

NEWSLETTER

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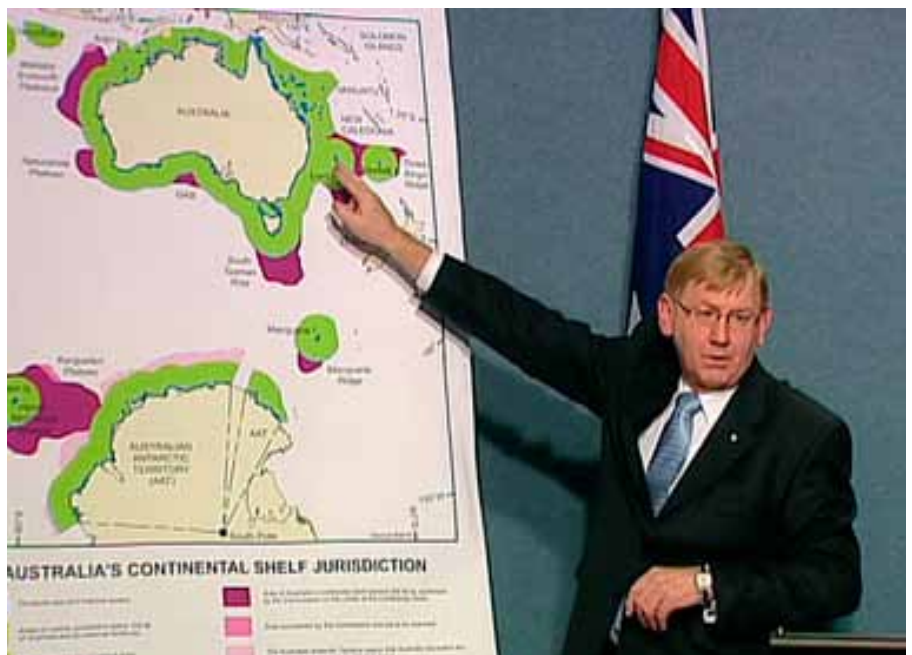


A Yum Cha Not to be Missed!

Resources, Energy and Tourism – the China Australia Intersection. The Hon. Martin Ferguson, AM - Minister for Resources and Energy and Minister for Tourism and Victorian member for Batman.

Join the Australia-China Friendship Society and the Minister at Dragon Boat Palace, 149 Lonsdale St, Melbourne on Saturday 3 July at 1.00pm.

Hear directly from the source where our future lies in the important alliance between Australia and China in the resources and tourism sectors, two vital parts of our bilateral trading relationship.



\$50 per head, Tables of ten \$450 Reservations: 0431 155 139 or acfs.vic@gmail.com

PRESIDENT'S COLUMN

Since our last newsletter, I am happy to report on my recent visit to the Consulate, where Vice President Tower Liu and I met with Vice Consul-General Mde Wang Yiner and Ms Mei Fen, Assistant to the Consul-General. We spent a pleasant time during which we exchanged news and views and explored ways in which we may be able to assist each other in our work.

I am also extremely happy to report that at a recent committee meeting, the committee voted unanimously in favour of a resolution whereby life membership is awarded to four long-time members

of the ACFS. The four new life members are Maurice and Eunice Leong, Christine Wicking and Lein Kim. The Leongs are well known to Melbourne members and have for over 50 years been involved members and supporters of the Society and active in their work in the Chinese community.

Christine Wicking and Lein Kim have been very long-standing members who have worked tirelessly for the Society in the Geelong sub branch.

These four life members have all made an enormous contribution to developing and promoting friendship and understanding between the Australian and Chinese peoples. We congratulate them on their well-deserved Life Membership.



The just opened World Expo looks set to be a fascinating and momentous event, showcasing to the world the breadth and extent of China's development and capacity. It is expected that millions of visitors will enjoy the Expo and I hope that some of our members and friends will have the opportunity of visiting it and of course the Australian pavilion there.

Finally, I do hope to see some of our members at the forthcoming yum cha, details of which can be found elsewhere in this newsletter.

Louise Clayton

ACFS Limited 2010 National Conference

On the weekend of 9th April 2010 to 11th April 2010 the ACFS Limited annual conference was held in Adelaide and was hosted by the ACFS South Australian Branch.

We were honoured by the attendance of Mr. Ke Yasha, Minister Counsellor of the Cultural Office of the Embassy of PRC who had many helpful and constructive suggestions for the society. We look forward to maintaining a close relationship with Mr. Ke and his staff in Canberra.

