The Parliament of the Commonwealth of Australia Report of the Australian Parliamentary Delegation

to

PEOPLE'S REPUBLIC OF CHINA

and

HONG KONG



1 - 12 November 2009

		onwealt						
SE	3N: 978	8-1-742	29-29	1-5				

Members of the delegation

Delegation Leader Senator the Hon. John Hogg

President of the Senate

Senator for Queensland

Deputy Leader Dr. Andrew Southcott MP

Member for Boothby (South Australia)

Members

Ms. Anna Burke MP - Member for Chisholm (Victoria)

Deputy Speaker of the House of Representatives

Mr. Mark Dreyfus QC MP - Member for Isaacs (Victoria)

Senator Scott Ludlam - Senator for Western Australia

Mr. Sid Sidebottom MP - Member for Braddon (Tasmania)

Dr. Mal Washer MP - Member for Moore (Western Australia)

Advisor to the President Ms Meredith Horne

Delegation Secretary Dr Jacqueline Dewar

Department of the Senate

Accompanying Spouses

Mrs Sue Hogg

Mrs Kate Southcott

Mrs Nola Washer

Mr Stephen Burgess

Ms Deborah Chemke

Table of Contents

Members of the delegation	iii
Members	iii
Chapter 1	1
Introduction	1
Objectives of the delegation	1
Acknowledgements	2
Chapter 2	5
China	5
Australia-China relationship: an overview	5
Delegation meetings in mainland China	7
Shanghai	10
Sichuan	12
Tibet Autonomous Region (TAR)	15
Conclusion	19
Chapter 3	21
Hong Kong	21
Australia-Hong Kong relationship	21
Governance and history of Hong Kong	22
Delegation meetings in Hong Kong	24
Conclusion	29
Appendix 1	31
Delegation visit	31

Chapter 1

Introduction

1.1 This report details the activities and observations of a delegation from the Parliament of Australia which visited the People's Republic of China from 1 November to 12 November 2009. The delegation travelled as guests of the National People's Congress to mainland China, and visited the cities of Beijing, Shanghai, Chengdu and Lhasa. The delegation also travelled to Hong Kong.¹

Objectives of the delegation

- 1.2 During each parliamentary session, the Australian Parliament both hosts incoming delegations from other national parliaments and selects members from the House of Representatives and the Senate to participate in outgoing delegations. Parliamentary delegations serve several purposes, including the following:
 - to contribute to the Parliament's understanding of Australia's international relationships;
 - to enhance international awareness of Australia;
 - to provide opportunities for Australia's official representatives in subject countries to meet with and lobby high level officials, business leaders and parliamentarians in those countries; and
 - to facilitate high-level contact between Australian parliamentarians and overseas parliamentarians, senior officials, business leaders, and others.
- 1.3 This particular delegation to China and Hong Kong was deemed by the Australian government to be important, and timely, due to the nature of the Australia-China relationship at that time and the significance of that relationship. The specific objectives of this delegation were to:
 - renew links with the National People's Congress
 - gain an appreciation of contemporary political, economic and social issues in China
 - gain an insight into China's progress in addressing energy and environmental issues
 - obtain an understanding of China's perspective on regional and international issues
 - explore prospects for further enhancing bilateral economic relations

¹ A program of the visit can be found at Appendix 1.

- gain an appreciation of the effectiveness of Australia's development assistance program and visit an AusAID assisted project
- discuss cooperation within the multilateral system.
- 1.4 Parliamentary delegations also serve, at a more personal level, to inform delegation members of broader geopolitical issues and provide an opportunity for investigation and examination of international approaches to various issues.
- 1.5 Prior to departure, the President of the Senate, Senator the Hon. John Hogg, and delegation members held a series of meetings with senior officials from the Chinese embassy in Canberra. At these meetings delegation members agreed that the delegation program for China should allow an opportunity for delegates to inform themselves in several keys areas including: sustainable development; environmental protection; education; health; economic development; China's response to the global financial crisis (GFC); and human rights. These interests were conveyed to Chinese embassy staff.
- 1.6 On return to Australia, the delegation held discussions in regard to the delegation program and it is recommended that, in future, outgoing delegations should clearly request that the program be provided by the host parliament prior to departure from Australia and that the objectives of the delegation be the basis upon which a program is developed.
- 1.7 The delegation provided a valuable insight into the state of the relationship between Australia and China. But it also represented a missed opportunity, in that the delegation received no response to its requests to become better informed on the state of the Chinese energy and transport sectors, responses to the global financial crisis, trends in sustainable development and human rights. The delegation was also constrained in what it was able to see during its official visit to Tibet.
- 1.8 Delegation members note that the program for the Hong Kong segment met the objectives of the delegation. Delegation members found their time in Hong Kong to be fruitful.
- 1.9 A program of the China-Hong Kong delegation can be found at Appendix 1. Although the objectives of the delegation were not met apart from during the visit to Hong Kong, it is hoped that the experience of this delegation can lay the groundwork for a more substantive visit in the future.

Acknowledgements

- 1.10 The delegation records its appreciation of the People's Republic of China for the hospitality and courtesy extended to it during its visit to China. In particular, the delegation wishes to sincerely thank:
 - The Standing Committee of the National People's Congress in Beijing
 - The Standing Committee of the Shanghai Municipal People's Congress

- The Standing Committee of the Sichuan Provincial People's Congress
- The Standing Committee of Tibet Autonomous Regions People's Congress.
- 1.11 The delegation notes that it had the privilege of holding meetings with very senior members of the National People's Congress in all the cities that it visited. The delegation was particularly honoured by this opportunity and specifically for the opportunity to hold cordial discussions with His Excellency Wu Bangguo, Chairman of the Standing Committee of the National People's Congress; His Excellency Xi Jinping, Vice President of the People's Republic of China; Her Excellency Chen Zhili, Vice-Chairwoman of the Standing Committee of the National People's Congress; and Her Excellency Ma Xiuhong, Deputy Commerce Minister.
- 1.12 The delegation was escorted by officials from the National People's Congress Protocol office. The guidance of Mr. Qi Xuchun, the Vice Chairman of the National People's Congress Foreign Affairs Committee, who also travelled with the delegation, is also gratefully acknowledged.
- 1.13 During its time in Hong Kong the delegation had the opportunity to meet with members of the Hong Kong Legislative Council, senior government officials, academics, business leaders and the students and staff at St Stephen's College. The delegation sincerely appreciated both their time and knowledge, which they so generously shared. In particular, the delegation acknowledges the hospitality of the Hon. Jasper Tsang Yok-sing, President of the Legislative Council.
- 1.14 The delegation also greatly appreciates the comprehensive and useful policy advice and briefings it received from Australian departmental officers in Canberra in particular, from Mr Graham Fletcher and those officers who work in the North Asia Division of the Department of Foreign Affairs and Trade; and senior officers from Austrade.
- 1.15 The delegation also acknowledges the high level of professionalism demonstrated by all High Commission and Consular officers in Beijing, Shanghai and Hong Kong. In particular, the delegation is deeply grateful to Mr Graeme Meehan, Deputy Head of Mission, and Mr Christopher Lim, both from the Australian High Commission in Beijing, who travelled with the delegation throughout China and provided excellent advice, and whose interpretation skills were invaluable.
- 1.16 The delegation also thanks Dr Geoff Raby, Australia's Ambassador to China, for hosting a function for delegation members in Beijing.
- 1.17 The delegation is equally grateful to Mr Tom Connor, the Australian Consulate-General in Shanghai, and to those consular officers who also assisted in Shanghai. The delegation appreciated the Shanghai Consulate's co-ordination of their reciprocal hospitality, a function with the Australian business community.

