

‘Welcome to Chinese New Year’, speech by Professor Ian Jacobs, President and Vice-Chancellor UNSW Sydney, Art Gallery of New South Wales, 7 February 2017

The Hon Warwick Smith AM, Chairman of the Australia-China Council, members of the diplomatic corps, distinguished guests, ladies and gentleman – good evening, and welcome to UNSW Sydney’s Chinese New Year Reception at the Art Gallery of New South Wales: an impressive setting for a special occasion, to celebrate a very special relationship.

As we leave behind the Year of the Monkey and welcome in the Year of the Rooster, it is perhaps an understatement to say that we are witnessing substantial change in global interactions. Last year on this same occasion I referred to the ‘new normal’ in China; it’s certainly clear that what is happening in Washington *this* year is anything but normal! I am however confident that whatever unfolds elsewhere, our UNSW ties with China and the Chinese community are strong and set to become even stronger in the Year of the Rooster... This year Australia will observe the 45th anniversary of the historic Australia-China bilateral relationship, a relationship which has brought great benefits to both our nations, and specifically in our case, one that has seen enormously strengthened bonds between our higher education activity and our innovation agenda. This has been truly one of the great success stories in the Asia-Pacific region.

Let me go back just for a moment to the ‘new normal’ in China - and how it’s impacted on our bilateral relations. China’s methodical strategy to transform its economy and restructure development priorities away from fixed assets and infrastructure towards the services economy, private capital and innovation is changing the dynamic of the global economy. According to the OECD, China should overtake the US as the world’s biggest investor in science and technology by 2019. By then it will be investing more in research and development than any other nation on earth. That is really a tectonic shift, and one focused on our region.

By then China will have expanded beyond its role as the world’s manufacturing sub-contractor to become a technology powerhouse. Already China has overtaken the US as the world’s leading source of patents for new products and processes. Its latest Five Year Plan calls on the nation to become a ‘world powerhouse of science and technology innovation’ by 2049 - the 100th anniversary of the founding of the People's Republic. Closely aligned to this will be China’s social progress, because we now understand that economic progress can only take us so far. What matters is people’s welfare and quality of life. Put simply, China is investing heavily in creating a better future for its people.

How has all this filtered down to higher education and research, and to UNSW especially?

We were early to recognise the value of building long-term ties with China. The first students from China began studying at UNSW in the 1980s, and now Chinese students number more than 9,000 –our largest national contingent of international students and a

vital exciting part of our education portfolio and our campus life. Today we partner with over 150 Chinese institutions in both education and research, in the common belief that humanity can only be strengthened by sharing knowledge and expanding opportunities for learning. And that invariably means building strong links between education and industry - to create a truly innovative economy requires knowledge transfer and collaboration, not only from within China but with other overseas partners - including and critically major universities.

2016 was a landmark year for our relations with China. In April in the Great Hall of the People in Beijing, before the Premier of China and Prime Minister of Australia, I had the privilege of signing agreements to bring to UNSW the first-ever Torch science and technology park outside China. As I'm sure many of you here know, the Torch R&D network is central to China's innovation program, servicing nearly half-a-million Chinese companies and responsible for over 10% of Chinese GDP. We realised then that to be part of the Torch network was a key opportunity for us. What none of us realised at the time was how quickly it would open up incredible opportunities, for both sides.

Within four months we had signed more than A\$20 million of direct research funding from eight Chinese companies, plus an additional A\$10 million earmarked for an offshore commercialisation joint venture entity. We had begun working with Hangzhou Cables to develop cutting edge new technology using graphene in power cable manufacturing, opening labs in both Sydney and Hangzhou; a consortium of six Chinese companies began supporting advanced photovoltaic research at our Solar Industrial Research Facility; and the Fuzhou-based company DNXC started funding research on de-fogging glass for use in auto manufacturing. And we conducted a wonderfully successful Torch Innovation Week at UNSW. That was just the start of Phase One, conducted at warp speed!

Now - in Phase Two, leading up to 2020 - we anticipate Chinese investment in UNSW research will grow to \$100 million plus, allowing for construction of a globally-connected UNSW/Torch innovation science precinct with our Chinese partners. For that, we are looking at two possible sites near our Kensington campus. So if you want to invest locally, now is definitely the time - come and talk to us! The precinct will showcase Chinese and Australian collaboration and innovation and will bring together industry, SMEs, entrepreneurs, investors and policy makers from Australia, China and beyond.

That's good news for UNSW as we push ahead with our 2025 Strategy, aimed at placing us in the world's top fifty universities. It's also good news for Sydney as a future powerhouse of cutting-edge research and entrepreneurship. It's certainly good news - and good business - for locally-based Chinese investors seeking long-term opportunities in the expanding tech space. For the Australian economy, coming off the resources boom, it could not be more timely. And for UNSW, it aligns wonderfully with our 2025 Strategy, which targets not only academic excellence, in both education and research, but also social engagement and global impact. We passionately believe China has a vital and central role to play in the

development of this ecosystem - a belief reaffirmed by President Xi Jinping in his speech in Davos when he defended the benefits of globalisation and international cooperation in solving the world's major challenges.

Those sentiments were brought even closer to home when Alibaba's Jack Ma – the flag bearer for China's innovation system – launched the e-commerce giant's Australian headquarters last weekend with a call for a future built on an 'inclusive globalisation' that champions young people, women and small business. This is not the time for any nation, big or small, to be standing on the sidelines. And both China and Australia are in full accord on this.

The success of our Sino-Australian research and education 'pipeline', and the recent China-Australia Free Trade Agreement, bodes exceptionally well for UNSW's future collaborations with China. In the past year, I have visited China four times, and each time I am more and more impressed by the vision that China has for its people, its deep commitment to social progress, and its willingness to embrace partnerships and collaborations with countries like Australia, and institutions like ours. On Thursday, I will again be heading to China with a UNSW delegation for round-table discussions with our Torch partners and investors. And of course we look forward to more of our Chinese friends and partners from government, industry and higher education visiting UNSW throughout the Year of the Rooster. 2017 is shaping up to be an extraordinary year for UNSW, for our special links with the Chinese community of Sydney and Australia, and for Australian-Chinese relations in general.

And now, if you will excuse my rather basic Chinese, let me propose a toast: ***'jee nee-yen qwhy ler'*** – 'Happy Year of the Rooster' – and ***'gong shee far sai'*** – the best of luck and prosperity to all.