



Australia China Business Council  
澳大利亚中国工商业委员会

# CANBERRA NETWORKING DAY | 2019

## Event Report

26 June 2019

# Foreword

**On behalf of the Australia China Business Council (ACBC) I would like to welcome you to our signature event for 2019: Canberra Networking Day (CND). CND is an opportunity for Australia's China-engaged business community to meet, to hear from our nation's leaders, and to contribute to the national conversation at the highest levels.**



.....

This year's CND could not come at a more important time. Australia has a freshly re-elected government, returned on the promise of keeping the economy strong. As we prepare to enter the third decade of the 21st century, ACBC members know that this will require a close, constructive and ever-deepening engagement with our largest trading partner, China.

Gone are the days when our relationship with China could afford to be merely transactional. As China's middle class continues to grow and consumption continues to rise, demand will increasingly shift to services. This means that at every level, Australia's relationship with China will become more fine-grained:

Australian businesses will need to develop a deeper understanding of Chinese markets, and especially of the Chinese digital environment. We need to embrace initiatives such as the China International Import Expo (CIIE) and the Belt and Road Initiative (BRI), and find new ways to connect with consumers hungry for the kinds of healthy, high quality, 'clean and green' products and services Australia can provide.

Australian governments will need to understand China as a huge and diverse country, rightly proud of its growth and of lifting hundreds of millions from poverty. We will need a mature and nuanced official stance towards China — one that centrally involves, but is not limited to, national security concerns.

ACBC welcomes the Government's recent decision to establish a National Foundation for Australia-China Relations, and we look forward to working with this new body.

Finally — and perhaps most importantly — the Australian community must renew our efforts to develop the people-to-people relationships that underpin a healthy relationship with China. This can be done through sporting and cultural exchange, by engaging more closely with Chinese tourists and international students, and of course by celebrating the 1.2 million Australians of Chinese heritage.

CND 2019 has a packed program of opportunities to learn more about the Australia-China relationship as it stands today, and as it may look tomorrow. I wish you all the very best for the day.

A handwritten signature in black ink, appearing to read 'John Brumby'.

**The Hon John Brumby AO**

National President  
Australia China Business Council



## Australia China Business Council

International Chamber House  
Level 5, 121 Exhibition Street  
Melbourne VIC 3000

T: +61 3 9027 5609  
F: +61 3 9027 5608  
E: [national@acbc.com.au](mailto:national@acbc.com.au)

National President: The Hon John Brumby AO  
National CEO: Helen Sawczak

 @AusChinaBC

 Australia China Business Council

 @AustraliaChinaBusinessCouncil

[acbc.com.au](http://acbc.com.au)

# Overview

## About ACBC

**The Australia China Business Council (ACBC) is the premier business organisation in Australia dedicated to promoting and developing two-way trade, investment and economic cooperation with China.**

Established in 1973, the ACBC is the peak body representing the Australia-China business community, and a trusted and authoritative voice on matters relating to Australia-China business.

The ACBC is a membership-based, non-profit, NGO, characterised by a leading National office with representative offices across all States and Territories of Australia. The ACBC works extensively with all levels of both the Australian and Chinese Government, and has deep relationships with leaders across business and industry.

## Event Summary

Canberra Networking Day (CND) is the Australia China Business Council's annual member-only event held in Canberra at Parliament House. Hosted every year with the support of the Department of Foreign Affairs and Trade and the Chinese Embassy Canberra, Canberra Networking Day has been firmly established as a signature and premier annual event in the Australia-China bilateral business calendar.

CND presents a unique opportunity for ACBC members to meet with Federal Ministers and senior officials charged with the major public policy decisions driving the Sino-Australian trade and investment relationship as well as networking with senior business and industry leaders.

## Event Sponsors



## Event Partners



# Contents



## Opening

### Welcome and Opening Remarks

Helen Sawczak  
The Hon John Brumby AO  
HE Cheng Jingye

## Panel Sessions & Launch Reports

### Keynote Speaker

The Hon Senator  
Simon Birmingham  
Minister for Trade, Tourism  
and Investment

### Launch of Report: Australian Brands in China Index Report 2019

### Launch of Report: Impact of the Significant Investor Visa Program

A long-term proposition  
for Australia

Andrew Culley

**Moderator:**  
David Speers

**Panellists:**  
Kathryn Matthew  
The Hon John Brumby AO

### Panel 1: Investment

**Moderator:**  
David Speers

**Panellists:**  
Andrew Martin  
Grace Bacon  
Chris Carr

### Panel 2: Chinese Consumption: habits, patterns and trends

**Moderator:**  
Andrew Kuiler

**Panellists:**  
Maggie Zhou  
Ophenia Liang

### Keynote Speaker

Hon Madeleine King, MP  
Shadow Trade Minister

### Keynote Speaker

Tim Beresford

### Panel 3: People to people connections

**Moderator:**  
Helen Sawczak

**Panellists:**  
Sophie Galaise  
Ben Slack  
Kevin Magee

## Sponsors

### Event Sponsors:



### MinterEllison



### Event Partners:



# The Hon John Brumby AO

National President, ACBC

I'd like to start by congratulating the Morrison Government on their election win. While I am sure analysis of the election result will continue for some time, one thing is clear: The Government was re-elected on a promise to keep the Australian economy strong. Every ACBC member knows that one factor more than any other will determine whether that promise can be kept and that's the strength of the Australia-China relationship.

Not only is this relationship one of the main reasons behind more than a quarter century of unbroken economic growth. Not only does it account for around 40% of Australia's growth post-GFC. Not only has it led to more than \$192 billion of two way trade today. But Australia's economic relationship with China will continue to shape the economic prospects and quality of life of Australians for generations to come.

That's why ACBC has a full page ad in Monday's and today's newspapers with the message: 'Relationships. We like ours strong.' A strong Australia China relationship is good for Australia, good for China and good for the world.

In just a few months' time, my period as National President of the Australia China Business Council comes to an end. If I've learned one thing over the five years in this role, it's that the voice of business has never been more essential when it comes to shaping Australia's relationship with China.

.....

**Governments must hear from the people on the ground and business needs to lead the way. That's what Canberra Networking Day is about. It's an opportunity for Australia's most China-engaged business leaders to meet, to hear from our nation's leaders, and to contribute to the national conversation at the highest level.**

We have a packed program ahead of us. This morning I want to briefly outline five ways in which I believe business, government and the broader community can work together to take the Australia-China relationship to the next level.

First, we need to deal with the China of today and tomorrow, not the China of yesterday. Modern China is an economic, technological and innovation powerhouse. In purchasing power parity (PPP) terms, China's economy is already 25% larger than the USA. And as the Reserve Bank Governor Phillip Lowe pointed out recently, the maths is simple: when China's per capita GDP reaches just 50 per cent of America's, its economy will be twice as large. With this growth comes a booming middle class. McKinsey forecast that by 2022, China's middle class will be 550 million people.

As China's middle class grows, so Australia's trading relationship with China will change. Resources and agriculture—'rocks and crops'—will continue to play a very important role. But there will be more and more opportunities to provide the goods and services that a newly-enriched middle class demands: high quality health and wellbeing products and services; boutique tourist destinations; quality education, aged care, medicine, financial services—and the list goes on. Already, 1.4 million Chinese tourists visit Australia every year. 160,000 Chinese students are studying here.

But there is still room for much more growth in these areas. ACBC research predicts that by 2025, one million new jobs could be created in Australia in areas as diverse as health, education, tourism, financial services and construction—all thanks to the growth of the Chinese middle class. But this won't happen by accident. Australian businesses and governments need to engage with Chinese initiatives like the biggest trade fair in the history of the world: the China International Import Expo.

Last November in Shanghai, I attended CIIE alongside Trade Minister Simon Birmingham and more than 160 Australian businesses—and every one of them would tell you that the size and scale of the event has to be seen to be believed.