- 1.18 The delegation notes that the program in mainland China was developed and hosted by the People's National Congress. The delegation appreciates the efforts of Australian embassy staff who worked to this program.
- 1.19 The delegation is extremely grateful to Mr Les Luck, Australian Consulate-General Hong Kong and Macau, for his efforts and hospitality. The delegation also wishes to acknowledge the work and professionalism of senior consulate staff: Mr David Livingstone, Mr Andrea Biggi, Ms Martine Porter, and Mr Phil Ingram, the Senior Trade Commissioner in Hong Kong. The delegation was particularly appreciative of the informative and interactive program that was developed for the Hong Kong stage of the visit.
- 1.20 The delegation also thanks officers of the Parliamentary Relations Office, particularly Ms Fiona Way, for their assistance and support before, during and after the visit; and officers of the Parliamentary Library for their input into the delegation's briefings.

Senator John Hogg

President of the Senate

Delegation Leader

Chapter 2

China

Australia-China relationship: an overview¹

- 2.1 Australia regards its relationship with China as one of its most important.² The bilateral relationship is based on shared interests and mutual respect, an approach which offers the best prospects to maximise shared economic interests, advance Australia's political and strategic interests, and manage differences in a sensible and practical way.
- 2.2 Regular high-level visits mark the maturity of the bilateral relationship developed over more than 35 years of diplomatic relations. President Hu Jintao visited Australia in 2007, and Premier Wen Jiabao visited Australia in 2006. Australian Prime Minister Kevin Rudd made a bilateral visit to China in April 2008, and again visited in August 2008 to attend the opening of the Olympic Games in Beijing.

The bilateral economic relationship continues to develop rapidly. In late 2007 China became Australia's largest trading partner. Australia is China's ninth largest trading partner.

Trade and investment

- 2.3 The Australian and Chinese economies are strongly complementary. As a result, our trade and investment relationship is substantial and has developed well beyond its modest beginnings in the 1970s. According to Australian statistics, two-way merchandise trade has grown from A\$113 million in 1973 to A\$52.7 billion in 2007.
- 2.4 The launch of bilateral free trade agreement (FTA) negotiations in Beijing in April 2005 marked a significant milestone in the economic relationship. In April 2008, Prime Minister Rudd and Premier Wen agreed to accelerate negotiations towards the conclusion of a comprehensive, high quality and mutually beneficial agreement. Concluding an FTA will encourage greater bilateral trade and investment flows across a range of important sectors, and also provide a framework for closer economic cooperation between our two countries.

Source: Australian Embassy, China website; http://www.china.embassy.gov.au/bjng/relations1.html

² See http://www.foreignminister.gov.au/speeches/2010/100316_australia_and_china.html and http://www.foreignminister.gov.au/speeches/2009/091026_aus_china.html

Trade

- 2.5 Australian exports to China have grown very strongly in recent years, increasing by 16 percent in 2007 to A\$26.6 billion. China is now Australia's second largest export market.
- Australia is an important supplier of the raw materials and energy China needs to sustain its rapid economic development. Resources (minerals and fuels) exports account for approximately two thirds of our merchandise exports to China, primarily iron ore, lead, zinc, manganese and other ores, copper ores, nickel ores, and crude petroleum. Australia's liquefied natural gas (LNG) exports to China commenced in mid-2006, with the opening of China's first LNG receiving terminal in Guangdong. Since then, LNG trade between the two countries has expanded, with further agreements signed during APEC in Sydney in 2007 and both sides willing to explore more opportunities for cooperation in coming years.
- 2.7 During the visit by Premier Wen Jiabao to Australia in April 2006, Australia and China signed a Nuclear Transfer Agreement and a Nuclear Cooperation Agreement which will allow for the supply of Australian uranium to China's nuclear power program, and cooperation in peaceful uses of nuclear technology.
- 2.8 Australia is also an important supplier of agricultural commodities to China. Major export items include wool, raw hides and skins and cotton.
- 2.9 Since embarking on the path of market reform in 1978, and in particular since WTO accession in 2001, structural change and rapid growth in the Chinese economy have increased the volume and scope of bilateral trade. Australian banks, law firms and insurance companies have an increasing presence in the Chinese market. An increasing number of small to medium-sized Australian companies have very successful businesses in China in niche sectors such as engineering, building, mining and agribusiness. Australian merchandise exports are also benefiting from China's economic growth and emerging middle class. This is opening up opportunities for Australian exports of food, such as dairy items, organics and wine, and consumer goods, such as art, jewellery, cosmetics, giftware and pet care products.
- 2.10 The combination of rising real incomes and reform of the services sector are boosting significantly services trade between the two countries. Bilateral trade in services has expanded from A\$1.47 billion in 2000 to A\$5.2 billion in 2007. China was Australia's third largest services export market in 2007, up from 13th largest in 1995. China is now Australia's number one source of overseas students (120,000 Chinese students enrolled in Australia in 2007) and fifth largest source of tourists. Expanded coverage of the Approved Destination Status (ADS) arrangements should contribute to additional strong growth in tourism predicted to reach one million visitors per year by 2013.
- 2.11 China is Australia's largest source of imports, and Australia is China's 15th largest export market. The value of Chinese exports to Australia increased to \$29 billion in 2007, accounting for over 15 percent of Australia's total imports. Major

Chinese exports to Australia include clothing and footwear, computers, telecommunications equipment, toys, games and sporting goods, furniture and chemicals.

Investment

- 2.12 Bilateral foreign investment has grown strongly in recent years. By the end of 2007, China was Australia's 14th largest source of investment destination (A\$5.1 billion). Australian financial institutions have a number of investments in Chinese banks and there is substantial interest in the mining sector. China was the 17th largest investor in Australia (A\$6.2 billion).
- 2.13 More than A\$22 billion of additional Chinese investment into Australia was approved in the second half of 2008, and China has now emerged as a significant investor in Australia's resources sector. There has also been additional Chinese investment in Australia's manufacturing, information and communications technology, agribusiness and biotechnology sectors.
- 2.14 The potential for further investment growth is strong. For China, Australia offers strong economic credentials, backed by a highly skilled and multilingual workforce, a dynamic services sector, sophisticated telecommunications and IT systems, and an open regulatory environment. For Australia, China offers a large market and a fast growing economy, and continues to improve its overall investment climate through regulatory, legal, financial, and taxation reforms.

Delegation meetings in mainland China

2.15 The delegation visited mainland China from 1 November – 9 November 2009. During this time, meetings and site visits were held in Beijing, Shanghai, Chengdu and Lhasa.

Beijing

- 2.16 The delegation participated in a series of high-level diplomatic meetings and official functions in Beijing. The delegation was honoured to have the opportunity to hold several productive and cordial meetings with:
- His Excellency Wu Bangguo, Chairman of the Standing Committee of the National People's Congress;³
- His Excellency Xi Jinping, Vice President of the People's Republic of China;

3 Source: Xinhua News Agency. National People's Congress of China website: http://www.npc.gov.cn/englishnpc/news/Exchanges/2009-11/03/content_1525571.htm, posted 3 November 2009

- Her Excellency Chen Zhili, Vice-Chairwoman of the Standing Committee of the National People's Congress; and
- Her Excellency Ma Xiuhong, Deputy Commerce Minister.



Delegation members at the conclusion of the official meeting with His Excellency Wu Bangguo. From left to right: Senator Scott Ludlum; Mr. Mark Dreyfus QC MP; Dr. Mal Washer MP; Mr. Sid Sidebottom MP; His Excellency Wu Bangguo; Senator John Hogg; Ms Anna Burke MP; Dr Andrew Southcott MP; and Mr. Graeme Fletcher, Deputy Head of Mission, Australian High Commission Beijing.

