



Submission to the

**Senate Foreign Affairs, Defence and Trade
References Committee**

Inquiry into Australia's relations with China

“The government’s approach to China has been based on three key elements : maintaining high level contact, frank dialogue and a shared commitment to constructive relations based on mutual respect.”

Prime Minister John Howard, 13 August 2004, at Asialink National Forum

“Australia from the Chinese perspective is not an Asian country. It’s a western country but close to Asia. It’s a special partner, a special neighbour ...”

Zhang Yun Ling, Director, Institute of Asia Pacific Studies, Chinese Academy of Social Sciences, 13 August 2004, at Asialink National Forum

Introduction

This submission has been prepared by **Asialink**.

Asialink is Australia's leading centre for the promotion of public understanding of the countries of Asia and of Australia's role in the region through high level forums, international collaborations, school programs and cultural exchanges.

Asialink is based at the University of Melbourne and is an initiative of The Myer Foundation. The Asialink Centre is headquartered at the Sidney Myer Asia Centre.

Recent Interactions

Corporate & Public Programs

- 22 March 2005: **Asialink Lecture** with Professor Ross Garnaut. "Australia, US and China: Open Regionalism in an Era of Bilateral FTAs".
- 11 March 2005: **Melbourne Asia Policy Papers**, a series of non-partisan policy option papers addressing Australia's relationship with China include: "Trade in Services: Policy Options and Implications for Australia-Asia Relations" by Professor Christopher Findlay, released on March 11; and "The US, Taiwan and PRC: Managing China's Rise – Policy Options for Australia" by Professor Hugh White, released November 2004
- 3 March 2005: **Corporate Briefing**, hosted by Asialink with leadership of PricewaterhouseCoopers, David Jones, Inteq Ltd., Freehills, Channel 9, Holden Ltd., BHP Billiton; Allco Equity Partners, AXA Asia Pacific and the Australian Wheat Board, addressed by the Minister for Foreign Affairs, the Hon Alexander Downer.
- **2004 Asialink National Forum** - Participation of Professor Zhang Yun Ling, Director, Institute of Asia Pacific Studies, Chinese Academy of Social Sciences speaking on "Australia's Engagement with Asia: A New Paradigm?"
- In April 2005, "Contemporary Perspectives on China" is the subject of the Asialink presentation as part of **The Alfred Deakin Innovation Lectures**. Eminent speakers, Chairman and CEO, Institute of Strategic and International Studies, Dr Noordin Sopiee and Christine Loh of Civic Exchange, will visit Australia for the lecture.

Arts

- In May 2005, Asialink will convene a panel discussing one of the key issues of the **Australian Davos Connection Future Summit** - "Australia and Asia: Focus on China, India and Indonesia".
- The Asialink Literature Program in 2004 sent Raimond Gaita and Sonya Harnett to China to tour with their respective books "*The Philosopher's Dog*" and "*Of a Boy*" which had been translated and published by People's Literature Publishing House. A similar program is planned in 2005 with Doris Pilkington's "*Follow the Rabbit Proof Fence*" which will also coincide with various film festivals organised by Australian missions in the People's Republic of China.
- The Asialink Performing Arts has long collaborated with dance companies and universities in China. In 2005, there will be residencies at the Guangdong Modern Dance Company, East China Normal University in Shanghai, Shanghai Music Conservatory and the Shanghai Jing Xing Dance Company.
- Asialink is a partner in the 3 year program of performing arts exchanges, "*Creative Futures*" organized through Barry Plews, based in Shanghai. The first project "*Chinese Whispers*" opened in Adelaide in March 2005.

Education

- Asialink through its unit, Asia Education Foundation, co-ordinates an on-going program called the Endeavour Language Teachers' Fellowship which is funded by the Commonwealth Department of Education, Science and Training which sends approximately 17 teachers a year for a 2 week intensive language program at the East China Normal University, Shanghai.
- Asialink through its unit, Asia Education Foundation, co-ordinates an on-going program called Access Asia Study Program which sends teachers on working holidays to various parts of China.