In addition we were also honoured by the attendance of Mr. Qing Boming, Deputy Director General of American and Oceanian Affairs Department of CPAFFC (All China Youxie) in Beijing and his associate, Karen. In the past Mr. Qing has been instrumental in facilitating many exchanges between the PRC and Australia and spoke at length of future exchanges and activities.

The South Australian Branch President Mr. Mike Willis presented the traditional Bill Morrow address. He spoke about our society's history and our future on Friday 9th April. I found the address to be inspirational.

Many important decisions and resolutions were made at the conference, further details of which will be provided when I have received the official minutes.

In attendance were Delegates from all of our State Members and Directors and appointed positions for 2010 onwards are as follows:

Chair President:	John Breheny	(VIC)
Senior Vice Chair:	Neville Green	(WA)
Junior Vice Chair:	Jane Everett	(TAS)
Financial Officer:	Graham Bennett	(SA)
Secretary:	Craig Skinner	(VIC)





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 Ros Handley (WA)
 Brian Hassell (WA)
 Ross Gwyther (QLD)
 Chaplan Hsiong (NT)

John D. Breheny Chair/President ACFS Limited

CHINESE DEVELOPMENTS IN BALLARAT

WHERE IT BEGAN: The contribution by the Chinese to Australian history is a very significant one, beginning in the 1840's in Ballarat and Bendigo during the time of the Gold Rush in Victoria.

CHINESE CONTRIBUTION: There have been many highs and lows as this community made their homes in Australia. Local Chinese communities and individual families have made their mark regularly, with Chinese restaurants in almost every Australian country town. A wide range of businesses, particularly in the City of Melbourne, have been built very successfully and in education, the high expectations of parents for the academic success of their children has seen outstanding results achieved by large numbers of Chinese students.

RECENT DEVELOPMENTS: Over the last 10 years, we have been seeing a broad spectrum of new contributions to Australian society, in the economy and intercultural exchange and understanding between China and Australia. It's not only in mining, white goods, education, manufactured products and just about every brand name that comes to mind.

SPORT AS BUSINESS & FRIENDSHIP: Previously, I have written about the role of Australian sports coaches training leading young Chinese sportspeople such as elite young tennis players. However not many people know that the Chinese Golf Association has engaged the PGA in Australia to provide an extensive "train the trainer program" for Chinese Golf until 2013. Former Australian Basketball legend Lindsay Gaze has spent several years in Tianjin sharing his experiences. And Australian coaches have assisted the Chinese cycling and swimming teams.

EDUCATION AND TOURISM: As well as the well known strong flow of Chinese students to Melbourne, one of the newer areas of greatest growth is International inbound Tourism. In Victoria this is much more than the penguins, the Great Ocean Road and shopping.

REGIONAL VICTORIA: Over the last few years, the attraction of revisiting the important role of Chinese on the goldfields, has lured huge numbers of Chinese tourists to explore Sovereign Hill Historical Park. This has made Ballarat the most visited city in Australia by Chinese tourists, outside the main capital cities.

MT. CLEAR COLLEGE: There are also exciting developments in International Education in Ballarat. At Mt Clear College, Principal Linda Flynn has been leading the development of exciting new relationships and in the enhancement of cultural and linguistic exchange. The College is providing strong leadership, fostering understanding and extending it among other secondary colleges and local primary schools, colleges and at the university level.

ACFS SUPPORT: Staff at the College have now made 2-3 trips to China and have developed a working relationship with HANBAN, which is the non-government organization based in Beijing, charged with responsibility for extending knowledge and understanding

ACFS committeeman, Phil Parker has been providing some consultancy support for their project. He was fortunate to be invited to travel with Mt Clear Deputy Principal Jenny Bromley and Chinese Program Officer Hong Xiao Wei, in March in Nanjing and Shanghai, making joint visits to the offices of the Shanghai Education Association for Study Abroad, Shanghai-shi, Jiangning XueXiao and Shanghai Ge Zhi High schools and commercial agents in Nanjing.

CONFUCIUS CLASSROOM: Chinese students interested in studying in Australia as international students will be encouraged to consider studying in the regional centre of Ballarat where the first Confucius Classroom will be established in Australia. This valuable and innovative resource will be fully funded by HANBAN and fitted out with state of the art interactive computer technology. A teacher trained in China will lead language / cultural and learning experiences eg Chinese history, paper cutting, cooking, music and dance for students for up to 10-12 local Ballarat district schools and the Ballarat community.