- 2.17 At the Beijing meetings, several key areas were discussed.
- 2.18 The strength of the Australia-China relationship was consistently highlighted and it was noted that this relationship was based upon 37 years of close economic and diplomatic ties. Consequently China regards Australia as a good partner.
- 2.19 It was also noted that over the long period of engagement there had been minor disputes between the two countries. However, differences were viewed as understandable given the difference between each country's history, political system, size and population. In acknowledging these differences, it was suggested that the relationship between the two countries can develop and move forward. This could be readily achieved if both countries find common ground upon which to build political trust, with China willing to enhance trust and development and to inject new vitality into the China-Australia relationship.
- 2.20 The strength of trade between the two countries was also discussed. Australia is China's 8th largest trading partner, and China is Australia's primary trading partner.

It was noted that Australian companies have invested over A\$6 billion in China over the past thirty years. China continues to welcome this investment from Australian companies but notes that international companies must conduct themselves within Chinese law.

- 2.21 On the continued theme of trade, bilateral arrangements in regard to free trade agreements (FTA) were also discussed. It was suggested that there is a need to show more wisdom and flexibility in regard to FTAs, as this will ultimately benefit both countries. It was acknowledged that negotiations in regard to the FTA had developed significantly but that negotiations were still continuing.
- 2.22 The global financial crisis (GFC) was also discussed and it was noted that this was the single most significant event since 9/11 and had brought together many countries in the world. However, there was a need for countries to look at the reasons behind this crisis. Discussion also highlighted the fact that China had undertaken a series of macro-economic measures which have assisted the country greatly in minimizing the effects of the crisis.
- 2.23 Discussions also noted that China and Australia were both important countries in the Asia-Pacific region, and both benefit from peace and stability in this region and therefore had a role to play in this area.
- 2.24 Finally, discussion touched upon the delegation's visit to the Tibet Autonomous Region (TAR). It was consistently noted that the National People's Congress welcomed the delegation's visit to the TAR, particularly as there had recently been much incorrect reporting by the international media regarding events in Tibet. The term 'seeing is believing' was used repeatedly, and it was highlighted that the trip to the TAR would give the delegation a real understanding of progress and the situation in that region. The delegation heard that a significant amount of resources had been spent in the region on reconstruction and infrastructure development; that Tibet had moved from a society based upon feudal serfdom to a modern society; and that Tibetans now have religious freedom.
- 2.25 Further, it was noted that the Chinese people view the Dalai Lama as a political leader and would not accept the autonomy which the Dalai Lama sought for the TAR. The delegation was reminded that China has a One China Policy and does not recognize any government in exile. The delegation was advised that by looking through transparent, as opposed to coloured glasses, it would see the true situation in the TAR.
- 2.26 During the Beijing meetings the delegation sought to discuss the following key issues:
- the importance of Australia's relationship with China and the need as mature partners to respect each country's positions on areas of mutual interest
- greater opportunities for trade and services, in particular in the areas of education, tourism and banking

- progress in regard to the FTA
- greater cooperation between Australia and China in regard to clean and renewable energy
- human rights issues.
- 2.27 While in Beijing, delegation members were fortunate enough to visit both the Great Wall at Badaling and the Forbidden City. Both are testaments to the rich cultural heritage of China.

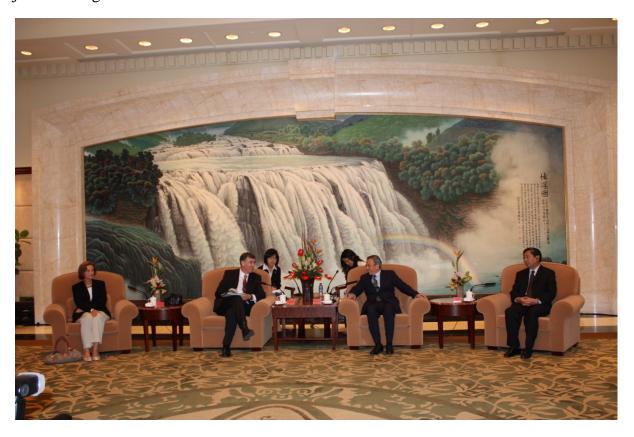
Shanghai

- 2.28 Shanghai is situated on the Huangpu River in the middle of China's eastern coastline, within the Yangtze Delta. Bordered by the East China Sea, it is a natural port for sea and river traffic. Shanghai Municipality spans an area of 6,340 sq km (less than 0.1 per cent of the land area of China).
- 2.29 Shanghai has China's largest urban population. The November 2000 Census (the latest) recorded a population of 16.47 million people (about 1 per cent of China's total population). However current data, suggests the population may now be closer to 18.88 million.
- 2.30 Already the main entry point to the Yangtze Delta and much of mainland China, Shanghai is developing into the region's principal economic centre, with the goal of becoming an international economic, financial, trade and shipping centre by 2020. Developments to the financial sector have seen the development of the Shanghai Securities Exchange, the Foreign Exchange Transaction Centre and the Shanghai Gold Exchange, the admission of new foreign banks and financial institutions and reforms to the state lending institutions. There are now 93 foreign banks operating in Shanghai, including all of the 'big four' Australian banks.
- 2.31 The delegation spent one full day in Shanghai. During this time the delegation held an official meeting with the Chairman and members of the Standing Committee of Shanghai Municipal People's Congress and undertook visits to the World Expo site; a scientific and technology trade fair; the Oriental Pearl Television Tower; and the Museum of Shanghai Urban Historical Development.

Official meeting

- 2.32 The delegation attended an official meeting and banquet hosted by Mr. Lin Yungeng, Chairman of the Standing Committee of Shanghai Municipal People's Congress. The meeting was cordial and again the importance of Australia-China trade relations was discussed.
- 2.33 The President of the Senate raised the matter of Mr Stern Hu and, while nothing that Australia respected that the case would be handled by Chinese law, requested that the matter be dealt with in a timely manner and in such a way as to not

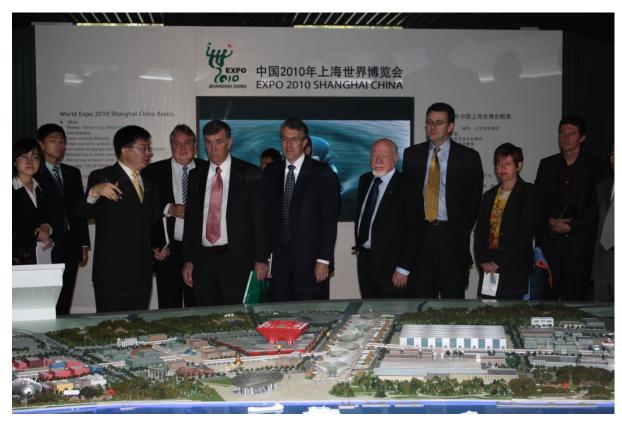
undermine international political and economic confidence in the Chinese system of justice and governance.



Official meeting with the Standing Committee of Shanghai Municipal People's Congress. From left to right: Mrs. Sue Hogg; the Hon. Senator John Hogg; Mr. Lin Yungeng, Chairman of the Standing Committee of Shanghai Municipal People's Congress; and Mr Qi Xu Chun, Vice Chairman of the National People's Congress Foreign Affairs Committee.

Visit to the Shanghai World Expo site

- 2.34 Delegation members had an opportunity to visit the Shanghai World Expo site and hold discussions with senior officials responsible for the site's development and management of the Expo in 2010. The Expo's theme is "Better City, Better Life" and will run from 1 May to 31 October 2010.
- 2.35 The delegation heard that, despite the GFC, 214 countries had confirmed that they would participate in the event, and it was anticipated that 70 million people would visit the Expo between May and October, with an average of 400000 to 600000 visitors per day. Event organizers highlighted that this volume would place significant demands on transport and logistic arrangements at the site. At the conclusion of the Expo five pavilions will be retained on the site, with the site being redeveloped for commerce and tourism.
- 2.36 Delegation members were delighted to have the opportunity to visit the Australia pavilion, which at the time was under construction, and to talk with Australians involved in this major project.



