan Lewis and federal police commissioner Andrew Colvin met earlier this month to discuss a new law enforcement regime that could see federal police dedicated to investigating foreign interference and espionage.

Until now, police have not been directly involved, while intelligence agencies have tended to deport people suspected of spying or foreign influence, instead of prosecuting them under the espionage law.

Read more: <http://www.smh.com.au/federal-politics/political-news/afp-and-asio-to-co-operate-on-china-investigations-20180129-p4yz0n.html>

14. Clive Hamilton, Alex Joske say Beijing limits academic freedom of speech on campus

30/01/2018

**Robert Bolton
Australian Financial Review**

The Parliamentary Joint Committee on Intelligence and Security will hear renewed concerns about Beijing's influence in Australian universities.

A submission on Wednesday by ethics professor Clive Hamilton and student Alex Joske, claims the Chinese Students and Scholars Association, which has 3 branches in Australia, is actively monitoring activity on domestic campuses.

That comes just two days after Sydney University vice chancellor Dr Michael Spence lashed the government for “Sinophobic blatherings” over Beijing’s influence in Australia.

Dr Spence said he’d never seen any evidence of Chinese influence in university decision making.

Read more (Paywall): <http://www.afr.com/news/policy/education/clive-hamilton-alex-joske-say-beijing-limits-academic-freedom-of-speech-on-campus-20180130-h0qhl3>

15. Pacific Island leaders tailor projects

31/01/2018

Graeme Smith

The Australian

On January 23, Vanuatu’s government took the unprecedented step of issuing a press release to counter remarks made by Australia’s Minister for International Development and the Pacific, Concetta Fierravanti-Wells, about China’s aid in the Pacific that framed Pacific nations as passive recipients of poorly designed projects.

The presser lists all the buildings erected with Chinese aid, including Vanuatu’s parliament, the National Convention Centre, the Melanesian Spearhead Group building, the National Sports Complex and the Prime Minister’s Office: “These are not white elephants. They are buildings of national significance to this country.” The document goes on to explain why Vanuatu turned to China for the projects backed by large concessional loans. “No donor was willing (to) help provide assistance on these projects although the economic benefits (are) huge.”

Here’s the rub both for Beijing and for anyone looking to criticise its aid: China provides the aid that Pacific leaders ask for.

Read more (Paywall): <https://www.theaustralian.com.au/opinion/pacific-island-leaders-tailor-projects/news-story/b2ece7821accfd7cab225708cef70f66>

16. Foreign interference threat higher than Cold War: ASIO

31/01/2018

**Primrose Riordan
The Australian**

The prevalence of foreign interference and espionage in Australia is at a higher level now than during the Cold War, Australia's peak intelligence agency has told parliament.

There is "an element" of truth to the argument that Australia been slow to identify the threat of foreign interference, an Australian Security Intelligence Organisation official said during a parliamentary review of proposed treason laws.

The Turnbull government introduced laws last year targeting covert, deceptive conduct on behalf of foreign interests after intelligence agencies warned of a growing level of "harmful espionage and foreign interference" operations in Australia.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-interference-threat-higher-than-cold-war-asio/news-story/7572d163c00cdb02cc7531671e7ecae8>

17. Labor's Tony Burke accepted \$30,000 from China-linked businessman after ASIO party warnings

01/02/2018

**David Wroe
The Age**

Labor took a \$30,000 donation for frontbencher Tony Burke's election campaign from a Beijing-linked businessman, despite two warnings from security agency ASIO that it was concerned about the man's connections to the Chinese Communist Party.

Overall, Australian Electoral Commission disclosures published on Thursday reveal Beijing-linked donations have dropped dramatically, coinciding with a wave of public debate about the risk of politicians being compromised by foreign money.

The donation to NSW Labor was made by Hong Kong Kingson Investment Co., a company owned by Chau Chak Wing, a billionaire property developer and prolific political donor.

