

30 June 2019

Chairman Hon Warwick Smith AO
National Foundation for Australia-China Relations
Department of Foreign Affairs and Trade
R.G. Casey Building, John McEwen Crescent
Barton ACT 0221 Australia

Via email: nfacr@dfat.gov.au

Dear Chairman Hon Warwick Smith AO,

RE: Submission by the Australian Chamber of Commerce (AustCham Shanghai) to the National Foundation of Australia-China Relations (Foundation)

***About us:** Founded in 1994, [AustCham Shanghai](#) is the peak body for Australian business in east China, representing more than 350 corporate business members. The Chamber provides an array of services to assist Australian organisations enter and grow in China and regularly engages with the Australian Government to advocate on behalf of the Australian business community in China.*

Thank you for the opportunity to provide input on the scope and programming of the Foundation. Our submission below represents the views of our members across three key areas: Foundation Scope; China Literacy; and Business Exchange.

Foundation Scope

AustCham Shanghai welcomes and supports the purpose of the Foundation to “harness efforts of the private sector (and relevant organisations) ... to turbo-charge our national effort in engaging China”. In line with this purpose it is crucial the Foundation does not seek to replicate or replace existing activities, instead seek to partner, support and amplify existing efforts to positively further the relationship between Australia and China.

In line with the legacy of the Australia China Council, the Foundation can provide significant value to the relationship through funding, research and coordination and communications.

We recommend that the Foundation:

- Invest in activity that promotes the Australia-China relationship – by partnering with established in-market providers to build private industry capacity to conduct regular, targeted exchanges between Australia and China; grow existing marquee events; and partner to explore business and cultural opportunities in new and underinvested industries;
- Educate the Australia-China community by conducting and promoting research that provides practical insights – for example for the invested Australian business community in China by providing English translations and timely summaries of changes to the Chinese regulatory environment;
- Seek to coordinate and communicate much of the Australia-China related activity and communicate this activity effectively – for example by becoming a “one stop shop” platform that lists all Australia-China relations activity occurring across all levels of government and the private sector.

As the Australia China relationship evolves it is important that the Foundation establish constructive feedback mechanisms for all stakeholders to share learnings and influence the direction of the Foundation outside of grant funding rounds on a yearly basis.

To further the scope of the Foundation, AustCham Shanghai also recommends that the Foundation's Board of Directors includes representation from individuals based in China. This key step will underline the importance of in-market expertise and enhance leadership exchange. AustCham Shanghai also recommends that a representative from the secretariat of the Foundation be based in mainland China. Having China based support and leadership representation ensures the Foundation is well placed to effectively engage with all stakeholders based in China and actively understand the development and changes in modern China and their impact on and opportunity for Australia.

China Literacy

It is in our nation's best interest to increase the number of Australians who understand and engage with our most important trading partner. AustCham Shanghai recommends that the Foundation seek to partner, support and amplify activities aimed at furthering China literacy in Australia.

The Foundation should support initiatives aimed at:

- building pathways for young professionals to gain study and work experience in China;
- encouraging business representatives to be in market regularly and to understand changes to the operating environment in China;
- encouraging boards of directors of medium and large Australian organisations to have representatives with China experience.

AustCham Shanghai has previously written about the need for new pathways for young Australians to gain experience in China through our submission to the Government's Foreign Policy White Paper. Since then, unfortunately we are seeing a decrease in opportunities for Australian's to work in China through a tightening of Chinese working visa requirements and an increase in local and foreign firms hiring local talent. Combined with a worryingly low share of Australian's with Chinese language proficiency, AustCham Shanghai is concerned that there will be less Australian's having gained worked experience and the network benefits from time spent working in China in the years to come.

Furthering this, the Foundation has a great opportunity to promote and invest in initiatives that aim to develop connections with the community of Chinese nationals educated in Australian higher education each year. Engaging with the alumni community is one-way to build ambassadors for Australia and unlock new opportunities and partnerships for Australians. AustCham Shanghai is increasingly engaging this community by providing internship opportunities for returning students and will be launching a new program in late 2019 to further engagement with alumni.

Business Exchange

China is one of the busiest and most dynamic markets in the world. It is critical that Australian products and services be featured regularly at in-market events and exhibitions to remain relevant.

AustCham Shanghai has previously written about the need for regular in market activity and is pleased to see that Austrade has committed to host a Festival of Australia in China for the next few years. AustCham Shanghai recommends that the Foundation seek to partner with major Australian China based initiatives including the Festival of Australia and the Australia China Business Awards. Beyond these two prominent

events there are many more including the AustCham Shanghai run annual Australia China Sports Summit and the Australia China Graduate Careers Fair.

Following feedback from our members, AustCham Shanghai also recommends that the Foundation seek to partner, support and amplify activities connecting Australian and Chinese business located outside of first tier Chinese cities. Key strategic areas of interest to the Foundation should include the Yangtze River Delta and the Greater Bay Area.

In furthering business exchange the Foundation should also seek to partner, support and amplify activities that educate Australian businesses looking at Chinese market entry before they expend capital. To leverage this, a new or refocused initiative could look to more regularly leverage the experience of the China-based Australian business community to bring contemporary insights to audiences in Australia.

Conclusion

Shanghai is China's commercial capital and the number one destination for Australian investment in China. Our annual Westpac Australia-China Business Sentiment Survey has highlighted that the invested Australian business community in China is attuned and optimistic to the opportunity in market. In recognition and support of this AustCham Shanghai will be opening an Australia House, a dedicated building and home for Australian and Chinese business in downtown Shanghai in late 2019. AustCham Shanghai looks forward to sharing more detail in coming weeks about the physical office, hot-desking, common events and training, product showcasing, and activation support and opportunities the concept will provide, and engaging with the Foundation to partner on this exciting initiative.

Once again, AustCham Shanghai welcomes the formation of the National Foundation for Australia-China Relations. We look forward to partnering with the Foundation on an ongoing basis, and welcome further consultation. Should you have any questions or would like more information please don't hesitate to contact me on +86(21) 6149 0600 and at jack.brady@austchamshanghai.com.

Yours sincerely,



Jack Brady
CEO and Executive Director
Australian Chamber of Commerce Shanghai (AustCham Shanghai)