Delegation members view a model of the Shanghai World Expo site. The Chinese pavilion, representing a traditional red rice bowl (centre of model), will be one of the buildings retained on the site at the conclusion of the Expo.

Visit to the China International Industry Fair 2009

2.37 The China International Industry Fair was not originally on the delegation program. However, after reading of the event in a local newspaper, delegation members were successfully able to negotiate a short visit to the trade fair. Delegation members had the opportunity to briefly meet with locally engaged Australian Trade Commission staff promoting Australian companies represented at the industry fair.

Sichuan

- 2.38 Sichuan province in southwest China is on the upper reaches of the Yangtze River, 1000km from the coast. Sichuan's total population in 2008 was 82 million. To the west of the province lies the Tibetan Autonomous Region (TAR) and most of western Sichuan is on the edge of the Tibetan plateau. Sichuan's capital is Chengdu. The city has a population of 9.9 million people and is China's 5th largest city.
- 2.39 On 12 May 2007, a strong earthquake and more than 180 aftershocks struck Sichuan province. Approximately 70000 people were killed, 18000 were declared missing and 375000 injured. Thirty-five million houses were destroyed or damaged and over 12 million people were made homeless.
- 2.40 Delegation members spent two days in Chengdu. They undertook a range of official functions, had the opportunity to visit the site of the 2007 earthquake in

Yingxiu County, a number of significant cultural sites, and the Giant Panda Park and Research Centre.

Official meeting with the Sichuan Provincial Committee of the Sichuan Provincial People's Congress

- 2.41 Delegation members attended a meeting and official dinner hosted by the Secretary of the CPC Sichuan Provincial Committee, Mr Liu Qibao. The meeting was very cordial, with Mr Liu Qibao providing a detailed overview of the Sichuan Province. The province is called the 'land of abundance', with the region being significant for its food production. Sichuan also has a highly developed petroleum industry and education sectors, with 92 universities or colleges and 152 research institutions.
- 2.42 The strong economic and social ties between the region and Australia were discussed, in particular its strong trade links with Western Australia. Many Sichuan residents have the economic means to travel internationally and Australia, in particular the Gold Coast and Sydney, are travel destinations. It was suggested that consideration should be given to developing direct flights between Chengdu and Sydney, to enhance both the development of trade and tourism.
- 2.43 The issue of an Australian consulate in the region was also discussed. Mr Liu Qibao urged the Australian government to give consideration to establishing its proposed Western China consulate in Chengdu.

Official meeting with the Chengdu Municipal Committee

- 2.44 The delegation also held official meetings with members of the Chengdu Municipal Committee. Again, discussions focused upon the future economic development of western China and the need to strengthen business links between this region and Australia. Of particular interest was Chengdu's increasing emphasis upon clean energy. Mr. Li Chuncheng, the Secretary of the Chengdu Municipal Committee, had travelled to Australia to examine solar initiatives in both Adelaide and Brisbane.
- 2.45 The Australian government and Australian people were also warmly thanked by Mr. Li Chuncheng for their generosity to the region and to the victims of the Sichuan earthquake.

Visit to the earthquake epicentre at Xuankou Middle School

- 2.46 The delegation had the opportunity to visit the epicentre of the Sichuan earthquake, at Xuankou, two hours drive from Chengdu. Reconstruction of the region was well under way. It was reported that all homeless people had now been relocated and housed, with the majority being placed into new housing.
- 2.47 Delegation members also visited the Xuankou Middle School, where several thousand were killed. The impact and devastation was evident in the remaining school buildings.

2.48 The school site has been retained as a memorial to those who lost their lives in the earthquake.



Delegation members from left to right: Mr. Sidebottom MP; Senator Ludlum; Mr. Dreyfus QC MP; Senator Hogg; Dr. Southcott MP; Ms. Burke MP; and Dr. Washer MP, outside the front entrance to the Xuankou Middle School, now a memorial to earthquake victims.

Visit to the Sichuan Museum and the Jinsha Site Museum

- 2.49 Sichuan Provincial Museum is the largest museum of social and cultural history in southwest China. The museum collection contains over 160000 articles, with more than 200 listed on China's national treasure list. The collection contains a large number of stone-carved human figures over 5000 years of age. It was evident from the museum building and the displays that a strong emphasis is being placed upon preserving and displaying China's cultural and social history.
- 2.50 Delegation members were also shown the Jinsha Site Museum. The museum houses cultural relics found at the site (a river delta) dating back to the Neolithic age. More than 700 pieces made of jade, bronze, gold, tortoise-shells and a large amount of pottery have been unearthed from the site. Of significance has been the discovery of ivory in three pits. The first is an ivory pit where several hundred pieces of ivory have been found with jades and bronzes. The second pit covers an area of about 300 square meters and contains stone pieces and stone tablets. The third pit, which covers about 300 square meters, contains pieces of wild boar fangs, deer antlers, ivory and semi-precious stones. It is believed that all three pits of relics are linked to religious activities.

Tibet Autonomous Region (TAR)

- 2.51 Tibet is one of China's five ethnic autonomous regions. Tibet covers 1.2 million square kilometres in southwest China and has an average elevation of 4000 metres above sea level. It can be divided into three major regions:
- the North Tibetan plateau, which is over 4500 metres above sea level and covers almost two-thirds of the region, and is relatively inaccessible;
- the valleys of south Tibet, including the Yarlung Zangbo River, at an average elevation of 4000 metres. The majority of the Tibetan population live in this area; and
- the Himalayas, with an average height of 6000 metres above sea level.
- 2.52 The TAR has a population of about 2.87 million, made up largely of ethnic Tibetans. The TAR capital is Lhasa, with an area of 523 square kilometres and a population of 600000. Lhasa's population comprises Tibetans as well as Han and Hui Chinese groups.

Historical background⁴

- 2.53 Tibet has had a varied and relationship with China for many centuries. However, the nature of this relationship has not been consistent, alternating between periods of greater and lesser autonomy.
- 2.54 The precise historical status of Tibet is a source of much controversy, with contradictory assertions of historic independence or incorporation. The PRC adamantly claims that "Tibet has always been part of China", whereas the Tibetan 'Government in Exile' assert that "Tibet has always been a sovereign state". These rival claims, however, overlook a more nuanced historical reality. Tibet was a part of the Mongol and Manchu empires along with China and Mongolia. At various times the Tibetans have recognised the leading status of the Emperor of China as have the Vietnamese. Koreans and others.
- 2.55 Although the discussion of Tibet's history goes back many centuries, a major short-term cause of the current position occurred in 1949, when the People's Liberation Army of the PRC began the process of the "liberation" of Tibet. The following year, in October 1950, Chinese troops took control of the Eastern Tibetan region of Chamdo. In 1951 Mao Zedong and the Dalai Lama concluded a 17-point agreement on Tibet's relationship with the PRC. It appeared to ensure that Tibet would remain autonomous but with responsibility for foreign affairs passing to China. The legitimacy of the 17-point agreement was questioned by many... During the 1950s, the government of the PRC began to take a range of political, economic, social

This history of Tibet is taken directly from Parliamentary Report of the United Kingdom Parliament, Tibet: Breaking the Deadlock; web source: http://www.davidalton.com/2009/11/FINAL_PDF_Tibet_Report.pdf.

and cultural measures, which had the effect of moving Tibet towards much greater absorption within China...Tibet became one of China's 'Autonomous Regions' in 1965.

