

China jailings Action follows pressure by Gillard over fate of Australians

# Businesswoman's retrial expedited

Angus Grigg

Shanghai | Jailed Australian businesswoman **Charlotte Chou** will have her retrial heard by a Chinese court on May 29, months earlier than her family and lawyers had expected.

The setting of a trial date comes after Prime Minister **Julia Gillard** elevated the issue of imprisoned Australians during her six-day trip to China in April. During the visit, the Department of Foreign Affairs and Trade released a briefing paper which said the jailing of Australians in China was putting "considerable strain on the bilateral relationship".

"The government is particularly concerned about those cases where criminal charges arise as a result of business

## Key points

Charlotte Chou's retrial on embezzlement charges has been brought well forward.

DFAT had released a paper during the PM's China visit saying the jail sentences were straining relations.

disputes," the paper said.

After the paper was released Ms Gillard raised the issue with Chinese Premier **Li Keqiang**.

Since then one Australian has already been released from jail.

**Carl Mather**, a former public servant

from Perth, was freed from a detention centre in the eastern city of Nanjing on Monday, after having his year-long sentence cut in half.

Mr Mather was jailed for assault, but the charges were related to a business dispute involving his wife's food wholesaling company.

Ms Chou, a single mother who came to Australia to study in the late 1980s, is serving an eight-year sentence for embezzlement. But she has been detained since June 2008, after first being convicted of bribing a tax official.

"The retrial is much quicker than we thought," said Ms Chou's sister, **Zhou Wanping**, who lives in Sydney.

"This is good news as they [Chinese authorities] usually delay such things."

Ms Zhou is hopeful her sister's sen-

tence will be reduced but it is unlikely Ms Chou will be declared innocent.

Like the four other Australians jailed in China recently, Ms Chou's troubles began when she fell into dispute with a business partner. This centred on ownership of a private university Ms Chou co-founded in the southern city of Guangzhou, which has 10,000 students and is worth an estimated \$100 million.

Her case mirrors that of fellow Chinese-born Australian entrepreneur, **Matthew Ng**. In December 2011, he was sentenced to 13 years in prison – later reduced by 18 months – for bribery and embezzlement in a case his family say was concocted by a business rival.

Mr Ng's case centred on control of his travel company, GZL.

In China, compliant courts are often

used in business disputes to pressure foreign businesses into forgoing their economic interest and, in extreme cases, jail terms are handed down.

The federal government is in an awkward position in relation to the jailing of Australian business people. While it is trying to promote greater commercial ties and diversify trade flows away from resources, it has seen increasing complaints about the business environment for Australians in China.

The most recently publicised case involved the jailing of Australian surgeon and biotechnology entrepreneur **Du Zuying**, who was jailed amid an ownership dispute in relation to his \$700 million Nasdaq-listed company. After more than a year, Dr Du is still awaiting the outcome of his appeal.



Dry as a dead car ... Western Australia's south-west hasn't had a wet year in two decades. PHOTO: ANDREW QUILTY

## Land clearing repels rain clouds

Jonathan Barrett

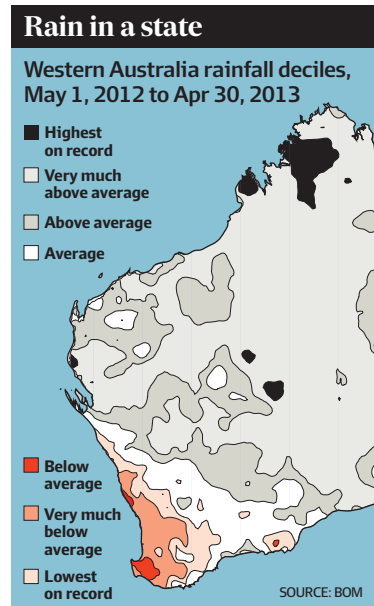
Government subsidies directed to Western Australia's struggling wheat-belt farmers may prove little more than a Band-Aid solution as regional experts warn of a long-term, man-made reduction in rainfall in the area.

Land clearing in the state's south-west for agricultural and urban development has coincided with a significant decline in rainfall.

**Tom Lyons**, an experimental micrometeorologist at Perth's Murdoch University, said it was remarkable how distinct rainfall was between areas of native vegetation and cleared land in the area. "We've witnessed cloud bands over the native vegetation and absolutely nothing over the agricultural areas," said Professor Lyons, who has been studying the region for more than 20 years. "The wettest paddocks are always the paddocks that back onto native vegetation."