University Linkages

- In October 2003, the Centre for International Health and Asialink, both of the University of Melbourne organized the 2nd International Mental Health Development Conference in Beijing.
- In 2003, a small delegation from the Beijing Academy of Educational Sciences visited Victoria exploring curriculum materials on a visit co-ordinated by Asialink.

- In 2004, a Memorandum of Understanding was signed by the Peking University Health Science Centre with the University of Melbourne and St. Vincent's Mental Health Services; the secretariat of which is managed by Asialink.

- Key partnerships between University of Melbourne with universities and research bodies and China:
 - Chinese Academy of Sciences**
 - Peking University**
 - Tsinghua University**
 - Fudan University**
 - Nanjing University**
 - Nankai University**
 - University of Science and Technology of China**Details of these Partnerships are set out in more detail in Appendix A of this Submission.

Australia's relationship with China

Opportunities for strengthening the links

As the name suggests, Asialink was established to promote links with Asia.

China has been a major focus of the organisation's work since Asialink programs began more than a decade ago. Enormous opportunities exist for business, for "Track 2" diplomacy, for social and cultural engagement between Australia and China as never before.

Australian attitudes towards Asia, in general, and China, in particular, have dramatically matured in recent years. Awareness is growing of the importance of China in the region and of nurturing a healthy Australia-China dialogue. The central questions for Australia are inter-related:

- Are we equipping future generations of Australians to participate in this dynamic region in an economic, social and cultural sense?
- What must we do to ensure they are not left behind?
- How can we support the development of a mutually beneficial relationship with China?
- As a middle power, how should Australia balance its important alliances with both the United States and China?

It is our view that to effectively compete in the region, and to effectively engage with China, Australia must:

- 1) Add strength and resources to the many and varied individual, organisational and institutional relationships already developing; and
- 2) Most fundamentally – ensure that our children are equipped with knowledge and understanding of our neighbours.

The following is a strategy and rationale for Australia-China engagement.

Strategy

Study of Asian cultures and languages

There is a direct causal link between on the one hand, the limited pool of language proficient Australians identified in the Flood Report on Australia's Intelligence Agencies, and on the other, what happens at the primary, secondary and tertiary levels.

"Asia-literacy" is a catch phrase which has been used in recent years to refer to the need for Australians to really understand the region.

Australia's Asia knowledge has the capacity to be a rich national asset and resource.

The study of Asian languages and cultures in schools is unquestionably in the national interest. Knowledge and understanding of our nearest neighbours, our major trading partners and the growing number of Asian Australians, are essential to Australia's security, prosperity, regional relationships and the maintenance and growth of an enriched, tolerant multicultural Australia.

A very practical application of Asian knowledge was highlighted during the recent tsunami disaster when it became apparent that one of the greatest difficulties that faced the aid-agencies was the shortage of personnel who had the language and cultural skills of the Indian Ocean-rim countries.

---The Asia Education Foundation, the schools education program of Asialink, has provided an in-depth submission on the Study of Asia and Asian Language Education to this Senate Committee --

Policy & Governance Exchange

During a recent visit by Asialink's Executive Director to China in November 2004, a policy and governance program was proposed. The course, a Certificate in Government Management issued by the University of Melbourne, would offer senior government officials of the Province of Guangzhou with a series of lectures at the Australia and New Zealand School of Government. The proposal would enable these officials to attend workshops and discuss key issues with their counterparts in Australia.

Developing this program and similar ones like this would ensure a continuing interaction between policy makers in China and in Australia.

Policy makers in China would be exposed to Australia's best practice, models and programs.

Track 2 Diplomacy

The Asialink/ANU 2004 National Forum emphasised the value of professional, educational, scientific, NGO, sporting and tourist interaction and cooperation between Australia and China. International speakers – in particular Professor Zhang Yun Ling, Director, Institute of Asia-Pacific Studies, Chinese Academy of Social Sciences – called for Australia to further exploit these many and varied opportunities. Professor Zhang urged Australia, as a matter of urgency, to exploit "all kinds of comprehensive ways" to move closer to Asia.

