

Why more Aussies are calling Shanghai home

A new breed of young Australian professionals is changing the face of our diaspora in the global financial hub.

By GLENDA KORPORAAL

From **The Deal** September 20, 2019

11 MINUTE READ •  36

Melbourne-born architect Alexandra Chu is busy with her latest project in Shanghai. Now a property developer and co-owner of the Anken Group, she is working on a landmark building to put Australia on the map in China's business capital — a development called Australia House.

After almost 20 years living in China — the country of her father's birth — Chu, 46, is working with the Australian Chamber of Commerce in Shanghai on a seven-storey purpose-built building for the chamber and other Australian companies based in the city. It is set to open in November.

It's the kind of work she would never have got in Australia after she graduated in the mid-1990s from Melbourne University, where she studied architecture. She left for Hong Kong in 1998, looking for new opportunities.

[Read more from The Deal](#)

Australia House will become a focal point for Australian business in Shanghai, with co-working spaces, training and meeting rooms, event spaces, shops and a gym, all designed to appeal to a new generation of Australian smaller and medium-sized companies, many of which are servicing China on a fly in-fly out basis.

While Hong Kong is host to the largest single cohort of Australians living in Greater China (where there are an estimated 100,000 Australian passport holders), Shanghai is the major focus of the Australian business community in mainland China, with an estimated 8000 Australians providing a driving force for the \$200 billion Australia-China trade.

The city hosts offices for many Australian businesses including the big four banks and Macquarie Group, Rio Tinto, Fortescue Metals Group, Australian law firms, Woolworths, Treasury Wine Estates, Visy, BlueScope Steel and Blackmores. Lendlease, which has also used Shanghai for its base in China where it has been operating for the past 25 years, is working on a \$400 million retirement home project on the western outskirts of Shanghai with plans to expand the business. The AFL, which set up an office in the city this year, will base its China office in Australia House.

Austrade also has one of its five global “landing pads” in Shanghai, a room in a co-working space in the city. The space gives Australian start-ups three months to work on developing their China business. The others are in Singapore, Berlin, San Francisco and Tel Aviv.

Austrade’s senior trade and investment commissioner for Shanghai, Bing Liu, has been working for Austrade in China and Australia for the past 18 years. Born in Hengyang city in Hunan province, she studied nursing at the Queensland University of Technology and worked at the Royal Brisbane Hospital for eight years. On a trip to Beijing to care for her father in 2000, she met some Austrade staff at an IT exhibition and joined Austrade in its Beijing office in May 2001. She was posted to Shanghai in her current senior role in January this year.

“Over the last 20 years, I have seen a steady growth of Australian business presence in Shanghai,” she tells The Deal. “It has grown from a small base in the late 1990s

when mainly large Australian entities such as BHP, Rio Tinto, ANZ and the like had China branch or representative offices.

“There was a significant growth in the presence of Australian businesses from the early 2000s represented by the building and construction sector in assisting China’s major urbanisation processes. I saw close to 50 Australian architecture and design firms operating in China, many with presence in Shanghai.”

Liu says the Australian diaspora in Shanghai is “famous for entrepreneurial spirit and industry expertise”.

One such is [Michelle Garnaut](#), whose M on the Bund restaurant, established 20 years ago, remains one of the most famous restaurants in the city as well as another regular gathering place for Australian expats.

Chu describes Anken (Chinese for “peaceful cultivation”) as “one of the largest foreign boutique developers in Shanghai”. She met representatives from the Australian Chamber of Commerce in the city some years ago when they were tenants in one of her buildings. When the lease on the building ran out, the two began talking about new premises for the chamber and the idea for an “Australia House” in Shanghai was born.

“Every building we work on has its own unique community,” Chu says. “We said ‘why don’t we try to create this community around one of our buildings?’ The chamber can take what it needs and we can brand the whole community around the Australia House idea.”

Chu had grand designs for the project despite the fact that the Australian chamber had a limited budget. “It seemed a bit silly to do an Australia House unless you had a standalone building,” she says. “It made sense for us to have one building which is about Australian business in China.”

With close links to some property investors in the city as a result of her developments, she was able to bring in a major Shanghai state-owned enterprise as an investor for the property.

Chu is part of the changing face of Australian business in China as Australian Chinese become more active in using their skills in both cultures. She is the daughter of Chu Tah Wen, who was born in the Chinese city of Wuhan, schooled in Shanghai and moved to Hong Kong before migrating to Australia in the 1950s, and a fifth-generation Australian Chinese mother who couldn't speak Chinese.

Chu worked in Hong Kong for a global planning and landscape firm, EDAW. After two years, in 2000, she was offered the chance to move to the firm's Shanghai office, a challenge she took up partly to encourage herself to learn Mandarin.

She went out on her own in 2003 and, with a partner, set up Anken as a design consultancy firm. Three years later they decided to focus on property development and urban regeneration — taking old rundown buildings in Shanghai and fitting them out for office space. To date they have worked on 12 major projects with total space of 90,000 square metres, either buying buildings or taking out long leases on them.

'It has completely changed now. I see a lot more younger graduates wanting to come to China'

The Anken Group has a core team of around 30 people and a total staff of around 120, including workers such as security and cleaning staff on the various buildings around Shanghai it manages. "We have over 100 small and medium-sized companies renting from us," she says.

In her two decades in Shanghai, she has seen big changes in the nature of Australian companies in the city. "When I first came, I was one of the few people in professional services," she says. "A lot of the Australians were either in government or people in manufacturing. But it has completely changed now. I see a lot more younger graduates wanting to come to China whereas before it tended to be older people coming. Now they tend to be in more service-orientated businesses such as lawyers, accountants, architects, designers and entrepreneurs."