CIIE is one of Xi Jinping's signature initiatives, it's another key step in the opening up of China....and I strongly urge Australian businesses to attend. We also need to better understand and engage with China's digital economy. China has embraced digital like no other country on earth. China now has as many 'digital natives' as the US has total internet users. Well over 600 million Chinese consumers now shop online. About 70 per cent of these do so on a mobile phone. On Single's Day last year, Alibaba made \$1 billion worth of sales in the first 90 seconds.

But China's digital market is not like Australia's. The platforms are different, and the way consumers engage is different. Last year ACBC partnered with Sinorbis to release a report entitled Stoking the Dragon: Unlocking China's New Generation of Digital Consumers, which gives a good insight into the makeup and operation of China's online marketplace. And today the Trade Minister will launch the ABC Index Report 2019, which helps Australian brands to understand what does and doesn't work in the China of today, and why.

The third way we can shift the Australia-China relationship to the next level is to tap into what will very soon be the biggest R&D spend in the history of the world. As China grows, the Chinese Government is determined to avoid the 'middle income trap', where developing economies get stuck at a point where simply adding labour can no longer drive growth, and productivity stalls. China knows how to get out of the trap, and that's though a massive investment in R&D. That explains why China is determined to spend 2.5 per cent of GDP on R&D by 2020. It explains too why many expert commentators say that China is now the global leader in areas like 5G, robotics and even AI.

The good news for Australia is that we can leverage some of that unprecedented R&D spend through partnerships: between governments, between universities, and between businesses. ACBC has welcomed the Australian Government's recent decision to provide \$4.7 million in research grants for five new Australia-China joint university research centres. This funding will be matched by the Chinese Government. But looking forward, we need to be doing much, much more in IT collaborations, medical research and commercialisation, robotics and AI.



The fourth way we can take the Australia-China relationship to the next level is by welcoming Chinese investment. Australia is a nation built on FDI. We are a net capital importer. We currently have huge needs for investment, whether it be for infrastructure, R&D, or business growth and development. Our recent productivity performance is poor....and the best way to lift performance is through significant new investment in capital equipment, new technology and R&D.

Today we will be launching a report in partnership with Deloitte Access Economics on the impact of the Significant Investor Visa program. The SIV has attracted more than \$10 billion of investment to Australia since 2012, not to mention the talents and energies of the more than 2000 entrepreneurial and high net worth individuals involved. Past research by ACBC has shown that Chinese investment has benefits that go well beyond the mere injection of capital. Partnering with a Chinese investor can, for example, open up new markets across China.

In Australia, there's always been public debate about FDI, whether it's from the US, Japan or China. But recent Lowy Institute research shows a hardening of attitudes in relation to Chinese investment. We need to find ways of telling a better story about Chinese FDI, and ACBC's recent report *The Benefits of Chinese Investment: Some Victorian Examples* is an attempt to do just that.

That brings me to the Belt and Road Initiative. At ACBC we believe there are significant benefits for Australia and our region through a closer engagement with the Belt and Road Initiative (BRI). BRI will drive investment, lift trade in goods and services, and revolutionise freight and logistics. ACBC welcomed the Victorian Government's decision to sign a Memorandum of Understanding with the Chinese Government on BRI. As Premier Daniel Andrews said at the time, this will mean 'more jobs and more trade and investment for Victorians.'

As China does more to shape the future of the region, the fundamental question for Australia is

whether we want a seat at the table. When it came to the establishment of the Asian Infrastructure Investment Bank, Australia said yes—we want to be part of that. In fact, that decision was announced here at Networking Day by then Treasurer Joe Hockey. To grow our economy...to keep it strong... Australia needs a strategy to become part of the BRI. Closer engagement with BRI will, I believe, also help firm up Australia's reputation as a creative, independent middle power in the region.

The fifth way to take the Australia-China relationship to the next level is to enlist every sector in the effort. It's not just a job for government, and it's not just a job for business. Sporting bodies, cultural bodies, and community organisations must also become more China literate, and form more partnerships with China. The newly formed National Foundation for Australia China Relations which Kevin Magee from DFAT will elaborate on this afternoon will play an important role in facilitating partnerships and exchanges in these important sectors and encourage people to people connections.

The recent AFL match between Port Adelaide and St Kilda—the third for Premiership points in Shanghai—is a great example of the potential of sports diplomacy. And I notice the Terracotta Warriors are back in Australia as we speak. Way back in 1982 Melbourne hosted the very first exhibition of the Terracotta Warriors outside of China—a sign of the strong relationship between our countries following Whitlam's reaching out a decade earlier.

In 2017 ACBC hosted Premier Li Keqiang in Sydney. He made the point that as economies were closing up around the world, and protectionism was on the rise, Australia and China could be a positive example of the benefits of free trade. This message is even more crucial today. The trade dispute between the US and China is already hurting consumers in both countries as well as driving global growth projections lower. In a globalised world, the idea that two economies the size of the US and China can somehow 'decouple' from one another is a fantasy, and a dangerous one. The worst thing Australia could do in such a dispute is to pick a side. Rather, we need to maintain good relationships with both nations.

And we need to continue to promote the benefits of globalisation—millions lifted out of poverty, production chains linking nations from Asia to Europe and the Americas, comparative advantages between countries leveraged for mutual benefit. All of these are threatened by the rise of protectionism, short term thinking and nationalist rhetoric.

Australian businesses know the advantages of free trade. They also know the enormous benefits that have flowed from Australia's four decades of constructive engagement with a reforming China: from Whitlam and the establishment of diplomatic relations in 1972, through Deng Xiaoping and the 'opening up' of the eighties, through to the signing of ChAFTA and beyond.

We need to keep telling this story. But even more importantly, we need to write the next chapter—and that's what Canberra Networking Day is all about.

I want to thank you all for coming and wish you all the very best for the day.



# HE Cheng Jingye

Ambassador of the People's Republic of China to Australia

It's a real delight to join you again at this year's Canberra Networking Day. First of all, I would like to commend the ACBC and its members on your contributions over the past year to strengthening economic and trade ties between China and Australia and to enhancing mutual understanding between our two peoples. I would also like to thank Mr. Brumby, Ms. Sawczak, and your team, for the leadership in making the above-mentioned effort. I look forward to welcoming you to the Chinese Embassy later today.

.....

**This year marks the 70th anniversary of the founding of the People's Republic of China. Today, I would like to reflect on China's achievements over these decades and the main reason behind, and to introduce China's future direction and development goals.**



The past 70 years has witnessed profound changes in China, which are widely regarded as an economic miracle never recorded in human history.

70 years ago, we were poor and weak, but today China is the world's second-largest economy, accounting for 16% of the world GDP, ranking No.1 in terms of merchandise trade, manufacturing capacity and foreign exchange reserves.

The living standards of the Chinese people have been improved tremendously. Hundreds of millions of people have been lifted out of poverty. Per capita GDP is close to 10,000 US dollars. China's average life expectancy has been extended from 35 to 77. Infant mortality rate has dropped from 200 per thousand to 6.1 per thousand. We have established the world's largest social welfare system, covering aged care, medical service, minimum living insurance, and proper housing. China now has the largest middle-income population and the fastest-growing consumer market in the world. Our countrymen take nearly 150 million overseas trips every year.

The retention rate of the nine-year compulsory education stands at 93.8%. The illiteracy rate has dropped from 80% to around 5% today. Higher education is about to enter an universal stage.

As a permanent member of the UN Security Council, China has played a major role in promoting resolutions of global and regional issues, and remains the largest peacekeeping contributor among the Permanent Five.

China actively engaged in tackling the 2008 global financial crisis. China's contribution to the global growth has averaged around 30% for the last 10 years.

As the biggest user of clean energy and a staunch supporter of the Paris Agreement, China has made major contributions to global governance systems for climate change.

To promote connectivity and infrastructure building, China puts forward the Belt and Road Initiative which has become a widely participated platform for international cooperation.

Dear Friends,

In just a few decades, China has achieved industrialization that took many countries several centuries to develop. Both the speed and extent of the improvement in living standards is unprecedented.

