

Q&A Session: Launch of the 'Australia in the Asian Century' White Paper
Lowy Institute
28 October 2012

MICHAEL FULLILOVE: You have travelled extensively as Prime Minister to China, India, Indonesia and Japan and South Korea. What are the signals you have picked up personally that the Asian century is upon us?

What impresses you in China and Indonesia and India about the rising Asia?

PM: Well if I can share some impressions that I've had the privilege to gather myself and also to witness in eyes of others as I've travelled, perhaps one of the most startling: I went to Korea with some of our veterans who had fought there in the Korean War. Some of them had made Korea a passion and they've been back there many times.

But for many of them, it was the first time they had returned to Korea since they walked out of the battlefield 60 years ago. And to be with them, as they went around the city of Seoul, that told you the story of Asia's rise and where we are going to get to next.

They had literally walked out of blood-soaked battlefields and they come back to what one of the truly great cities of the world in my view, so, a very sharp impression.

In China, the impression I always have as I go around is that the noise you can hear around you is the noise of new buildings rising out of the ground – it seems to happen that quickly.

In India, the impression I always have is one of youth. I think the mean age is 25 or 26 and it's an incredibly young country and you feel that sense of youth and energy as you move around.

In Indonesia I am always heartened by what I think of as a modern miracle. I went as a young parliamentarian to be an election monitor in the first free and fair elections in Indonesia. I was moderately resentful in the sense that other people got to go to Lombok – I went to West Timor – so it wasn't exactly the same experience as others had.

But I remember that first election and the villagers gathering and voting, and now we've got this vibrant, liberal democracy.

At the UN, amongst other things during Leaders' Week, I appeared on a platform with the President of Indonesia and with Prime Minister Gusmao. If anybody had told you that was going to be possible several years ago – an Australian Prime Minister, a Timor-Leste Prime Minister, a President of Indonesia, exchanging not just pleasantries but warm words about each other sitting at a platform at the UN – people would have said that's not possible.

This is the change that's all around us and this is the change we are surveying for this national plan for the nation's future.

QUESTION: In the White Paper, your Government's intention to keep the mutual political trust and confidence is very clearly stated. I'd like to ask what will be the Government's (inaudible) measures towards building this trust with one of Australia's key partners; China?

PM: I'm happy that you've asked that question because it gives me an opportunity to address what I think is some of the simplistic critique and some of the very childish-style analysis that we see in the media.

We are deeply engaged with China at every level. We are engaged politically. There are strong business-to-business links. We are engaged with military-to-military links. We are engaged through education links, including with our great universities partnering in China.

Indeed, if you get a grid, and I've seen this done, if you get a map of our research relationships and how they've changed over the last 30 or 40 years, when you first look at the map all of the dots are going from here to Europe or from here to the US. And then over the time sequence, they start driving

into Asia and particularly into China. So we are engaged in every way.

Of course we have got to keep building on that engagement that is a focus of the White Paper. We have to keep investing in the regional architecture which is helping build habits of cooperation and trust as the norm, and the East Asia Summit is pivotal in that regard.

Other institutions will continue to serve us well like APEC, but we believe the East Asia Summit is the right body with the right membership, with the expanded mandate to help reinforce these habits of trust and cooperation.

So you will see, in the White Paper, our intention over time to expand our diplomatic foot print, our intention to continue to engage strongly bilaterally and in these multilateral regional forums.

QUESTION: The paper presents some very inspirational and inspiring calls for Australia, that they mostly demand that we redraw and continue our practices, our perceptions here in Australia. What do you see as some of our biggest investment challenges?

PM: The White Paper is meant to address at every level for Australian society our need to more deeply engage. But if I could make some comments in answer to your question, I believe it's important we as a government get what we do right, to build on the down payments we've already put in place for us to thrive and prosper in this Asian century of change and growth.

The big reforms that we've driven, from seizing a clean energy future, through to rolling out the National Broadband Network, through to the human capital agenda that we are building at every level from early childhood education all the way through to the highest level of research.

But one of the reasons we wanted to put a White Paper out was not just to add more government policy and perceptions to that, but to challenge business, civil society, unions, the media, to think about this at every level too.

I touched on this briefly in the speech. But one thing I'd definitely like to see is if I turn on to the news on one of our big commercial broadcasters, I would like to see the economic correspondent who brings us the news talking as routinely about the economic circumstances in Indonesia or Japan or Vietnam or Korea or what's happening in the Philippines. Talking about that as routinely as we get the news out of Washington, out of London, out of Paris, out of Germany, out of Berlin.

You will turn on your TV and yes, there has been a lot of coverage of the Eurozone crisis. We can understand that if that had caused a contagion into the world economy then of course that would've been of significance to all of us.

But I think it is time we asked the question, is the best economic outlook we can get on the world endlessly seeing Chancellor Merkel run in and out of rooms in Europe looking harried and stressed? Or is it getting deeper real-time information about the region we live in?

FULLILOVE: It is striking that there's two massive leadership transformations going on in the next month or two; in the United States and China. We know every detail about the United States down to the marathon time that the Republican candidate for Vice-President did or did not run. We know much less about the people who will make the decisions in Beijing.

Can I ask you a question about our diplomatic network, as you know we have one of the smaller diplomatic networks in the OECD. I know in the paper there is reference to opening new posts in Thailand and eastern Indonesia and Mongolia and so on, when circumstances allow.

How much of a national priority is it for us to bulk up our diplomatic network, especially in Asia?

PM: It is a priority, but in what are fiscally tight times, we need to work through these priorities around the expenditure review committee table where there are lots of difficult conversations had.

And that's why we've expressed it as an aspiration over time. But I do believe that over time our nation needs to be served by a broader diplomatic footprint.

When you say that it probably conjures in people's minds – as it should – ambassadors doing important government-to-government work, but we've got to remember that our diplomatic footprint also helps with people-to-people links, cultural links and importantly, through the work that Dr Emerson oversees, business-to-business links through Austrade and associated agencies. And that's very, very important to this century of growth for us.

QUESTION: What is your opinion of technology and how it will pave the way for Australia (inaudible)? What is the Government's view on that?

PM: Certainly we have to be connected to the region and connected and moving information around as quickly as everybody else can move it around.

That's why we've been so determined to build the National Broadband Network, because to leave us with the copper wire technology – served us well but it's not going to serve the needs of this century – which is why fibre to the premises is our vision for the nation's future, and part of integrating into our region.

We've got to remember that for much of the region, we are in the same or very similar time zones and that means business-to-business links. If you can move information more quickly, then you can do everything in real time very quickly. So that's important to us.

But yes, there are security considerations and there's intellectual property protection where people rightly fear that in some other nations – not our nation but in other nations – that their intellectual property could be taken and misused.

This is part of what we've got to address as we work through a genuine regional economic integration agenda. It's not just about the old days of talking about trade barriers, though there's still some work to do on that. But it's also talking about market rules and regulations, including appropriate protections so that people can trade and engage with confidence.

FULLILOVE: Thank you PM.

PM: Thank you.

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