Track 2 initiatives have a great capacity to promote strong bonds and associations between Australia and China. The Government can do much to support and encourage these.

This second track diplomacy also allows Australia to disseminate the many values and cultural commonalities between Australia, the U.S. and China, forging greater bonds between the three countries and contributing to the balance of relations.

Rationale

Economic Emergence

It would be negligent on the part of Australia to dismiss or underplay the rise of China as an economic power in the region. A report by America's National Intelligence Council likened China's emergence in the early 21st century to the rise of Germany in the 19th and America in the 20th with "impacts potentially as dramatic".

Today, China is Australia's third largest trading partner after Japan and the United States of America.. Business Week reported on 3rd May 2004 that US Multinationals such as Motorola now rely on China for up to 10 percent of sales. General Motors just reported that first quarter earnings from Asia quadrupled, to US\$275 Million, thanks to soaring demand from the mainland. Closer to home, BHP Billiton's announcement of a record \$3.6 billion half year profit is built on strong Chinese demand.

With an estimated 300 million consumers, China is now starting to build its position in the global economy as the largest country in the world. Luxury brands are positioning themselves in China to tap this growing band of affluent and discerning consumers. Australia's life-style branding and its proximity to China is a window of opportunity to this class of consumer in China.

Special Neighbour – Peace in the region

Australia is viewed by China and by the people of China as a special neighbour, a neighbour who is willing to meet China as peers.

As noted by the eminent Professor Zhang, Director of the Institute of Asia-Pacific Studies at the Chinese Academy of Social Sciences: "Australia might identify itself as a middle power to play a role, to mitigate and associate, cooperate, to bridge the others together, to play a positive role and loosen tensions."

In 2003, a total of 57,579 (2003 statistics) students from China were enrolled in Australian institutions. This formed approximately 19% of total international student enrolments, of which some 21,000 students were enrolled at universities. As a comparison, in the 2002/2003 period, the United Kingdom had 35,155 mainland Chinese students enrolled in undergraduate courses and the United States had 61,765 mainland Chinese students enrolled in undergraduate courses. The indicators are that Chinese enrolment in Australia is increasing but declining in the United States due to visa restrictions.

There is a line of academic thinking that China will use only political, diplomatic and economic persuasion to become the region's next power. However, with the threat of Taiwan's continuing independence and other political instability in the region, the military might of China cannot be discounted. China's official defence expenditure is US\$30 billion but many other sources estimate China's actual defence expenditure ranges from US\$68 billion to US\$75 billion. This would place China as the second largest country in the world for military expenditure behind the United States.

Australia can play a role in the broad challenge of managing China's fuller integration into a peaceful and global system.

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APPENDIX A

DETAILS OF LINKAGES BETWEEN THE UNIVERSITY OF MELBOURNE AND CENTRES OF HIGHER EDUCATION IN CHINA

Chinese Academy of Sciences

In May 1998 the then Vice-Chancellor, Professor Alan Gilbert, during a visit to Beijing, signed an agreement for research collaboration and academic exchange with the Chinese Academy of Sciences.

Following this initial agreement, an implementation plan was signed between the University and the Academy in Beijing in March, 2000. The implementation plan provides programs for the exchange of staff, the exchange of research materials and information through the holding of joint workshops, the joint supervision of postgraduate students, and for visits to the University by staff of the Academy involved in research management.

The Memorandum of Understanding between the University and the Academy, and the accompanying implementation plan, were renewed on November 11, 2003 during a visit to the University by the President of the Academy, Professor Lu Yongxiang.

In celebration of the visit by the President and in recognition of his distinguished academic career, his leadership of the Chinese Academy of Sciences, and as a national leader of the People's Republic of China in his role as one of the Vice-Chairmen of the Standing Committee of the National People's Congress, the University conferred on the President the degree of Doctor of Laws *honoris causa*.

