

**Young Presidents Organisation (YPO)
Australian Perspectives of the World**

Address

Johannesburg 28 March 2018

Speech by Adam McCarthy

Australian High Commissioner

Mr Bernard Seeff, Ladies and Gentlemen;

Thank you for your warm welcome to this event.

My aim today is to give you a snap shot of Australia's perspective in the world, the values that underpin our political and economic engagement in our region, with key multilateral organisations, in Africa and finally; South Africa.

Australia's Foreign Policy

To understand Australia's view of the world, one has to first understand our unique set of peculiarities. Australia is an island, country and continent all at once. We straddle the juncture between the halves of the grand Indo-Pacific theatre, or the "Indo-Asia-Pacific. We hold an exterior position vis-a-vis Southeast Asia, outside the southern rim of the South China Sea.

Bearing these set of unique features in mind, Australia has had to prioritise our efforts in our immediate neighbourhood whilst effectively engaging within the multilateral environment to engage with the rest of the world.

Australia's foreign policy is underpinned by two overarching values; an open society and a liberal economy. We believe that freedom is best advanced when we nurture an environment where ideas can flourish, where contending philosophies have to make their case in the market place of ideas and where those who govern are accountable to the governed.

In terms of the liberal economy, we are of the view that the prosperity of Australia lies in economic diplomacy and free and open global markets. We believe that this directly supports the prosperity of Australians by liberalising trade, boosting economic growth, encouraging investment and assisting business.

Further tied to this is our interest to advance security and to contribute to the shaping and running of international institutions which reinforce the rule of law and international norms of behaviour.

Priority Relationships

Today, Australia is the twelfth largest economy in the world and the number one global exporter of beef, coal and iron ore. We are an emerging energy superpower and have the third largest pool of investment funds under management.

Our ability to achieve a strong economy is partly due to a careful balance of maintaining our values and finding avenues of achieving our national interests through a combination of the concepts just outlined. Part of our strategy has also involved prioritising relations with six countries which most directly engage our medium- and long-term policy and national interests. – The US, China, Indonesia, Japan, India and South Korea.

Beyond these six relationships, Australia has also prioritised engagement through multilateral organisations. As a middle-power, Australia believes that a multilateral environment that adheres to an international rules-based order and well functioning multilateral system can be a great conduit to realising our interests.

From Australia's strategic perspective, the **EAS (East Asia Summit)** is the regional institution which has the highest priority and the most potential. Its members account for 55 per cent of global GDP and half the global population. Australia's role in the founding of APEC and our active

agenda in the EAS reflect the pivotal role we see for regional cooperation in advancing our national interests.

From its inception, Australia understood the importance of the role of an organisation such as the United Nation. As one of the founding members, Australia has been an active participant in UN institutions for 70 years and is currently the 12th largest contributor to the UN regular budget. Australia held the first Presidency of the Security Council in 1946 and provided the first military observers under UN auspices a year later, to Indonesia during the independence struggle.

Australia has been integrally involved in global efforts to build and restore peace for over 65 years. We have provided personnel to more than 60 UN and other multilateral peace and security operations since 1947. We remain a strong supporter of UN peacekeeping and are currently the 11th largest financial contributor. We continue to take forward Australia's UN Security Council (2013-14) priorities to protect civilians and improve the effectiveness of the UN peacekeeping system, through our engagement in the review by the High Level Independent Panel on Peace Operations.

Unfortunately, the need for the UN's essential peacekeeping role is increasing. Ultimately the success of the UN is hostage to what its members themselves can agree to allow it to do. The truth is if we did not today have the UN we

would have to invent it – warts and all. It's not perfect system and is beset by the ever-present tension between national power and global cooperation.

With the challenges of our multilateral system and the now stagnant growth of most Asian countries; Australia's horizons necessarily stretch much further. By 2020, Asia will still only represent about a third of global GDP. Economic weight and strategic influence are becoming more dispersed. Some of the poles of power this century will be outside Asia.

For these reasons above and the fact that unfortunately Africa has increasingly become a victim of internal terrorist attacks and the source from which terrorist groups access the rest of the world - Australia has looked to deepen relations to find solutions that will ensure a peaceful environment worldwide.

