

**The Australia China Business Council luncheon**  
**“Observations on 40<sup>th</sup> Year of Diplomatic Relations:**  
**Progressing a Long Term Economic View”**

**Held at the Langham Hotel**

**Melbourne, Australia**

**At 12.30pm on Friday, 24 August 2012**

**Introduction by: Toni Feddersen, Executive Director, ACBC Victoria**

**Welcome: The Hon. Richard Alston, ACBC Victoria State  
Committee, Chairman TFS Corporation Ltd**

**Introduction of H.E. Zhou Wenzhong: R H Chambers AO**

**Guest of Honour: Ambassador Zhou Wenzhong**

**Secretary General of Boao Forum**

**Response: HE Murray McLean OAM, Former Deputy Secretary,  
DFAT and Ambassador to Japan**

Today we continue our recognition of the 40<sup>th</sup> anniversary of diplomatic relations between China and Australia.

On 21 December 1972, following the election of Gough Whitlam-led Labour Government, the Australian and Chinese Ambassadors to France, Allan Renouf and Huang Zen, signed a Joint communiqué in Paris establishing diplomatic relations.

The following year, Gough Whitlam was Australia's first Prime Minister to visit China.

What is remarkable is that Australia established its diplomatic relations with China when the Cold War was still dominating world politics and in the middle of China's Cultural Revolution.

For more than 20 years after the communist revolution in 1949, China and most of the western world had no diplomats in each other's capitals and no direct way to communicate.

The rise of China since then has had a major impact on global diplomacy, strategy and negotiations, as China has become one of the world's two great economic powers and we have entered the Asian century.

Australia's early recognition of China, and as one of the first Western countries to do so, placed Australia in the forefront of friendly relations with China

This has played a key part in the development of the massive trade and investment which has been taking place between China and Australia.

This has seen China become Australia's largest trading partner.

I would like to take a moment to mention two further events which followed the recognition of China.

### **China's open door policy**

China's development into a major global economic power was made possible by the strategic decision of the Chinese leader Deng Xiaoping in December 1978 when he introduced China's open door policy.

This opened China up to the outside world and set China on a destination even Deng Xiaoping could not have recognised.

It is sometimes difficult to comprehend that the opening up of China took place just 34 years ago.

### **Channar Project**

The second is the Channar Project.

For Australia just a few short years after China's open door policy was introduced, China agreed to make its first overseas investment selecting Australia as the location for that to place.

This set the precedent for the numerous other projects which have been invested by China in Australia over the following years.

At that time, China had no experience in doing anything like this.

There was no expertise in China to know how to do it, so it was a seriously pioneering decision for China to make when it agreed to pursue that investment.

Mr Bob Hawke, when he became Prime Minister in 1983 played the key role in encouraging this investment to take place at all.

The investment took place as the Channar Iron Ore Project between Hamersley Iron and the Chinese Government.

Our law firm is proud to have been the lawyers for China on that Project.

This year the original Joint Venture had concluded with the shipment of the last of the 200 million tonnes to China in May.

The history of this pioneering project has been written by Rowan Callick and will be launched in Beijing in December.

The foreword to the book has been written by Mr Bob Hawke who wrote that the book “places on the record the story of what could be considered probably the most significant Australian joint partnership venture of the last century”.

### **China House**

Finally before I introduce Ambassador Zhou Wenzhong I would like to take a moment to mention our China House consultancy which has been incorporated by our law firm in Hong Kong.

Ambassador Zhou will be the Guest of Honour this evening at a special reception when China House will be launched.

China House has been established as a capital introduction service in response to market demands.

Over the 28 years history of our law firm in China, we have built an enviable client list of major Chinese State Owned Enterprises and large private corporations advising them on their projects on their investments in Australia.

We have been approached to assist and to find more investment opportunities for leading Chinese State Owned Enterprises and large private companies in Australia, while they are being pressed by the Chinese Government to “go out” and to secure long term supplies of resources taking advantage of the current world economic conditions.

On the other hand, numerous Australian miners have been approaching us to get us to introduce them to Chinese investors.

Australian projects are being starved of capital.

The share market is dead and the banks have stopped lending.

China can provide the much needed capital coupled with guaranteed with off-take arrangements which will underpin project debt financing to enable projects to proceed.

China House fills a strategic space in connecting both sides.

### **Ambassador Zhou Wenzhong**

It is a pleasure to introduce Ambassador Zhou Wenzhong to you at this lunch, which is hosted by our law firm together with ACBC and Asialink.

We also welcome the Ambassador’s wife Madam Xie Shuming.

Ambassador Zhou is uniquely well placed to give the keynote address at this event and to provide his observations on the 40<sup>th</sup> anniversary of the establishment of diplomatic relations between China and Australia.

Mr Zhou Wenzhong is the Secretary General of Boao Forum for Asia 2010 which is a leading Chinese organisation supported by China’s leaders and top officials from China’s largest State Owned Enterprises and major large private companies, together with political and business leaders from around the region.

The Ambassador is also a member of the Chinese Peoples’ Political Consultative Conference.

Ambassador Zhou was also recently the Chinese Ambassador to the United States in Washington over the period from 2005 to 2010, which were very challenging years in the deepening relations between China and the United States and which also have impacted on Australia's relations with China.

Mr Zhou was also previously the Chinese Ambassador to Australia from 1998 to 2001, so he has quite unique understanding of the important relations between these countries and their implication for Australia.

Ladies and gentlemen may I now introduce Ambassador Zhou Wenzhong.

**Mr Robin H Chambers AO**

24 August 2012

