

**ASIALINK ADDRESS COMMEMORATING THE 59<sup>TH</sup> ANNIVERSARY OF DIPLOMATIC  
RELATIONS BETWEEN AUSTRALIA AND CHINA  
1 DECEMBER 2022, MELBOURNE  
Kevin Hobgood-Brown**

Good evening, Ladies and Gentlemen. I am honoured to be here with you tonight to celebrate this important milestone in the relationship between Australia and China.

I would like to acknowledge the Wurudjeri people who are the traditional custodians of this land. I pay my respect to the elders, past and present, of the Kulin nation and extend that respect to all indigenous Australians who are present tonight.

Before I deliver my comments, I would like to note the passing of Jiang Zemin yesterday and to offer my condolences to his family and to the people of China. During his 15 years of leadership at the national level in China, he played a significant and constructive role in bringing Australia and China closer together.

Anniversaries are natural events for looking back and reflecting on what has taken place, in this circumstance, in the 50 years since Australia and China established formal diplomatic relations with each other. I'll start tonight by looking back and will conclude a bit later by looking forward.

Of course, the establishment of diplomatic relations between Australia and China on 21 December 1972 did not simply occur overnight. Gough Whitlam's thinking on Australia's relationship with China began many years earlier. Events took a more substantive turn in July 1971 when Gough Whitlam led a Labor delegation on a visit to China. Stephen Fitzgerald has written about the trip in his book "Comrade Ambassador" and details the uncertainty and anticipation which surrounded Whitlam's discussions with Chou Enlai and Mao Zedong. Indeed, Whitlam was condemned in Australia where he was portrayed as being manipulated by China and being disrespectful to the United States, since the United States led the world in isolating China in those days. Whitlam had numerous motives in reaching out to China in 1971. He felt that the isolation of China by the West was wrong. He felt that Australia's policy on China had been driven by the US policy on China and that Australia needed a more independent approach to China and to foreign policy more generally. He wanted to help bridge the fear and suspicion of China among Australia's Southeast Asian neighbors. He also had an economic motive . . . China had recently stopped buying Australian wheat and had begun purchasing Canadian wheat and Whitlam wanted to reinstate China's purchases of Australian wheat. It was a big, and a mixed agenda and

Whitlam's initiative was roundly condemned by the then government in Canberra. What Whitlam (and the world) did not know at the time, was that the US Secretary of State Henry Kissinger was secretly flying to Beijing, three days after Whitlam's departure from Beijing to open dialogue between the United States and China.

During my initial stay in Beijing in the 1980's, I had the good fortune to overlap with Winston Lord, who served as the US Ambassador to China from 1985 to 1989. Ambassador Lord occasionally talked about that first, secret trip by Kissinger to Beijing in July 1971. Winston Lord was on Kissinger's staff and had accompanied Kissinger on that important trip to China. The trip had to be conducted in the upmost secrecy. Kissinger was on an official trip to Pakistan. During the visit to Pakistan, it was announced that Kissinger had been taken ill and was going to stay secluded for a couple of days in order to recover. Meanwhile, under the cover of darkness at night, Kissinger, Winston Lord and a few other Americans took off from Pakistan in a Pakistani Air Force jet to Beijing. Ambassador Lord told the story years later that he had asked the Pakistani crew of the jet to let him know when they were about 5 minutes away from the Chinese border. At the appropriate time, one of the crew members came back and gave the signal to Winston Lord. Upon receiving the signal, Winston Lord quickly walked up to the front of the plane, thus enabling himself to forever tell the world that he got to China before Kissinger!

In fact, Whitlam, too, got to China before Kissinger and as a result profoundly changed both Australia and China.

For a moment, I'd like to reflect on what the China relationship has meant to Australia over the past 50 years. While China today is barely recognizable to the China of 1972, Australia, too, is very different and China has helped transform Australia in ways that would have been unimaginable in 1972. Australia is a different, and is a better, place than it was when Australia and China established official ties 50 years ago.

Let's consider four elements of our relationship with China:

Trade and Investment

Education

Tourism

Impact of China on Australian Society

## Trade and Investment

For the past 20 years, we have become accustomed to reading statistics about Australia's trade and investment relationship with China. The annual numbers are impressive and have grown larger and faster than anyone predicted. I can recall the Australia China Business Council preparing a paper on the projected growth of two-way trade with China in 1999. Chris Renwick, of Rio Tinto, was the National President of the ACBC at the time and helped recruit the talents of some great economists to help predict the development of trade between China and Australia up to 2010. When the draft paper was tabled for the ACBC Board, I read the predictions and took a deep breath. The economists were predicting that the volume of two-way trade would treble in 10 years. At the time, I thought this was unlikely, but in the spirit of being aspirational, I voted to approve the paper.