Such economic and social progress is not a godsend, not a gift from others, not a trophy of aggression or colonial plunder. It comes from the hard work, wisdom and courage of the Chinese people under the leadership of Chinese Communist Party.

For many reasons that underlie China's magnificent achievements, the most fundamental one is the unswerving adherence to the leadership of Chinese Communist Party and the path of socialism with Chinese characteristics.

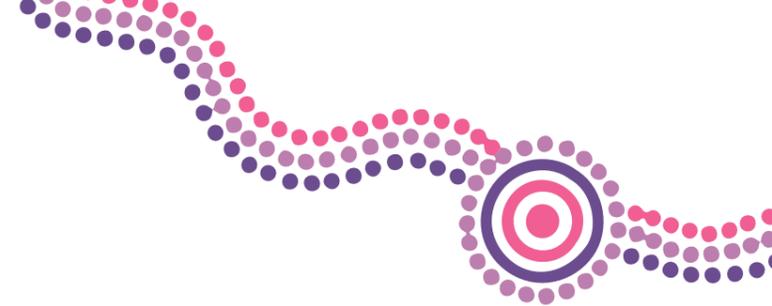
The Party always puts people first. It has assumed the responsibility all along to seek happiness for the Chinese people and rejuvenation for the Chinese nation. Its mission is to meet people's ever-growing needs for a better life.

The Party has always been keen and successful at outlining long-term development plans and turning blueprints into reality with strong executive strengths.

With the courage to reform itself and to right the wrongs, The Party always keeps up with the times, and advances theoretical, practical and institutional innovations.

Looking back at the past 70 years, no doubt it is with the leadership of the Communist Party that the Chinese nation has achieved remarkable transformation from standing up, to growing rich and becoming strong. The leadership of the Party is the choice of history and people.

Looking to the future, the Chinese people will endeavor to realize the "Two Centenary Goals" and the Chinese Dream of the great rejuvenation. China will accomplish the building of a moderately prosperous society in all aspects by 2020, and a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful by the middle of this century.



For this, China will continue to uphold the leadership of Chinese Communist Party and stick to the path of socialism with Chinese characteristics. It will continue to comprehensively deepen reforms, promote higher-quality development, and advance the modernization of China's governance system and governance capabilities.

China will promote opening-up at higher level and work towards win-win outcomes. In partnership with all participating countries, China will strive to build high-quality Belt and Road projects. The future Belt and Road cooperation will be more open and inclusive, more involved in people's daily lives, and more focused on green, clean and sustainable development.

By staying committed to peaceful development, China will work with the rest of world to build a community with shared future for mankind, which embodies an open, inclusive, clean and beautiful world with lasting peace, universal security and common prosperity.

China's economy had a good start this year despite the slowdown in global growth and trade. In the first quarter, China's GDP grew by 6.4 percent, sustaining its momentum of steady growth in recent years.

Employment continued to expand, with 4.59 million urban jobs added in the first four months. The total imports and exports were up by 4.3% year-on-year. Apart from all this, China is able to improve its economic structure, transform the mode of development, and enhance the quality and efficiency of economic performance.

The trajectory of China's economy towards more steady growth has not changed and will remain so in the long run, which will be supported by a number of factors. China has a market of nearly 1.4 billion populations, with more than 100 million market entities. We have a talent pool of 170 million college graduates and people with professional skills. The Chinese economy is mainly driven by domestic consumption. In 2018, the contribution of final consumption was as high as 76.2%. China's R&D spending ranks second in the world, accounting for around 2.18% of its GDP.

Moreover, China's economy has enormous resilience, potential and flexibility in development. We have rich experience in macro-regulation and ample policy space. We therefore have all the necessary conditions as well as the capability and confidence to deal with any risks or challenges.

The trade tension between China and the US is of great concern to the international community. The willful imposition of additional tariffs by the US goes against the WTO rules. It harms others and is of no benefit to itself. It also threatens global economy and trade. China has been committed to resolving the economic and trade disputes through dialogue and consultation, and has made tremendous efforts to this end. China is willing to work together with the US to reach a win-win solution on the basis of equality and mutual respect. There's no winner in a trade war. China does not want a trade war, nevertheless it will firmly safeguard its own legitimate interests and development rights. As we have made it clear, China is open to negotiation, but will also fight to the end if needed.

Ladies and gentlemen,

The history of the relationship between China and Australia since the establishment of diplomatic relations demonstrates that a sound and stable bilateral relationship serves the fundamental interests of both countries and peoples. Mutual political trust and mutually beneficial cooperation are just like two wheels that would smoothly drive our bilateral relationship forward. Both of them are indispensable. The relationship between China and Australia can only be steadily and increasingly improved when both wheels are spinning with the same speed and in the same direction, mutually reinforcing each other.

To stabilize the wheel of mutual trust, it's essential for both sides to view each others' development in an objective manner and regard each other as cooperative partner. It requires us to respect each others' development path, social systems and core interests. It also requires us to expand common grounds while properly handling differences.

**To speed up the wheel of mutual benefit, it requires us to increase practical cooperation and people-to-people links. China and Australia's economies are highly complementary. China's door will open even wider. There is enormous potential for the two countries to cooperate in areas of economy and trade, investment, finance, science and technology, and innovation. It's vitally important that both sides should build a fair and non-discriminatory environment for the other's investment, rather than intentionally set up obstacles to the detriment of mutually beneficial cooperation. As both China and Australia support free trade and open economy, we should work together with others to uphold multilateral trade systems against protectionism. We should also strengthen people-to-people exchanges with a view to building up stronger public support.**

The business circle is full of creativity and entrepreneurship. It is a major force that promotes China-Australia relationship. I hope and believe that ACBC and its members, as participants and beneficiaries of the China-Australia relationship, will continue to play an active role in deepening the practical cooperation and enhancing political trust between the two countries.

# The Hon Senator Simon Birmingham

Minister for Trade, Tourism and Investment

## Launch of Australian Brands in China Report

It's great to be here with you for the Australia China Business Council's annual networking day in Parliament House. For me, this is the first opportunity as the nation's Trade Minister to speak, at this important annual event. I trust, John, that the traffic getting here in Canberra wasn't quite as challenging as it was in Shanghai when we caught up at Rio's headquarters in early November, as John referenced just before.

I do congratulate the Council for building this event over many years now, and for the impressive work of its members in ensuring year-round contribution to the building and enhancement of the Australia-China relationship.



The complementarities of our economies make us natural trading partners. China is Australia's largest two-way trading partner by a big margin and we expect it to remain so well into the foreseeable future. The China-Australia Free Trade Agreement has significantly increased and enhanced economic cooperation. Two-way goods and services trade has risen some 42 per cent since ChAFTA came into force at the end of 2015 to reach a record high of \$215 billion in 2018.

This agreement has put Australia in an enviable position in terms of access to the Chinese market for goods and services. Both countries have implemented their tariff commitments on schedule. The vast majority of Australian products now enter China tariff-free, and all Chinese products come into Australia with zero tariffs. Australia is China's 7th largest source of imports. Many of these goods contribute to China's own manufacturing base and economic growth.

Some suggested at the time that China may not be able to conclude or deliver on a comprehensive FTA like ChAFTA. However, the success of ChAFTA is a further demonstration of the many benefits delivered to China, our region and the world from China's 40 years of opening and reform. Australia encourages the continued embrace of policies that are consistent with the principles of opening and reform, which have already delivered such great benefits to so many.

.....  
**The success of this networking day underscores the vital place that personal ties have in strengthening the connection between our two nations.**  
.....

We are here today because we value the enduring partnership between Australia and China. It is a deep relationship with a long history. More than 1.2 million people of Chinese ancestry live here in Australia. Our students now travel to each other's countries not just for a great and rich educational experience but to gain a deeper and abiding understanding of the cultural nuances in each nation that, once understood, dispel misunderstandings and can draw us closer together. Our scientists work together to expand the boundaries of human knowledge. We visit each other's tourist attractions and enjoy each other's food and cuisine. We have more than 100 sister city and sister state relationships stretching back over more than 40 years.