SISTER SCHOOL RELATIONSHIP AND WIDER SHARED PROGRAMS: The College has estab-



lished a sound sister school relationship with prestigious Nanjing Number 1 Middle School. Exchanges of school students are likely to follow shortly and a number of Chinese students interested in longer term study in Victoria have already enrolled to study at Mt Clear. Study Tour Groups of interested Chinese students have already been booked to arrive later in 2010. Opportunities to share these exciting learning opportunities will be available to all primary and secondary students in both Ballarat and its surrounding districts such as Bacchus Marsh. The University of Ballarat and Ballarat Grammar are also active partners in the project.

TOURISM AND BUSINESS LINKS: Another innovative program will be the creation of greater interaction and linkages with the large numbers of current tourist groups visiting Sovereign Hill. All in all these programs will have a marked impact across the whole Ballarat community and have the potential to enhance the teaching of Chinese language, develop increased intercultural understanding at school, community and university and have positive outcomes at municipal and business levels.

EDUCATION MISSION: In mid-May, a mission comprising fifteen Education representatives from Ballarat and surrounding districts will travel to Nanjing, Suzhou and Shanghai to officially establish the relationship and to get a first-hand understanding of Chinese culture and education systems. HANBAN in Beijing will also fully fund that program. This group

will include not only many first time travellers to China from small primary schools, but also experienced "old China hands" like Robyn Hunter, Principal of Bacchus Marsh Secondary College.

Robyn has travelled to China 3-4 times since 1999. Twice she has travelled with principal and regional groups with ACFS Committeeman Phil Parker, including one trip to celebrate the Anniversary of the sister state relationship between Jiangsu and Victoria. Phil has also been invited by Mt Clear S.C. to make a presentation about "education and friendship experiences between Jiangsu and Victoria" at the official 3 day Forum in Nanjing. The group will also be able to visit the World Expo beside the river in Shanghai, as their travel plan requires them to return home through Shanghai Pudong Airport.

SUCCESSFUL MODEL FOR REGIONAL VICTORIA: The project has already made great gains and it certainly demonstrates what can be achieved through wide ranging cooperation across the various education sectors. It is likely to provide a model for similar programs to be developed in other regional cities. The most immediate beneficiaries will be young students, their families and the communities in which they live in both Jiangsu and in Victoria. In the longer term, people in a much wider range of communities in Australia may benefit.

Phil Parker, April 2010

Chinese Visa Application Service Centre is opened on 28th April

Starting from 28th April 2010, visa applicants are requested to submit their applications to the Chinese Visa Application Service Centre. The address is: PART Ground Floor, 570 ST Kilda Road, Melbourne, 3004.

Tel: 03-99372308, Fax: 03-99372338.

[Website: www.visaforchina.com.au](http://www.visaforchina.com.au)

Holders of diplomatic, service (official) passport, or applicants qualified for the Chinese diplomatic, service, courtesy visa, or applicants applying for the Hong Kong visa/entry permit should still submit their applications directly to the Consulate-General without changes.



WEST TO EAST – WESTERN SUBURBS STUDENTS HEAD TO CHINA

Education Minister Bronwyn Pike today bid farewell or “zaijian” to 30 western suburbs students about to embark on an once-in-a-lifetime study experience to China.

On Saturday 3 April, 15 Braybrook College and 15 Sunshine College Year 9 and 10 students will jet to China for three weeks as part of the Brumby Labor Government’s Overseas Study Experience program.

“This experience will change the students’ lives,” Ms Pike said.

“It will open their eyes to Chinese culture and how people think, learn and thrive.

“I want to wish every student a safe trip as they embark on this exciting journey and I have a feeling this will be a life changing experience for all of you.

“The Brumby Labor Government is committed to providing every child with every opportunity to excel in life, regardless of postcode or personal circumstance and this is another example of how we are delivering on this promise.”

The students will be accompanied by six teachers and will spend time studying at schools in Suzhou and Nanjing and visiting Beijing and Shanghai.

Ms Pike said the visit will help students prepare for future life as global citizens.

“Thanks to the internet and Australia’s proximity to Asia, many students will spend their working lives in multinational environments, and this Overseas Study Experience program is another way the Brumby Labor Government is preparing students to thrive in these modern workplaces,” Ms Pike said.

