



SIR WALTER MURDOCH LECTURE

'ASIA 2.0' – WHAT IT MEANS FOR AUSTRALIA AND SINGAPORE

GIVEN BY PHILIP GREEN OAM

HIGH COMMISSIONER TO SINGAPORE

21 OCTOBER 2016

CHANCELLOR, MR DAVID FLANAGAN

VICE CHANCELLOR, PROFESSOR EEVA LEINONEN. IN RECOGNISING YOU, MAY I CONGRATULATE AND WELCOME YOU AS A RELATIVE NEWCOMER TO YOUR PIVOTAL ROLE, AND WISH YOU EVERY SUCCESS FOR YOUR TENURE. AS A SUPPORTER OF THE INTERNATIONALISATION OF AUSTRALIA AND OF WOMEN IN LEADERSHIP, I AM PLEASED THAT YOU BRING A GLOBAL OUTLOOK TO THE UNIVERSITY, AS WELL AS SWELLING THE NUMBER OF LEADERS IN THE UNIVERSITY SECTOR OF AUSTRALIA WHO ARE DISTINGUISHED WOMEN.

ASSOCIATE PROFESSOR AND SINGAPORE DEAN, DR PETER WARING

MURDOCH UNIVERSITY STAFF AND ALUMNI, AMONGST THEM EMINENT MEMBERS OF THE BANKSIA ASSOCIATION

LADIES AND GENTLEMEN

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IT IS ALWAYS A PRIVILEGE TO HAVE THE OPPORTUNITY TO PRESENT A PROMINENT LECTURE LIKE THIS ONE, AND I THANK THE UNIVERSITY'S LEADERSHIP FOR THE OPPORTUNITY.

IT IS A PARTICULAR PRIVILEGE TO PRESENT A SIR WALTER MURDOCH LECTURE. A GREAT WEST AUSTRALIAN, AN EDUCATOR AND A TRUTH-TELLER, SIR WALTER'S COMPASS CAN SERVE AS A GUIDE TO US STILL.

EVEN MORE, I AM PLEASED THAT THIS LECTURE BRINGS ME CLOSER INTO THE ORBIT OF THE MURDOCH UNIVERSITY. A UNIVERSITY, LIKE MANY IN AUSTRALIA, THAT RATES HIGHLY – INDEED, IN THE TOP TWO PER CENT OF UNIVERSITIES GLOBALLY. AND A UNIVERSITY THAT DISTINGUISHES ITSELF THROUGH ITS OUTWARD-LOOKING DISPOSITION. A CAMPUS IN PERTH, A CAMPUS IN DUBAI, AND A CAMPUS IN SINGAPORE. A STUDENT BODY DRAWN FROM ALL CONTINENTS.

AND, MOST RELEVANTLY FOR MY TALK TODAY, A UNIVERSITY THAT HAS MAINTAINED AN ENDURING FOCUS ON AUSTRALIA'S PLACE IN THE ASIAN REGION. FOR MORE THAN TWENTY YEARS, YOUR 'ASIA RESEARCH CENTRE' HAS LED THINKING ABOUT OUR REGION. AND MOST RECENTLY, THE MURDOCH COMMISSION REPORTS HAVE DONE DEEP DIVES INTO KEY CHALLENGES FACING THE REGION. I PAY TRIBUTE, CHANCELLOR AND VICE CHANCELLOR, TO THOSE VALUABLE ENDEAVOURS.

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I HAVE DELIBERATELY CHOSEN TO SPEAK TODAY ABOUT THE RISE OF ASIA. IT IS NOT A NEW TOPIC. MUCH HAS BEEN SAID ABOUT IT IN RECENT YEARS.

BUT IF MY FOUR YEARS IN SINGAPORE, ON TOP OF MORE THAN THREE DECADES IN THE WIDER AUSTRALIAN FOREIGN SERVICE, HAS CONVINCED ME OF ONE THING, IT IS THIS: THAT THE RISE OF THE ECONOMIES OF ASIA IS THE DYNAMIC OF OUR TIME.

