REPORT OF THE SPEAKER’S PARLIAMENTARY
DELEGATION TO CHINA,
April 2018

Presented by Hon. Peter Watson MLA,
Speaker
28 June 2018
**Delegation Visit to China – 14 to 24 April 2018**

The delegation was comprised of:

- Hon Peter Watson MLA, Speaker (Leader of the delegation);
- Dr Tony Buti, MLA (Member for Armadale, ALP);
- Ms Libby Mettam, MLA (Member for Vasse, Liberal);
- Mr Peter Rundle, MLA (Member for Roe, Nationals); and
- Ms Kirsten Robinson, Clerk of the Legislative Assembly.

Ms Dianne Wolfer accompanied the delegation.

In China, the delegation had the benefit of the attendance of Mr Stuart Crockett, China Commissioner and Ms Judy Zhu, Director of Business Development, from the Government of Western Australia’s Shanghai Office. In addition, further support was provided by staff from the Department of Foreign and Overseas Chinese Affairs of the Zhejiang Provincial People’s Government.

**Introduction**

Since the early 1990s the Speaker of the Legislative Assembly has led delegations of Members of the Legislative Assembly to visit Western Australia’s major trading partners. These visits have included China, Japan, India, South Korea, Indonesia, Indian Ocean rim trading partners, and South Africa. Decisions as to the timing and composition of the delegation are made by the Speaker and funding is provided from the budget of the Department of the Legislative Assembly. The principal aims of these visits have been:

- to introduce Members of the Legislative Assembly to our major trading partners and involve them in discussions with corporations and others with significant interests in Western Australia;
- to broaden the understanding of Western Australian Members of political, governmental, economic, educational and cultural matters in those countries and to pursue the aims of sister-state arrangements where they exist;
- to develop friendship and understanding at a high level between the Western Australian Parliament and Western Australia’s partners and neighbours; and
- in some cases to facilitate assistance at a Parliamentary level.

Reciprocal visits are made to Western Australia from time to time.

The purpose of this visit was to provide an opportunity for the parliamentarians to gain a greater knowledge and understanding of China’s economy, culture, government, political and industry sectors, to examine trade and other links between Western Australia and China, and to reinforce stronger ties between Western Australia and China. Some of the specific areas of interest to the Members included: tourism opportunities between China and Australia and how Western Australia could be better promoted to Chinese tourists; increasing the number of international students to Western Australia; meeting with Chinese universities with links to Western Australian universities; examining what opportunities exist in the imported food and drink market for Western Australian products; and potential areas of collaboration in sporting activities and programs.
Significance of the China/Western Australia relationship

The Government of Western Australia established its sister-state relationship with the Province of Zhejiang in November 1987. In 2017, Western Australia and Zhejiang Province celebrated 30 years of the sister-state relationship. Areas of collaboration include education, training, health, research and development, commercial projects and cultural exchanges.

More broadly, the following statistics from the Department of Jobs, Tourism, Science and Innovation illustrate the importance of China to the Western Australian economy:

- in 2017, China accounted for 49 per cent of the State’s exports and 11 per cent of the State’s imports. Iron ore made up 85 per cent of the State’s exports to China, followed by petroleum (3 per cent).
- China is Western Australia’s largest market for agricultural and food products (22 per cent of the State’s total agricultural and food exports). China is also the State’s largest market for a number of agricultural commodities, including barley, wool and oats.¹

In addition, in terms of tourism, China was Western Australia’s sixth largest market in 2017 for international visitors (6 per cent of the State’s international visitors). China was also Western Australia’s second largest market for international students in 2017, comprising 15 per cent of the State’s international student enrolments.²

Principal meetings

The delegation departed Perth on Saturday, 14 April 2018 and travelled to Beijing, Shanghai, Hangzhou, Wuzhen, Tongxiang and Ningbo, before returning to Perth on Tuesday, 24 April 2018.

China Iron and Steel Association (Beijing)

In Beijing, the delegation met with the Secretary General, Mr Zhenjiang Liu, Mr Ying Sheng Wang, Deputy Secretary General, Mr Changyong Su, Director International Cooperation and Director Conference, and Ms Tingting Wang, Division Director from the China Iron and Steel Association (CISA). CISA is the iron ore and steel governing body of the Chinese Central Government. It is involved in regulation setting, industry analysis, joint-venture facilitation and statistical coordination. It also manages the promotion and marketing of China’s steel industry. The delegation discussed China’s iron ore and steel policies and how CISA operates and provides services to steel producers in China.

