



CANBERRA NETWORKING DAY

19 JUNE 2018



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



Australia China Business Council

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Foreword



On behalf of the Australia China Business Council I would like present you with the event report for our annual Canberra Networking Day for 2018. This year we had the privilege of welcoming the Prime Minister Malcolm Turnbull, Foreign Minister Julie Bishop, Shadow Foreign Minister Penny Wong, His Excellency Cheng Jingye, Chinese Ambassador to Australia as well as Ministers, Shadow Ministers and other parliamentarians, policy makers and business leaders.

Last year Australia broke the record for the longest run of uninterrupted growth, marking its 26th year of consecutive economic growth. A large part of that success is directly attributable to our relationship with China with bilateral trade exceeding \$170 billion. The rising Chinese middle class continues to have an insatiable appetite for premium goods and services, which Australia is well placed to provide including education, tourism, healthcare, and professional services. There is no doubt that the Australia China relationship has experienced some challenges recently. But there's an old Chinese saying that "people on the same boat help each other". With over one million people of Chinese ancestry living in Australia, nearly 200,000 Chinese students studying here, more than 1.5 million Chinese tourists visiting every year and increasing bilateral trade and investment, there is no doubt that Australia and China are in the same boat with complimentary economies. As China rebalances its economy to a consumption basis, the bilateral relationship will also shift from a transactional to a relational approach. Services cannot be provided as a transactional commodity. Services require deep relationships and mutual understanding.

This year's Canberra Networking Day was about strengthening people to people exchange between our two nations. I would like to thank all of our sponsors and members who helped make Canberra Networking Day 2018 possible.

The Hon John Brumby AO

National President
Australia China Business Council

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 Branch 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, 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.

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Contents

Opening	Panel Sessions	Sponsors
<div>Welcome and Opening Remarks</div> <div>The Hon John Brumby AO HE Cheng Jingye The Hon Julie Bishop</div>	<div><div>Panel 1: Digital disruption: e-commerce and digital marketing</div><div>Moderator: Lee Featherby</div><div>Panellists: Andrew Parker James Hudson David Hazlehurst Nigel Stitt</div></div> <div><div>Panel 2: International education</div><div>Moderator: Misha Schubert</div><div>Panellists: The Hon Phil Honeywood Laurie Pearcey Duncan Bentley Sunny Yang</div></div> <div>Keynote Speakers The Hon Jason Clare Penny Wong Chris Bowen Steve Ciobo</div>	<div><div>Panel 3: Healthcare and aged care</div><div>Moderator: The Hon John Brumby AO</div><div>Panellists: Carol Allen John Paolacci Dan Collins Ian Wishart</div><div>Prime Minister’s Speech PM Malcolm Turnbull</div></div> <div><div>Panel 4: Creative and performing arts and sport</div><div>Moderator: Helen Sawczak</div><div>Panellists: Libby Christie David Koch Michael Tear Paul Currie</div></div> <div><div>Event Sponsors</div><div>Event Partners</div></div>

The Hon John Brumby



On behalf of the Australia China Business Council, welcome to Canberra Networking Day. May I particularly acknowledge our distinguished guests who will be joining us through the day. The Prime Minister, The Chinese Ambassador, The Minister for Foreign Affairs, The Minister for Trade, Tourism and Investment, The Shadow Treasurer, The Shadow Minister for Foreign Affairs, and The Shadow Minister for Trade and Investment.

We appreciate this is an extremely busy time in parliament, and your efforts in being here highlight the real importance you place on the Australia-China relationship. So thank you again.

This event really sums up what the Australia China Business Council is all about: we help business talk to government; we help business talk to government; and we help Australia talk to China.

And there's never been a more important time to be talking than now.

For most of the years I have been involved with the Australia China Business Council, I've seen an Australia-China relationship which has been in great shape – strong business links, strong people-to-people links and a strong and mutually respectful relationship at government level.

Last year, the business and people relationship remained strong and positive, but we saw the early signs of some fraying at the edges of the government-to-government relationship.

This year, we meet in more challenging circumstances. While the trade and investment relationship remains robust, the deterioration in the government-to-government relationship has the potential to undermine our business opportunities and future success.

At the ACBC, our core business is business – we work to increase the trade and investment relationship with China, to the benefit of business and, of course, the broader Australian community. We leave politics to our elected politicians. But I would be doing a disservice to our members and the feedback they have provided over recent weeks and months if I didn't call out the current challenges to the relationship.

To put it bluntly, the relationship needs reset and repair – to return to a position of mutual trust, respect and friendship – to the long-term benefit of both Australia and China.

And to be clear, this doesn't mean compromising Australia's values or interests. The choice is not about whether to protect our national interest or engage more closely with China. Rather, it is about how to protect our national interest, which includes a positive relationship with China.

One of the things I have learnt over the past 20 years or so observing the development of the Australia-China relationship is that many commentators and analysts all too often underestimate the growth and sheer dynamism of the Chinese economy – as well as the huge benefits of this to the Australian economy and our living standards.

Since the global financial crisis, China has accounted for almost 40% of all global GDP growth. Looking forward, the Reserve Bank Governor Philip Lowe recently pointed out a simple piece of arithmetic: China has four times the population of the US.

That means, when Chinese per capita income reaches just half of that of the US, their economy will be twice as big.



At the ACBC, we look at the \$183 billion of two-way trade between our countries as a great achievement. Our trade with China has significantly lifted Australian household incomes and living standards and helped build some great Australian companies. But we also believe that if the Australia-China relationship can be reset on strong and positive terms, there are further gains to be had for both our countries in the years and decades ahead. As China enters a new economic cycle, we see \$183 billion as just the beginning – as the foundation for even more growth.