Delegation visit to Lhasa

- 2.56 During the official meetings in Beijing, the central government welcomed the delegation's visit to Tibet. The term 'seeing is believing' was used several times in regard to this planned visit. Delegation members went into Tibet with an opened mind to see 'first hand' the economic, social, religious and political situation to better inform themselves in regard to human rights. In order to achieve this, the delegation specifically requested an opportunity to meet with some of the Tibetan population and to visits a residential area. In part, this request was granted.
- 2.57 The delegation spent two full days in Tibet. The Standing Committee of the Xi Tang (Tibet) Autonomous Regional People's Congress was extremely generous and provided a full cultural program.

The Potala Palace, the Johkang Temple and Norbulingka

- 2.58 The delegation was delighted to have the opportunity to visit the Potala Palace. Situated in the heart of Lhasa, it was built in the seventh century during the reign of the Tibetan ruler Songzain Gambo, and for more than 1300 years had been the home of successive Dalai Lamas. In 1994 the palace was listed by UNESCO as a world heritage cultural site, and it is a focus for many tourists travelling to Lhasa.
- 2.59 The delegation was also taken on a tour of the Jorkhang Temple. The delegation heard that, like the palace, the temple was built in the seventh century by the ruler Songzain Gambo for the Tang princess Wen Cheng and the Nepalese princess Bhrikuti-in. The building has a main three-storey hall, four sacred halls and over 20 chapels, all of which contain status of the Buddha. The delegation witnessed large numbers of Tibetans visiting the Johkang Temple and the Potala Palace on a religious pilgrimage. The delegation was told that November was a period when the traditional nomadic people came into the capital for an annual pilgrimage of these holy sites. The reverence with which the palace and the Buddha are held by the nomadic Tibetan population was clearly evident.
- 2.60 The delegation also visited Norbulinka, which had been the summer place of successive Dalai Lamas. Norbulingka has also been listed as a World Heritage Cultural site.

Tibet Museum

2.61 Delegation members visited the Tibet Museum. Funded by the central Government, the Tibet Museum was built by the Central Committee of the Communist Party of China and was opened to the public in October 1999.

- 2.62 The delegation heard that the aim of the Tibet Museum was to preserve cultural relics, to allow academic study and to display, for the increasing number of visitors to Tibet, information on Tibetan history and civilization. The "Exhibition of Tibetan History and Culture" placed a very strong emphasis upon a narrative that Tibet had for many many centuries been part of China and that its reintegration into China resulted in the peaceful liberation of the Tibetan people from feudal serfdom and oppression under successive Dalai Lamas.
- 2.63 Whilst the delegation was the first official Parliamentary delegation into TAR in 19 years, it would have been helpful for the delegation to have had meetings with more individuals and groups to enable a greater appreciation of the state of TAR.

Official meeting

- 2.64 The delegation held an official meeting with members of the Standing Committee of the Tibet Autonomous Region People's Congress. The meeting was hosted by Mr. Nima Tsering, Vice Chairman of the Standing Committee of the People's Congress of the TAR. The meeting with Mr. Tsering and other officials of the TAR was very cordial. Mr Tsering provided the delegation with an overview of Tibetan modern history, noting that Tibet was peacefully liberated in 1951, that major democratic and social reform occurred in 1959 and that the TAR was established in 1965.
- 2.65 Discussion also highlighted the significant improvements in housing, health and education of the Tibetan population. It was noted that in 2008, 98.5 per cent of all children in Tibet attended school and that the illiteracy rate had been brought down to 2.4per cent.
- 2.66 The preservation of traditional Tibetan culture was also discussed. Mr Tsering informed the delegation that the Central Government had enacted legislation to ensure the protection of this culture. The importance of traditional Tibetan culture to tourism in the region was discussed, as was the economic value of this sector.

Delegation comments on the visit to Tibet

2.67 This was the first official visit to Tibet by an Australian Parliamentary delegation since the Human Rights Delegation visit in July 1991. The report of this earlier delegation notes in the Executive Summary that:

...the Delegation sought to engage the Chinese Authorities in a dialogue which focused on the importance to China observing internationally-accepted standards of human rights. In so doing, the delegation was conscious of Chinese perspectives on human rights, and of the priority accorded by the Government of China to economic and collective rights.⁵

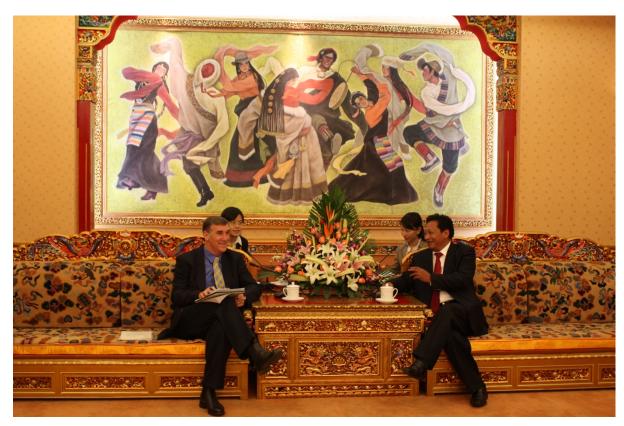
⁵ Australian Human Rights Delegation, *Report of the Australian Human Rights Delegation to China: 14-26 July 1991*, September 1991, p. 1.

The delegation was satisfied that its visit advanced the process of dialogue between Australia and China on human rights issues of mutual concern.⁶

The invitation to visit Tibet was thus greatly appreciated as it allowed some comparison with the eyewitness impressions of the 1991 delegation.

- 2.68 Noting the different objectives of the two delegations and considering the report of the earlier visit, the delegation is struck by the relative freedom of access offered to the previous visit and the far more direct way in which Australia's concerns were communicated and engaged with.
- 2.69 During the recent delegation's official visit to Tibet, many useful discussions were held, one on one, after the formal proceedings of the receptions in each of the cities. The Chinese officials to whom delegates spoke welcomed these questions, were thoughtful and direct in their responses and did not shy away from areas of disagreement. However, the informal nature of this dialogue precludes discussion in this report and thus diminished the value of the delegation to the Parliament and the broader Australian public.
- 2.70 The phrase 'seeing is believing' was used repeatedly by Chinese officials in relation to the visit to Tibet. However, the delegation was constrained in what it was able to see.
- 2.71 There is no doubt that the Australia-China relationship is robust enough for honest dialogue about human rights and other sensitive issues to occur without damaging the relationship. It is to be hoped that future delegations to Tibet will have opportunities to see more.

⁶ Australian Human Rights Delegation, *Report of the Australian Human Rights Delegation to China: 14-26 July 1991*, September 1991, p. 2.



Official meeting in Lhasa, from left to right: Leader of the Delegation the Hon. Senator John Hogg and Mr Nima Tsering, Vice Chairman of the Standing Committee of the People's Congress of the Tibet Autonomous Region.

Conclusion

- 2.72 During its time in mainland China, the delegation was shown great hospitality and had the privilege of meeting many senior officials both from the National People's Congress in Beijing and in China's regions and provinces.
- 2.73 China, like Australia, is a vast country; however, in comparison, the size of China's population presents issues, now and into the future. In travelling to some of China's regions the delegation developed a sense of the developing Chinese economy and a growing consumer 'middle-class' within the population.
- 2.74 The delegation notes that Australia will continue to give priority to developing two-way trade and investment in ways which benefit both countries and both economies, and enhance our bilateral relationship.
- 2.75 While the delegation did not have the opportunity to discuss in greater detail many of its key areas of interests, the visit provided an opportunity to renew and strengthen person to person contacts and Parliament to Parliament links. In this regard, the visit was extremely worthwhile.