We don't always agree, just as with any country. But it remains - as Ambassador Cheng just said - in the interests of both nations to embrace cooperation that is mutually beneficial. We work in our Comprehensive Strategic Partnership, formalised in 2014, to achieve these objectives.

# GO GLOBAL

## Chinese Digital Marketing

Strategy · Search · Display · WeChat · Weibo · E-commerce

[www.digitalcrew.com.au](http://www.digitalcrew.com.au)



*digital crew.*  
Multilingual Digital Consultancy





# LET YOUR NATURAL BEAUTY BLOOM 绽放你的自然之美

Swisse Skincare Rose Hip Range  
Swisse玫瑰果护肤系列



China's impressive economic development - the economic miracle of China, as outlined by Ambassador Cheng - and with that, the social miracles of enhanced health, education and equitable outcomes that have lifted hundreds of millions out of poverty and created new opportunities not just in China but across our region in particular. This economic development has only reinforced Australia's long-held understanding that our future lies in deep, close, and lasting engagement in Asia and across the Indo-Pacific. We are very focused on driving that engagement forward, as well as getting the terms of engagement right.

Just two months ago, Australia opened its 5th diplomatic post in mainland China. This consulate-general in the commercial hub of Shenyang [Shenyang] is Australia's gateway to north-eastern China - a region that is home to more than 114 million people in itself.

As you have heard, last November I led a delegation to Shanghai for the first China International Import Expo, where thousands of Chinese businesses met companies from all over the world in the enormous four-leaf clover that is the National Exhibition and Convention Centre. The hosting of an event to promote imports defied convention but was a powerful symbol of the global value chains that shape our increasing integration. A number of you were there. Some 200 Australian brands were represented, and we were in the top three countries for products exhibited. We had the largest food and agriculture products' presence. Brands such as Capilano Honey and Thomas Foods were there alongside Qantas, ANZ, Australia Post and many more. On that same visit, I witnessed the signing of a dozen memoranda of understanding worth \$15 billion. I thank industry, business, leadership for their participation in CIIE as I do China for the initiative and the hosting of this important event.

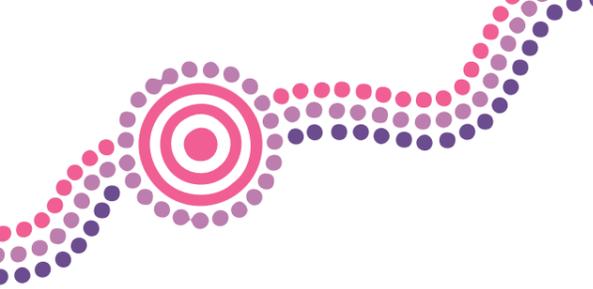
While Australia's three largest goods exports to China are things we extract from the ground - iron ore, coal and liquefied natural gas - our trade is diversifying. In fact, growth in non-iron ore exports to China has outstripped that of iron ore exports for the past two years. Chinese appetites for Australia's agriculture, forestry and fisheries products are particularly strong, accounting for an estimated \$15.5 billion in exports in 2018, more than double the figure of 2012.

Australian small caps and start-ups are delivering increasingly valuable services into China in everything from agtech to fintech to medtech. Austofix, one of Australia's leading designers and manufacturers of orthopaedic medical devices, has increased its sales in the stainless steel nails surgeons use to treat bone fractures. Just last week, nine leading Australian health service providers visited Chengdu, Beijing and Guangzhou to meet key decision makers. The scale of collaboration with China in this sector is staggering - in Beijing alone, there are more than 600 hospitals. China is naturally, as a growing and more prosperous nation, looking to partner with the world's best providers to meet the needs of its citizens and for reasons of safety, excellence and reliability Australian healthcare companies are amongst China's trusted partners.

Trade in services - in health, education and more - is growing, fostering closer connections between people. In 2018 there were more Chinese students in Australian educational institutions than ever before, at just over 200,000, up 11 per cent on the previous year.

Less well-known though is that, in expenditure terms, China is the 2nd most popular destination for Australians who choose to study abroad. It is also right up there as a favourite destination for New Colombo Plan students; young Australians who are investing some of the best years of their lives to get to know China better. This two-way exchange of our youngest and brightest can only bode well for the future ties and relations between our two countries.

Australia's stunning landscapes, clean environment and unparalleled dining scene are big drawcards for Chinese tourists, our biggest market, who made up 1.3 million short-term visits in the year to March. But again, it is a case of mutual attraction - over the same period, more than half a million Australians returned from visits to China - short-term visits, having marvelled at the Great Wall, savoured roast duck and hand-made noodles, and discovered the new worlds and the virtual reality arcades of Shanghai. Indeed, on a per capita basis, Australians travelling to China far outweighs the rate of Chinese tourism to Australia.



**Foreign Direct Investment from China is very strong. A recent survey of Chinese investors in Australia by KPMG and the University of Sydney found that Australia remains our preferred investment destination relative to other countries. That is reflected in the latest data, which has China as Australia's 5th largest source of FDI last year, at \$40 billion.**

The Significant Investor Visa has already given a \$10 billion boost to the Australian economy while diversifying Chinese interests, according to a new report by Deloitte that you'll hear more about shortly when it is formally launched by Deloitte Private managing partner Andrew Culley.

Meanwhile, Australian businesses are increasingly investing in China, with the stock of Australian direct investment into China exceeding \$13 billion in 2018. Australian expertise in banking and wealth management services has seen financial institutions become some of the largest Australian investors in China. In Westpac's recent Australia-China Business Sentiment Survey, the majority of businesses said they were optimistic about their prospects over the next five years.

Like in any relationship, there will be sources of friction from time to time. When necessary we have raised concerns about processing times for coal shipments; just as we continue to highlight the entirely commercial operations of the Australian barley industry. These are not the first issues we have had to negotiate in our relationship, and they will not be the last. Under Prime Minister Morrison we will address any and all issues calmly, respectfully and in keeping with our principles and values.

As I have said before, we are concerned that trade tensions between the US and China will affect global economic growth. It's true our economy has weathered global storms before, as our nearly 28 years of uninterrupted economic growth attests to. Sound macroeconomic policies helped us through

the Asian currency crisis of 1997 and the global financial crisis a decade later. I pay tribute to the visionary reforms dating back to the Hawke Labor Government in the 1980s, supported by the Liberal-National Opposition of the time, for opening our economy and making us more resilient to external shocks in the future. Trade with China and Asia more broadly has supported our export growth in commodities and services and greater economic integration has meant that we are working, studying and holidaying in each other's countries more and more - and underpinning therefore each other's growth and prosperity. But any global slowdown will affect Australia as it will all nations.

A protracted trade dispute between the US and China is not in our or anyone's interests. We, and other countries, want an outcome which promotes openness and fair, transparent market-based competition, rather than one which undermines it. We want an outcome in favour of non-discrimination, and consistent with World Trade Organization rules.

Australia cannot resolve the dispute between these two great powers but we can and do urge them to address the underlying issues without the escalation of trade-distorting measures that ultimately hurt all nations. We will continue to pursue our important partnerships with both countries, while at the same time encouraging efforts to resolve differences and ease trade tensions.

The rules-based international trading system that supports growth and prosperity has served Australia and China well, and we both want to see a functioning and effective WTO. While we have different points of view on some issues, we are working together with other nations to update the WTO rulebook to better reflect how modern business is done. For example, we are collaborating to develop new international rules on digital trade that will make it easier for businesses to operate across borders; and new rules to tackle behind the border barriers to assist our services exporters.

We are also working together in the Regional Comprehensive Economic Partnership, or "RCEP", negotiations to further liberalise and facilitate trade and investment in our shared region. RCEP countries account for more than 60 percent of Australia's two-way trade and almost half the world's



population, so this agreement can give Australian businesses more seamless access to our region and further enhance the economic integration of business and nations across our region. Leaders last year committed to concluding negotiations this year and we are working hard to deliver on that commitment, to realise the largest trading area in the world - and I look forward indeed to the next stages of those negotiations.