LET ME PUT IT THIS WAY. THE FIRST HALF OF MY DIPLOMATIC CAREER – FROM THE MID 1980S TO THE END OF THE 1990S – WAS DEFINED BY THE COLD WAR AND ITS AFTERMATH. SUPERPOWER RIVALRY WAS THE

DOMINANT DYNAMIC OF THE AGE, AND THAT WAS IMPORTANT FOR AUSTRALIA AND FOR ALL OTHER NATIONS. BUT COMPARED TO THAT, THE RISE OF ASIA IS FAR MORE ENDURING, FAR MORE FAR-REACHING, AND FAR MORE CONSEQUENTIAL FOR AUSTRALIA – AND, I THINK, FOR SINGAPORE.

NOW, I ALSO KNOW THAT MUCH OF THE CURRENT PUBLIC COMMENTARY, PARTICULARLY IN THE MEDIA, FOCUSSES ON THE SLOWDOWN IN THE ECONOMIES OF ASIA. CHINA'S ECONOMY IS SLOWING. OTHER ECONOMIES IN THE REGION HAVE INFRASTRUCTURAL, GOVERNANCE OR POLITICAL ISSUES THAT ARE AFFECTING THEIR PERFORMANCE.

ALL OF THAT IS TRUE. BUT IT IS IMPORTANT THAT WE KEEP SIGHT OF THE FOREST, EVEN AS WE EXAMINE INDIVIDUAL TREES.

THE FOREST THAT I SEE VERY CLEARLY IS THAT GROWTH IN ASIA, THOUGH LOWER, REMAINS STRONG. AND FURTHER, THAT OUR REGION REMAINS THE STRONGEST GROWTH ENGINE IN THE GLOBAL ECONOMY.

CONSIDER THE FOLLOWING. THE IMF TELLS US THAT GROWTH IN “EMERGING ASIA” – THAT IS, ASIAN ECONOMIES MINUS DEVELOPED MARKETS LIKE JAPAN – IS GROWING AT A RATE OF SIX AND A HALF PERCENT. THAT MEANS THAT GROWTH IN THE DYNAMIC ECONOMIES OF ASIA IS STILL TWICE AS RAPID AS GROWTH IN THE GLOBAL ECONOMY AS A WHOLE. (GLOBAL GROWTH IS CURRENTLY AROUND THREE PER CENT.)

AND IN RELATION TO CHINA, WE HEAR FREQUENTLY THAT CHINA'S GROWTH RATE IS SLOWER. THAT IS TRUE. BUT WHAT WE HEAR LESS FREQUENTLY IS THAT THE AMOUNT BY WHICH CHINA'S ECONOMY NOW GROWS EACH YEAR IS GREATER THAN THE CORRESPONDING INCREASE WAS IN THE DAYS WHEN CHINA WAS EXPERIENCING DOUBLE DIGIT GROWTH. IN FACT, THE INCREASE IN CHINA'S OUTPUT THIS YEAR WILL BE MORE THAN TWICE WHAT IT WAS IN 2010. THAT'S BECAUSE THE CURRENT RATE OF GROWTH – SIX OR SO PERCENT – IS NOW APPLYING TO A MUCH LARGER ECONOMY THAN CHINA WAS SIX YEARS AGO.

SO THE ASIAN GROWTH STORY GOES ON.

BUT THE PART OF IT WHICH RESONATES EVEN MORE WITH ME IS THE NEW SIGNIFICANCE OF THE MIDDLE CLASS IN ASIA. AS GROWTH ROLLS OUT, AND

INCOMES IN THE REGION RISE, MORE AND MORE PEOPLE GRADUATE INTO THE MIDDLE CLASS. NOW, ECONOMISTS CAN DEBATE WHAT CONSTITUTES THE “MIDDLE CLASS’. BUT WHAT IS INDISPUTABLE IS THAT ITS NUMBERS IN ASIA ARE GROWING RAPIDLY.

SO MUCH SO, IN FACT, THAT THE SIZE OF THE MIDDLE CLASS IN ASIA IS PREDICTED BY MCKINSEYS TO DOUBLE BETWEEN NOW AND 2030. BY THEN, THE SIZE OF THIS MIDDLE CLASS GROUP WILL BE OVER THREE BILLION PEOPLE. BY COMPARISON, THE MIDDLE CLASS IN BOTH EUROPE AND NORTH AMERICA OVER THE NEXT DECADE AND A HALF WILL NOT GROW AT ALL.