Australia and Africa

Let us however, first look at the good story of Australia's engagement in Africa. Africa remains one of poles of power that continues to grow and emerge. Australia and Africa's relationship has matured over the decades well beyond aid and development. Flows of trade and investment in a wide variety of sectors underpin a burgeoning economic relationship.

In 2014, total trade with African countries was \$10 billion, up from \$7 billion in 2009. It is the mining industry that is leading the way. Africa's demographics work in its favour – 50 per cent of Africa's 1.2 billion people are aged 19 and under; 60 per cent are under 25.

There are more than 200 Australian Stock Exchange-listed companies with mining and exploration interests in Africa. These companies are involved in some 770 projects across 35 countries. The total value of this investment is in the order of tens of billions of dollars.

With such strong economic interests and ties; Australia has a stake in ensuring those companies are able to operate without risk of attack. More broadly, Australia has a strategic interest in ensuring that terrorist organisations aren't able to destabilise fragile political processes or operate in failed states to further build their presence and influence in the region and beyond. As a supporter of the international rules-based order, we have an interest in ensuring that Africa supports efforts to implement international counter-terrorism frameworks.

Australia has a long history of supporting United Nations-led peacekeeping operations in Africa. Australian Defence Force personnel are currently serving in the UN Mission in South Sudan (UNMISS). We have also provided financial and logistical support for the African Union's Mission in

Somalia (AMISOM). The Australian Defence Force is also assisting the Multinational Force and Observers (MFO) in the Sinai, Egypt. In the past, Australian personnel have served in UN missions in Sudan, Somalia, Rwanda, Ethiopia, Mozambique, Western Sahara and Namibia.

Outside of the peacekeeping sphere, Australia and African countries also cooperate on a range of defence and peace and security matters. Since 2011, Australia has deployed a Defence Attaché to Addis Ababa, Ethiopia. Australia provides training to African Defence personnel through a range of courses with a peacekeeping focus. We also cooperate with countries in the Gulf of Guinea and the Horn of Africa, and with organisations such as the UN Office for Drugs and Crime (UNODC) and the Regional Fusion and Law Enforcement Centre for Safety and Security at Sea (REFLECS-3) on anti-piracy measures. Australia hosted an international counter-piracy conference in Perth in 2012, and contributes a naval ship to international maritime security operations in the Gulf of Aden.

We will continue to engage closely on peace and security issues in Africa, continuing on from our term as a non-permanent member of the UN Security Council in 2013 and 2014.

Australia and South Africa

Despite South Africa's current challenges, Australia views South Africa as a key partner especially on issues of peace and security. Both countries have long-term interest in ensuring peace and security on the continent. In the same way that a challenged South African economy affects the region, instability in the region puts a lot of pressure on South Africa's resources. Additionally, both nations are southern hemisphere, commonwealth countries. Both our economies are grounded in strong mining and resources sectors and both rely on growing bilateral investment relationships to flourish.

Australia and South Africa have had long-standing relations dating back to Australia being a staunch and consistent opponent of apartheid, without any caveat or asterisk besides its name. We are one of a relatively small group of countries which can legitimately make that claim.

Australian Governments of both political persuasions united in a bipartisan consensus for Australia to be one of the driving forces in the Commonwealth, and the wider international community. We employed various methods to get the attention of the world towards the crime that apartheid was.

This included a well-targeted sports boycott; we were able to alert the white South African heartland to our concerns, which was novel at the time. After mass protests during the Springboks rugby union tour of Australia in 1971, Labor Prime Minister Gough Whitlam announced in 1972 that sporting teams selected on the basis of race would be prohibited from entering Australia. Liberal Prime Minister Malcolm Fraser supported the 1976 United Nations General Assembly resolution on apartheid in sport. A year later he was a strong supporter of the Commonwealth's Gleneagles Agreement, which called for a boycott of racially-selected sporting teams. Labor Prime Minister Bob Hawke further tightened sporting contacts in 1983.

It was also in 1983 under Mr Hawke that Australia established scholarships for non-white South Africans to study in Australia; and that the ANC established its Australasian and Pacific Office in Sydney. Eddie Funde, a truly wonderful man who remains a close friend of the High Commission, became the Chief Representative of the ANC in the region. He facilitated visits to Australia during the 1980s by several ANC senior leaders, including Oliver Tambo and Walter Sisulu; and other prominent anti-apartheid activists, most notably Archbishop Desmond Tutu.

