

Philip Green OAM - Australian High Commissioner to Singapore
Address to the Australian Chamber of Commerce (AustCham) Singapore
“Australia, Singapore and the Asian Century”
Thursday 6 December 2012

I am genuinely very pleased to be here at AustCham today, and I am genuinely very pleased to be here in Singapore. This was the assignment I most wanted in this point of my professional journey.

The reason is simple.

History is being made in Asia – right now.

China’s rise. India’s rise. ASEAN’s response. The United States’s response. Australia’s response.

Global economic turmoil. Asia’s vibrancy. Australia’s resilience.

These are the things that history books will be written about from this generation.

I was keen to be in a place where I could watch and, to an extent, participate in those developments. I could not think of a better place to do that than from here in Singapore, in the heart of Asia.

It is also my good fortune that I come here when Australia has renewed its focus on Asia. That renewal of focus comes in the form of the Government’s White Paper – “Australia in the Asian Century”.

It reminds us, and it reminds our neighbours, of Australia’s deep interest and commitment to this part of the world.

The White Paper on Australia in the Asian Century will be my calling card here in Singapore. Every senior Singaporean I meet will be handed a copy. Formally and deliberately.

In doing that, I am sending a message – that we take Asia seriously; that we take Singapore seriously; and that I am here to make a difference for Australia in Asia.

Today, I want to make a few personal observations about the White Paper, and how it relates to us in Singapore. I then want to talk briefly about how I plan to approach my role as High Commissioner; and to conclude with some thoughts on the Australia-Singapore relationship.

I want to also leave substantial time to hear your thoughts, so I can consider them, and factor them into my plans – because the constituency in this room is an important one for me, a very important one.

First, the White Paper

The significance of the rise of Asia has been described in many ways. Each of you probably has a personal way of characterising it. The following is my personal characterisation.

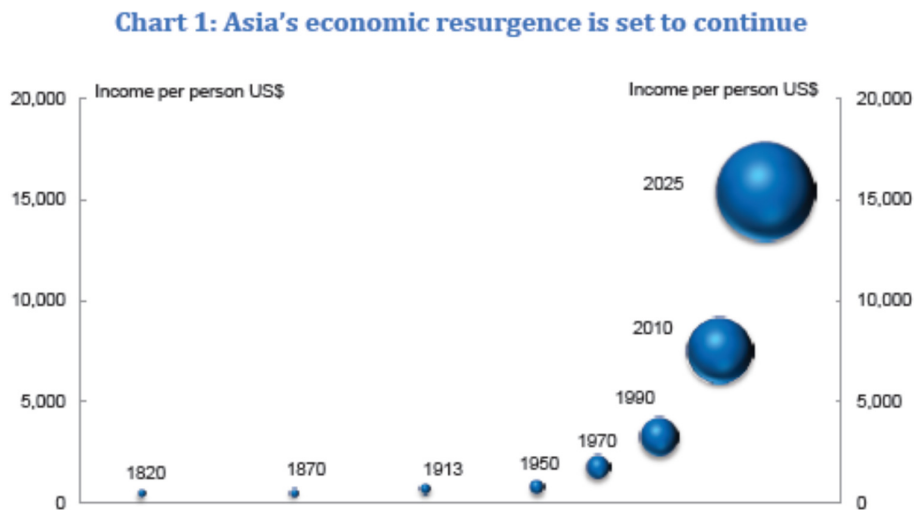
I joined the Australian foreign service deep in the Cold War. For my generation of Australian diplomats, the Cold War was the defining characteristic of our early working life. The Cold War was a major global dynamic. It dominated international diplomacy for 35 years.

I say this to make the point that the rise of Asia is a much bigger global dynamic. How much bigger? We don't know. But definitely much bigger.

The rise of Asia is the dynamic that will characterise the full working lives of Australia's young diplomats. In fact, it will probably be the defining characteristic of the global scene for at least two generations of diplomats – twice the impact of the Cold War.

Let's look more closely at the characteristics of Asia's rise, the defining dynamic of our age.

