

Visit Report of the Sixteenth Australian Delegation to the People's Republic of China

Saturday 12 May to Friday 18 May 2007

Our delegation was honoured to be hosted by the All China Youth Federation (ACYF) throughout our visit to China.

The delegation wishes to record its sincere thanks to the ACYF for putting together a full and informative program – and for their willingness to adapt the program to fit in with the Australian parliamentary sitting program.

Our particular thanks go to Mr Wu Wei and Ms Liu Kai who accompanied the delegation throughout our visit to China. Other members of the ACYF also made us feel most welcome.

The Australian delegation was made up of:

- Senator Ruth Webber – Delegation Leader, Labor Senator for Western Australia (Australian Labor Party);
- Mr Darren Disney – State Campaign Manager, Liberal Party of Australia, Victorian Secretariat (Liberal Party of Australia);
- Cr George Christensen – Councillor, City of Mackay, Queensland (The Nationals);
- Mr Mike Kaiser – Chief of Staff to the Hon Morris Iemma MLA, Premier of New South Wales (Australian Labor Party);
- Mr Tim MacKinnon – Special Adviser to the Hon Philip Ruddock MP, Federal Attorney-General (Liberal Party of Australia);
- Mr Brad Stansfield – Media Adviser to Senator the Hon Eric Abetz, Federal Minister for Fisheries, Forestry and Conservation (Liberal Party of Australia); and
- Mrs Kim Baker – Director, Australian Political Exchange Council.

The delegation travelled to China on Saturday 12 May 2007. On Sunday 13 May 2007, we were once again made to feel welcome and began a familiarisation of Beijing, some its history and geography. Informal discussions were also held about some of the key issues the delegation wished to pursue during the visit.

On Monday 14 May 2007, the delegation met with officials from the Ministry of Commerce (MinCom). Discussions centred on the strong bilateral relationship between Australia and China. The relationship is extremely strong – as evidenced by the leadership visits to both countries.

Last year bilateral trade was three times the value of 2002. Main commodities traded included iron ore and LNG, with substantial interest from China in uranium exports.

The delegation discussed the Free Trade Agreement currently being negotiated. It was agreed that significant progress needs to be made this year, with hopes that talks between the two leaders would lead to a break-through. Issues remain to be determined in the area of agriculture. MinCom were optimistic of reaching agreement, however they pointed out that the FTA would not produce a "perfect" result, as our two countries have concerns in different areas.

MinCom stressed the reform of the financial market in China – pointing out that China had met its commitments under the WTO. Some restrictions remain in the insurance sector.

Overall the Chinese economy is undergoing liberalisation.

China is currently pursuing FTAs with New Zealand (the FTA with New Zealand is progressing more quickly than negotiations with Australia), the Middle East, ASEAN and Chile.

China has a very good relationship with the Pacific Islands, especially through their Pacific Island Economic Development Forum. Seven countries participated in the Forum.

MinCom also stressed the opportunity for extensive Australia / China cooperation in the areas of the development of clean coal technology and the use of renewable energy.

The delegation also met with officials from the Department of State Environmental Protection Administration.

The Department of State Environmental Protection Administration assured the delegation that the Government values environmental protection and that pollution levels were falling. Water quality is also improving, but remains worse than in other countries. Urban sewerage rates have increased greatly in the past five years.

Significant challenges remain – especially compared with Australia. Three hundred million people in rural areas still have no access to standard quality drinking water. The current rates of economic growth and construction are driving the rates of sulphur emissions.

Ambitious targets to protect the environment and improve air and water quality have been set by the National People's Congress in the 11th Five Year Plan.

The delegation was granted the honour of a meeting with the International Liaison Department of the Communist Party of China. The International Liaison Department stressed the strength of the relationship between Australia and China – a relationship that is based on mutual benefits. They stressed the importance of Australia hosting APEC as a means of further cementing Australia's relationships with key nations in the region.

The Communist Party of China currently has some 70 million members. The International Liaison Department has two primary roles – to maintain relationships with other political parties internationally, and to work as a "think tank" for the Party – investigating the experiences of other political parties and systems. The International Liaison Department also facilitates international exchanges.

There was considerable discussion about some of the policy and political challenges in China. Economic growth and development has been strong for some time, however social development has not. There are currently three imbalances in China – rich and poor, coastal and inland, and urban and rural.

At the time the delegation visited China, the Party was in the process of electing their 2220 delegates to the People's Conference. When the Conference meets it is anticipated that there will be considerable debate around the issues of environmental sustainability and a general debate around the kind of world we live in and the kind of world members' want to live in.

The delegation also raised the threats posed by international terrorism. The International Liaison Department stressed that the threat of terrorism must be addressed, as must the causes of fundamentalism – one of which is poverty. China believes that there needs to be dialogue between civilisations so that we can learn from one another, with the need to respect the differences between civilisations.

While in Guangzhou the delegation met with Guangdong Provincial Television (GDTV). GDTV currently operates six public television channels, which includes 300 minutes of news broadcast everyday. GDTV has 650 million viewers. They broadcast popular sitcom / soap operas – with the most popular being "Local Husbands and Migrant Wives".

GDTV is trialling television broadcasts to mobile phones. The company currently employs 2,000 staff, spread between the 14 channels in total – in addition to the six public stations there are eight digital stations. They are a state-owned company that also publishes one newspaper and two magazines.

GDTV sent a production crew to Australia earlier this year to cover the celebrations for the Chinese New Year.

The delegation appreciated the opportunity to meet with the Vice Chairman of the Guangdong Provincial People's Congress. The Vice Chairman explained to the delegation that Guangdong was undergoing an economic transition from an agricultural economy to a highly developed economy.

The Province has a strong relationship with Australia with extensive business exchanges. Guangdong was selected as the province to pilot the reform program and the opening of the economy to the outside world.

Guangdong enjoys a particularly close relationship with Western Australia, with Western Australia supplying LNG to meet Guangdong's energy needs. Guangdong and New South Wales also enjoy strong ties through their sister-states relationship.

The central focus of Guangdong's economic development is "mutual prosperity" – it is their aim to use their economic development to assist other regions of China with their development.

The delegation also took advantage of the opportunity to visit the Guangzhou Economic Development Area. Whilst in the precinct, the delegation met with a number of companies that have chosen to locate their business in the Economic Development Area.

A number of multinational IT companies are based in the precinct. Production takes place in the precinct, but increasingly companies are using their premises there for research and development as well – usually in cooperation with their operations in other countries.

The precinct also includes an incubator section for small entrepreneurs. Ninety six of the top 500 IT companies are based in the precinct. The precinct allows for close ties with universities and colleges, easy access to the airport, and access to many research and development institutes. The precinct provides easy access to markets for the companies based there and, of course, ready-access to Hong Kong.

In addition to the formal meetings and briefings, a number of cultural highlights were also organised for the delegation. The visit to Kaili and tour of the Miao Cultural Village gave members of the delegation an insight into the strong regional and ethnic communities within China. The delegation appreciated the opportunity to meet with so many local people and experience local hospitality.

The informal links and friendships formed between the ACYF and members of the delegation will ensure that (for us at least) a stronger understanding of China, its systems and culture exists.

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