Read more: <http://www.theage.com.au/federal-politics/political-news/labor-s-tyony-burke-accepted-30-000-from-china-linked-businessman-after-asio-party-warnings-20180201-p4yz7q.html>

18. Serving two masters? Australia feels heat of Trump's anti-China push

01/02/2018

Mark Kenny

Sydney Morning Herald

Australia's already delicate balancing act between Washington and Beijing has been further exposed after Donald Trump named the Asian giant - Australia's largest trading partner - among a clutch of "horrible dangers" confronting America.

The US president made the comments in his 2018 State of the Union Address to Congress, using the protracted speech to recommit to America's military superiority globally in order to restore the super-power's prestige around the world.

Key to the Trump's "make America great again" doctrine, is the deterrent value of parading "unmatched power" via its colossal military capability underpinned crucially by its vast, if ageing, nuclear weapons arsenal, which is to be more rapidly modernised.

Read more: <http://www.smh.com.au/world/serving-two-masters-australia-feels-heat-of-trump-s-anti-china-push-20180131-p4yz63.html>

19. China reacts to ASIO claims of 'extreme threat' with a joke

02/02/2018

Kirsty Needham

Sydney Morning Herald

China's foreign ministry has joked that the millions of Chinese tourists arriving in Australia annually could make the government feel nervous if it treats them as spies.

The comments by Chinese foreign ministry spokeswoman Hua Chunying in Beijing came after the Australian Security Intelligence Organisation (ASIO) told a parliamentary inquiry that the threat posed by foreign spying was worse than during the Cold War.

ASIO's deputy director for counter-espionage, Peter Vickery, said in Canberra on Wednesday, during hearings on the Turnbull government's foreign influence bill, that some countries posed an "extreme" threat, but declined to name them.

Read more: <http://www.smh.com.au/world/china-reacts-to-asio-claims-of-extreme-threat-with-a-joke-20180201-h0s9j5.html>

20. Letter shows Huang Xiangmo still in charge of Beijing front group

02/02/2018

**Paul Maley & Primrose Riordan
The Australian**

Billionaire Chinese property developer and political donor Huang Xiangmo has confirmed he is still in control of Beijing's main umbrella organisation in the Asia-Pacific, despite recent attempts to distance himself from the local Australian franchise in the wake of the Sam Dastyari scandal.

Companies linked to Mr Huang recently outlaid more than \$1 billion to buy two landmark development sites on the Gold Coast and one in Sydney from an arm of troubled Chinese conglomerate Dalian Wanda Group.

In a document obtained by *The Australian*, the Oceanic Alliance of the Promotion of Peaceful Reunification of China Inc, a regional grouping that encompasses Australia, New Zealand, Fiji, Papua New Guinea, Vanuatu, Tonga, the Solomon Islands, French Polynesia and New Caledonia, confirms that Mr Huang would remain president. The alliance, which academics assert has close ties to the Chinese state, appears to be an umbrella group enveloping, among others, the Australian Council for the Promotion of the Peaceful Reunification of China.

Read more: <https://www.theaustralian.com.au/national-affairs/foreign-affairs/letter-shows-huang-xiangmo-still-in-charge-of-beijing-front-group/news-story/ec18e0533326dd3d4cbccc54be8b92d2>

21. Energy: Morrison's new regime for foreign investment welcomed

02/02/2018

Glenda Korporaal
The Australian

Energy industry advisers have welcomed comments by Scott Morrison that all foreign bids for electricity assets would be examined by the Foreign Investment Review Board, saying it provides more certainty to the process.

The new regime — under which all electricity distribution and transmission infrastructure are critical assets subject to national security review — was praised as a better alternative than the embarrassing situation in 2016 where two Chinese bidders for NSW electricity company Ausgrid were rejected in the last minute.

But the stricter new regime for the review of potential foreign bids for electricity assets will also cut potential prices for future sales.

Read more (Paywall): <https://www.theaustralian.com.au/business/mining-energy/energy-morrissions-new-regime-for-foreign-investment-welcomed/news-story/5cdc144e95c13ac48a4d390ceec7cf1e>