

Herald Sun

SE OpEd
HD Time we got used to **China** playing a major role in life
BY ED GANNON
WC 650 words
PD 16 May 2014
SN Herald-Sun
SC HERSUN
ED HeraldSun
PG 34
LA English
CY © 2014 News Limited. All rights reserved.
LP

HAS there been a country since we were a devoted servant of the British Empire that has dominated Australia as much as **China** does today? The effects of this increasingly powerful giant are being felt in every part of our lives.

Our hip pocket, jobs, retirement age, food prices, even our education are directly affected by **China**. Let's start with Tuesday's Federal Budget. The reason we are in such bad shape — bad shape never mentioned by any party during last year's federal election campaign — is purely due to **China**.

TD

Remember the mining boom? Those heady days of flouro in **business** class, of jet skis and shiny twin-cab utes being compulsory for 19-year-olds. Yes, the stream of cash into government coffers from that boom allowed the Howard government to **buy** its way to a couple of election wins by handing out largely unnecessary middle-class welfare payments, such as the baby bonus, schoolkids payment and family allowance payments to people who didn't need them. And all funded by money from **China**.

So now, with the boom having dropped a few cogs, the money is no longer flowing so freely, prompting Henchman Hockey to do his bit.

China is not to blame for Hockey's axe. Far from it. But without money flowing from that country, we wouldn't have the fiscal hangover we have today.

But **China**'s influence is far from waning.

There's been plenty of attention on **Chinese** buyers in our property market. Many were shocked when a Hawthorn mansion recently **sold** for \$20 **million** to a **Chinese** buyer — and news the buyer was in the market for two or three more at a similar price.

Yet rural Australia has been watching that play out in the property market for some time.

A recent farm **sale** was the 2025-hectare property Lal Lal Estate, near Ballarat, which **sold** for an undisclosed sum. This is a showpiece property, with a 1911 homestead and 2.5-hectare garden. That's a garden roughly about the size of 50 suburban blocks.

What makes this **sale** of note is that it was **sold** by Geoff Fiskin, president of WoolProducers Australia, the peak body representing wool growers.

It is probably not surprising that when it came time for Mr Fiskin to sell, it would be to a **Chinese** buyer.

There is no clearer example than the wool industry of how we have moved from a British-based economy to a **Chinese**-based one.

While once we **sold** nearly all our wool to the woollen mills of northern England, today we sell virtually all our wool to **China**.

The fine stuff still ends up in Italian suits, but it does so via the mills of **China**.

The next frontier is food.

China and its Asian neighbours have long been buyers of our food. But much of it was bulk product, such as powdered **milk** and grains.

Now, the revolution is in processed and packaged food.

The Weekly Times this week identified 13 **dairy** factories across Victoria that have undergone major upgrades in the past two years, based entirely on demand from **China** and Asia. One such factory is the Pactum **Dairy Group** plant at Shepparton. It just opened to supply UHT **milk** to **China**.

It had expected to hit 100 **million** litres of production in three years. It now expects to reach that target next year.

What is really interesting about this plant is that the UHT containers coming off its lines are branded entirely in **Chinese**.

There is a wariness about **China** buying our farms and our houses. But at the end of the day **China** is here to stay — and it will have a bigger impact on your lives than many realise. ED GANNON IS EDITOR OF THE WEEKLY TIMES

NS gcat : Political/General News

RE china : China | austr : Australia | victor : Victoria (Australia) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

PUB News Ltd.

AN Document HERSUN0020140515ea5g0001u