The major activity carried out between the Academy and the University in 2004 was linked to the *Australian China Symposium : Living Sustainability – What Does this Mean for You*. Professor Larkins, Deputy Vice-Chancellor (Research), was Australian convener of the symposium, which brought together 25 scientists from Australia and 27 from China. The Academy and the National Natural Science Foundation of China provided support for the delegates from China. A reciprocal symposium will be held in China in September/October, 2005.

In February, 2005 the Chinese Academy of Sciences and BHP Billiton signed an agreement that involves an academic and scholarship program with the Graduate University of the Academy, collaborative research with relevant Institutes of the Academy; and joint efforts to commercialise research. This provides an opportunity for the University to explore other avenues for collaboration with the Academy. Initial discussions have been held with Dr Megan Clark, Vice-President of Technology, BHP Billiton, focussing on the possible involvement of the University in the training of postgraduate students through joint supervision and exchange, and an exchange program for senior scientists. The Academy has indicated its strong support of the University's involvement in the work of BHP Billiton with its Graduate University, and more generally with its research institutes.

Chinese Academy of Social Sciences

The Chinese Academy of Social Sciences is the highest research organisation in China in the humanities and social sciences. It is a ministerial level body, equivalent in rank and functions to the Chinese Academy of Sciences.

In 2004 the Council of the University approved a proposal to establish a formal bilateral relationship with the Chinese Academy of Social Sciences. The Vice-Chancellor, Professor Lee Dow, signed a Memorandum of Understanding with the Academy during a visit to Beijing in October, 2004.

As a first step, the University and the Academy will undertake a joint project, *Minority Languages in Southern China : Linguistic Description and Dissemination*. The key collaborators are Professor Sun Hongkai, Institute of Minority Languages, and at Melbourne, Associate Professor John Hajek, School of Languages, and Dr Luo Yongxian, Melbourne Institute of Asian Languages and Societies. The University has provided a special grant of \$10,000 to support this initiative.

A visit by a Vice-President of the Academy, Professor Leng Rong, to the University in July, 2005 will be an important step in cementing this relationship. Professor Leng took up this appointment in November, 2004 and is the former head of the Party Literature Research Centre of the Communist Party of China Central Committee.

Peking University

The two universities first entered into a formal agreement for academic cooperation and exchange in 1987. The agreement was renewed in 1995, and again in 2003. The relationship has been enhanced through Peking University's shared membership of *Universitas 21*, a network of 17 universities.

In 1998, the then Vice-Chancellor, Professor Alan Gilbert, was an honoured guest at the celebrations to mark the centenary of the establishment of Peking University. This was followed up by a meeting between Professor Frank Larkins, Deputy Vice-Chancellor (Research), and President of Peking University, Professor Xu Zhihong, in 2000. A delegation from Peking University, led by Professor Chi Huisheng, Executive Vice-President, visited the University of Melbourne in late 2002. This visit was followed by that of Professor Hao Ping, Vice-President, International Relations, as part of the Chinese University Administrators Shadowing Program. In December, 2003, the University conferred on the President, Professor Xu Zhihong, the honorary degree of Doctor of Laws *honoris causa* as part of the University's 150th anniversary celebrations.

During his visit to Melbourne, the President signed the Memorandum of Understanding and the Student Exchange Agreement between the two universities. The latter established a reciprocal student exchange program, a new initiative for the two universities. In 2004 five students from Melbourne studied at Peking University, two in first semester and three in second semester. A further three students are studying at Peking in first semester, 2005. The first exchange students from Peking University are studying at the University in first semester, 2005 – two in the Faculty of Law and one in the Faculty of Arts.

A key focus for collaboration is in the area of mental health. During a visit to Beijing in October, 2004, the Vice-Chancellor, Professor Kwong Lee Dow, signed a Memorandum of Understanding with the Peking University Health Science Centre, which will provide the framework for the provision of services and training programs. With the University of Melbourne, the other participant is the St Vincent's Mental Health Service.

