

DINNER AND DISCUSSION – A FEDERAL GOVERNMENT PERSPECTIVE

The session was introduced by Sid Myer AM. Sid Myer located the discussion within Victoria's strong history as a multicultural state within a multicultural nation. He noted in particular our links to China, which are rooted in Victoria's early settlement. However, he stated that in the Asian century, Victoria needs to continue to work on its relationship with Asia in order to remain competitive. He posed three questions: 'What is Victoria's special position in the Asian century? How do we compete? And Do we have the skills to maximise the opportunities?'

**John Garnaut**

John Garnaut is a former China correspondent for *The Age* newspaper. He was posted to Beijing in 2007 with the mission to 'find out how the Chinese economy worked.' He soon discovered that he knew very little, it was very complicated, and that many people in China did not really understand it either. In his talk, Garnaut gave a brief recent history of China. He discussed the role of Xi Jinping's father in liberalising trade in Guangdong. He said there was still much uncertainty in China as there is a transition politically with Xi Jinping coming into power. There is a hope for more transparency and understanding. Garnaut commented that Australians need to become more culturally literate about China to be able to take advantage of the business opportunities it presents. He is critical of Australia's current levels of China-literacy.

**Wesa Chau**

Wesa Chau is the Director of Cultural Intelligence, a company which helps businesses dealing cross culturally. She migrated to Australia with her family at age seven. She is the 2013 Labor Candidate for Higgins. Wesa spoke about how Australia might become more culturally literate in its relationships with Asians. She said that these issues were very important for business, and that she believed that Victoria's wealth of international students could be tapped into in becoming more culturally aware in the Asian century. She said part of this literacy comes from understanding that Asian cultures are not homogenous – they are nuanced and varied even among provinces in China – and a person from one province can be considered a foreigner when dealing with someone from another province. She explained that Victorian businesses can get an edge in dealing with Asia by employing Asians who have studied in Australia, as they understand both Australian and Asian cultures. They may also have great contacts in their home country! Wesa made the point through asking the question "If businesses can't work with capable Asian Australians who speak

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English, what is the likelihood of businesses able to work with Asian businesses with people who may or may not speak English?" She finished by stating that the Asian century is already here.

### **Kevin Li**

Kevin Li, also a Victoria University MBA graduate, is the Chairman of AustCham South China, and the President of the Australia China Alumni Association South China, and Managing Director of Concorde Investment Management Ltd.

Kevin Li, spoke about the important roles that international alumni can play in building linkage between Victoria and the Asian countries. Kevin recognizes that education has been a major area of Australian export and education sectors, both vocational and tertiary, have done a great job in building up the reputation of the Australian education and research to the outside world particularly in the neighbouring countries in the Asian region. Currently 83% of the 230,931 higher education international onshore students in Australia are from the Asian countries, of which a large portion is from China mainland and Hong Kong.

Kevin points out that there are challenges too with strong competitions from other education institutions and government support from many other western countries notably the USA, Canada, UK etc. In order to maintain the competency in the market, Kevin comments that it is not just responsibilities of the education providers but also industries, businesses and governments to transform this into a sustainable long-term investment and return. The dollars brought into the Australian economy by international students should be the start of the circle but not the end of the contributions of these students to Australia.

Kevin notes that many of these graduates have returned to work in their home countries in the regions, and many of them have developed to be business, academic and even political leaders. These leaders have the capacity and capability to exert significant influence in shaping the future relationship between Australia and its Asian partners such as China, India, ASEAN countries etc.

He shares his personal experience as a graduate from one of the Universities in Victoria some fifteen years ago benefits from such high quality education which has set the foundation for his career development, leadership skills growth and his ability to contribute to a stronger and healthier relationship between Australia and China. Kevin relates the benefits of the Australian education and its relevance to the implementation of the governments' Asian Century Strategy and comments on the potential roles on how international graduates from Australian institutions can play to this significant strategic development:

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1) Acting as the bridge between the Eastern and Western Cultures.

People are all aware of the Culture gap that is critical in business partnership and business success. Kevin gives examples of a large cohort of Chinese graduates from Australian universities now play significant roles in various professions and industries in China in the areas of education, research, investment, trade to policy development etc. These individuals are certainly able to act as excellent ambassadors for bridging culture differences.

2) Promoting the strength of Australian businesses by utilising their ability to articulate and link up with those in the Asian countries.

3) Contributing to policy development and exerting influence in decision making process in Asian countries on mutually beneficial partnership development. Kevin notes that these well-educated individuals who have worked in the relevant industries and have established significant value to the current business partnerships as well as creating new partnerships in areas that Australia has strong competency.

4) Being advocates of deepening understanding between Australia and Asia through lifestyle, sports and other aspects of engagements.