IT’S HARD TO UNDERSTATE THE SIGNIFICANCE OF THAT FOR COUNTRIES LIKE AUSTRALIA AND SINGAPORE. THE WAY I TRY TO GET MY HEAD AROUND IT IS THIS ... THREE BILLION MIDDLE CLASS PEOPLE MEANS THAT THERE WILL BE COUNTLESS MORE CONSUMERS IN OUR REGION WHO WILL HAVE ASPIRATIONS FOR THE SAME SORTS OF CONSUMPTION PATTERNS THAT YOU AND I HAVE.

FOR THE FIRST TIME IN THEIR FAMILIES’ HISTORIES, THEY WILL BE ABLE AFFORD THINGS LIKE HIGH QUALITY HEALTH CARE, FIRST CLASS EDUCATION, PREMIUM FOODS, INCLUDING THOSE THAT ARE IMPORTED, EVEN AN OVERSEAS HOLIDAY. SO, FOR ALL OF OUR EXPORTERS – WHETHER THEY ARE EXPORTING HIGH QUALITY AUSTRALIAN FOOD AND WINE, OR TOURISM PACKAGES TO SINGAPORE, OR INDEED FIRST CLASS EDUCATION AT MURDOCH UNIVERSITY CAMPUSES IN AUSTRALIA OR SINGAPORE – THERE WILL BE GROWING OPPORTUNITY.

AND LET’S BE CLEAR ABOUT THIS. THIS RISE IN THE MIDDLE CLASS IN ASIA – WHICH I THINK IS THE MOST CONSEQUENTIAL DEVELOPMENT OF OUR TIME – WILL ONLY HAPPEN ONCE IN HUMAN HISTORY. IT IS HAPPENING NOW, AND WILL ROLL OUT OVER THE COMING DECADES. WE CAN EITHER TAKE FULL ADVANTAGE OF THIS UNIQUE OPPORTUNITY, OR WE CAN MISS IT.

SO THAT IS WHY I CHOSE TO HEADLINE MY TALK THIS EVENING “ASIA 2.0”. THE ASIAN GROWTH STORY ‘1.0’ IS NO LONGER WITH US, BUT ‘ASIA 2.0’, WHILE DIFFERENT IN SOME RESPECTS, BRINGS WITH IT THE SAME FUNDAMENTAL DYNAMIC OF OPPORTUNITY FOR THOSE WHO ENGAGE WITH THIS REGION.

NOW, I GUESS THERE CAN'T BE A PITCH LIKE THIS WITHOUT AN ASTERISK. AND THERE IS ONE. I HAVE EVERY CONFIDENCE THAT THIS GROWTH STORY IN ASIA WILL CONTINUE, WITH THE NORMAL UPS AND DOWNS, OVER THE NEXT COUPLE OF DECADES.

THERE IS AN OUTSIDE RISK, HOWEVER, THAT IT MIGHT BE DISRUPTED. THAT MIGHT COME ABOUT BECAUSE OF SHOCK IN ONE OF THE MAJOR ECONOMIES OF THE REGION, OR PERHAPS IN THE GLOBAL ECONOMY, OR IT MIGHT COME IF THE SECURITY OF OUR REGION – A STABLE SECURITY SCENE THAT HAS UNDERWRITTEN THE PROSPERITY WE HAVE ENJOYED IN THE LAST GENERATION - IS DISRUPTED. I DON'T THINK ANY ONE OF THOSE RISKS IS LIKELY, BUT WE NEED TO FACTOR THEM IN, EVEN AS WE REMIND OURSELVES OF THE GREAT OPPORTUNITIES OF THE REGION IN OUR CONTEMPORARY AGE.

IT ALSO IS IMPORTANT TO NOTE THAT, WHILE THERE WILL BE OPPORTUNITY IN OUR REGION, ANY BUSINESS NEEDS TO CONSIDER CAREFULLY WHAT ITS COMPARATIVE ADVANTAGE IN ANOTHER MARKET IS, WHAT ARE THE LOCAL CONDITIONS, AND WHAT THE LOCAL RISK FACTORS ARE. THAT IS ALWAYS THE PRUDENT COURSE.

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LADIES AND GENTLEMEN

SOMETIMES, IT IS DIFFICULT FOR US TO APPRECIATE THE ADVANTAGES THAT WE ENJOY FROM SIMPLY BEING WHO WE ARE, AND WHERE WE ARE. WE TAKE FOR GRANTED WHAT WE HAVE GROWN UP WITH. WE TEND NOT TO STOP TO THINK THAT IT COULD HAVE BEEN OTHERWISE.