So just how significant are these opportunities? When President Xi Jinping made his keynote address to the APEC CEO Summit last November, he provided a compelling picture of the extraordinary trade and investment opportunities China will generate over the next 15 years: '... it is estimated that China will import US\$24 billion worth of goods, attract US\$2 trillion inbound investment and make US\$2 trillion of outbound investment ...'.

These numbers are backed by other analysts ... McKinsey's, who advise that China now has a massive 42% of global e-commerce, and Boston Consulting, who predict that by just 2020, more than 100 million Chinese households will have annual incomes in excess of \$A60,000.



These factors help explain why on Singles' Day last year, Alibaba did more than \$US25 billion of business. The combined total for US Black Friday and Cyber Monday was under \$US8 billion.

So there are extraordinary opportunities for Australian exporters as well as service providers ... but we will need the relationship on a strong and positive footing if we are to maximise this potential. For our part, ACBC intends to take a leadership position in maintaining and building the Australia China relationship. Over the next 6-9 months we will push forward with a range of initiatives to support and build the relationship.

In July in Darwin, we are hosting a large two-day conference on the Belt and Road Initiative. We see BRI as a driver of growth in our region, generating new opportunities for Australian businesses as well as lifting the living standards of less well developed economies. It's worth noting the area covered by BRI encompasses a population of 4.4 billion people, or 62.55% of the world's population, and represents almost 30% of global GDP.

Second, ACBC will be actively supporting and participating in the China International Import Expo in Shanghai in November. We are delighted that Minister Ciobo has committed to supporting and attending the CIIE and we will be working with him as well as Federal and State agencies to generate new business opportunities for our members.

Third, ACBC in partnership with AustCham will again be actively supporting the AFL and the relevant AFL clubs for next year's Shanghai game. We will be building business events around the game and hope that next year a Women's AFL game might also be played. We are firm believers in the power of sports diplomacy.

Fourth, over the next year through our ACBC State Branches, we will be organising around 100 seminars, events and functions to promote trade and investment, covering topics as diverse as health and aged care through to dairy and horticulture. We will also be supporting numerous outbound and inbound China trade and investment missions.

And finally, last year ACBC organised and hosted the Australia-China Economic and Trade Co-operation Forum at which Premier Li Keqiang and Prime Minister Malcolm Turnbull spoke. We would welcome the opportunity to work with Government and host such a forum again in 2019. But it's also worth noting that last year we celebrated the 45th anniversary of Australia-China diplomatic relations.



To conclude.

This year we celebrate the 40th anniversary of China's 'opening up' to the world.

As Bill Gates recently put it: 'No other country has accomplished what China has achieved in the last few decades — breaking the relentless cycle of poverty and disease for hundreds of millions of people while modernising its economy at a scale and speed unprecedented in human history.'

But it's also worth noting that last year we celebrated the 45th anniversary of Australia-China diplomatic relations.

That means Australia has been engaged with China at every step of their growth journey. (And so, by the way, has the Australia China Business Council.)

At ACBC we believe this journey has only just begun, and that Australia and China have much to gain from a strong and positive partnership into the future.

That's why Canberra Networking Day is so important.

It's why it's wonderful to see so many businesses and individuals here to support the Australia-China relationship.

And it's why we look forward to working with you all to help generate new friendships and opportunities in the years ahead.

Ambassador Cheng



I have the great pleasure to be with you this morning for this year's ACBC Canberra Networking Day. Although it's already winter, it makes me feel warm to see so many familiar faces and people from ACBC, who have been committed to a stronger China-Australia relations over the years. I'd like to take this opportunity to express my deep appreciation to President John Brumby and all of you for your contributions to promoting cooperation between China and Australia.

You might know yesterday was a Chinese traditional festival, i.e. "Dragon Boat Festival". People across the country and the overseas Chinese community celebrated the day with dragon boat racing and eating zongzi, Chinese rice dumplings. The festival is to commemorate a well-known patriotic poet Qu Yuan, who lived over two thousand years ago. His patriotism and poems have become an integral part of Chinese heritage inspiring the people over the years. In April this year, I attended an event named "Tmall Go Global" held by Alibaba Australia. At the event, a well-decorated dragon boat purchased on the Tmall website was displayed at the Cockle Bay, Darling Harbor. It was really fantastic.

Ladies and gentlemen,

This year marks the 40th anniversary of China's reform and opening-up. Reform and opening up has both profoundly changed China and greatly influenced the world. The achievements in the past four decades are comprehensive. Not only miracles

were created in China's economic development, with its GDP being averaged an annual growth rate of around 9.5%, and more than 700 million people being lifted out of poverty. Huge progresses were also made across the political, social, cultural areas as well as rule of law and human rights. China has thus successfully blazed a path of socialism with Chinese characteristics.

Meanwhile, reform and opening up has spurred on China's interaction and integration with the rest of the world. By actively embracing globalization, China has capitalized or drawn on overseas fund, market, technology and management experiences, while kept expanding business cooperation with other countries. All these has helped boost China's development. In other words, China's development benefited a lot from the international society.

On the other hand, reform and opening up has enabled China to make more contributions to the world. It has taken an active part in the UN peacekeeping operations, standing now as the largest peacekeeping contributor among the Permanent Five. China has made its important share to the solutions of regional and international conflicts or disputes, such as addressing the Iranian nuclear issue and the denuclearization on the Korean peninsula. China made significant contribution to mitigating the global financial crisis, and has contributed over 30% of global growth in recent years. And China has firmly upheld the purposes and principles of the UN Charter, strongly supported multilateral trading system and global governance on climate change.

With 40 years' of reform and opening up, China has made tremendous progress on its journey to modernization. But we still have a long way to go. Though China being the second largest economy, it remains a developing country.

The 19th CPC Congress held last October drew a grand blueprint for China's future development. It's a three-step strategy. By 2020, we will accomplish the task of building a moderately prosperous society in all respects. By 2035, we will basically realize socialist



modernization, and by the middle of this century, we will turn China into a great modern socialist country .