“The Victorian Government’s Study Experience program further highlights the good work being done in Government schools to promote cultural respect.

“It will further their understanding of cultural

diversity, and I am confident the students will bring this knowledge back to their schools in Western Melbourne.”

The students will return home to Melbourne during International Education Week which runs from Monday April 19 to Friday April 23.

From the Minister for Education

A NOTE ABOUT CHINA: the US has work to do within

By: **Joseph Stiglitz**

THE battle with the US over China’s exchange rate continues. When the Great Recession began, many worried that protectionism would rear its ugly head. True, G20 leaders promised that they had learnt the lessons of the Great Depression. But 17 of the G20’s members introduced protectionist measures just months after the first summit in November 2008. The “Buy America” provision in the US stimulus bill got the most attention, but even so, protectionism was contained, partly due to the World Trade Organisation.

Continuing economic weakness in the advanced economies risks a new round of protectionism. In America, for example, more than one in six workers who would like a full-time job can’t find one. These were among the risks associated with America’s inadequate stimulus, which was designed to placate members of Congress as much as it was to revive the economy. With soaring deficits, a second stimulus appears unlikely, and, with monetary policy at its limits and inflation hawks being barely kept at bay, there is little hope of help from that department. So protectionism is taking pride of place.

The US Treasury has been charged by Congress to assess whether China is a “currency manipulator.” Although President Barack Obama has now delayed for some months, when Treasury Secretary Timothy Geithner must issue his report, the very concept of “currency manipulation” itself is flawed. All governments take actions that directly or indirectly affect the exchange rate. Reckless budget deficits can lead to a weak currency; so can low interest rates. Until the recent crisis in Greece, the US benefited from a weak dollar/euro exchange rate. Should Europeans have accused the US of “manipulating” the exchange rate to expand exports at its expense?



Although US politicians focus on the bilateral trade deficit with China - which is persistently large - what matters is the multilateral balance. When demands for China to adjust its exchange rate began during George Bush's administration, its multilateral trade surplus was small. More recently, however, China has been running a large multilateral surplus as well.

Saudi Arabia also has a bilateral and multilateral surplus: Americans want its oil, and Saudis want fewer US products. Even in absolute value, Saudi Arabia's multilateral merchandise surplus of \$US212 billion in 2008 dwarfs China's \$US175 billion surplus; as a percentage of gross domestic product, Saudi Arabia's current account surplus, at 11.5 per cent of GDP, is more than twice that of China. Saudi Arabia's surplus would be far higher were it not for US armaments exports.

In a global economy with deficient aggregate demand, current account surpluses are a problem. But China's current account surplus is actually less than the combined figure for Japan and Germany; as a percentage of GDP, it is 5 per cent, compared with Germany's 5.2 per cent.

Many factors other than exchange rates affect a country's trade balance. A key determinant is national savings. America's multilateral trade deficit will not be significantly narrowed until America saves significantly more; while the Great Recession induced higher household savings (which were near zero), this has been more than offset by the increased government deficits.

Adjustment in the exchange rate is likely simply to shift to where America buys its textiles and apparel - from Bangladesh or Sri Lanka, rather than China. Meanwhile, an increase in the exchange rate is likely to contribute to inequality in China, as its poor farmers face increasing competition from America's highly subsidised farms. This is the real trade distortion in the global economy - one in which millions of poor people in developing countries are hurt as America helps some of the world's richest farmers.

During the 1997-98 Asian financial crisis, the yuan's stability played an important role in stabilising the region. Its stability has also helped the region maintain strong growth, from which the world as a whole benefits.

Some argue that China needs to adjust its ex-

change rate to prevent inflation or bubbles. Inflation remains contained, but, more to the point, China's government has an arsenal of other weapons (from taxes on capital inflows and capital gains taxes to a variety of monetary instruments) at its disposal.

But exchange rates do affect the pattern of growth, and it is in China's own interest to restructure and move away from high dependence on export-led growth. China recognises that its currency needs to appreciate over the long run, and politicising the speed at which it does so has been counterproductive. (Since it began revaluing its exchange rate in July 2005, the adjustment has been half or more of what most experts think is required.) Moreover, starting a bilateral confrontation is unwise.