QYER Group (Beijing)

The delegation had an opportunity to meet with Mr Cai Jinghui, President, Ms Zhang Zia, Regional Account Director and other representatives from the QYER Group. QYER Group, whose motto is “Journey Never Ends”, is China’s largest online travel company with more than 80 million registered users. Before QYER, Mr Jinghui had brought Lonely Planet to China as its China market representative. The delegation was informed about the company’s operations as China’s largest online travel company. They also discussed tourism opportunities between Australia and China, and how Western Australia could be better promoted to Chinese tourists.

² Western Australia China Trade Profile – June 2018, Department of Jobs, Tourism, Science and Innovation.
At the Aidi International School, the delegation met with Ms Lydia Liu, Principal, Mr James Chen, Chief Executive Officer, NIT Education Group, and other staff from the Aidi School. The Aidi School is an educational project of cooperation between the Chinese and Australian governments, and provides K–12 international education. The high school program provides multiple courses with Australian, UK and US high school curricula. It is the first school in China to deliver the Western Australian Certificate of Education (WACE) course. The school prepared an interesting visual presentation for the delegation, followed by a tour of parts of the School. The delegation was very impressed by the calibre of the students and the insightful questions they asked of the group, including:

“Can students who are interested in the conduct and process of government visit the lower house?”

“Many elected officials seem to have a background in law or political studies. What education do you see as important for a politician?”

“Can you please explain the relationship (or the difference) between the upper and lower houses of Parliament?”

“Does the Australian Government in general encourage foreign students to come and study in Australia?”

The delegation strongly encouraged the students to pursue further studies in Western Australia.

The delegation met with Mr Yu Fan, Deputy Director, Senior Planner and representatives from the Shanghai Urban Planning and Land Resource Administration Bureau. The Bureau is responsible for making, organising and implementing local regulations on city construction, land use and geological excavations. It is in charge of managing all city planning and designing agencies, city planning documents, design and construction, and historical and cultural buildings. The delegation discussed municipal planning and land resources in Shanghai, and plans to transform the city into a global financial and shipping centre. They also discussed the impact of spiralling home prices in the city. The delegation was shown an impressive interactive city planning screen, which enables planners to view proposed developments and visualise how they would impact on their surroundings.

The delegation met Ms Xiaoya Wei, China Country Manager and Ms Tara Zhu, China Business Advisor from the Australian Business Chamber. The Australian Chamber of Commerce and the China Council for the Promotion of International Trade established the Export Growth China showroom which features Australian goods and services. It is located in ShanghaiMart, a permanent international trading centre which opened in 1999 and has showrooms, offices and trade fairs. The delegation toured the Australian products showroom and discussed the popularity of Australian products in Shanghai and how suppliers can improve the marketability of their products in China.

At the China Art Museum in Shanghai, the delegation viewed the “Beautiful WA” Exhibition, which profiled the work of Chinese photographer Madam Yu Huwen and Western Australian photographers Frances Andrijich, Tania Malkin and Hugh Brown. Madam Yu was the wife of former Vice Premier of China, Mr Huang Ju, and has established a charity fund ‘Beautiful Nourishing Heart’ to help children with congenital heart disease. In October 2018, Madam Yu’s “Beautiful China” photographic exhibition will be hosted in Perth. While in Shanghai, Madam Yu very kindly hosted the delegation members to dinner.
City Shop Group (Shanghai)

The delegation met with Ms Scarlet Wang, PR Director, from the Shanghai City Shop. City Shop was established in 1995 and is one of the largest high-end supermarket chain stores in Shanghai selling an extensive range of imported foods from around the world, including dairy products, meats, alcohol, condiments and chocolates. The delegation viewed the extensive range of imported foods displayed in one of City Shop’s 13 stores in Shanghai and discussed with Ms Wang about products from Australia in general and Western Australia in particular, and what opportunities exist in the imported food and drink market.