What actually happened in those ten years? Two-way trade grew to a volume that was nine times higher in 2010 than it was in 1999! We were way off in our prediction since the Chinese economy grew faster and the corresponding trade between our countries expanded faster than anyone anticipated. In the intervening years, we've become accustomed to the amazing statistics. China became our largest trading partner. China became the largest investor in Australia. Chinese tourists spent the largest amounts daily when visiting Australia. The list goes on.

From the late 1990's up through the first decade of this century, the leaders of both China and Australia spoke frequently and spoke positively about the complementarity of our two economies. We each had things that the other side needed and wanted. This situation was widely welcomed, and the leadership of each country encouraged their domestic companies to engage with the other. Engage they did!

The enormity of China's contribution to Australia becomes more significant when you consider the cumulative volume of two-way trade. The cumulative volume of two-way trade between Australia and China totals A\$2.9 trillion over the past 50 years. That is an astonishing number. Of course, that number includes revenue from our exports to China . . . revenue that has bolstered Australian tax coffers, improved corporate profits and increased household income. But the number also includes the significant volume of goods and services that China has come to sell to Australia over the years. Everything from our electronic devices, household appliances and motor vehicles are being manufactured in China, exported to Australia and sold to Australians for competitive prices. More recently, most of the equipment, such as PPE and rapid antigen tests that we have used to combat the Covid pandemic have come from China.

In 2007, the ACBC commissioned the first-ever study of its kind to measure the impact of China's commercial activity on the average Australian household. The report concluded that the average Australian household was A\$3,400 better off because of China. In 2013, an updated ACBC report put that number at an estimated A\$14,480. I can only imagine what the number might be today.

Let's also consider the dollars that Chinese people and companies have invested in Australia during the past 50 years. KPMG and the University of Sydney have performed an enormous public service to Australia by tracking Chinese investment in Australia. In their most recent study, they report that China has invested an aggregate of A\$110 billion in Australia between 2007 and 2021. Those are dollars that go directly into the Australian economy, into tax revenues and directly contribute to Australian development.

## **Education**

One of the most profound elements of our bilateral relationship over the past 50 years has been the explosion of our educational links, something close to the hearts of everyone in this room. China has been the largest contributor of international students to Australia for many years, with an estimated 164,000 Chinese students in Australia in 2022. Economically, these students make an enormous contribution to Australia, contributing an estimated \$12 Billion to the Australian economy in 2021. Perhaps more significantly, Chinese students leave an important legacy in Australia in the relationships that they form and the non-financial contributions that they make to Australian society. Most Chinese students return to China, and they take their Australian experience with them. I can't tell you how many times that I have been in the provinces of China, meeting new people (usually over business), only to have one of my new acquaintances express excitement when they learn that I am from Australia because they studied in Australia and valued their time in Australia. We are still in the process of understanding what the long-term impact of these relationships will be.

This significant educational relationship began modestly. For example, in 1979, a group of 9 young scholars came to study at the University of Sydney, mostly in the fields of literature, language and linguistics. By their own accounts, they had positive life-changing experiences. I had the pleasure of hearing six of the surviving members of the Group of 9 speak in 2018 about their experiences in Australia. They spoke about the high quality of their educational activities . . . but their most intense memories were of their interactions with every-day Australians and the long-lasting friendships that

they formed. These pioneering nine scholars returned to their respective universities in China and went on to form Australian Studies Centres in their universities. These Australian Studies Centres have educated generations of Chinese students on all aspects of Australia, including literature, history, indigenous culture and public policy. Today, there are 40 Australian Studies Centres in China. There are more Australian Studies Centres in China than anywhere else in the world, including Australia. Those original nine scholars from China went on to create something that has made and continues to make enormous contributions to the deep educational ties between Australia and China. Many of the people in this room have studied in, taught in or otherwise engaged with some of the Australian Studies Centres in China. An organization that I chair, the Foundation for Australian Studies in China, was created in part, to provide support to these impressive Australian Studies Centres and to facilitate their engagement with their university counterparts on Australia.

## **Tourism**

On May 4, 1999, China announced that Australia was being named an “Approved Travel Destination” for Chinese citizens, which meant that individual travelers as well as group travelers could travel to Australia for tourism. Tourism numbers from China jumped immediately, and by the time that the Covid Pandemic hit, Australia was receiving approximately 1.4 million Chinese tourists a year. China had not only become Australia’s largest tourism market, but it had also become our most profitable. On an average basis, Chinese tourists were spending greater than \$2,000 more per day in Australia than any other national group of tourists. It is no wonder, then, that by the time that the pandemic hit, Chinese tourism was contributing over \$12 Billion per year to the Australian economy.