The impact of Australia's sanctions was marked. Our imports from South Africa dropped by 14 per cent from 1983 to 1987, while our exports to South Africa plunged by 26 per cent. International sanctions, particularly when the UK and US took actions similar to those taken by Australia and others, bit hard in South Africa. They were an important factor in bringing Prime Minister FW de Klerk to the negotiating table with ANC leader Nelson Mandela and his colleagues.

Australia's contribution to the anti-apartheid struggle is much more than history. It is an integral aspect of the broad bilateral relationship that we enjoy today with the democratic South Africa. Gareth Evans, the Minister for Foreign Affairs in Mr Hawke's Government, was honoured in December 2015 with the Order of the Companions of OR Tambo, a South African national honour, for his role. And in November last year Premier Makhura and I opened an exhibition entitled 'Memories of the Struggle: Australians Against Apartheid' at the Old Men's Jail at Constitutional Hill.

The breadth of the bilateral relationship between South Africa and Australia today is impressive, mindful that in some respects we started from scratch in 1994. Allow me to highlight just a few high points of our cooperation.

Under the banner of 'economic diplomacy', promoting bilateral trade and investment is a particular priority for both governments. We are doing well, but it is an area for substantial further growth in the relationship.

South Africa is by far Australia's largest export market in Africa, and our second largest trading partner on the continent after Nigeria. Australia's total two-way trade in goods and services with South Africa amount to some \$A3 billion annually, representing 37 per cent of Australia's total trade with the continent.

Major Australian exports to South Africa include coal and wheat; while South Africa's most important export to Australia is passenger motor vehicles.

The investment relationship is also burgeoning, with total two-way investment averaging \$A13 billion a year in recent years. Mining leads the way, with some 140 Australian mining projects in South Africa, and several mining services providers having established offices in Johannesburg. But mining is not the end of the story, with Australian retailers and professional services providers also doing well in South Africa. Cotton On opened its largest store globally in the new Mall of Africa in Midrand, halfway between Pretoria and Johannesburg. Commonwealth Bank just became the first foreign bank to obtain a banking licence here in 20 years.

Nor is the investment one way, with South African Woolworths purchasing David Jones and Country Road in 2014.

Beyond seeking to promote particular trade and investment opportunities, structural similarities between the South African and Australian economies mean that we are well-placed to discuss our responses to shared economic challenges. Extractives are an important component of both our economies. It follows that we have both had to adapt to the end of the commodity 'super cycle' boom, and today's corresponding low commodity prices. As part of a study to compare mining regulations in Australia, Chile, South Africa and Zambia funded under the Australian aid program, then Minister in the Presidency, Jeff Radebe, led a South African delegation to Australia in 2015. Among other things, the delegation visited the Bowen Basin of Queensland to see large Australian coal mines in action.

Cooperation in science and technology is another high point of the bilateral relationship. Australia is proud to co-host the Square Kilometre Array radio telescope, or SKA, with South Africa. The SKA is a A\$1.9 billion scientific project of global significance, involving over 20 countries.

The SKA will be able to detect some of the oldest radio waves in the universe, enabling us to see back to soon after the 'big bang'. It is driving scientific innovation not only in astronomy, but also 'big data' computing, with exciting opportunities for South African and Australian manufacturers and researchers.

Our people-to-people links will only continue to grow. Our Australia Awards program, which offers short course fellowships and masters scholarships to well-qualified South Africans, creates an ever expanding group of alumni whom, we hope, have developed a real understanding of and affection for Australia. Our Australian Volunteers for International Development program sees young Australians making valuable contributions to community organisations throughout South Africa.

And then there are the ubiquitous sporting links between two sports-mad countries. These are just a few highlights of the bilateral relationship between South Africa and Australia today.

Overall, through this snapshot of Australia's bilateral and multilateral engagements, my aim was to demonstrate how Australia has step-by-step set out to meet our set of unique peculiarities. Our foreign policy being underpinned through the dual lens of an open society and liberal economy has lent to a sharp strategic focus.

The process has not always been straight-forward or smooth but I believe we have approached foreign policy in a strategic manner that has gone a long way to ensuring our interests are met. Beyond that, I am proud that as a country we have for the most part stood on the right side of history.

As the world unfortunately continues to be more insecure, with committing to our values of an open society and a liberal economy, we hope to continue to share our expertise and values in the world.

Thank you