I THINK THAT THIS PHENOMENON IS AT PLAY IN THE IMPERFECT RECOGNITION OF THE SUBSTANTIAL GOOD FORTUNE THAT AUSTRALIA ENJOYS FROM ITS PROXIMITY TO ASIA. THINK ABOUT IT THIS WAY. IMAGINE THAT AUSTRALIA WAS NOT A CONTINENT FIXED TO THE OCEAN FLOOR, BUT A BARGE THAT COULD BE TOWED ABOUT. WHERE IN THE WORLD WOULD IT BE MORE ADVANTAGEOUS TO BE LOCATED?

IT IS DIFFICULT TO IMAGINE A LOCATION BETTER THAN OUR PROXIMITY TO THE GROWTH ENGINE OF THE GLOBAL ECONOMY, THOUGH FAR ENOUGH FROM THE CENTRE OF THE ACTION TO HAVE SOME DISTANCE FROM THE

DISPUTES AND ENMITIES THAT ARE PART OF THE REGION'S PAST AND PRESENT. SO, AS OTHERS HAVE SAID, WHAT USED TO TROUBLE US AS 'THE TYRANNY OF DISTANCE' NOW REPRESENTS A SUBSTANTIAL OPPORTUNITY.

BUT IN MY VIEW, AUSTRALIA IS FORTUNATE NOT JUST IN WHERE IT LIES, BUT IN THE SORT OF ECONOMY THAT WE ARE. IN MANY WAYS, OUR ECONOMY IS THE COMPLEMENTARY OBVERSE OF MOST OF THOSE IN ASIA.

ASIAN ECONOMIES ARE RICH IN LABOUR AND MOSTLY SHORT OF LAND. AUSTRALIA IS THE OPPOSITE. THAT DIFFERENCE DRIVES GREAT OPPORTUNITY FOR OUR PRODUCTS. ENERGY AND RESOURCES TO MEET THE DEMANDS FOR INFRASTRUCTURE IN ASIA. AGRICULTURAL PRODUCTS TO MEET THE NEEDS OF GROWING POPULATIONS WITH MORE SPENDING POWER. AND A PURE, NATURAL ENVIRONMENT THAT APPEALS TO ASIAN TOURISTS WHO LIVE MOSTLY IN CROWDED, POLLUTED, AND CONGESTED CITIES.

BEYOND THAT, AUSTRALIA IS ALSO STRONG IN MANY OF THE SERVICES THAT A RAPIDLY DEVELOPING ASIA NEEDS – ARCHITECTURE AND DESIGN, PROJECT MANAGEMENT, FINTECH, ENGINEERING, HEALTH AND AGEING, ADVANCED CONSTRUCTION AND MORE.

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SO AUSTRALIA IS IN AN ENVIABLE PLACE IN RELATION TO THE ASIAN GROWTH STORY. BUT HOW DOES SINGAPORE FIT INTO THIS NARRATIVE?

WELL, AFTER SPENDING FOUR YEARS HERE IN SINGAPORE, IT IS CLEAR TO ME THAT THIS NATION HAS A SPECIAL PLACE IN THE RICH POSSIBILITIES THAT LIE AHEAD BETWEEN AUSTRALIA AND ASIA.

SINGAPORE IS UNCHALLENGED AS THE BUSINESS HUB FOR AUSTRALIANS IN ASEAN. MORE THAN 20,000 AUSTRALIANS HAVE MADE THEIR HOMES HERE, MOSTLY DOING BUSINESS. THE ECONOMIC DEVELOPMENT BOARD COUNTS MORE THAN 3000 COMPANIES WITH AN AUSTRALIAN CHARACTER HERE.

IT'S NOT HARD TO SEE WHY SO MANY AUSTRALIAN INDIVIDUALS AND BUSINESSES SEE SINGAPORE AS A NATURAL BASE FROM WHICH TO DO BUSINESS IN THE REGION. WITH ITS EFFICIENT PORT AND AIRPORT, AND A

STRATEGIC LOCATION, SINGAPORE MAKES A COMPELLING CASE AS A LOGISTICS HUB.