Signing the Australia-Hong Kong Free Trade Agreement and associated Investment Agreement in March this year marked another significant milestone. Hong Kong is Australia's leading business base in Asia, reflecting the unique advantages of the 'One Country, Two Systems' framework. It is Australia's 5th largest source of inwards investment and a platform to showcase Australia's premium goods and services to Asia and the world.

Australia welcomes China's contribution and the contribution that the Belt and Road Initiative can

make to trade and infrastructure connectivity in the region. Australia supports regional investment initiatives that are transparent, uphold international standards, meet genuine need and avoid unsustainable debt burdens for recipient countries. We are recognised as a global leader in developing high-quality infrastructure, engineering and design, project management, financing and professional services. We look forward to more opportunities for Australian firms to work on commercial projects that meet world's best practice. Our Government's expansion of Efic's mandate, in the additional capital we have provided, will help Efic to support high-quality infrastructure across our region too. Where possible, and in keeping with our principles and agreements - such as the Australia-China agreement on third country cooperation - investment can occur in partnership with others, to enhance the potential of third countries while also creating greater opportunities for Australian firms and others in our region.



On top of this, there is still greater scope for cooperation on other shared areas of interest.

The National Foundation for Australia-China Relations, which Foreign Minister Payne announced in March, demonstrates our commitment to building and ensuring a constructive and enduring partnership. This innovative platform will build on the Australia-China Council's pioneering work over the past 40 years fostering connections in education, culture and the arts. Led by Warwick Smith – the chair of the current Council – the Foundation will engage across the full spectrum of the bilateral relationship, backed by \$44 million to support its expanded mandate. This includes promoting Australian excellence in areas such as agriculture, infrastructure, health and ageing, the environment and energy. The Foundation will harness the private sector, peak bodies, NGOs, cultural organisations, state and federal agencies and the Chinese-Australian community to promote greater understanding of China amongst Australians. It will provide practical support and expertise to Australians developing links with Chinese counterparts.

The activities of the National Foundation will complement the many exchanges already taking place across education, sport and the arts.

Forty years ago, cultural exchanges between Australia and China were the province of small groups of elites on both sides. No longer.

Last month our 'Festival of Australia' was held across 10 Chinese cities and reached an audience of 90 million thanks to an integrated online marketing and communications campaign that included use of WeChat and Weibo. It culminated in an AFL game in Shanghai, as you know, between Port Adelaide and St Kilda. The Festival was a true partnership between all levels of government and industry and sporting bodies to showcase more than 400 Australian brands to a massive audience, reaching beyond the well-trodden urban pathways.

Of course, as any marketer worth their salt knows, it's no use reaching millions unless you have your messaging right. Today I am pleased to launch the 2019 Australian Brands in China Index Report, by Digital Crew and Monash University. The report is full of valuable and timely insights about perceptions of Australian brands in China, and the impact that social media and technology such as Alipay have on their performance.

For me, the report powerfully highlights the rapid pace of change in China and the opportunities for Australian businesses. Beer, wine and spirit brands dominated this year's top 10 brands, while fast-moving consumer goods dropped out of the top 10 altogether. What are Lindeman's Wines, Bundaberg Rum, Hardys Wines and Burch Family Wines doing right in China at the moment? How has Lucas Papaw become the most trusted Australian cosmetic label?

Why are Chinese tourists increasingly opting for the great outdoors over our big cities? Instinctively, we all know the answer to that. I commend the report to you as a valuable market insight.

Tim Beresford from Austrade will launch a further initiative this afternoon that will see the Australia China Business Council, Austrade and the Business Council of Australia lead a pilot program to send Australian chief executives and board directors on study tours of China, developing greater, more nuanced understanding which can only benefit, again, both of our nations.

I return to my earlier point about the immeasurable value that relationships have as we work together as nations. Sharing experiences of our past to help forge new opportunities together into the future.

If you visit the National Museum of Australia on Lake Burley Griffin today, you will see some of that shared story depicted in the hand-painted 'Harvest of Endurance' scroll. This marvellous piece is an artistic representation of two centuries of Chinese contact with, and migration to, Australia. We all have brushstrokes to add to that story.

Old Masters: Australia's Great Bark Artists is currently touring China from the National Museum of Australia giving Chinese audiences an artistic appreciation of the ancient Arnhem Land and Australia's most ancient cultures.

Ours is a vibrant and fast-growing connection between countries which both have rich histories to share; between countries whose businesses, institutions, artists and our people have great connections to enrich and enliven further. It goes back a long way, and its evolution will continue for many years to come. You are all part of that journey – of helping to grow ties and expand mutual understanding through our businesses and your personal connections. And by being here today and sharing your experiences and insight in connecting with China, you are broadening a path on which others can join, for the benefit of both our nations.

Thank you for your participation and time today.

**Launch of Report:**  
Impact of the Significant Investor Visa Program

A long-term proposition for Australia



Speaker

**Andrew Culley**

Managing Partner  
Deloitte Private



Moderator

**David Speers**

Political Editor  
Sky News



Panellist

**Kathryn Matthews**

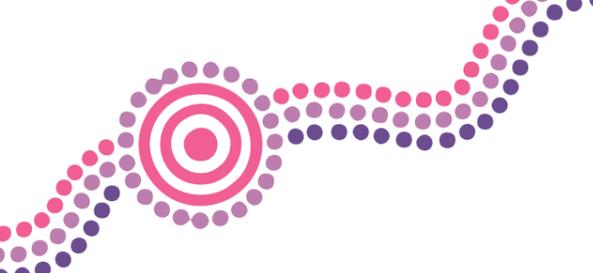
Partner  
Deloitte Access Economics



Panellist

**The Hon John Brumby AO**

National President  
ACBC



# LEADING MANAGER OF CHINESE HIGH NET WORTH CAPITAL IN AUSTRALIA

PIONEER OF THE SIV PROGRAM

This week the Australia China Business Council, in partnership with Deloitte Private, released a new report prepared by Deloitte Access Economics entitled The Impact of the Significant Investor Visa (SIV) Program. The SIV program is run by the Department of Home Affairs as part of their Business Innovation and Investment Program (BIIP). It offers a four-year provisional visa with a pathway to permanent residency for entrepreneurial and high net worth individuals who invest at least \$5 million into complying investments. Despite only accounting for 0.1 per cent of all visas granted each year, the SIV program has delivered approximately \$10.1 billion of investment since its inception in 2012.

National President of the Australia China Business Council, the Hon. John Brumby AO, said:

‘The Australia China Business Council is well aware of the contribution of entrepreneurs and high net worth individuals from overseas. In a globalised world, Australia needs the experience and talents of people from every corner of the globe. Every Significant Investor Visa holder has invested at least \$5 million into Australia. The program has not only attracted more than \$10 billion of new investment, but also the talents and energies of each of the individuals involved.’



Moelis Australia is an ASX-listed financial services firm operating in asset management, corporate advisory and equities.

The firm played an instrumental role in establishing the Significant Visa Program in 2012 which has now seen over A\$10 billion in complying investments flow into the Australia economy.<sup>1</sup>

Moelis Australia is now one of Australia’s leading managers of private wealth from China into Australia

The firm has offices in Sydney, Melbourne, Beijing and Shanghai.



1. Department of Home Affairs statistics as at 30 June 2018.

### Key Takeaways:

- Australia is a nation of migrants with a quarter born overseas and half having at least one parent who was born overseas.
- From those with generations of ties to Australia, to those seeking to call our country their new home, they are integral to our financial and investment landscape, and their considered approach to investment decisions can unlock opportunities for unique entrepreneurs and result in long-term, productive relationships.
- While comprising only a very small proportion of Australia's broader migrant intake, more than 2000 SIV holders have contributed over \$10 billion into Australian investments since 2012.
- The report concludes that SIV holders would like to invest more in Australia after achieving permanent residency.
- Permanent residency would give migrants greater certainty to invest more.