Based on past experience and in light of future challenges, for China to realize the above-mentioned goals, we must adhere to the leadership of the Chinese Communist Party. We must stay on our own development path guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. And we must keep reforming and opening up.

Now China has entered a new era, namely the new era of building socialism with Chinese characteristics. In the future, we will devote greater energy to addressing imbalances and inadequacies in our development to meet the people's increasing needs for a better life. To this end, we will continue to advance reform across the board which includes deepening the supply side structural reform. We will follow the new development vision, pay more attention to the quality of development rather than the speed of economic growth. Meanwhile, we will fight three major battles. The first is to forestall and defuse major risks, especially to forestall systemic financial risks. The second is to carry out targeted poverty alleviation, with over 10 million of poor rural population to be reduced this year. And the third is to make further progress in addressing pollution and building a "Beautiful China".



China in the future will make new ground in opening up on all fronts. At this year's Boao Forum for Asia, President Xi Jinping emphasized that China's door of opening-up will open even wider. We will significantly broaden market access, further opening up service industry, especially financial services. We will create a more attractive investment environment. We will strengthen protection of intellectual property rights. And we will take the initiative to expand imports. This November, China will host the first International Import Expo. We welcome Trade Minister Ciobo to lead the Australian delegation to the Expo. We also look forward to more Australian businesses taking an active part in it.

Equally importantly, China will join efforts with other countries and international organizations in forwarding the Belt and Road Initiative (BRI). The initiative is aimed at promoting mutual beneficial cooperation among countries through enhanced connectivity. The BRI is China's idea, but its opportunities and outcomes are going to benefit the world. The BRI is open, transparent and inclusive. China has no geopolitical calculations, does not seek exclusionary blocs and will not impose business deals on others. Since it was put forward five years ago, the initiative has been supported and participated in by a growing number of countries and international

organizations. As long as all parties stick to the principles of extensive consultation, joint contribution and shared benefits, the BRI can be surely made into the broadest platform for international cooperation to the greater benefit of all our peoples.

While pursuing our national development, the Chinese people will continue to work together with the rest of the world, and make more contribution to humanity. China will unswervingly follow the path of peaceful development, and actively develop global partnerships. China will firmly support multilateralism, and take an active part in reforming and developing the global governance system, with a view to building a community with a shared future for mankind.

As has been stressed repeatedly, no matter how much progress it has made in its development, China will not threaten anyone, attempt to overturn the existing international system, or seek any spheres of influence. China will stay as determined as ever to promote world peace, contribute to global prosperity and uphold the international order.

Ladies and gentlemen,

As I just mentioned, everyone present here supports and cares the future of China-Australia cooperation.

I understand this year's ACBC Networking Day is about "strengthening people-to-people exchange between our two nations with a large focus on services". Trade in service requires deep relationship and mutual understanding, which I believe is very relevant at the current state of affairs of our relations.

It is right to say, that since China and Australia established diplomatic ties in 1972, especially since the beginning of the new century, huge progress has been made in exchanges and cooperation in various areas between the two countries, against the expectation of many people. These progresses have not only robustly spurred economic growth of both countries, but also delivered real benefits to the two peoples. Of course, the development of our bilateral relations has not been always smooth. Sometimes there be clouds, even wind and rain.

China and Australia are in the same region. Both our economies are highly complementary. We have many shared interests. The potential for further cooperation is huge, including trade in service. And we both stand for free trade and open economy. There is no reason for us not to develop a better relationship with each other based on mutual benefits and mutual trust.

Nowadays, countries are becoming increasingly interdependent, but populism and protectionism are on the rise. The new round of technological and industrial revolution has brought to human society with new opportunities. It has presented unprecedented challenges as well. Staying open and inclusive, enhancing communication and mutual learning are in the trend of human development. I remember at the New Colombo Plan 2017 Scholarship Awards Dinner in late 2016, a young recipient spoke of the need to build more bridges that connect people and less barriers that separate people. His remarks were quite impressive. Foreign Minister Julie Bishop, at that event, also stressed the value of the connections, networks, friendships and relationship made by the Australia undergraduates in the destination countries with the help of the "New Colombo Plan".

Last year, in her remarks at this occasion, Minister Bishop shared with us the story of "ATN Huawei Seeds for the Future Project". Under this program, 75 "New Colombo Plan" students will have the chance to work in Huawei's world-class R&D and manufacturing facilities starting from 2017.

Recently, in his meeting with Minister Bishop, Chinese State Councilor and Foreign Minister Wang Yi

outlined China's development path and its visions on developing relations with other countries. He pointed out that China follows a development path that is completely different from that of traditional major powers. China never interferes in the internal affairs of other countries, let alone carry out the so-called infiltration of other countries. China's idea is to carry out equal cooperation with all countries including Australia to achieve mutual benefit and win-win outcomes. He also expressed China's willingness to communicate with Australia on how to practically improve bilateral relations.

It's my belief that in order to dispel the clouds and achieve sustained and sound development in our bilateral relations, the two countries need to have more interactions and inclusiveness, with less bias and bigotry. We need to see each others' development and policy intentions from a more positive perspective, with less cold war mentality. We need to build more mutual trust, with less misunderstanding. We need to develop more connections between our two countries and two peoples, with less barriers. And we need to respect each others' core interests and major concerns, while manage the differences in a constructive manner.

Business circle is a major force that promotes China-Australia relationship. I hope and believe your discussions today will help deepen the practical cooperation and enhance political mutual trust between the two countries. Thank you.

The Hon Julie Bishop



Ladies and gentlemen, friends of Australia, friends of China. It is a delight to be here again this year, and I congratulate the Australia-China Business Council on this annual networking day. I think it is a great initiative and long may it endure.

Just on the topic of sport, being the number one ticket holder for the West Coast Eagles who are on top of the ladder - we don't have a female team yet but I can assure you when we do, there will be a female football game in Shanghai. Absolutely!