BEYOND THAT, SINGAPORE'S PEOPLE, WITH BUSINESS IN THEIR VEINS AND AN UNRIVALLED UNDERSTANDING OF THE REGION IN THEIR MINDS, PROVIDE NATURAL PARTNERS FOR AUSTRALIAN BUSINESSPEOPLE. AND, INCREASINGLY, SINGAPORE IS A WEALTH CENTRE WITH THE RESOURCES AND APPETITE TO MAKE INVESTMENTS THAT STRENGTHEN AUSTRALIAN BUSINESSES.

LAST WEEK IN CANBERRA, PRIME MINISTERS LEE AND TURNBULL, EACH SPOKE OF THIS NATURAL PARTNERSHIP. APPROPRIATELY FOR THIS LECTURE, THEY BOTH FORMULATED THAT THOUGHT IN LITERARY TERMS THAT I IMAGINE SIR WALTER MURDOCH - AS A LITERATURE DON -WOULD HAVE APPRECIATED. THEY EACH CHARACTERISED AUSTRALIA AND SINGAPORE AS THE 'WIDE BROWN LAND' AND THE 'LITTLE RED DOT', BORROWING FROM THE AUSTRALIAN POET DOROTHEA MACKELLAR AND A FORMER PRESIDENT OF INDONESIA.

THIS WAS MORE, I THINK, THAN A CATCHY WAY TO IDENTIFY OUR TWO NATIONS AND TO HIGHLIGHT THE DIFFERENCES BETWEEN OUR LAND MASSES. THE REASON, I THINK, WHY THE TWO PHRASES WERE SO RESONANT LAST WEEK IN CANBERRA IS THAT THEY CAPTURE THE WAY IN WHICH OUR DIFFERENCES CAN HELP MAKE US GOOD PARTNERS.

I THINK ABOUT IT THIS WAY.

AUSTRALIA HAS STRENGTHS IN ANYTHING TO DO WITH THE LAND – AGRICULTURE, MINING, RESOURCES, TOURISM. SINGAPORE OF COURSE DOES NOT, BUT WHAT SINGAPORE HAS – AND AUSTRALIA LACKS – IS STRATEGIC LOCATION. THE WAY I SEE IT, THE DIFFERENCES BETWEEN US IN TERMS OF LAND MAKE US NATURAL PARTNERS. THEY HELP OFFSET THE ENDOWMENTS THAT WE EACH LACK.

ADD INTO THIS MIX THAT AUSTRALIANS AND SINGAPOREANS SHARE A LANGUAGE, A BRITISH HERITAGE IN LAW AND GOVERNMENT, THAT WE ARE BOTH MULTICULTURAL SOCIETIES, AND THAT WE EACH ENJOY A PRAGMATIC, NO-NONSENSE APPROACH TO BUSINESS AND LIFE, AND I THINK WE HAVE A POTENT MIX FOR A PARTNERSHIP. TOGETHER, OUR MIX OF SIMILARITIES AND

DIFFERENCES CONSTITUTE A POWERFUL BASIS FOR MORE COOPERATION IN BUSINESS AND BEYOND.

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THIS SENSE THAT THERE WAS AN OPPORTUNITY TO BUILD UPON THE ALREADY CLOSE LINKS BETWEEN AUSTRALIA AND SINGAPORE LAY AT THE CORE OF THE EFFORT THAT OUR GOVERNMENTS HAVE BEEN MAKING TO DO MORE TOGETHER.

LAST YEAR, SINGAPORE CELEBRATED ITS FIFTIETH ANNIVERSARY, AND OUR TWO NATIONS TOGETHER CELEBRATED FIFTY YEARS OF BILATERAL RELATIONS. THERE WERE HIGH LEVEL VISITS, PROMINENT FUNCTIONS, AND SOME FUN – A VISIT BY KOALAS TO SINGAPORE ZOO, MASSIVE STREET ART IN SINGAPORE’S HEARTLANDS, AND MULTIPLE CONCURRENT BBQS – WITH PRIME MINISTERS HOLDING THE TONGS.