During the visit in October, the Vice-Chancellor also participated in the opening of the joint Australian Studies Centres Workshop, an initiative of the Australian Centres at Peking University and the University of Melbourne, titled *New Perspectives of Australia and China : Globalisation and Multiculturalism*. This will provide the basis for on-going collaboration in research and teaching.

A special grant of \$10,000 was allocated by the University in 2004 to foster research collaboration between Peking University and the University of Melbourne on the topic A Professional Conversation on Globalisation, Identity and English in China. The key collaborator at Peking University is Professor Gao Yihong in the Department of English, while the collaborators at Melbourne are Professor Joe Lo Bianco and Dr Jane Orton in Language, Literacy and Arts Education in the Faculty of Education.

Tsinghua University

On 20 September, 1995 Tsinghua University and the University of Melbourne signed an agreement for academic cooperation and exchange. This replaced a previous agreement signed by the two universities in 1988 in the area of Engineering. The agreement was renewed in 2000 for a further five-year period at a formal signing ceremony held during the visit to the University of Melbourne by Professor He Meiyong, Chairman of the Council of Tsinghua University. The agreement was further updated in April, 2004.

Research collaboration between the two universities centres on the areas of computer science, chemistry, chemical engineering, architecture, and law. Tsinghua University suggested, during a visit by the Deputy Vice-Chancellor (Research), Professor Frank Larkins, in October, 2003 that the two universities consider the establishment of a joint masters program in the area of Chemical Engineering. In 2004 the University provided a special grant of \$10,000 to the Department of Chemical and Biomolecular Engineering to foster this relationship, initially by increasing the movement of staff between the two universities; the establishment of a final year research project program in 2005 that will involve four final year students from Melbourne spending a period of four weeks at Tsinghua undertaking research projects and in reciprocation a PhD student from Tsinghua spending between eight and 12 months at Melbourne; and exploration of models for a possible joint masters program.

Of note, during 1999 Professor Guan Zhicheng, Vice-Chairman of Council and the former Vice-President responsible for international affairs, spent three months at the University on sabbatical leave. This was followed by a seven-day visit in May, 2001 by Professor Gu Bing-lin, then Assistant President and Dean of the Graduate School, as part of the Chinese University Administrators Shadowing Program. Professor Guan has now taken on the position of Dean of the Tsinghua University Graduate School in Shenzhen, from November, 2002, while in April, 2003, Professor Gu took up the position of President of Tsinghua University. He led a delegation to the University in June, 2004, as part of a visit to Australia to celebrate the 25th anniversary of the Australia-China Council. Professor Kwong Lee Dow, Vice-Chancellor, held a reciprocal meeting with Professor Gu at Tsinghua University on 12 October, 2004.

From 18 October to 16 November 2004, two Tsinghua University staff (Mr Li Gongqiang, Chief, Division of Secretary, President's Office and Dr Guo Dayong, Registration Centre Director) participated in a month-long Melbourne-Tsinghua

shadowing program for senior administrators. Two members of staff will again participate in this program in 2005. The first, Mr Wang Hui, International Program Coordinator, Office of International Cooperation and Exchange, will arrive in April, 2005 as the guest of the International Relations Office.

A visit in December 2003, by Associate Professor Chen Hong, Deputy Director, Office of International Cooperation and Exchange, laid the foundations for the introduction of a reciprocal program for the exchange of students in 2004. The first four students from Tsinghua completed their studies at Melbourne in December 2004, while five students from Melbourne studied at Tsinghua. Two students from Melbourne are studying at Tsinghua in first semester. A further cohort of students from Tsinghua will study at Melbourne in second semester, 2005.

Fudan University

The two universities signed an agreement for academic cooperation and exchange in February, 1996. The agreement was renewed during a visit to the University of Melbourne in September, 2001 by the President of Fudan University, Professor Wang Shenhong. As part of the revised arrangement, the two universities provide support to facilitate the exchange of up to six students each year. The program commenced in 2003, and in first semester, 2004, there were six students from Fudan studying at Melbourne, while five students from Melbourne were studying at Fudan. A further six students from Fudan are studying at the University in first semester, 2005 – one in Computer Science, three in Economics and Commerce, one in Law, and one in Arts, while nine students from Melbourne are at Fudan.