We are in the 46th year since diplomatic relations were established with China. It is useful to reflect on the relationship, and how it has broadened and deepened over those nearly 46 years.

Today it is a Comprehensive Strategic Partnership. This is one of the highest levels in diplomatic terms that a relationship between two governments can reach - a comprehensive strategic partnership.

Not many people would appreciate that there are one hundred or more different levels of cooperation between Australia and China at a government level - one hundred joint work programs and dialogues that we work on together, some of them through multilateral organisations like the UN and WTO. At a bilateral level, that is, Beijing to Canberra, there are fifty initiatives where we work jointly in a bilateral sense.

For example, we have the working group on security, on cyber, on law and order, on counterterrorism, on transnational crime, on agriculture, on climate change. We have bilateral dialogues on science and research, on tourism - there are 50 in total.

We of course, have the Foreign and Strategic Dialogue which we agreed in 2014. Each year the Foreign Minister and I meet to discuss foreign policy and our bilateral relationship. Last year it was in Canberra, this year it will be in Beijing.

We also have the 1.5 track dialogue, the Australia-China High Level Dialogue, which also was agreed in 2014 as part of our Comprehensive Strategic Partnership. Our Chair has been in the past Peter Costello, last year our Chair was John Howard. It is attended by not only politicians but by business people, journalists, academics, civil society, art and culture - the 1.5 track dialogue each November is a wonderful example of the depth and breadth of this most important of relationships.

It is not just at the Beijing to Canberra level. Also state governments are forging ties with the provinces throughout China. Some of them have a relationship with more than one province or provincial unit. Likewise, local governments have sister city relationships across China. I attended the Local Government Association Meeting in Canberra today and I was reminded again of the significant number of sister city relationships between Australian local government regions and cities in China.

This year is the 40th anniversary of the Australia-China Council. This is sponsored by the Australian Government and it is a Council ably and competently chaired by the Honourable Warwick Smith, and one of the Board Members Margaret Jack is in the second row here today.

I compliment and pay tribute to the Australia-China Council for the work that they do in building connections and ties with the China-Australia diaspora here through a series of grants, through funding to organisations that deepen the ties between Australia and China.

The Australia-China Council is also an advisory board to me as Minister for Foreign Affairs, and I have met with them and I meet with Warwick on a regular basis to discuss ways that at that grassroots level we can bolster the ties between the people of China and the people of Australia.



For those of you who have attended previous networking days you will know that my "baby" is the New Colombo Plan.

This was an initiative that the Australian Government introduced in coming to office in 2013. We fund undergraduates across Australia's universities to spend time living, and studying, and undertaking work experience in one of 40 countries in the Indian Ocean, Asia Pacific region.

Since 2014 to the end of 2018, the number of students who have received government funding to live, study and work overseas under the New Colombo Plan is 30,000. 30,000 Australian undergraduates since 2014 have been undertaking this extraordinary life changing experience.

The most popular destination for our undergraduates, particularly those doing the longer courses or the scholarships which are around 12 months is China, undoubtedly China. 6,304 students have been awarded New Colombo Plan funding to study in China, that includes Taiwan and Hong Kong.

I think that tells us that our relationship is in good hands because the next generation of leaders, the next generation of Australian leaders is having this opportunity to understand China, to become more China-literate, to see how business is done, to understand the culture, to learn the language.

I speak to the students who return from their New Colombo Plan experience often, and two spring to mind.

Liam Kearney is a student from UWA in my state and he won a 12-month scholarship to study at Shanghai Jiaotong Antai University. He did economics and Mandarin. He then did an internship at KPMG in Shanghai and he said it has absolutely transformed his life. He now has a completely different view on where his career should go, and he has an understanding of China that he would never have got from the textbook and he is fluent in Mandarin.

The second is Stephanie Otten, a student at ANU. Stephanie studied at Fudan University and she did an internship at NAB in Shanghai. She came back to Australia, she completed her degree and she is now working the New South Wales Government in the Department of Finance. Again, she said it opened her eyes to doing business in China. She understands that culture and context play a part. She understands the nuances of doing business in China. What an asset that is going to be for our country over many years, that we have young people building these networks, connections and understandings that will last a lifetime.

Of course, we welcome so many Chinese students in return - 185,000 is the figure I've been given - and they are so welcome here. Not only have they gained qualifications from an Australian university or higher education institution but they are part of the life on campus, they add to the diversity of the student experience here in Australia.

The people-to-people links are so strong. 1.4 million Chinese tourists came to Australia. There is a curiosity, an insatiable desire to know more about Australia and we have so many Australians visiting China in return.

I look at this relationship and say the people-to-people links are so strong and so deep, at every level of government. We have connections and ties and dialogues and working groups that will endure.

Last year the Australian Government published our Foreign Policy White Paper. It was the first review of our foreign policy on such a comprehensive scale in 14-years. When you think that 14-years is a long time in foreign policy these days, if you look at the events of last week, 14-years is a very long time between detailed comprehensive consideration of our foreign policy. This paper set out a framework for our international engagement and our international activities and our foreign policy over the next decade and beyond, focusing on our priorities and our interests and underpinned by our values.

There are five pillars to the Foreign Policy White Paper and our relationship with China is relevant to all of them, but of relevance today the first pillar is to ensure that we work closely with partners and friends to make the Indian Ocean, Asian Pacific region safe and secure and prosperous. Part of that means working closely with partners and there is a whole section on what more we can do to work with China but it includes our other partners in the region as well.

Another pillar is to ensure that our businesses have the opportunity to compete internationally and underpinning all of that is our ambitious free trade agenda. Of course, the ChAFTA free trade agreement, the China-Australia Free Trade Agreement, is a gold standard. It is one of the most comprehensive high quality agreements and we are very proud of the benefits that that agreement has brought to businesses in China and Australia.