# CHINA PATH PODCAST



## Subscribe to ACBC's Free Fortnightly Podcast

- ❖ **Expert Analysis** from those who know China business best - John Brumby, Andrew Robb, Peter Drysdale and Geoff Raby
- ❖ **Business Case Studies** on How to Crack the China Market
- ❖ **Market insights** into branding, e-commerce, customs, education, health, market entry, intellectual property and more



SOUNDCLOUD

Soundcloud

[www.soundcloud.com/  
australia-china-business](http://www.soundcloud.com/australia-china-business)



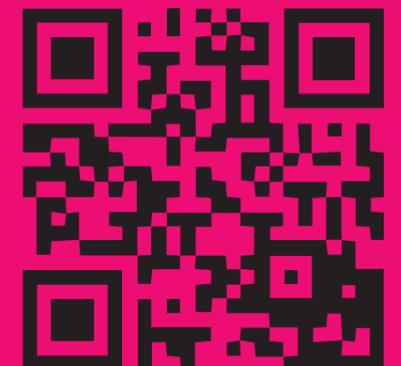
itunes

Scan QR code or search  
'China Path Podcast' to  
subscribe



ACBC

Episode show notes at  
[www.acbc.com.au/  
podcasts](http://www.acbc.com.au/podcasts)



Panel 1  
Investment



**David Speers**  
Political Editor  
Sky News



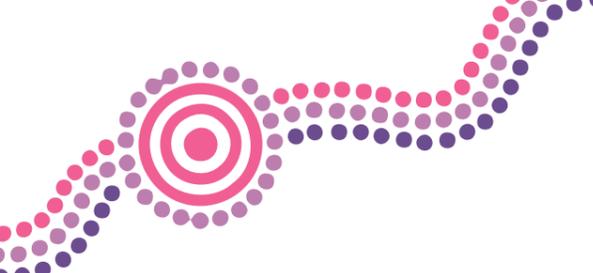
**Andrew Martin**  
Managing Director Head of Asset Management  
Moelis Australia



**Grace Bacon**  
Head of International Segment  
ANZ Private



**Chris Carr**  
Partner and Chief Representative  
MinterEllison Shanghai



**Australia is not a nation of savers, and we need foreign investment to sustain our standard of living, and to create jobs and growth. The USA and UK are still the largest investors in Australia, followed by Belgium and Japan. China is still a relatively small investor in Australia at less than 5% of total foreign investment but with enormous potential due to the strength of China's economy. China is also continuing to open to foreign investors with the recent overhaul of its foreign investment laws.**

### Key Takeaways

- The SIV vetting process is a forensic, multi-diligence process conducted by the Australian government in Hong Kong through banks and the Department of Immigration
- A typical SIV holder is between 40-50 years old with children studying in Australia.
- The UK, US and Singapore have all had similar investment schemes. SIV is seen as a leading investment program in a competitive environment.
- Migrants choose Australia as a leading destination due to its lifestyle, proximity to Asia and attractive future for their children.
- SIV citizens are global citizens, who do business in Australia and in China. They are often looking for channels to export back to China.
- SIV holders invest in diverse industries, such as fin-tech, aged care, bio-tech, renewable energy, health care and agribusiness.
- After 4 years on a provisional Visa, SIV holders have to make the case they have built up substantial networks in Australia before gaining permanent residency.

# Relationships. We like ours strong.



China is one of our closest neighbours and Australia's largest trading partner. Our relationship with China is important, it connects people and ideas, facilitates trade, attracts investment, generates opportunities and delivers jobs for Australians.

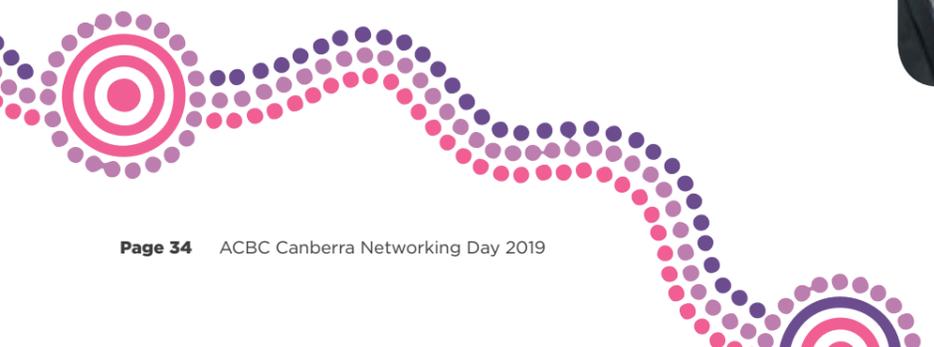
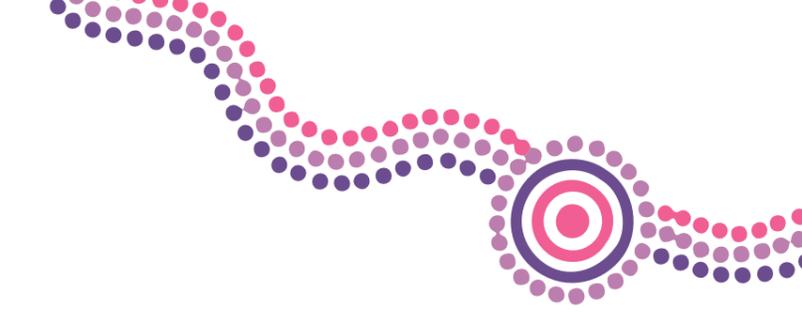
The China-Australia Free Trade Agreement has helped to broaden and deepen our trade relationship, with new opportunities booming as a result.

Discover your opportunity at [www.acbc.com.au](http://www.acbc.com.au)

A good neighbour is something to be valued. Let's continue to celebrate the successful economic, strategic and cultural bond between our two nations.



# Networking



Panel 2

Chinese Consumption: habits, patterns and trends



Moderator

**Andrew Kuiler**

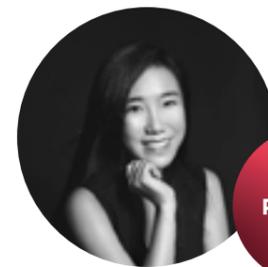
CEO  
The Silk Initiative (TSI)



Panellist

**Maggie Zhou**

Managing Director for Australia and New Zealand, Alibaba



Panellist

**Ophenia Liang**

Co-founder and Director  
Digital Crew



**China is continuing to rebalance its economy and shift from an investment to a consumption basis. The rise of the affluent Chinese middle class seems unstoppable and e-commerce continues to grow exponentially. Last year more than 610 million people in China purchased goods online. Australian products have been well regarded by the Chinese consumer for their clean, green and safe credentials. But is it enough to be sustained in this dynamic market?**



### Key Takeaways

- Staying in close contact with the market is vital in keeping up with fast evolving consumer trends as there are consequences if you fail to keep up.
- It's essential to set up a business model to help you succeed on the global stage. This includes multilingual talent and different teams across different countries.
- Of the 140 million Chinese travellers globally, the 1.4 million who visit Australia annually spend the most comparatively.
- Alibaba set a new record of \$30.8 billion on Singles Day 2018. 350,000 of these transactions were powered by the Alibaba Cloud.
- There are now 150 of Alibaba's Hema Fresh 'new retail' stores around China where products can be delivered within 30minutes within a 3km radius.
- Chinese brands set the standard for online shopping. Overseas brands need to be able to match or exceed that level.
- The Chinese diaspora in Australia have a unique understanding of the China market and this can be leveraged by Australian brands.
- Regions in China today are becoming more consumer driven whereas they tended to be more supply driven in the past. Thus, different regions will have different demands.

# IN CHINA

## IT'S REALLY IMPORTANT TO GET YOUR MESSAGE ACROSS



As we all know, China is a market with huge potential. It's also highly contested. The entire world has its eyes on the prize. To be successful, you need to promote your product or service better than the rest but cultural and language issues present challenges.