Chapter 3

Hong Kong

Australia-Hong Kong relationship¹

- 3.1 Australia has extensive and enduring interests in the Hong Kong Special Administrative Region (HKSAR). The Australian government supports Hong Kong's "high degree of autonomy" under Chinese sovereignty as provided for by the Sino-British Joint Declaration, Hong Kong's mini-constitution, the Basic Law, and in accordance with China's policy of observing "one country, two systems".
- 3.2 Australia's policy toward Hong Kong is underpinned by its substantial commercial interests, and by the presence of a large Australian community living in Hong Kong. Australia's commercial interests in Hong Kong are extensive and include banking, accounting, legal, engineering, information technology services and retail and general trading. Some 60000 Australians are resident in Hong Kong, while around 550 Australian companies are based there, and a further 1000 Australian companies have representative offices.
- 3.3 According to the 2006 census in Australia, 71800 residents were born in Hong Kong. Hong Kong is Australia's fourth largest source of international students, and Australia is the major overseas destination for Hong Kong students. In 2007 Hong Kong accounted for 19742 student enrolments in Australian education institutes.

Economic relations

- 3.4 The economic relationship between Australia and Hong Kong is strong. Australia's total merchandise trade with Hong Kong in 2007 was worth A\$4194 million. The value of Australia's merchandise exports to Hong Kong in 2007 was A\$2814 million, and accounted for 1.6 per cent of Australia's total merchandise exports. Merchandise imports from Hong Kong in 2007 totalled A\$1402 million or 0.7 per cent of Australia's total merchandise imports.
- 3.5 In terms of merchandise trade in 2007-08, Hong Kong was Australia's 15th largest export market, 27th largest source of imports and 20th largest trading partner.
- 3.6 Australia's major merchandise exports to Hong Kong in 2007-08 were:

• crustaceans: A\$365 million

• zinc: A\$270 million

• pearls and gems: A\$170 million

Source: Australian Consulate-General, Hong Kong China, website: http://www.hongkong.china.embassy.gov.au/hkng/relations.html • aluminum: A\$127 million

3.7 Australia's major merchandise imports from Hong Kong in 2007-08 were:

• telecommunications equipment: A\$162 million

• jewellery: A\$85 million

• computers: A\$64 million

printed matter: A\$61 million

- 3.8 Australia's services trade with Hong Kong was worth A\$3518 million in 2007-08, with services exports of A\$1574 million and services imports of A\$1744 million. Hong Kong accounted for 3.3 per cent of Australia's total services exports and 3.8 per cent of total services imports in 2007-08.
- 3.9 Hong Kong is Australia's 10th largest destination for foreign investment. Australian investment in Hong Kong totalled A\$17011 million at the end of 2007-08. This includes investment in banking, insurance, securities services, professional services, building, road construction, aviation, telecommunications and information technology.
- 3.10 Hong Kong investment in Australia reached A\$41656 million at the end of 2007. Hong Kong is the 5th largest source of foreign investment in Australia. Hong Kong direct investment covers electricity supply, food processing, light industry, insurance, engineering, hotels, telecommunications, electronic devices, biotechnology and aircraft services.
- 3.11 Australian trade and investment in Hong Kong relies in large part on Hong Kong's role as an international financial and business centre, and its role as an "entry point" and trend leader for China. Hong Kong is also an affluent market for Australian goods and services in its own right. Hong Kong's emphases on financial and professional services, environmental protection, education, tourism and information technology development are providing significant new areas of potential for further cooperation, trade and bilateral investment between Hong Kong and Australia.

Governance and history of Hong Kong²

3.12 From 26 January 1841 to 30 June 1997, Hong Kong was a British colony and its first constitution, in the form of Queen Victoria's Letters Patent, entitled the Charter of the Colony of Hong Kong and proclaimed at the Government House on 26 June 1843, authorized the establishment of the Legislative Council and empowered "the Governor for the time being ... with the advice of the said Legislative Council ... to make and enact all such Laws and Ordinances as may from time to time be required for the peace, order and good government ... of Hong Kong". The Letters Patent of

² Source: Legislative Council, Hong Kong, website: http://www.legco.gov.hk/english/index.htm

- 1917, which replaced the 1843 Charter, added the significant words "and consent" after the words "with the advice".
- 3.13 Hong Kong became a Special Administrative Region of the People's Republic of China on 1 July 1997. Under the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, which came into effect on the same day, the Hong Kong Special Administrative Region (HKSAR) is vested with legislative power and the Legislative Council is the legislature of the Region. The HKSAR will become a fully integrated part of the People's Republic of China in 2047.
- 3.14 Articles 66 to 79 of the Basic Law provide for the formation, powers and functions of the Legislative Council. The main functions of the Legislative Council are to enact laws; examine and approve budgets, taxation and public expenditure; and monitor the work of the Government. The Legislative Council of the HKSAR is also given the power to endorse the appointment and removal of the judges of the Court of Final Appeal and the Chief Judge of the High Court, as well as the power to impeach the Chief Executive.
- 3.15 The extent of autonomy of the HKSAR in making its own laws is also described in the Basic Law. Hong Kong's Basic Law establishes unique arrangements for the government and political development of Hong Kong. It promises to preserve Hong Kong's way of life and capitalist system to 2047 and to give the territory a 'high degree of autonomy' consistent with China's 'one country, two systems' principal. It provides for independent executive, legislative and judicial powers. The only policy areas over which Beijing exercises direct control are foreign affairs and defence. Hong Kong nevertheless has some autonomy in international relations, principally in the economic sectors.

Composition of the Legislative Council

- 3.16 The Legislative Council consists of 60 elected Members. In both the 2008 and 2004 elections, 30 members were directly elected by universal suffrage from geographical constituencies (GC) and 30 were elected from functional constituencies (FC).
- 3.17 Geographical constituencies are returned by universal suffrage. The voting system adopted in the electoral districts is a system of party-list and proportional representation. There are 28 FC represented in Legislative Council, representing various sectors of the community which are considered to play a crucial role in the development of Hong Kong. These are:
- Heung Yee Kuk (Rural Assembly)
- agriculture and fisheries
- insurance
- financial services
- transport
- accountancy

- finance
- education
- legal
- information technology
- medical
- health services
- architectural, surveying and planning
- real estate and construction
- social welfare
- tourism
- commercial (first)
- commercial (second)
- industrial (first)
- industrial (second)
- import and export
- wholesale and retail
- textiles and garment
- sport, performing arts, culture and publication
- catering
- district Council
- labour
- 3.18 Twenty-seven of the FC return only one member, however, the Labour FC in which a voter may cast up to three votes, returns three members in this constituency, giving a total of 30 FC seats.
- 3.19 The election for the fourth term of the Legislative Council of the HKSAR was held on 7 September 2008. According to the Basic Law and the Legislative Council Ordinance, the term of office of the fourth term of the Legislative Council of the HKSAR is four years and started from 1 October 2008.
- 3.20 The President of the Legislative Council is elected by and from among members of the Legislative Council.

Delegation meetings in Hong Kong

3.21 The delegation visited Hong Kong from 9 November – 12 November 2009. During this time the delegation held meetings with the President of the Legislative Council, members of the Legislative Council, senior government officials and Ministers, academics and constitutional experts, business leaders and teachers, staff and students from St Stephen's College. Delegation members also commemorated Armistice Day in Hong Kong, attended a speech by Morgan Stanley Asia Chairman, Mr. Stephen Roach and attended a Cosmetics Trade Fair, at which several Australian businesses were exhibiting.