Shanghai University of Electric Power (Shanghai)

At the meeting with the delegation, Shanghai University of Electric Power (SUEP) was represented by Professor Hexing Li, President, Mr Gang Liu, University Chief Librarian, Ms Ipei Hex, Director and Ms Fenyu Zeng, Director from the SUEP. Also in attendance was Mr Xun Tai, Chairman of the Yangpu Chinese People’s Political Consultative Conference (CPPCC) and Mr Wei Yan, Secretary General of the CPPCC. SUEP was founded in 1951 and has established 11 colleges, has more than 50 laboratories and about 20 research institutes.

In particular, the delegation was interested in discussing the existing cooperation between SUEP and Curtin University, one of the Western Australian universities with links to SUEP. More broadly, the delegation discussed the mutual benefits of student and staff exchange programs between Western Australian universities and their Chinese counterparts. The delegation was also interested in discussions about how more Chinese students could be encouraged to study in Western Australia.

Shanghai Municipal Commission of Commerce (Shanghai)

The delegation met with Mr Chao Yang, Vice Chairman, Mr Joseph Lee, Vice Director and other representatives from the Shanghai Municipal Commission of Commerce (SMCC). The SMCC is a government agency in charge of bilateral trade and investment. Examples of Shanghai investments in Western Australia include China BaoWu Iron and Steel Group, Zhongfu Group, Bright Food Group and Shanghai CRED. The delegation discussed bilateral trade and investment, as Shanghai is a key market for Western Australia, and the opportunities that exist for Shanghai and Western Australia in education, tourism, culture, trade and investment.

Zhejiang University (Hangzhou)

At Zhejiang University, the delegation met with Dr Professor Qiang Zheng, Vice President, Fei Xue, Deputy Director and other representatives. The University celebrated its 120th anniversary in May 2017. Research at the Zhejiang University encompasses 12 academic disciplines: philosophy, economics, law, education, literature, history, art, science, engineering, agriculture, medicine and management. Several Western Australian universities have long-standing research ties with Zhejiang University, including the University of Western Australia and Murdoch University. In particular, the delegation was interested in discussing the close ties and linkages between Zhejiang University and Western Australian universities, given the long-standing Western Australia and Zhejiang sister-state relationship. Discussion also focussed on how both China and Western Australia could encourage their own students to study in each other’s countries.

Zhejiang Provincial People’s Congress (Hangzhou)

The delegation met with Party Secretary and Vice Chairman, Ms Liming Liang, from the Standing Committee of Zhejiang Provincial People’s Congress and other representatives. Discussion centred on the close ties and linkages between Zhejiang and Western Australia, given the long-standing sister-
state relationship. A strong and cooperative relationship has developed over 31 years, built on trade but expanded into mutually beneficial areas, including cultural, educational, research, health care, agricultural and many other aspects. On behalf of the Zhejiang Provincial People’s Congress, Ms Liang hosted the delegation members to dinner while in Hangzhou.

Alibaba Group (Hangzhou)

Founded in 1999, Alibaba Group has become the largest e-commerce retail company in the world. The delegation was conducted on a tour of Alibaba Group’s facilities by Mr William Shi, Public Affairs Department, Government Relations, and witnessed the scale and volume of its online global trade.

Zhejiang Provincial Sports Bureau (Hangzhou)

The delegation met with Mr Yao Zheng, Director and other representatives from the Sports Bureau of Zhejiang Province. The Sports Bureau of Zhejiang Province is responsible for implementing the State’s guidelines and policies on sports, and planning and developing the sports industry. The delegation discussed the work of the Zhejiang Sports Bureau and the many sporting activities and programs it promotes. Of special interest was discussion of the establishment of a Sports Exchange Committee to work on establishing potential areas of collaboration with defined outcomes which would benefit both countries. As a result of this meeting, negotiations are now underway to develop a Memorandum of Understanding between Zhejiang and Western Australia.

Supertime Malt Mill (Ningbo)

At the Supertime Malt Mill, the delegation met with Mr He Zhengyuan, Chairman and General Manager, Mr Kai Le, Marketing Department Manager, and other representatives from Ningbo Malting Co. Ltd. The delegation toured the Mill’s facilities and discussed the main sources for the ingredients in production and the main export markets for the products. It was mentioned that of the 240,000 tonnes of the barley imported from Australia, half comes from Western Australia.