At PowerfulPoints we have been working with Australian companies doing just that for 5 years. We even have an office in Shanghai to support them! We have native speaking Chinese copywriters and designers who understand the market and how to communicate to the Chinese so you can really get your message across and achieve that success.

**Speak to us as to how we can help you get your message across**



+61 2 8212 4573

info@powerfulpoints.com.au

www.powerfulpoints.com.au

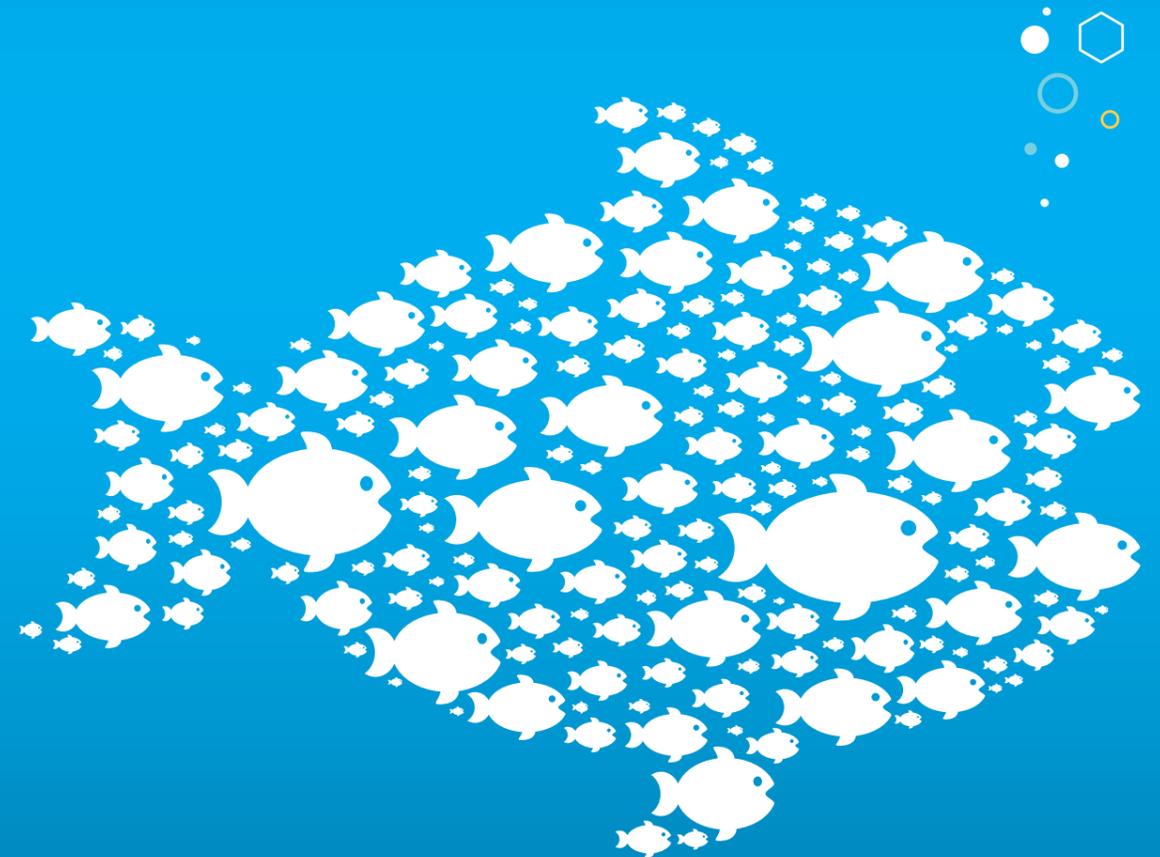
www.powerfulpoints.com.cn



# STAY ON TOP WITH THE #1 INSTITUTIONAL BANK

across Asia, Australia & New Zealand

In business, you're only as strong as the people you surround yourself with. Partner with Asia's leading Institutional bank for relationships, and go further than you imagined.



[anz.com/institutional](http://anz.com/institutional)

# No.1 Relationship Strength Index in the Peter Lee Associates Large Corporate & Institutional Relationship Banking surveys, Australia 2014-18 and New Zealand 2010-18. No.1 Overall Relationship Quality in the Greenwich Associates Asian Large Corporate Banking studies, 2017-18. © Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522 and/or used under licence. "ANZ", ANZ's logo and ANZ's colour blue are trademarks of ANZ. Item No. 956749 04.2019 WX230789



# Madeleine King

Shadow Trade Minister



Keynote Speaker



## Your Partner in China and Australia

We assist clients in navigating the cross-cultural bridge to negotiate successful business outcomes.

**We have been at the forefront of bilateral Australia-China trade and investment for decades.**

We established offices in Hong Kong (2000), Shanghai (2001) and Beijing (2010). We were the first top tier Australian owned international law firm to establish offices in China.

Our specialist legal, tax, and consulting advisers focus on complex cross-border transactions and China-Australian trade and investment ventures. We are recognised as a leading firm for Australia-China cross-border M&A and project development.

We deeply understand the contribution effective cross-cultural understanding makes to achieving successful business outcomes.

Through our local knowledge and international expertise, we have built a substantial track record of advising clients on their market entry strategies and major capital transactions between Australia and China. With one of the largest China service teams in the Asia Pacific, with more than 40 partners and 120 lawyer, we are deeply committed to the long term success of the bi-lateral relationship.

### Connect with us on WeChat



WeChat ID:  
澳大利亚铭德律师事务所



### Our recent awards

#### AustCham Westpac Australia China Business Awards

2019 & 2017 Finalist - Cross-Border Investment Category

2018 & 2017 Winner - Professional and Business Services Category

#### China Business Law Journal

2019 Winner - Construction and Infrastructure sector - International firms category

#### Benchmark Litigation

2018 Leading litigation law firm in "Commercial and Transactions" and "International Arbitration" in Hong Kong

### Key Contacts:

**Adam Handley,**  
China Markets Leader  
M +61 478 486 825 (Australia)  
+86 186 1262 1503 (China)  
E: adam.handley@minterellison.com

**Chris Carr**  
Partner & Chief Representative – Shanghai  
T +86 21 2223 1017  
M +86 183 2134 4341  
E: chris.carr@minterellison.com

**Bi Chen**  
Partner & Chief Representative – Beijing  
T +86 10 6535 3477  
M +86 138 1165 8620  
E: bi.chen@minterellison.com

**David Morrison**  
Partner – Hong Kong  
T +852 2841 6932  
E: david.morrison@minterellison.com

MinterEllison is an international law firm headquartered in Australia with over 1,100 lawyers working with clients across 15 offices in Asia, the UK, and Australia and New Zealand.

# Tim Beresford

Deputy CEO of Global Markets and Sector Engagement, Austrade



Keynote Speaker



Panel 3

People to people connections



**Helen Sawczak**  
National CEO  
ACBC



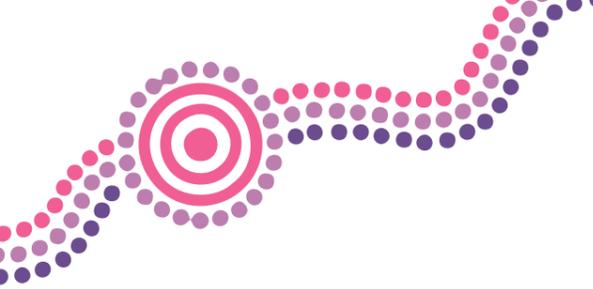
**Sophie Galaise**  
Managing Director  
Melbourne Symphony Orchestra (MSO)



**Ben Slack**  
Director of International Business  
Tennis Australia



**Kevin Magee**  
Assistant Secretary, China Economic  
and Engagement Branch  
Department of Foreign Affairs and Trade



**While Australian commodities still dominate our trade with China, services are steadily increasing in demand, which require a deeper people to people connectivity and understanding. Culture and sport have always played important roles in building bridges between culturally and linguistically diverse communities. Last year the Melbourne Symphony Orchestra and the Australia Ballet toured China, and the Chinese National Ballet also visited Australia. The National Gallery of Victoria has just launched its Melbourne Winter Masterpieces with the Terracotta**

**Warriors and Cai Guo-Qiang. Not long after they were discovered in Xian, the Terracotta Warriors were exhibited for the first time overseas in Australia in 1982, due to the deep relationship established between Australia and China by former Prime Minister Gough Whitlam. Cultural exchanges have assisted to achieve high benchmarks in bilateral relations, and the Federal Government has committed to strengthening people to people connections through the establishment of the National Foundation for Australia-China Relations.**

## Key Takeaways

### Melbourne Symphony Orchestra (MSO)

- Classical music is highly regarded in China with 80 symphonies across all provinces. All of MSO's China shows were sold out.
- The MSO's tour of China was a highly meaningful tour with commercial outcomes and featured the No.1 violinist in China, Lu Siqing, who has 15 million online fans.
- MSO actively engages with the Australia-Chinese community and uses WeChat as its first point of outreach in Australia.