The third element is keeping our people safe and secure, and of course, we work with partners overseas and particularly in our region to that effect.

The fourth, and this is an important one, the fourth is that we must continue to strengthen, defend and uphold the international rules based-order - that network of alliances, and treaties, and conventions, and norms, and institutions underpinned by international law that has evolved since the Second World War to ensure that we don't have a third global conflict and it determines how countries behave and towards each other. Australia plays by the rules and we urge all nations, particularly in our region where it affects our national interest, to play by the rules.

We are working closely with China on the economic order, the international economic order. If you have got a trade dispute and you can't resolve it amicably, go to the World Trade Organisation. That is where we resolve trade disputes. We are urging all our friends to resolve differences according to that international rules based-order. Sure, it must evolve. Sure, it must respond to the changing times but we need a set of rules to determine how nations should behave.





Just in terms of the international rules-based order, I should digress for a moment and say probably one of the most egregious examples of a nation defying the international rules based order is North Korea, and we've seen the extraordinary events of last week, and whether that leads to a permanent peace on the Korean Peninsula, whether it leads to North Korea denuclearising - that is getting rid of all of its nuclear weapons and its ballistic missiles - only time will tell, but it was a historic moment.

I want to pay tribute to the role China played in bringing North Korea to the negotiating table. Last August-September, the UN Security Council passed some of the toughest economic sanctions ever imposed on North Korea. They were backed by China, they were backed by Russia, they were backed by all permanent members of the Security Council and that kind of economic and diplomatic and political pressure on North Korea is one of the major reasons that we saw the events of last week, that have brought North Korea back to the negotiating table.

I have certainly passed on Australia's thanks to China via State Councillor Wang Yi in relation to the very important role that China played, that leadership role that China played in relation to North Korea, and I'm afraid they'll continue to have to do that for some time yet.

This brings me to the economic relationship, and I know most people start with the economic relationship.

The economic relationship is remarkable. We know that China is our largest two-way trading partner. Two-way trade is now \$175 billion. That is an extraordinary amount. China is our fifth largest foreign direct investor, our fifth largest source of foreign direct investment which is now over \$40 billion. So, this is a significant trading relationship in anyone's terms, and it is underpinned by the free trade agreement with China. We hope that that free trade agreement encourages others to go down the path both Australia and China are promoting, of open and free and liberalised trade and investment, transparent rules - no protectionism, that sentiment does not do anybody any good - no trade wars, nobody wins out of a trade war - but open, free, liberalised trade and investment, and all benefit, it brings up all boats.

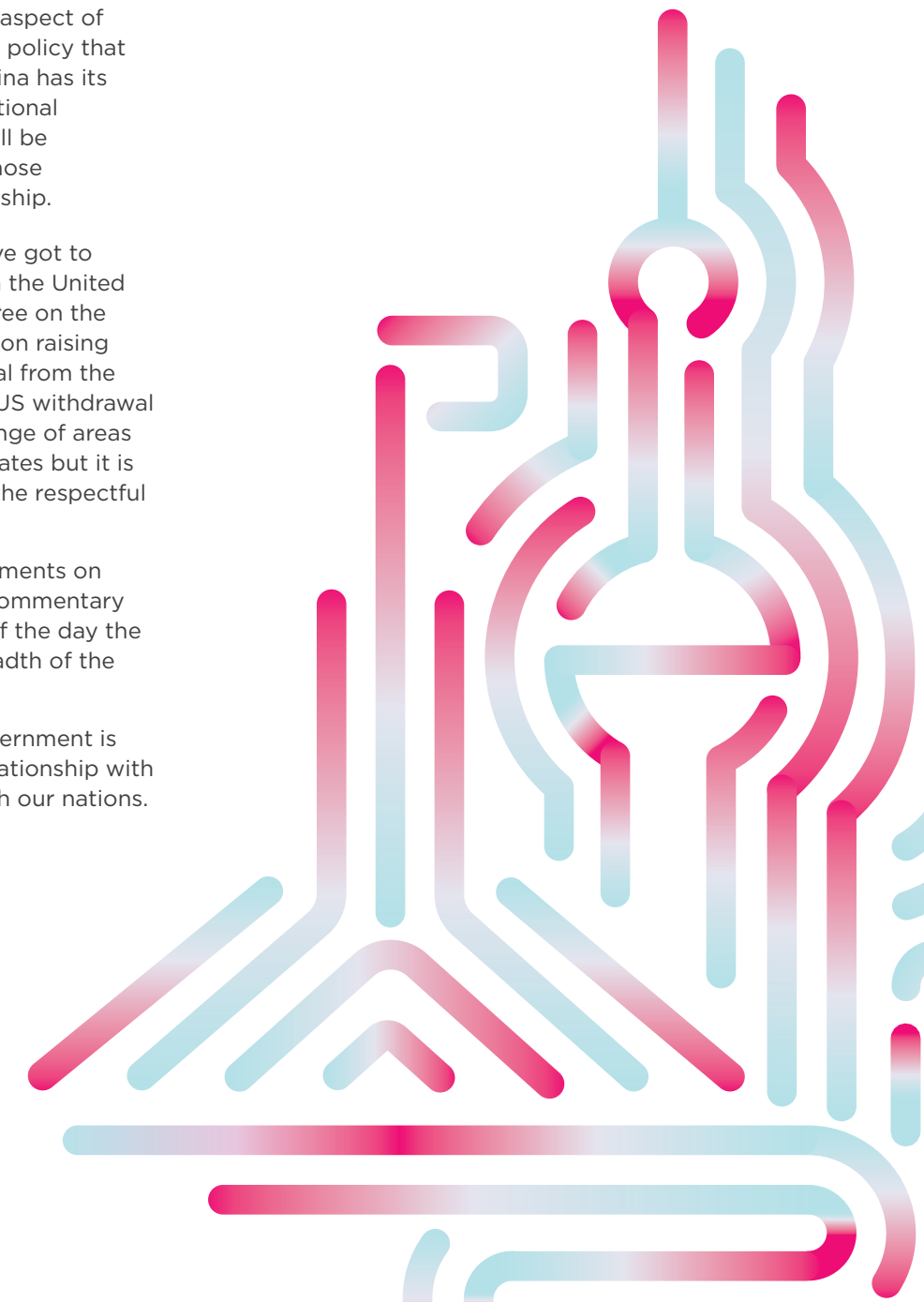
I look back 46-years. It is a robust relationship. Do we agree with China on everything? No. Does China agree with Australia on everything? No. But it is a robust relationship where we can manage our differences.