BUT BEHIND THE CELEBRATIONS, OUR LEADERS SETTLED ON SOME WATERSHED CONCLUSIONS. THEY SPOKE OF OUR ‘STRATEGIC CONVERGENCE’ AND OF AN AIM TO ‘INTEGRATE’ OUR ECONOMIES. THEY AGREED ON A NEW TRAJECTORY FOR OUR RELATIONSHIP, AND DECIDED TO UPGRADE IT TO A ‘COMPREHENSIVE STRATEGIC PARTNERSHIP’. THAT PHRASE IS NOW OUR MANTRA, AND THE JOINT DECLARATION THAT ENSHRINES IT IS THE GUIDING DOCUMENT FOR OUR TRAJECTORY TOGETHER. JUST AS AMBITIOUS, OUR LEADERS SETTLED ON A TEN YEAR ROAD MAP, AND IMAGINED A FUTURE WHERE AUSTRALIA’S PARTNERSHIP WITH SINGAPORE WOULD BE AS CLOSE AS OUR RELATIONSHIP IS WITH OUR COUSINS ACROSS THE TASMAN, NEW ZEALAND.

THIS ALL OCCURRED IN THE MIDDLE OF LAST YEAR, AND SOME ASKED WHETHER THE AMBITION OF THE COMMITMENT COULD BE SUSTAINED.

I AM PLEASED TO SAY THAT, SINCE THE SIGNATURE OF THE COMPREHENSIVE STRATEGIC PARTNERSHIP, A CONSIDERABLE AMOUNT HAS BEEN ACHIEVED:

- WE HAVE UPGRADED OUR FREE TRADE AGREEMENT. THE NEW SAFTA, SIGNED LAST WEEK, BRINGS FORWARD THE BENEFITS THAT WERE SETTLED BETWEEN US IN THE CONTEXT OF THE TRANS-PACIFIC PARTNERSHIP AGREEMENT AND MORE. THE NEW FTA WILL MAKE IT

EASIER FOR BUSINESSPEOPLE FROM BOTH OF OUR COUNTRIES TO LIVE, WORK AND DO BUSINESS IN EACH OTHER'S TERRITORY. IT PROVIDES GREATER RECOGNITION OF UNIVERSITY DEGREES. IT SETS OUT A PATHWAY FOR THE RECOGNITION OF QUALIFICATIONS, NOTABLY IN ENGINEERING AND ACCOUNTING. IT LOCKS IN OPPORTUNITIES FOR OUR COMPANIES TO BID FOR GOVERNMENT CONTRACTS ON THE OTHER'S TERRITORY. AND IT ADOPTS 21ST CENTURY RULES TO BRING OUR FREE TRADE COMMITMENTS FULLY UP TO DATE IN A DIGITAL AGE.

- SECOND WE HAVE AGREED ON A MAJOR UPGRADE IN OUR DEFENCE TRAINING LINKS, WITH SINGAPORE TO HAVE ACCESS TO LARGER TRAINING AREAS IN QUEENSLAND, SO THAT UP TO 14,000 SINGAPOREANS CAN TRAIN EACH YEAR, IN TRAINING FIELDS THAT WILL BE JOINTLY DEVELOPED BETWEEN US. THESE STEPS FORWARD HAVE BEEN SETTLED AS TWENTY-FIVE YEAR COMMITMENTS IN AN MOU SIGNED BY OUR RESPECTIVE DEFENCE MINISTERS.
- AND BEYOND THESE TWO LANDMARK COMMITMENTS, WE HAVE AGREED NEW PARTNERSHIPS IN INNOVATION, THE NEW COLOMBO PLAN, ARTS AND CULTURE, A YOUTH WORK AND HOLIDAY-MAKER SCHEME, DEFENCE INTELLIGENCE, DEFENCE SCIENCE, COUNTER-TERRORISM, AND LAW ENFORCEMENT.
- WE ALSO PLAN TO WORK TOGETHER MORE CLOSELY IN SUCH FIELDS AS THE DEVELOPMENT OF NORTHERN AUSTRALIA, FOOD SUPPLY CHAINS IN ASIA, EDUCATION, COMBATTING TRANSNATIONAL CRIME. AND MILITARY OPERATIONS.
- I WANT TO LAY PARTICULAR EMPHASIS TO INNOVATION, WHERE WE CAN LEVERAGE EACH OTHERS' STRENGTHS. FOR EXAMPLE, CSIRO IS LOOKING TO STRENGTHEN ITS FOOTPRINT HERE. AND AUSTRALIA WILL SET UP ONE OF ITS FIVE LANDING PADS IN SINGAPORE, TO EXPOSE OUR INNOVATIVE START-UPS TO DOING BUSINESS IN THE REGION.