In the early 1900s, the south-west experienced a year that could be classified as a "wet year" about one in every two. That has diminished significantly since the 1960s, to the extent that there hasn't been a wet year for two decades. The region had its driest year on record in 2010, and the two years of 2010-11 were the driest on record in some parts, the Bureau of Meteorology said.

Experts tend to blame a combination



of climate change, land clearing and normal cyclical factors for the drying climate. While there is still debate over how land clearing affects precipitation and how forests "attract" rain, it is widely accepted that felling trees reduces rainfall.

**Mark Andrich**, an honorary research fellow at the University of Western Australia's centre for water research, said it appeared that in some locations in WA,

more than half the winter rainfall decline observed from the 1960s had been caused by deforestation.

"The key is to simply reforest with native vegetation and, where possible, with tall trees that are allowed to reach full maturity," he said. "The larger the tree, the [greater] impact on the local climate." He said further research, such as running reforestation trials and measuring the effect on local climate, should be undertaken.

The rainfall findings and possible solutions raise questions over the effectiveness of short-term financial measures to help farmers stay on the land.

WA Farmers Federation director of policy **Trevor Lovelle** said the long-term issue didn't take away from the immediate need of farmers in the region, who had also been hit by unfavourable economic conditions.

"It's something we are mindful of," Mr Lovelle said. "There needs to be more research but, for the moment, at top of mind is getting the next crop in."

The difficult conditions have been exacerbated by a high Australian dollar and increasing input costs for WA's export-oriented farmers.

The federal government has released a \$420 million package to help struggling farmers climb out of debt, while WA has a modest package that includes financial help directed at those leaving the sector.

## Qld companies warn against tax hikes

Mark Ludlow

Queensland's mining and property industries have called on the Newman government to resist the urge to raise taxes and charges in next month's state budget, despite a slowdown in revenue flowing into state coffers over the past few months.

Premier **Campbell Newman** and Treasurer **Tim Nicholls** have warned about the "dire" state of the finances since they handed down the Liberal National Party's response to the audit of state finances by former federal treasurer Peter Costello released last week.

Peak mining and property groups have given up on receiving any significant tax relief in the June 4 budget, and they fear they could be slugged with potential tax increases to help cover the large budget deficits expected in the next few years.

**Urban Development Institute of Australia's** Queensland president **Neil O'Connor** said the property and development sector in the state was still doing it tough and calling for new initiatives to kickstart it.

"If the government could reduce rates and taxes that would be fantastic, but we're cognisant of the fact the government has no money," Mr O'Connor said. "We're trying to be realistic and suggesting things that are going to give

more bang for their buck." In its pre-budget submission, the UDIA has recommended the Newman government reduce transfer duty on off-the-plan property sales – a move that would cost between \$50 million and \$90 million a year, but would stimulate the development sector.

It is based on the system used in Victoria but with an upper contract limit of \$750,000.

"I think it would really help a number of projects get across the line," Mr O'Connor said.

The UDIA has also called for land which is set to be "actively developed" to be exempt from land tax, as well as the state helping pay for urban infrastructure.

**Queensland Resources Council** chief executive **Michael Roche** said the coal sector, which is already struggling to compete with its international rivals, had asked the government to index recent royalty increases to inflation, to help ease the burden on the industry. This would cost \$40 million in its first year.

The LNP government has already promised not to increase coal royalties after lifting them in this year's budget, but the industry is concerned about being hit with any "backdoor tax increases" to existing user charges, such as the health and safety levy.

## Our unis in global top 10

Tim Dodd

Education faculties of Australian universities are among the highest ranked in the world, according to the latest QS World University Rankings released on Wednesday.

Four local universities were ranked in the global top 10 in the performance of their education faculties – the University of Melbourne, Monash University, the University of Sydney and the University of Queensland.

The new figures compare the performance of universities around the world by subject area, and the University of Melbourne topped the list of Australian universities, ranking in the global top 10 in six subjects: education (3), law (5), linguistics (6), psychology (7), accounting and finance (7) and medicine (9).

The Australian National University is in the global top 10 in five subjects: politics and international studies (6), history (7), geography (equal 8), linguistics (9) and philosophy (10). The University of Sydney is ranked in the top global 10 in three subjects: education (8), accounting and finance (9) and law (10).

The University of Queensland had four subjects ranked in the global top 10: agriculture and forestry (7), psychology (9), environmental sciences (9) and education (10). Monash University had two in the top 10: education (6) and pharmacy and pharmacology (equal 7).

The University of NSW had one subject in the top 10: psychology (10).

The QS World University Rankings are published by Quacquarelli Symonds, a London-based firm providing higher education information and student placement services.