No two countries agree on every single aspect of foreign policy. We have our own foreign policy that we promote, in our national interest. China has its foreign policy that it promotes, in its national interests. There are times when there will be differences, but it is how you manage those differences that counts, like any relationship.

You've got to put it in context and you've got to keep it in perspective. We disagree with the United States on a number of issues. We disagree on the President's stand on trade, we disagree on raising tariffs, we disagree on the US withdrawal from the Paris Agreement, we disagree with the US withdrawal from the Iran deal. There are a whole range of areas where we don't align with the United States but it is how you resolve those differences and the respectful manner in which you discuss them.

Sure, there are always going to be statements on both sides that aren't helpful. There is commentary that you think - really? But, at the end of the day the depth, and the connection, and the breadth of the relationship is what counts.

I can assure you that the Australian Government is committed to a strong and enduring relationship with China that is in the best interests of both our nations.





Panel 1

Digital disruption: e-commerce and digital marketing



MODERATOR

Lee Featherby

CEO
PowerfulPoints



PANELLIST

Andrew Parker

Executive General
Manager International
Australia Post



PANELLIST

James Hudson

Director of Corporate
Affairs & Marketing
Alibaba Group



PANELLIST

David Hazlehurst

Deputy CEO, Business,
Partnerships & Support
Austrade



With more than 770 million internet users, and 120,000 new users joining every day, China now has as many digital natives as the US has total internet users. Last year 533 million Chinese people shopped online, and most of them did so on a mobile phone. And when it comes to innovation and technology, China already tops worldwide filings for patents, trademarks and industrial designs, and the OECD predicts that China will overtake the US as the world's largest spender on R&D.

What are the opportunities for Australia as the Chinese economy shifts to a consumption basis and the Chinese middle class rises?

What are the trends in e-commerce, marketing and consumer behaviour?

How is the Chinese digital landscape different from Australia?

How will Australian companies and Government agencies adapt to this new digital economy in China?

Key Takeaways:

- Online shopping is now worth \$21 billion dollars in Australia. 19% growth from 2017 and gross sales online in Australia were 8% compared to 20% in China. One in five Australians shopped online using a mobile device.
- Australia Post is engaged in a 12-year joint venture and its Chinese business, Sai Cheng, has 12 warehouses, accessing 13 gateways in China – a great opportunity for Australian businesses.
- Australian products offer Chinese consumers a different lifestyle, particularly in the value of 'clean and green'. However, this appeal should not be taken for granted. The China market is becoming increasingly competitive and consumers demand quality and speed. An online presence is essential.
- Alibaba's fundamental mission is to make it easy to do business anywhere and connect small businesses to online opportunities. Alibaba has 617 million active monthly users, moving 50 million packages a day. Alibaba has 2,000 Australian brands selling through its marketplaces. Australia has gone from 5th to 3rd highest exporter on the platform.
- Chinese Australians and Chinese students in Australia play a fundamental role in building Australian brands in China. Chinese students born after 1990 are driving change as they are wealthier than their parents, travel extensively and are willing to experiment with products. 'Daigous' can also help to gain market insight and consumer preferences.
- Female consumers make up 60% of online purchases and Australian fashion brands have begun to gain a foothold into this market.
- Telstra established first China office 20 years ago and now operates across 20 provinces and 31 cities with 200 staff. It is the largest foreign owned IP VPN network provider in China, which has allowed Telstra to be a gateway for Australian business accessing digital platforms.
- Businesses need a multifaceted China digital strategy. The strategy a business may have for 1st tier cities needs to be reconfigured when engaging with 2nd and 3rd tier cities.
- E commerce isn't a get rich quick scheme – Alibaba conducts workshops to train businesses and reset expectations.



Panel 2

International education



MODERATOR

The Hon Jason Clare

Shadow Minister for Trade and Investment
Shadow Minister for Resources and Northern Australia



PANELLIST

Senator The Hon Penny Wong

Shadow Minister for Foreign Affairs



PANELLIST

The Hon Chris Bowen

Shadow Treasurer



PANELLIST

The Hon Steven Ciobo

Minister for Trade, Tourism & Investment



More than half a million international students enrolled in higher education in Australia this year, with 40% of them from China, marking a 12% increase from 2017. International education contributes \$31 billion to the Australian economy through tuition fees, tourism and living costs. After the success of ChAFTA, the future of bilateral trade is in services – education, tourism, healthcare, professional services. The sale of services requires much more than arms-length transactional relationships that are used to sell commodities. Services require deep relationships at every level – government to government, business to business and person to person.

How important are Chinese students to the income of tertiary institutions?

How does Australian higher education cater for international students?

What are the opportunities and challenges faced by world-ranked institutions with international students?

How do Australians leverage the presence of 232,000 Chinese international students?

What role can business play in this sector?