Fudan University is a founding member of *Universitas 21*, and in September, 2001 joined *Universitas 21 Global*, the joint venture established between *Universitas 21* and *Thomson Learning*. The 2005 annual general meeting of *Universitas 21* will be held at Fudan University from 28-29 April, with the Vice-Chancellor, Professor Glyn Davis and the Senior Vice-Principal, Mr Ian Marshman, in attendance.

The then Vice-Chancellor, Professor Alan Gilbert, visited Fudan University on several occasions, the last visit taking place in August, 2002. The purpose of the visit was to discuss the participation of Fudan University in *Universitas 21 Global*. He was accompanied by Mr Roger Peacock, Vice-Principal, University Development, who made a further visit in November, 2002.

Nanjing University

The University of Melbourne and Nanjing University signed a formal agreement for academic cooperation and exchange during a visit to the University of Melbourne on 10 July, 2000 by the President of Nanjing University, Professor Jiang Shusheng. The relationship will be reviewed with faculties in 2005, with a view to its renewal for a further five year period.

The agreement with Nanjing University provides opportunities for the exchange of visits by staff and students, joint research and the exchange and sharing of materials including publications and research information. In 2004, three students from Melbourne studied at Nanjing, the first exchange students under this agreement, while the first student from Nanjing University is studying at Melbourne in first semester, 2005.

Professor Chen Jun, the Vice-President responsible for international affairs, spent three weeks at the University of Melbourne during late 1999 as part of the Chinese Administrators Shadowing Program. In reciprocation, Professor Frank Larkins, Deputy Vice-Chancellor (Research), and Professor Kwong Lee Dow, then Deputy Vice-Chancellor (Students and Staff), have visited Nanjing University. A further visit was made by Mr Roger Peacock, Vice-Principal, University Development, during his visit to China in November, 2002.

Nankai University

An agreement was signed between the two universities in 1984, the first agreement reached between the University of Melbourne and a university in the People's Republic of China. This agreement was renewed in February, 1996, and has again been renewed in March, 2004.

In October, 1999, Mr Roger Peacock, Vice-President, University Development, represented the University of Melbourne at the celebrations to mark the 80th anniversary of the founding of Nankai University.

Nankai University is a focus for collaboration between the Departments of Chinese of the two universities in the areas of Sino-Tibetan linguistics, Tai linguistics, and Chinese linguistics, the International Conflict Resolutions Centre, and the School of Mathematics and Statistics.

A delegation led by the Chairman, Professor Xue Jinwen, visited the University in August, 2004. Possible areas for collaboration in the future include the development of a student exchange program. Nankai, along with Peking University, Beijing Normal University, Fudan University, and Peking Language University, has been designated one of the five centres in China for Chinese language training.

University of Science and Technology of China

Building on the relationship between the University of Melbourne and the Chinese Academy of Sciences, the University and the University of Science and Technology of China have entered into a bilateral agreement for academic cooperation and exchange. This University, along with the Graduate University of the Academy, are administered by the Chinese Academy of Sciences. The agreement between the two universities is subject to review during 2005, with a view to its renewal for a further five year period.

The proposal to develop a formal relationship was fostered through the visit to the University of Melbourne by the President of the University of Science and Technology of China, Professor Zhu Qingshi, in late 1999, and the reciprocal visit to the University of Science and Technology of China by Professor Frank Larkins, Deputy Vice-Chancellor, Research, in March, 2000. The growing relationship was again reinforced by the visit by a delegation from the University of Science and Technology of China to the University of Melbourne in November, 2000. The delegation was led by the Vice-President, Professor Cheng Yi.

The agreement between the two universities includes a program for visits by staff, the exchange of students, joint research and the exchange of materials and publications. In 2005, Ms Tao Wei from the School of Business will spend three months at the University as the guest of the Faculty of Economics and Commerce.