### Tennis Australia

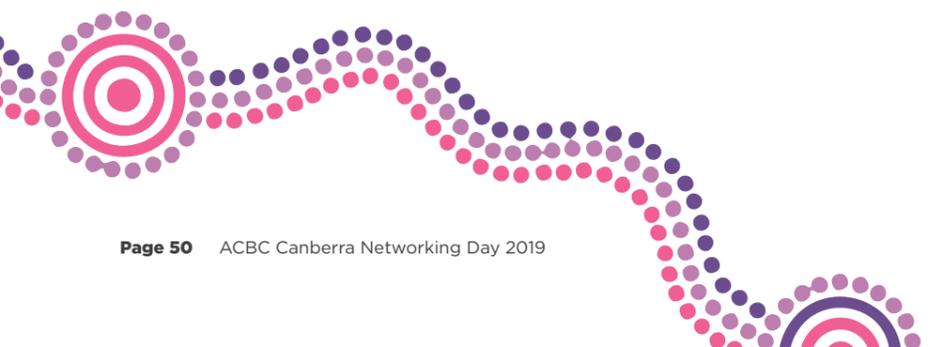
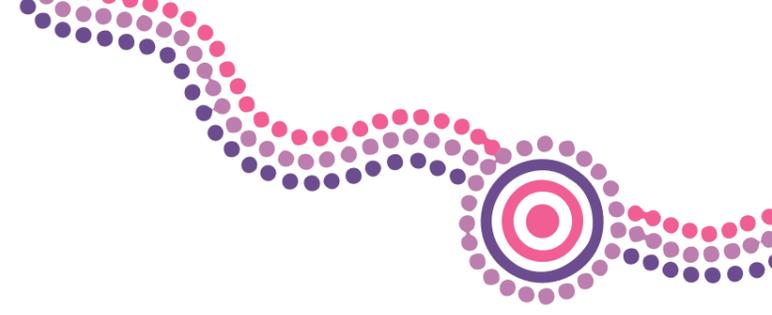
- The importance of Tennis Australia representing the Asia/Pacific Brand cannot be understated. Tennis Australia sees participation in tennis and events as integral to tapping into the Chinese community.
- The second highest watched Australian Open match of all time remains the 2014 Women's Final won by Li Na.
- The Australian Open's partnership with the Chinese Baijiu brand Luzhou Laojiao has brought many cultural learnings to Tennis Australia's China engagement.

### DFAT - National Foundation for Australia-China Relations

- \$44 million will be allocated to the Australian community to raise Australia's China literacy in areas such as digital economies and cultural diplomacy.
- The Foundation looks to work closely with business and Australia-Chinese communities.
- The Foundation will be up and running by February 1 2020.
- Where the Foundation's forerunner, the Australia-China Council was more narrowly focused on culture, the Foundation will have a more overarching approach and advisory role.



# Cocktail Reception



## Event Organiser



## Event Sponsors



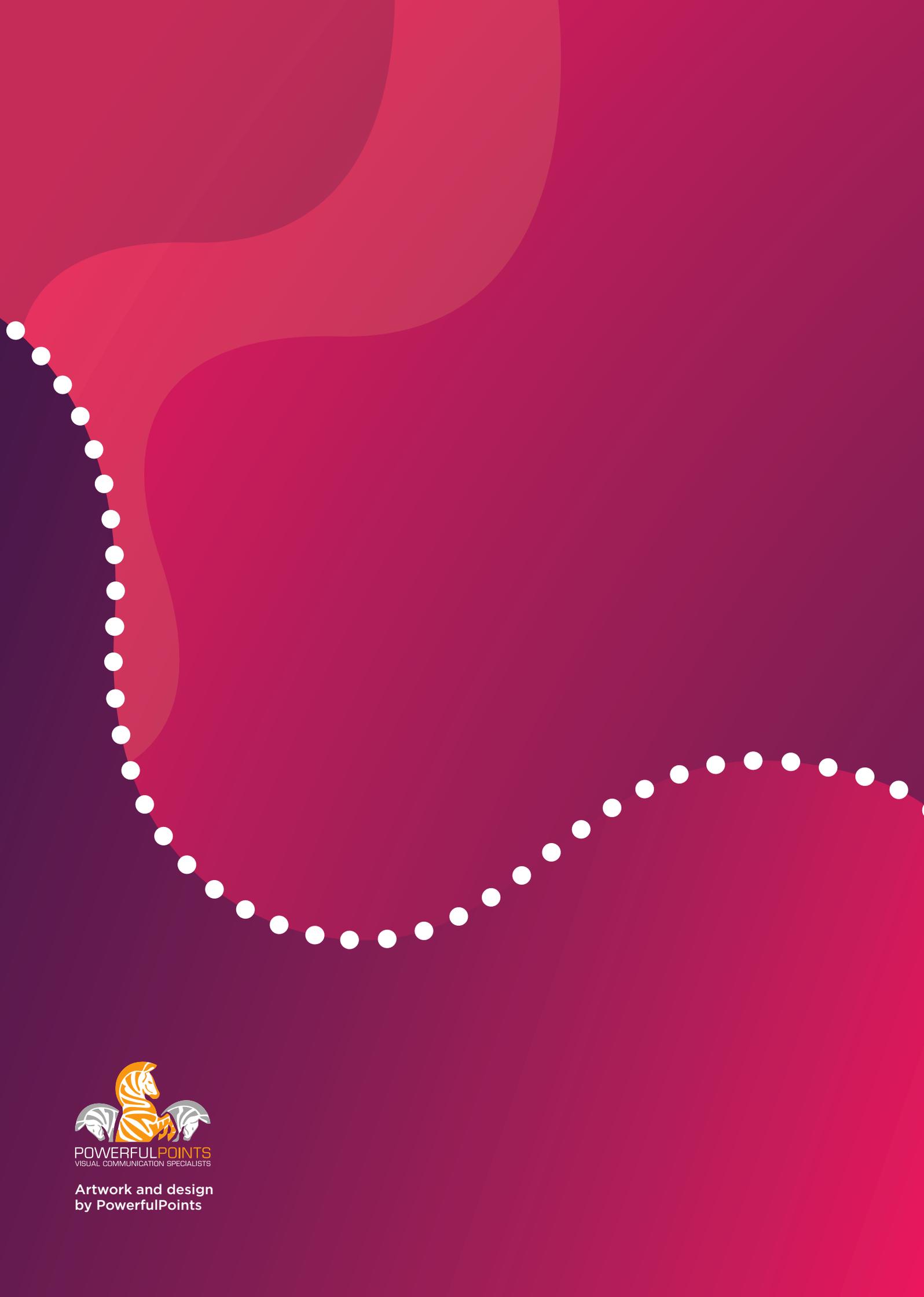
## Event Partners



## ACBC National Sponsors



Thank You



**POWERFULPOINTS**  
VISUAL COMMUNICATION SPECIALISTS

Artwork and design  
by PowerfulPoints