Key Takeaways:

- The USA currently receives one million international students, compared to 650,000 in Australia. 30-40% of those students hail from China - a similar proportion compared on other countries worldwide.
- Australia has a geopolitical advantage. Chinese parents can contact students in the same time zone and visit when possible. This leads to robust people-people contacts.
- Education connections are two-way. Over 2,000 Australian undergraduate New Colombo students and 5,000 undergraduates from Australian universities now study abroad in China.
- Wealth and aspiration have driven the exponential demand in education from China but the market has become more competitive due to increasing global study abroad options. The popularity of study destinations does shift but hard work is required to remain a strong international education provider.
- Research and higher education are integral to China's economic productivity. R&D growth in China is increasing 18% year-on-year. Higher education spending is \$222 billion, just under \$224 billion China spends on its military. Huawei invests 5% each year on R&D, which provides significant opportunities for Australian startups to capitalise on China's research investment.
- More needs to be done to increase the employability of graduates through internships and closer involvement with employers in areas such as smart cities, supply chain management, smart cities and digital & public health delivery in regional areas, where there are opportunities for Australia businesses to meet the service demands of regional China.
- There are opportunities for universities to provide the academic and industry expertise in China as it re-skills and up-skills workforces that are transforming at a rapid pace.
- Australian business is riding off the back of four decades of engagement with China. There is a need to forge new collaborations with partners. One way of achieving this is using university staff and students to springboard into the innovation precincts of Chinese universities.

Keynote Speakers



MODERATOR

The Hon Jason Clare

Shadow Minister for Trade and Investment. Shadow Minister for Resources and Northern Australia

Jason Clare highlighted the opportunities and risks of reliance on China as a market. He claimed Australia has the ability to lobby the US during trade disputes and a similar channel should exist when advocating for Australian wine and beef industries in China. He went on to remark that just 10% of senior executives have experience doing business in Asia and that there's a need to build skills in young Australians with on the ground experience in China.



PANELLIST

The Hon Chris Bowen

Shadow Treasurer

Chris Bowen remarked on the importance of language in Asian engagement but that despite just 300 Australians from a non-Chinese background speaking Mandarin at a business conversational level. He urged that Asia literacy requires a long-term approach. He also lamented how Australia's China narrative can often be hijacked and used for political points scoring domestically and that the Asia White Paper needs to be reinstated.



PANELLIST

Senator The Hon Penny Wong

Shadow Minister for Foreign Affairs

Penny Wong spoke of the need to handle the China relationship with sensitivity without being inflammatory and outlined how the migrant community can often be the fault line when the bilateral relationship fractures. She spoke of the Opposition's operating principles on China that highlight the need for a clear and sophisticated purpose, acknowledgement of the importance of China's economy to Australia and for the relationship to work within Australia's regional framework.



PANELLIST

The Hon Steven Ciobo

Minister for Trade, Tourism & Investment

The Minister for Trade spoke of the strength that underpins the relationship with ChAFTA as one of the building blocks that has seen two-way trade grow to \$180 billion. He signaled the opportunities for creative industries and recommended an industry by industry approach for Australia's national brand. While Australia and China will inevitably have differences, he remarked that there is a positive track history for working these out and the resumption of Treasury Wine exports to China was an example of this.



Panel 3

Healthcare and aged care



MODERATOR

The Hon John Brumby AO

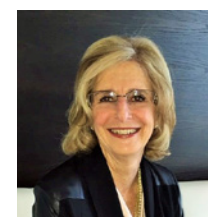
National President
ACBC



PANELLIST

John Paolacci

Partner
ShineWing Australia



PANELLIST

Carol Allen

CEO
Sapphire International Holdings



PANELLIST

Dan Collins

Founder and Managing Director
GenesisCare



More than half a million international students enrolled in higher education in Australia this year, with 40% of them from China, marking a 12% increase from 2017. International education contributes \$31 billion to the Australian economy through tuition fees, tourism and living costs. After the success of ChAFTA, the future of bilateral trade is in services – education, tourism, healthcare, professional services. The sale of services requires much more than arms-length transactional relationships that are used to sell commodities. Services require deep relationships at every level – government to government, business to business and person to person.

How can we continue to develop our competitive advantages in health systems, products and services?

What are the challenges and opportunities for health companies setting up in China?

What are the optimal methods for selling health products in China: via online, distributors or bricks and mortar shops?

How important are partnerships and connections with government in this sector?

What are the major public health issues which China and Australia will face in the future?

What role can philanthropy and corporate social responsibility play in this industry?

Key Takeaways:

- China's demographics are changing and ageing issues, such as dementia, are a growing problem. 30% of the population will need aged care in the future.
- China's aged care sector is about 20 – 30 years behind Australia's and this presents a great opportunity for collaboration and capacity building. Australia is 2nd in the world for health care but this presence is not currently reflected in China.
- When finding a partner in China, it is important to conduct due diligence as there can be significant risk for your brand if you go into business with the wrong partner.
- Genesis Care is the largest provider of cancer treatment in Australia and Europe, and has partnered successfully with local government in China.
- Australia adds value in its ability to train the trainer. There is significant opportunity to provide training for Chinese health and aged care professionals in Australia. China is looking for partners to send health professionals to receive 2 years of training in Australia.
- The Fred Hollows Foundation has permanent offices in China and partnerships with the Chinese government. 310,000 eye operations have been conducted for one million people. Every \$1 invested into better eyesight increases productivity by \$4. As a result, there are opportunities for businesses to develop relationships in China through non-government organisations.
- It's vital to understand Chinese policy trajectories, such as the 'Healthy China 2030' Initiative, and business should align its China engagement strategy accordingly.
- Technology is playing a greater role in Chinese health care with remote monitoring keeping patients out of hospital. Businesses should consider a multi-pronged approach to grow with a mix of online, community and bricks & mortar care.



Prime Minister Malcolm Turnbull began his address of the Canberra Networking Day attendees by commenting that the Australia-China relationship was rooted in family and driven by people-people ties. The relationship is deep and gets deeper, and is based on mutual respect, he remarked.