Discussion on Constitutional Reform

- 3.22 The delegation appreciated the opportunity to hold discussions with Professor Ivan Choy and Mr. Chris Yeung, both experts on Hong Kong constitutional reform. A comprehensive overview of the Hong Kong constitution and current model of government was provided. The delegation heard that full universal suffrage was never granted by the British to its colony before the handover in 1997, and under what Beijing called the 'one country, two systems' model, the move towards greater democracy has slowed.
- 3.23 Pan-democrat groups and the Hong Kong Government agree on the interpretation that Hong Kong Basic Law Article 45 indicates universal suffrage as the ultimate aim. However, they differ on the pace of implementing. Universal suffrage, the ability for Hong Kong citizens to choose their local representatives, has become a key issue in Hong Kong. After unsuccessful attempts to achieve universal suffrage in 2007, the target of the pan-democrats has shifted to 2012; in contrast, pro-Beijing candidates have a preference for 2017.
- 3.24 There remains a high degree of uncertainty around both the timetable and the model to be ultimately adopted. Consequently, the delegation heard, there are deep concerns among many in the Hong Kong population regarding governance in Hong Kong after July 2047, when the 'one country, two systems', 50-year guarantee granted by the Basic Law expires.

Meeting with the President and members of the Legislative Council

- 3.25 The delegation was delighted to have the opportunity to meet with the President of the Legislative Council, the Hon. Jasper Tsang Yok-sing.
- 3.26 The President discussed the composition of the Legislative Council and the process of election. The discussion highlighted the tension which currently exists between the notion of universal suffrage, agreed by both the British and Chinese in 1997, and the presence of the functional constituencies within the Legislative Council. Discussion also focused upon the role of the Central Government in Beijing in ratifying the appointment of the Hong Kong Chief Executive.
- 3.27 Following the meeting with the Hon Jasper Tsang Yok-sing, the delegation held discussions with the following members from the Legislative Council:
- Hon Abrahan Shek
- Hon Fred Li
- Hon James To
- Hon Emily Lau
- Hon Alan Leong
- Hon Ronny Tong
- Prof Hon Patrick Lau

- Hon Cyd Ho
- Hon Mrs Regina IP Lau
- Hon Tanya Chan
- 3.28 The discussion between Legislative Council members was lively, with a number arguing the definition of universal suffrage, that Hong Kong was not a democracy, and that the Basic Law did not give any significant power to Hong Kong. The debate highlighted Hong Kong's reliance upon China for food and water, thereby providing the Central Government with a mechanism of control over the HKSAR. Discussion also focused on the role of functional constituencies.
- 3.29 The delegation greatly appreciated the opportunity to continue these discussions with Mr. Tsang and members of the Legislative Council at a hosted lunch for delegation members.
- 3.30 The delegation was also delighted to have the opportunity to meet Ms Pauline Ng, Secretary-General of the Legislative Council, who provided an explanation of the parliamentary procedures of the Legislative Council.



From left to right: Mr Sidebottom MP, Dr Washer MP, Mr Dreyfus MP, Ms Pauline Ng, Secretary-General of the Legislative Council, Senator Hogg, Dr Southcott MP, Ms Burke MP, Senator Ludlum, Mr Les Luck, Consul-General.

Roundtable discussion on sustainable development in Hong Kong

- 3.31 Delegation members participated in extremely valuable discussions with Mr. Edward Yau, Secretary for the Environment, Mr Ian Edwards, Executive General Manager for Leighton Asia and Mr. Sandy Edge, Principal Architect for Woods Bagot, on infrastructure, sustainable development, green building and Australian business opportunities in this sector.
- 3.32 The delegation heard that Hong Kong has developed only 25 per cent of its land and that upwards of 43 per cent of its land is reserved for conservation and cannot be developed. Consequently, Hong Kong is highly urbanized. The high density of the population has allowed for the developed of an effective transport system, with 90 per cent of the population using public transport.
- 3.33 Due in part to the high urbanization of the region there is little industry in Hong Kong; however, air quality is an increasing issue, and Hong Kong has established a number of regional agreements with the neighbouring Pearl River Delta to address air quality and pollution. The delegation also heard that China was also actively pursuing cleaner energy and improved air quality, as cost benefit analysis has illustrated health gains through improved air quality. It was suggested that China will, in the coming years, obtain more of its energy from nuclear sources.
- 3.34 The discussion clearly highlighted the need for professionals and technology in the area of sustainable and 'green' development. While Australian businesses already have a strong position in this market, the expected growth in this sector will see further commercial opportunities.

Meeting with Mrs. Carrie Lam, Secretary for Development and Acting Financial Secretary

- 3.35 The delegation greatly appreciated the opportunity to meet with Mrs. Lam, the Secretary for Development and the Acting Financial Secretary. Mrs. Lam provided the delegation with a comprehensive overview of Hong Kong's development over the last decade. It was noted that Hong Kong was China's window to the world and was a point at which international business could more readily enter and trade with China.
- 3.36 The delegation heard that Hong Kong increasingly views itself as part of the Pearl River Delta Region and is developing closer, economic and political links with Guangdong. A number of agreements have been signed to allow greater movement of people and trade between Hong Kong and neighbouring Guangdong. However, permanent immigration into the region is tightly controlled. The delegation heard that the mainland visitors scheme, which allows mainland Chinese to enter Hong Kong for a day to shop, or to visit relatives (maximum stay 3 months), results in 28 million visitors each year. Hong Kong has a 400 hectare security strip to protect its land border against illegal entry and smuggling.
- 3.37 Mrs. Lam outlined for the delegation the issues surrounding the conservation and preservation of Hong Kong's cultural heritage. It was noted that the high demand

for residential development sites has resulted in the loss of a large majority of Hong Kong's colonial architecture. Currently the government is seeking to address this issue and has purchased from developers significant colonial mansions and grounds. The issue of sustainable development and environmental protection was also discussed.

Remembrance Day

- 3.38 Delegation members attended a Remembrance Day Ceremony at Sai Wan War Cemetery. A number of Australian servicemen are buried at the cemetery, and the delegation visited these graves to lay poppies.
- 3.39 The Reverend Desmond Cox, from St John's Cathedral, conducted the ceremony and, on behalf of the delegation, Senator Hogg and Dr Southcott laid a poppy wreath in remembrance.



Senator Hogg and Dr Southcott lay a wreath of poppies on behalf of the delegation

Mr. Stephen Roach, the Chairman of Morgan Stanley Asia: Post-Crisis Imperatives for the Next Asia

3.40 The delegation attended a speech by Mr. Stephen Roach, the Chairman of Morgan Stanley Asia, titled "Post-Crisis Imperatives for the Next Asia". Mr. Roach examined the causes and effects of the global financial crisis, noting that the United States of America had to write down US\$3.4 trillion and to date had only achieved less than half of this amount. The crisis that US consumers have, and still continue to experience, suggests that the US will not be able to lead the international recovery to the crisis. The loss of the US consumer cannot be currently replaced, as no other

global consumer market is of equivalent size. It was suggested that Asia in the coming decade, with a developing population of 3.5 billion people, will be the next significant consumer market and will ultimately replace the USA.

Visit to St. Stephen's College

3.41 Delegation members were delighted to have the opportunity to visit St Stephen's College and meet with the School Principal, Dr Louise Law, staff and students. The delegation had a tour of the school and heard of the school's history, in particularly the account of the "St Stephen's College Massacre", which occurred in December 1941, when the school housed an emergency military hospital. On Christmas Day 1941 about 150-200 Japanese troops broke into the hospital (School House) and bayoneted and killed 56 British and Canadian soldiers and medical and College staff.

