

Third National Meeting of China Matters

Held in partnership with the University of Sydney Business School

7 April 2016

PwC Australia, Level 19, Darling Park Tower 2, 201 Sussex St, Sydney

The objective of the meeting is to formulate specific policy proposals regarding Australia-China relations. The meeting will be conducted off-the-record.

Each session has three panellists and a moderator. Each panellist has seven minutes to make remarks and is encouraged to take a stand on a controversial issue relating to the session focus. The moderator will then probe the issue(s) further with the panellists before opening up the discussion to everyone. Comments are expected to be maximum four minutes.

The 'jazz club style' format of the meeting is designed to create a conversation between peers. While panellists initiate the conversation, their remarks throughout the session must be brief, so that the majority of the session is an open back-and-forth among all participants.

0830 Morning tea and coffee

0900 – 0915 **Welcome** Ms **Linda Jakobson**, Founding Director, China Matters

0915 – 1045 **Session I Do China's regional ambitions threaten Australia's interests?**

Panellists: Mr **Richard Maude**, Director-General, Office of National Assessments

Mr. **Allan Behm**, Former Senior Executive Service official, Australian Government

RADM (Retired) **James Goldrick** AO CSC, Adjunct Professor, ANU College of Asia and the Pacific; Non-resident Fellow, Lowy Institute

Moderator: Ms **Linda Jakobson**, Founding Director, China Matters

Panellists and participants should focus on the Australian government's policy responses to the ambitious regional agenda of China's President Xi Jinping. Xi has set in motion several major initiatives. These include the founding of the Asian Infrastructure Investment Bank, the launch of the One Belt, One Road initiative, and the rapid expansion of land reclamation work in the South China Sea.

Key questions: What is the extent of Chinese ambition in the next 5 to 10 years and is it a threat to Australian interests? How most effectively can Canberra respond to Beijing's efforts to expand Chinese influence in the region and counterbalance Washington? What are the risks for Australia of closer security relations with Japan in the context of Australia-China relations? Should Australian business be concerned about these questions?

1045 – 1105 Coffee break



China
Matters



1105 – 1235 **Session II Has the Chinese government lost control of core areas of the economy? What are the implications for Australian business? How should Australia respond?**

Panellists: Mr **Arthur Kroeber**, Managing Director, Gavekal Dragonomics
Mr **Mark Thirlwell**, Chief Economist, Australian Trade Commission (Austrade)
Mr **John Fraser**, Secretary, the Treasury

Moderator: Prof **Hans Hendrichke**, Professor of Chinese Business and Management, University of Sydney Business School

Panellists and participants should first take a stand on the question, 'Has the Chinese government lost control of core areas of the economy?' and then focus on the implications of that stance for Australian business and responses by Canberra.

Key questions: Are Beijing's decision-makers able to solve China's economic problems? Can the Communist Party manage an innovative consumer-led economy? If they can, (or: If they can not,) what are the implications for Australian business? If uncertainties grow, should Australian business spread risk away from China? How well does the Australian Government share its insights into policy trends in China with business? How could it do better?

1235 – 1350 Lunch

1350 – 1520 **Session III Is there a problem with Chinese money?**

Panellists: Mr **Andrew Day**, CEO, Hastings Funds Management
Mr **Paul Jevtovic** APM, CEO, Australian Transaction Reports and Analysis Centre (Austrac)
Mr **Brian Wilson**, Chair, Foreign Investment Review Board

Moderator: Mr **Andrew Parker**, Deals Partner and Asia Practice Leader, PwC; Board Member, China Matters

Panellists and participants are asked to focus first on whether we should be concerned, or excited, by increasing Chinese direct investment in Australia. Discussion should then turn to how Australia should respond to the opportunities and/or risks related to Chinese money.

Key questions: What genuine challenges does Chinese direct investment pose for Australia? What would we do without Chinese money? Are our current institutions sufficiently robust to manage Chinese investors' growing interest in Australia? If not, what needs to change? How can we have transparency and accountability without discouraging Chinese money?

1525 – 1645 **Session IV Wrap-up discussion about specific policy recommendations**

Moderator: Prof **Bates Gill**, Professor of Asia-Pacific Strategic Studies, School of Strategic and Defence Studies, ANU; Board Director, China Matters

RioTinto



Australian Government