## **Australian society**

China has help changed Australian society for the better over the past 50 years. Prior to the establishment of diplomatic relations between Australia and China 50 years ago, there was a long and rich history of contributions to Australia made by Chinese Australians. Often, that history has been marked by discriminatory government policies and racism, in spite of which many Australians of Chinese descent have had profoundly beneficial impacts on Australian society. My point here is that Australians of Chinese heritage have been contributing to Australia for 170 years and while tonight I am focusing on what has happened more recently, we should never lose sight of the fact that people of Chinese heritage have been part of Australia for a very long time. Close

to home, the first ABC correspondent to China was Helene Chung in the early 1980's. Helene is originally from Tasmania but has made Victoria her home in recent decades and she played a significant role in helping Australians understand an emerging and rapidly changing China.

While trade, education and tourism links increased over the past 30 years, a greater number of people from China have chosen to make Australia their new home. In the last census, 650,000 Australians were found to have been born in China. That number is substantially higher when you add Australians who were born in Taiwan or Hong Kong. The same census revealed that approximately 1 million people in Australia speak Mandarin or Cantonese at home. The Australian Diversity Council states that the number of Australians of Chinese heritage exceeded 1.2 million in 2015. While the exact numbers are a bit difficult to pin down, the trend over the past 30+ years is clear, we have a significantly growing community in Australia of Chinese heritage.

In my view, the impact on Australian society by Chinese migration has been more evolutionary than revolutionary. In my little corner of Australia, I see Chinese Australian professionals at my doctor's office, at my dentist, at my accountant . . . when I have my car serviced, and the list goes on. When I go grocery shopping at Lane Cove Village in Sydney, I hear Mandarin being spoken in the aisles of Coles and Woolies. In my professional life, over half of the people with whom I have worked in the past 15 years were born in China. Most of these developments are relatively recent and were not the case when I moved to Australia 26 years ago. Our embrace of Chinese cuisine and Chinese arts and culture have enriched our lives. We are just scratching the surface in understanding Chinese arts and culture and can thank people such as Dr Claire Roberts, who is with us tonight, for helping us to better understand the arts and culture of China.

A few years ago, the Australian Academy of Humanities released an important report on the Chinese and Indian communities in Australia and the impact of those communities on Australia. The name of the report was: Australia's Diaspora Advantage: Realizing the potential of building transnational business networks with Asia. I recommend the report to you because it highlights the fact that we are still trying to understand the impact that our newer Australian communities have on our society.

Of course, Australians of Chinese heritage are just as diverse as any group of people in their interests and in their politics. There is some evidence, however, that the results of the May Federal election were, in part, shaped by Australian Chinese who were

uncomfortable with the last government's China policies. Prof Sun Wanning has just written an article in which she sees key elements of Victoria's recent election victory being shaped by voters of Chinese heritage.

What does all of this mean? To me, it means that new Australians from China are making their impact on Australian society in the same way that the rest of us do . . . each in his or her own way in a wonderfully diverse range of endeavors. All of this has resulted from Australia's 50-year relationship with China.

### **Looking to the future**

What does the future hold for the Australia China relationship? I would like to make a few simple suggestions. It would be good if we:

- Move away for a one-dimensional portrayal of the Australia China relationship as being dominated by security and sovereignty issues and acknowledge the rich depth and diverse complexity of the relationship
- Do not demonize business when it voices opinions on the bilateral relationship. Business contributes to the economic security and prosperity of Australia and should not be tarnished as unpatriotic when disagreeing with government policy.
- Utilize our amazing talent base in Australians of Chinese descent. We need to better at tapping into the expertise of our fellow Australians who have Chinese heritage.
- Rebuild our capacity to engage with China. We have world-class China experts in Australia, but we are not training enough such people to allow Australia to effectively engage with China in the years to come.
- Re-affirm an independent foreign policy. While we will always have interests that overlap with the US and other allies, Australian interests are different and unique and should always drive our foreign policy.

When we look back at the decisions of Gough Whitlam and Zhou Enlai 50 years ago to establish diplomatic relations, we can see that they were bold, they were willing to challenge contemporary wisdom and they were pragmatic. Today, we have a significant advantage over the circumstances in which Gough Whitlam and Zhou Enlai found themselves . . . we know much more about each other. We have rich and multifaceted ties with each other that extend far beyond the official links between our countries. Most of the people in this room have worked to expand and enrich those

links. In this regard, we should never lose sight of the fact that we are all custodians of our bilateral relationship. Yes, official ties are incredibly important, but those official ties primarily have significance in the context of what we do with each other on a people-to-people level and on an institution-to-institution level. While we will always encourage our leaders to keep the official relationship as constructive as possible, we need to be mindful of the fact that ultimately, we are the people, along with our friends and counterparts in China, who embody the bilateral relationship and we are the ones who make it possible for the relationship to prosper and grow.

We will have time to engage in discussion during our panel session this evening, but for the time being, I'd like to thank you for your time and attention and ask you to join me in acknowledging the incredible achievements over the past 50 years of our relationship with China and join me in hoping that the next 50 years our relationship with China will grow even stronger and produce even more benefits to the peoples of our two countries. Thank you very much!