Mr Turnbull saw an alliance with Chinese President Xi Jinping given they are both defenders of free trade. The Prime Minister looked back on a conversation with Xi comparing Xi's remarks that protectionism was like locking oneself in a dark room with his own metaphor that protectionism was more akin to a shovel rather than the ladder offered by free trade. He cited the resumption of wine exports to China as evidence that tensions in the relationship can be mediated.

The Prime Minister paid tribute to the 1.2 million Australians of Chinese heritage who are fundamental to the Australia-China relationship and contribute to the success of Australia's remarkable multicultural society. With regards to recent challenges in the Australia-China relationship, Mr Turnbull claimed the media tend to focus on friction but fail to recognise the very strong underpinnings of the bilateral relationship of which the Australia China Business Council and business community play a leading role.





Panel 4

Creative and performing arts and sport



MODERATOR

Helen Sawczak

National CEO
ACBC



PANELLIST

Paul Currie

Director & Co-Founder
Lightstream Pictures



PANELLIST

Michael Tear

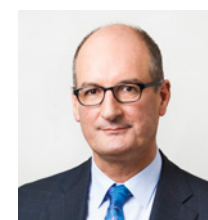
CEO
Wildbear Entertainment



PANELLIST

Libby Christie

Executive Director
The Australian Ballet



PANELLIST

David Koch

Chairman
Port Adelaide Football Club



Services are predicted to be the future of bilateral trade and investment, which require a deeper people to people connectivity and understanding. Culture has a potentially huge role to play in building a bridge between culturally and linguistically diverse communities. Last month saw the second AFL Premiership game played in Shanghai, as well as the Melbourne Symphony Orchestra on tour to six Chinese cities. Later this year the Australian Ballet will go on tour to China and last year the Chinese National Ballet also visited Australia. Australia has a longstanding film coproduction agreement with China and the Federal Government recently announced a new \$140 million fund to boost the location offset for foreign film productions in Australia.

What are the benefits of cultural exchange with our number one trading partner?

What role can cultural industries play to enhance the bilateral relationship, and what are the surrounding commercial opportunities?

How important is government engagement in this sector and what can Government do to support cultural bodies?

How is content best developed for diverse audiences and marketed?

Key Takeaways:

- There are tax incentives to encourage Australia-China film co-productions and rebates for productions that are made in China. Co-productions allow for both western and eastern perspectives in telling rich stories that build the relationship and develop bilateral understanding.
- Chinese government looks for a type of westernisation to tell Chinese stories and the Chinese audience is sophisticated in their desire for films that are emotional and moving.
- 2019 will see the Australian Ballet's 9th tour of China. In 2017, 17 businesses joined the tour that provided the chance for corporate partners to build relationships in China. Qantas and Australia Post have previously collaborated to showcase their activities. Investing in the arts provides a cultural license to operate and Australia's uniquely athletic style of ballet exports the notion of Australia as a creative nation.
- The AFL is the first code to play in China for points and other international sports are looking to Port Adelaide on how to extend their leagues to China.
- Port's decision to expand into China was a rejection of the 'pokie model' for a consistent revenue stream for a football club. Port began to connect through business lunches and expat communities. The AFL game in Shanghai now helps to provide networks and build relationships around the weekend to educate Australian businesses on China.
- China adheres to its Five-Year Plans and its sport strategy is fundamental to achieving its goals of a healthy citizenry. As a result, China plans to build 20,000 soccer schools. Its vital for Australian businesses to have a grasp on China's vision.

Event Sponsors



ShineWing

ShineWing Australia is part of the ShineWing network that has offices in more than 20 locations across Asia. ShineWing is the largest domestic accounting firm in mainland China, which means we can offer our clients real, on-the-ground connections and local knowledge. We can help clients navigate process and procedures to establish a presence in Asia more efficiently and maximise the value of their investment quickly. We are also a member of Praxity International, a global alliance of independent accountancy, tax and business consulting firms that have a presence in over 100 countries. So, whatever or wherever your growth ambitions may be, we can help connect you to opportunity.



PowerfulPoints

Communicate with Influence. Let's face it, when and where were you taught how to communicate a message through Presentations? An influential and impactful Presentation is much more than you think. It involves engaging content that has structure and narrative. Slides should have visual illustrations and animation to highlight key messages. Most of all, your Presentation should show your brand so it's memorable – people can't make decisions on what they don't remember! We work with some of the world's most prestigious brands with corporate communications that influence...brands like McDonald's, Visa, Coca-Cola, ALDI and ASX. In 2015, we established an office in Shanghai to provide a local presence to both large and small companies wanting to tell their stories to both Chinese and Australian audiences.



Swisse

Swisse Wellness is an Australian leading wellness brand with a mission to help people live healthier and happier lives. For over 40 years, Swisse wellness has been investing in products formulated with premium quality ingredients based on traditional evidence and scientific research. Today, the Swisse Wellness product range stretches from top selling men's and women's multivitamins and dietary supplements, to sports nutrition, skincare and functional food. As one of the leading international natural health brands selling online in China, Swisse Wellness resonates with Chinese consumers whose demands are driven by the strength of the brand and the desire for safe, premium quality products. In April 2017, Swisse Wellness successfully launched normal trade in China through retail stores.



Telstra

Telstra's focus and expertise make us your trusted route to China, where we have operated since 1989. From owning a network that serves up to 30 percent of Asia's internet traffic, to being the first foreign company licensed to provide connectivity and network services on the mainland through our PBS joint venture, we have decades of experience helping customers thrive in China. Marrying local delivery with international experience, Telstra's core focus on service excellence means we work in partnership with enterprises and carriers to co-create the future of your business in China. Our expanding capabilities are backed by Telstra's commitment to deliver a great customer experience. Customers receive the same world-class, 24/7 service and support whether in China, Australia, or around the world. We have feet on the ground in the places you need them, with nearly 200 staff in China with the expertise and relationships to liberate your workforce to concentrate on core capabilities.





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