ALL IN ALL, THE PAST YEAR OR SO HAS SEEN THE MOST SUBSTANTIAL UPGRADING OF OUR BILATERAL RELATIONS IN A GENERATION. IT MARKS AN UNPRECEDENTED HIGH.

IN LARGE PART, THESE STEPS FORWARD CAN BE SEEN AS FLOWING FROM OUR SHARED VISION ABOUT THE FUTURE OF ASIA – THE 'ASIA 2.0' THAT I SPOKE OF

AT THE OUTSET; AND OF THE NATURAL COMPLEMENTARITIES BETWEEN OUR ECONOMIES THAT ALLOW AUSTRALIA AND SINGAPORE TO WORK IN STRONG PARTNERSHIP.

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BEFORE I CLOSE, I WANT TO TOUCH ON ANOTHER UNDERLYING DYNAMIC BEHIND WHAT WE ARE SEEING. WHILE ASIA IS MORE VIBRANT, IT IS ALSO EXPERIENCING ADDITIONAL STRESSES ON THE SECURITY THAT UNDERPINS OUR PROSPERITY.

A RANGE OF DEVELOPMENTS CONSTITUTE NEW OR DEEPENING CHALLENGES. THE THREAT OF TERRORISM IS INCREASING, WITH THE IMPACT OF ON-LINE RADICALISATION, THE PERNICIOUS INFLUENCE OF DAESH, AND THE POSSIBLE RETURN TO THIS REGION OF FOREIGN FIGHTERS NOW FIGHTING IN THE MIDDLE EAST.

AT THE SAME TIME, UNRESOLVED TERRITORIAL DISPUTES ARE CAUSING NEW FRICTIONS AROUND OUR REGION, AND INCREASING THE RISK OF DISCORD OR MISCALCULATION.

AGAINST THIS BACKDROP, AUSTRALIA AND SINGAPORE ARE DRAWING CLOSER. WE ARE ENJOYING INCREASING STRATEGIC CONVERGENCE, FINDING THAT THERE IS MUCH ON WHICH WE AGREE:

- FOR BOTH OUR NATIONS, TERRORIST VIOLENCE IS ANATHEMA. WE ARE TOGETHER IN THE STRUGGLE AGAINST REGIONAL TERRORISM, AND AT HOME SEEKING TO PROTECT OUR POPULATIONS AND COUNTER THE VIOLENT EXTREMIST NARRATIVE
- WE BOTH STRONGLY SUPPORT THE CENTRALITY OF ASEAN IN REGIONAL STABILITY AND PROSPERITY
- WE BOTH SUPPORT CONTINUED U.S. ENGAGEMENT, WHICH HAS BEEN THE UNDERLYING GIRDER OF SECURITY IN ASIA FOR TWO GENERATIONS
- WE BOTH WELCOME CHINA'S RISE, AND SUPPORT A ROLE FOR CHINA IN THE REGION THAT IS COMMENSURATE WITH ITS NEW STANDING

- WE BOTH CHERISH INTERNATIONAL LAW, FREEDOM OF NAVIGATION AND THE SETTLEMENT OF DISPUTES THROUGH PEACEFUL MEANS
- WE SHARE AN UNWAVERING COMMITMENT TO THE PRINCIPLES OF FREE AND OPEN TRADE

FUNDAMENTALLY, FOR BOTH AUSTRALIA AND SINGAPORE, OUR VIBRANT REGION REPRESENTS SUBSTANTIAL OPPORTUNITY. AS WE SEEK TO MAKE THE MOST OF THAT, WE NEED TO SAFEGUARD THE SECURITY THAT MAKES PROSPERITY POSSIBLE. THIS IS THE META-CHALLENGE OF OUR TIME – MAKING THE MOST OF OUR REGION OF OPPORTUNITY, OUR ‘ASIA 2.0’, WHILE ENSURING THAT THE SECURITY ON WHICH IT IS FOUNDED IS NOT UNSETTLED.

IN FACING THIS FUTURE, THE ‘WIDE BROWN LAND’ AND THE ‘LITTLE RED DOT’ ARE IN CLOSER PARTNERSHIP – A PARTNERSHIP WHICH, AS PRIME MINISTER LEE SAID LAST WEEK, IS MORE THAN THE SUM OF ITS PARTS.