No one wins from a trade war. So America should be wary of igniting one in the midst of an uncertain global recovery - as popular as it might be with politicians whose constituents are justly concerned about high unemployment, and as easy as it is to look for blame elsewhere. Unfortunately, this global crisis was made in America, and America must look inward, not only to revive its economy, but also to prevent a recurrence.

From: April 14, 2010 "The Age"

Joseph Stiglitz is a professor of economics at Columbia University and winner of the 2001 Nobel prize in economics.

We are always looking for interesting stories and articles to share with our members. Any members who have great stories to tell please contact ACFS office or e-mail to:
acfs.vic@gmail.com

Opinions expressed in this Newsletter do not always reflect those of the ACFS and its policies. Reliance upon information in this Newsletter requires independent verification of its accuracy or completeness



MELBOURNE VERSUS BEIJING: ATHLETICISM MEETS SKILL

When Melbourne Victory FC took to the field against Beijing Guoan FC in the first match of the 2010 Asian Football Confederation (AFC) Champions League it was a classic competition between Australian tactical athleticism and Chinese technical skill.

With a total prize pool of US\$20 million to play for, the respective champions of Australia and China set out to ensure the best possible start to the continental season with the Chinese taking all three points on the night.

Played in various forms since 1967, the football club championship of Asia became the 'AFC Champions League' in 2002. In a watershed moment for football in this country Football Federation Australia joined the AFC in 2006 and two A-League teams have been matching it against Chinese Super League teams (and the best teams from other Asian domestic competitions) ever since.

On a chilly, lifeless surface at the Beijing Workers Stadium, the estimated 30,000 Beijing fans witnessed a match played at a high tempo, with the individual skill of the Beijing players proving the difference on the night. The ability of the Beijing players to keep possession of the ball and create scoring chances was a level above their Melbourne counterparts - but football games are not decided by possession and scoring chances, but by goals. The only goal in this game was, ironically, scored in the 52nd minute by Socceroo Joel Griffiths (one of the maximum 4 'visa players' allowed in AFC Champions League teams) who split two Melbourne defenders with a lovely touch and calmly slotted the ball under young Melbourne keeper Mitchell Langerak.

Melbourne started the game strongly and had several chances of their own - in particular a sizzling long-range strike from midfielder Tom Pondeljak. With the northern hemisphere only beginning its football season, Beijing tired in the last 25 minutes and Melbourne dominated this period with chances to Nik Mrdja and Carlos Hernandez. The sixty minutes in the middle of the match was all Beijing though. While overall possession slightly favoured the visiting team, the sheer quality of the home side's possession kept the Melbourne defensive line very busy. A week spot for Melbourne in the A-League all year, the effect of this match might be that Melbourne's defence is

greatly improved ahead of their important semi-final second leg against bitter domestic rivals Sydney FC.

One of the most crucial elements of the success of football is the ability of teams with vastly different resources to play competitive matches. The salary cap in the A-League presently limits teams to spending to AU\$2.1 million on player salaries. Their Beijing counterparts spend tens of millions of dollars on their squad. Despite this financial disparity the overall performance of Australian clubs in Asia is still quite competitive and the Socceroos are the leading Asian national team as many of its players ply their trade in the more lucrative European and Asian domestic leagues.

In the end though, some of the most telling moments of the game were when substitutions were made. With Melbourne drafting players from its youth league team for the trip to Beijing, each Beijing player was substituted by a member of the Chinese National Football Team. The 'football economy' of China is massive and its best players rarely play in foreign leagues - ensuring domestic football strength.

By Justin Mahon

NOTICE TO MEMBERS

As all our readers are aware, for many years we have produced a hard copy of the newsletter which we circulate to all our members by mail.

However we have decided, in the interests of economy, time, efficiency and the environment, to send our future newsletters by email to all those members whose email addresses we have. We propose that this change will take effect from 1 July this year.

However please note: any members who wish to continue to receive their newsletter by ordinary mail will need to notify us at the office, either via mail or by email to the Secretary: acfs.vic@gmail.com

Unless we hear from you, from 1 July you will receive your newsletter by email provided we have your email address.

THE AUSTRALIA-CHINA FRIENDSHIP SOCIETY'S AIMS

Cultivate friendly relations with the people of China by fostering the study of China's history, language, culture, social and political structure.

Promote mutual understanding through friendly exchanges between the people of China and Australia. Strengthening ties with travel, the exchange of ideas, information and trade between the two countries.

To seek to clarify misunderstandings between the peoples of China and Australia, which may arise from the misrepresentation of information.

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