Visit to Cosmoprof

3.42 Delegation members and their spouses had the opportunity to visit Cosmoprof, an international trade-fair for the cosmetics, natural products and well-being sectors. Forty Australian businesses had exhibits at the Cosmoprof and the delegation visited a number of these. The delegation heard that the Australian cosmetics, perfume and toiletries manufacturing industry has an annual revenue of A\$1.1 billion and employs over 4600 workers. The industry is heavily export focused, with over one-third of production, worth A\$330 million, being exported. Hong Kong was identified as the third largest export market, after New Zealand and the USA. The delegation observed the importance of the Australian Trade Commission in Hong Kong and the value of Austrade particularly at events such as Cosmoprof.

Conclusion

- 3.43 The opportunity to meet such a wide cross-section of Hong Kong's policy makers, legislators, business leaders and community representatives ensured that the delegation's time in Hong Kong was informative and extremely valuable. The success of this program was in very large part a result of the planning and work of Mr. Les Luck, Australian Consul-General, Mr. David Livingstone, Deputy Consul-General, Mr. Andrea Biggi, Vice-Consul and Ms. Marine Porter, Visits Officer. The delegation is grateful for all their efforts.
- 3.44 The Hong Kong Special Administrative Region is actively addressing key issues facing government in the twenty-first century around sustainable urban development. Australia can learn from Hong Kong, but also has much to contribute. The delegation was impressed with the strength of sentiment they found in Hong Kong to engage internationally to address a wide range of issues. There are clearly a wide range of commercial opportunities for Australian businesses in Hong Kong and then on into China.

3.45 Over the coming decades the Hong Kong Special Administrative Region will undergo further constitutional reform. Delegation members will follow the region's progress with great interest.

Appendix 1

Program of Parliamentary visit to China and Hong Kong, 1 November – 12 November 2009

Sunday 1 November

- -Depart Sydney
- -Arrive Hong Kong
- -Depart Hong Kong
- -Arrive Beijing
- -Met on arrival by Mr Yang Reiguang, Representative from the National People's Congress

Monday 2 November

- -Breakfast in hotel
- -Depart hotel for Great Wall of China
- -Lunch hosted by the Australian Embassy
- -Return to hotel
- -Depart for Ministry of Commerce
- -Meet with Hon Ma Xiuhong Vice Minister
- -Depart for Great Hall of the People
- -Meet with His Excellency Wu Bangguo, Chairman of the Standing Committee of the National People's Congress
- -Attend welcoming banquet Hosted by His Excellency Wu Bangguo, Chairman of the Standing Committee of the National People's Congress

Tuesday 3 November

- -Breakfast in hotel
- -Depart hotel for Imperial Palace
- -Return to hotel
- -Depart hotel for State Guest House
- -Meet with Her Excellency Madam Chen Zhili,

Vice-Chairwoman of the Standing Committee of the National People's Congress

- -Lunch hosted by Her Excellency Madam Chen Zhili, Vice-Chairwoman of the Standing Committee of the National People's Congress
- -Return to hotel
- -Depart hotel for Great Hall of the People
- -Meet with Hon Xi Jinping, Vice President
- -Depart for Beijing airport
- -Depart Beijing, Air China flight CA11549
- -Arrive Shanghai
- -Met on arrival by Representative from the Shanghai People's Congress

-Transfer to hotel

Wednesday 4 November

- -Visit to bureau of Shanghai World Expo Corporation
- -Visit to the Oriental Pearl TV Tower and the Museum of Shanghai Urban Historical Development Exhibition.
- -Departure for Xing Guo Hotel
- -Official meeting and banquet hosted by Mr. Lui Yungeng, Chairman of the Standing
- -Committee of Shanghai Municipal People's Congress
- -Departure for Hotel
- -Arrive at the hotel
- -Departure for Chenghuang Temple Bazaar
- -Visit to Yu Garden
- -Departure for the Residence of the Consul General of Australia in Shanghai
- -Visit and Briefing
- -Dinner hosted by the Consul General

Thursday 5 November

- -Depart Shanghai, Air China flight CA1947
- -Arrive Chengdu
- -Met on arrival by Representative from the Sichuang Provincial People's Congress
- -Transfer to hotel
- -Lunch in hotel
- -Depart hotel for Museum of Sichuang Province
- -Tour of Museum of Sichuang Province
- -Meeting and dinner hosted by the Standing Committee of the Sichuang Provincial People's Congress
- -Return to hotel

Friday 6 November

- -Breakfast in hotel
- -Depart for Ying Xiu County
- -Visit a school and epicentre of 5.12 Earthquake
- -Lunch at Howard Johnson International
- -Leave for Chengdu Panda base
- -Visit Chengdu Panda base
- -Depart for Jin Sha Remains Museum
- -Visit Jin Sha remains Museum
- -Depart for Chengdu Municipal People's Congress
- -Meeting and dinner hosted by the Standing Committee of the Chengdu Municipal People's Congress
- -Return to hotel

Saturday 7 November

-Depart for Lhasa, Air China flight CA4403

- -Arrive Lhasa
- -Met on arrival Transfer to hotel
- -Lunch
- -Depart for Norbu Linka Palace (Southern Palace of the Dalai Lama)
- -Tour of Norbu Linka Palace
- -Return to hotel
- -Dinner
- -Depart hotel for Himalayas Hotel
- -Attend cultural performance
- -Return to hotel

Sunday 8 November

- -Breakfast in hotel
- -Depart for Potala Palace
- -Tour of Potala Palace
- -Return to hotel
- -Lunch
- -Depart for Jokang Temple
- -Tour of Jokang Temple
- -Tour the Barkor Street
- -Return to hotel
- -Meeting and dinner hosted by the Standing Committee of the Xi Tang, (Tibet) Autonomous Regional People's Congress

Monday 9 November

- -Breakfast in hotel
- -Depart Lhasa, Air China flight CA4402
- -Arrive Chengdu
- -Lunch at Jia Yuan Hotel
- -Depart Chengdu, Air China flight CA4117
- -Arrive Hong Kong Met on arrival by Mr Les Luck, Australian Consul General
- -Transfer to hotel

Tuesday 10 November

- -Briefing by Mr Les Luck, Consul-General
- -Discussion on Constitutional Reforms with Ivan Choy and Chris Yeung
- -Attend lecture Post-Crisis Imperatives for The Next Asia by Stephen S. Roach, Chairman, Morgan Stanley Asia ----Financial Services Committee HK Convention Centre
- -Orientation Tour of Hong Kong; including infrastructure projects
- -Reception with Australian Business interests jointly hosted by Senator the Hon John Hogg, President of the Senate and Mr Les Luck, Australian Consul-General

Wednesday 11 November

-Depart from Grand Hyatt

- -Visit to St. Stephen's College Heritage Trail
- -Wreath laying at Stanley Cemetery for Armistice Day
- -Lunch at the Mijas restaurant
- -Roundtable Discussion with Australian business and Hong Kong Government Representative HK infrastructure, sustainable development and green buildings and opportunities for Australian companies
- -Cosmoprof Reception

Thursday 12 November

- -Meeting with Acting Financial Secretary & Secretary for Development, Ms Carrie Lam
- -President of the Senate to sign the Guest Book of the Legislative Council
- -Courtesy call on Hon Jasper TSANG Yok-sing, GBS, JP President of the Legislative Council
- -Meeting with other Members of the Legislative Council
- -Lunch hosted by President of the Legislative Council in the Dining Hall of the Legislative Council
- -Depart Legislative Council for Hong Kong Exhibition and Conference Centre
- -Visit Cosmoprof (Austrade)
- -Arrive at The Hyatt Hotel
- -Check out of Hyatt
- -Delegation Depart Hyatt for The Peak
- -Delegates depart The Peak
- -Delegation travelling with the President arrives at HK Airport

Friday 13 November

Arrive Perth or arrive Sydney