Having recognised some of the positive roles that international alumni can play, it is also important to re-exam the strategies from the Australian perspective, i.e. if right set of strategies have been adopted in the past and what more need to be planned for the future? The common dilemma is that the majority of the graduates soon lost contacts with their home universities after their graduations, let alone how they can play active parts in promoting relationship between the countries.

Kevin mentioned a short name list of outstanding Australian graduates who are CEOs, political leaders and entrepreneurs but points to the fact that this is only a very small portion in the vast number of international graduates from Australian universities. How these graduates are identified earlier in their career and how the relations to Australia is nurtured and maintained is critical to the extent of the roles they will play in bridging the gaps and promoting bilateral relationship.

Considerations need to be given from day one of the international student experience on how to immerse students into a deep understanding of Australian culture.

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Kevin argues that conscious decisions by Australian industry and business leaders to increase the number of international students employed and imbedded into their workforce will have the two-fold effect of educating the Australian workforce for the Asian century and creating more powerful and informed Asian advocates for Australia.

The Asian Century strategy should not be just about selling more products to Asian markets but about changing in people's mentality, perception, culture and business practice.

## Questions from the floor

1) Wayne Mo, Head of the China Desk at the ANZ Bank in Australia.

Wayne Mo asked John Garnaut about "gift culture" in China. He was concerned about corruption. He stated that he was optimistic about China's growth, but was worried that culture was embedded in some areas.

*Answer:*

John Garnaut started by posing the question: is corruption in China systemic or institutional? In answering this question, John suggests that people need to think about how and whether institutions can be built to change the culture of corruption.

John stated that it is difficult to measure corruption. He found it difficult to investigate when working as a journalist in Guizhou, China. As He was asked to leave town when he did so. However, he spoke to an elderly man when leaving town who told him about how corruption had grown over the years from small gifts to large ones of up to 1,000,000 Yuan.

John explained that the elite are leaving because of the uncertainty in China. He asserted that the Chinese economy is complicated at the moment, and that the issue of corruption be solved together with the other problems involved.

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2) Professor Bruce Rasmussen, Director of the Centre for Strategic Economic Studies, Victoria University

Bruce Rasmussen stated that China is the land of opportunity, but it carries great risks. In China, people can be stripped of their assets. He asked Kevin and John whether these risks are significant. He also asked whether there is a prospect for the rule of law and legal institutions to support transactions rather than be a part of the 'gangster economy'.

*Answer:*

Kevin Li began answering Bruce's question. Kevin stated that although there are still many problems, more at the lower levels in the power structures, but there have been steady improvements. Kevin Li argued that there is more transparency now. He briefs governments in both countries are exploring some mechanism to help with Australian businesses. One of the recent example is the initiative by the Federal government and Guangdong provincial government, the Australian- Guangdong business Cooperation council. With the arrangements, some problems such as labour relations dispute are taken up to the council (advisory body) at a provincial level, rather than at township level.

*John Garnaut continued to answer Professor Rasmussen's question:*

John Garnaut started to answer by posing the question: Can the Rule of Law be built in China? John is optimistic, and says that China is working in that direction – it is becoming dynamic and open. He disagreed with Kevin Li, stating that there is still corruption 'further up the tree', all the way to the top.

He explained that Chinese society is forcing change on the government. This is coming through a number of factors:

Firstly, people are better informed about corruption. Secondly, civil society is increasingly professionalised – much more than in the 1980s. Journalists, lawyers and entrepreneurs are watching what government officials are doing. Thirdly, the expansion of Social media, and the internet. Information can operate outside of the official structures. Although the government has tried to control the internet, the 'horse has bolted' and information is more freely available.

He explained that all of these forces move China toward a rule of law. He stated that although he was optimistic, the problems are very deep and it will take a long time to address them.

3) Chris Buckingham, Chief Executive, Destination Melbourne and participant in 2013 Asialink Leaders Program. For Wesa.

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Chris Buckingham asked Wesa how she thinks the visitor experience can be improved for Asians visiting Australia. What should Melbourne do to make Asian visitors feel more welcome? This includes visitors, skilled migrants, international students and investors. This question is based in the observation that Chinese visitors are now the biggest spending demographic visiting Victoria.

*Answer:*

Wesa Chau: Businesses need to be more culturally aware, and employ people from migrant backgrounds. It can be hard to retain employees from diverse cultures, due to clashes with entrenched Australian traditions. An example might be Friday night drinks. A Muslim Asian would not be able to come, or would not feel comfortable with this Australian tradition. Leaders in organisations need to take up objectives to make migrant background employees feel more welcome. Wesa stated that, for example, she was very shy at university and found it hard to learn public speaking. Some Asians need to be pushed.

Sid Myer, Chair, sums up the session:

John spoke about the complexity of China and the difficulties for business there. But he was also optimistic.

Wesa and Kevin spoke about the importance of forming long-term relationships in business, and Asia literacy. There are many international students who are a resource that can be tapped into by businesses wanting to be more culturally aware, and make connections.