But Chu is also seeing business in Shanghai reflecting the slowdown in the Chinese economy which has been exacerbated by the US-China trade war. “A lot of people are not doing very well right now,” she says. “People are not very optimistic because of the unknown.”

But Chu is particularly pleased to be working on the Australia House project. Her father, who studied architecture at Melbourne University and went on to teach there, was instrumental in encouraging Melbourne’s lord mayor to rebuild China Town in the city in the mid-1970s. “It is a nice personal connection for me,” she says. “My father was one of the driving forces behind the urban regeneration of China Town in Melbourne and I am doing the same thing here in Shanghai.”

The chief executive of the Australian Chamber of Commerce in Shanghai, Jack Brady, says the plans for Australia House were also built around the changing nature of Australian business in the city. Brady has been in Shanghai since 2015 after moving there to study Chinese following a career in government and corporate relations in Sydney. He says the number of Australians in business living in Shanghai has fallen over the past few years.

Many companies are no longer providing big expat packages for their Western staff to live overseas, opting to hire more locally engaged Chinese staff whose standard of education and international business experience has risen significantly. He says China has also been tightening up on the visa process for foreigners, making it harder for ordinary young foreigners to get work in the country.

The chamber has a membership of around 350 companies, down from a peak of around 380 a few years ago. Brady says the idea for a standalone Australia House building in Shanghai is a sign of the changing times, with many new entrants from Australia coming to China being small and medium-sized businesses which don’t want a big footprint in China.

“We don’t have companies like the Americans who are manufacturing things in China,” he says. “We have a lot more small and medium-sized businesses in areas like food and beer and wine. We are seeing fewer of the traditional expats and more Chinese nationals who are highly educated taking on greater roles in Australian

companies. We are seeing more Australian companies limit their footprint in China, conducting their business with staff flying in and out of China.”

Initially established 25 years ago as more of a social club for expat Australians, the chamber now plays an active role in hosting events for the Australia business community in the city. One of its major projects is to tap into the increasing numbers of Chinese students who have studied in Australia and still feel a strong connection with Australia.

“The board has set a strategic objective to target Chinese alumni,” says chamber chairman Craig Aldous. “We strongly believe that by having Chinese alumni in our community, we are going to create a lot more opportunities and connections for Australian and Chinese companies operating in the China-Australia space.” The chamber has plans for a recruitment drive for the alumni of Australian universities and plans to hold more events in Chinese.

Aldous, who runs Woolworths’ operations in China, has been based in Shanghai permanently since he was offered a role heading up the Elders operation in China and running its food and wine distribution business.

He started learning Chinese at high school in Brisbane at the age of 12 and won a scholarship to study in Beijing in 1992. “I was captivated by the energy of the people and the fast pace at which Chinese society and the economy were starting to change during this period,” he says. “It was this background of learning in Chinese language and culture, coupled with the exciting transformational changes occurring in China, that led to me being offered the job at Elders.”

Brady fears it is much harder these days for young Australians like Aldous to get work in China. “We are seeing a decrease in opportunities for Australians to work in China through a tightening of Chinese work visa requirements and an increase in local and foreign firms hiring local talent,” he says. “Combined with a worryingly low share of Australians with Chinese language proficiency, the chamber is concerned that there will be fewer Australians having gained work experience and the network benefits from time spent working in China.”

Brady has made a submission to the chairman of the new National Foundation for Australia-China Relations, Warwick Smith, arguing that the foundation should aim to create more pathways for young Australians to get work experience in China.

William Zhao is another example of the rise in young Australian Chinese professionals working in China. CEO of ASX-listed e-commerce and marketing company eCargo, the 36-year-old Zhao was born in Shanghai and moved to Australia as a young man with his parents. After studying commerce at Sydney's Macquarie University, he worked initially in accounting.

Like Chu, his first move back to Greater China was to Hong Kong. He worked with the Goodman property group which moved him to Shanghai five years ago. In 2016 he was recruited to the China business of Australian grocery chain Metcash.

With his knowledge of English, Mandarin and Shanghainese, he was able to turn around Metcash's China business and help establish a distribution network for Australian-sourced products — including Bundaberg ginger beer, Maltesers, oats, pasta and lanolin cream — to supermarkets and small stores across China.

‘Working in China provides me with a lot of new opportunities I would never have been able to have back in Australia’

Last year he met with Jessica Rudd, the daughter of former prime minister Kevin, who had set up her own online business selling into China, Jessica's Suitcase. Rudd was selling her business into eCargo. She had coffee with Zhao in a cafe in Shanghai's French quarter, a meeting which led to a deal which saw eCargo buy 85 per cent of Metcash's China business.

In February this year, Zhao became chief executive of eCargo, merging eCargo with Metcash China to create a business with a turnover of some \$36 million.

Like Chu, he was drawn to China because he felt there was more opportunity there than in Australia. “I felt I could use the skills I have which fitted well with going back to China,” he tells *The Deal*. “Working in China provides me with a lot of new opportunities I would never have been able to have back in Australia. This is one of the things I have noticed in the last five years. There are a lot more Australian Chinese looking at opportunities to develop their careers in China.”

Glenda Korporaal is The Australian’s China correspondent

GLEND A KORPORAAL, CHINA CORRESPONDENT

Glenda Korporaal has been covering business and finance in Australia and around the world for more than thirty years. She has worked in Sydney, Canberra, Washington, New York, London, Hong Kong and Singapore an...

[Read more](#)



More stories on this topic

- [Behind China pullback](#)
- [Be fair in Pacific, China told](#)
- [Dutton hits mark on China](#)

Topics

[China Ties](#)