Ningbo Port (Ningbo)

The delegation met with Mr Hua Long Feng, Vice General Manager and other representatives from Ningbo Port. Discussion centred on how Ningbo Port conducts its operations and its current capacity and expansion plans. One of the Port’s harbour areas is Beilun, where much of Western Australia’s iron ore exports to China are unloaded and shipped to steel mills in China. From a brief tour around the Port, delegation members were able to see that it was an impressive world-class facility.

Ningbo Government (Ningbo)

The delegation met with Professor Jiankang Wang, Vice Director and other representatives from the Ningbo People’s Congress. The delegation discussed the close ties and linkages between Zhejiang and Western Australia, given the long-standing sister-state relationship. On behalf of the Ningbo Government, Professor Wang hosted the delegation members to dinner while the delegation was in Ningbo.

Cultural Aspects

On Sunday, 15 April 2018, after the delegation arrived in Beijing, the delegation had an opportunity to visit the Great Wall of China (Mutianyu Great Wall), Tiananmen Square and the Forbidden City. On the following Saturday, 21 April 2018, the delegation visited Wuzhen, a famous ancient water town located in northern Zhejiang Province.
Organisational matters

The delegation acknowledges the excellent assistance received from the Western Australian Government office in Shanghai and from staff in the Perth office. We sincerely thank them for their excellent support, advice and guidance, including the extensive background briefing notes prepared for the delegation members, which have been used in preparing this report. Due for particular mention and thanks are Mr Stuart Crockett, Commissioner, China, who accompanied the delegation for most of its visit and provided invaluable advice and information to the delegation regarding its meetings. Ms Judy Zhu, Director of Business Development, also accompanied the delegation and did an excellent job in facilitating all of the necessary administrative and other arrangements. She was also the delegation’s interpreter during the visit.

The delegation would also like to particularly thank the Zhejiang Provincial Government and Ningbo and Tongxiang Governments for their generous hospitality, assistance and support provided to the delegation during its visit to Zhejiang Province. As part of the sister-state relationship, the Zhejiang Provincial Government and Ningbo and Tongxiang Governments paid for the delegation’s accommodation and transportation costs in Hangzhou, Ningbo and Tongxiang respectively, and the delegation’s tickets to Wuzhen were paid for by the Tongxiang Government.

Costs

The cost of the visit was $61,511 and is detailed as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfares</td>
<td>$39,177</td>
</tr>
<tr>
<td>Accommodation &amp; meals</td>
<td>$12,474</td>
</tr>
<tr>
<td>Allowances</td>
<td>$3,300</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>$3,104</td>
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<tr>
<td>Ground transportation</td>
<td>$1,972</td>
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<tr>
<td>Gifts</td>
<td>$762</td>
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<tr>
<td>Miscellaneous</td>
<td>$407</td>
</tr>
<tr>
<td>Visa costs</td>
<td>$315</td>
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</tbody>
</table>

Ms Wolfer’s travel costs were paid for by the Hon. Peter Watson MLA.

Conclusion

The delegation’s visit to China was very successful and members greatly appreciated the time made available to the delegation by all of the individuals and organisation we met. Western Australia’s relationship with China as a whole continues to be strengthened through visits such as this one, with benefits to all involved. It is important for the Legislative Assembly to engage with our trading partners and close neighbours to ensure mutual development and cooperation, and to enable a proper understanding by Members of the continuing importance of these links. We are hopeful, too, that the visit was successful in conveying to China the ongoing support of Western Australia and its Parliament for our trade and business exchanges and continuing educational and cultural links.

PETER WATSON, MLA
SPEAKER OF THE LEGISLATIVE ASSEMBLY
Members of the delegation at a Business/Investor Round Table Meeting in Hangzhou with Mr Wenbiao Wei, Chairman, Zhejiang Guangju Decoration Co. Ltd; Mr Qiyuan Wu, Chairman, Narada Boutique Hotel; Mr Rongfu Meng, Chairman and General Manager, Zhejiang Fudeli Timber Industry Co. Ltd; Mr Daniel He, Deputy Business Director, Zhejiang Aozhou Cattle Industry Co. Ltd; and Mr Stuart Crockett, China Commissioner.