I won't flood you with statistics, but I find a couple of charts from the White Paper particularly telling.

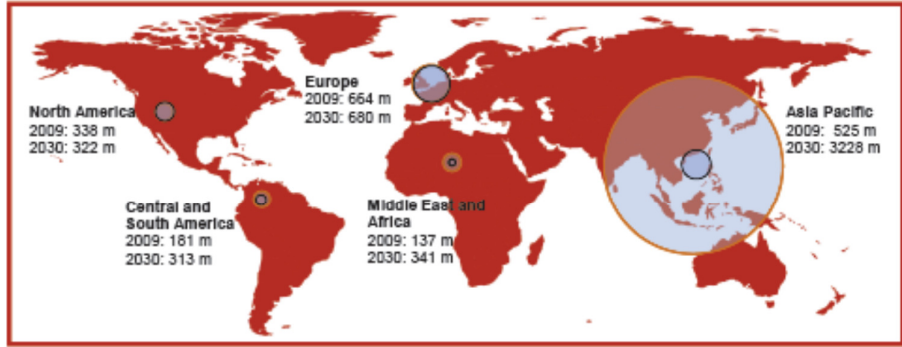


Japan, Korea, Singapore and more recently China and India have all doubled their income per person within a decade. That's impressive in itself. But consider this: by comparison, it took the United Kingdom over 50 years to double its income per person at the height of the Industrial Revolution.

Now let's look at Asia's rise in another way – through the prism of its middle class. Along with its position as the world's most populous region, Asia is set to become the world's most significant economic zone, the most significant consumption zone, and home to the majority of the world's middle class.

This slide provides a comparison of the rise of the middle class in different regions:

Figure 2.2: Growing consumer markets of Asia



Note: 'Middle class' is defined as those households with daily expenditures of between US\$10 and US\$100 per person. The black border circles and orange border circles depict the size of the middle-class population in 2009 and 2030 respectively.
Source: Kharas & Gertz (2010).

Between now and 2030, Asia's Middle Class will grow six fold. Nothing comparable will happen in any other region – and the middle class in Europe and North America will be static.

This is a vital opportunity for Australia – the White Paper rightly tells us that the “tyranny of distance” is being replaced by the “prospect of prosperity”.

The White Paper also tells us that this opportunity requires our action. That Australia's success in the Asian century will be based on choice, not chance.

There is a lot in the White Paper about the choices that we can and should make. I can't cover much of it today – but I want to offer you some personal observations about elements that I feel are particularly important.

Firstly, the White Paper is predominately about Australia, not Asia. That is, it is about how Australia, its businesses, its institutions, its economy and population must continue to adapt to the Asian Century. The title is deliberate: it is about *Australia* in the Asian Century. Australia is in the forefront, and the Asian Century is the backdrop.

The core of the White Paper's message is this: “Australians need an evolving set of Asia-relevant capabilities that are both broad and specialised.”

“Our greatest responsibility is to invest in our people through skills and education to drive Australia's productivity performance.”

The Paper works from the ground up. It sets an objective that every Australian school student will have significant exposure to studies of Asia. All schools will engage with at least one school in Asia. All Australian students will have the opportunity, and be encouraged, to undertake a continuous course of study in an Asian language throughout their years of schooling.

That is, learning about Asia needs to become business-as-usual for every Australian school and every Australian student. I notice this was a key recommendation in AustCham's own submission on the White Paper.

What the Paper is describing here is what has been termed “Asia literacy” – deepening our educational, cultural and business awareness of and engagement with Asia at all levels of Australian society.

Secondly, there is no sense in which the White Paper is suggesting that Australia has not done well in Asia. This is something about which I feel strongly. As Australians, we have much to be proud of in our engagement in Asia, past and present.

Take some basic metrics. Look at who we trade with. The simple reality is that Australia’s trade is more with Asia than any comparable country’s is. It is more than Japan’s trade is with Asia; or China’s trade is with Asia; or Singapore’s trade is with Asia. And it’s substantially more than the United States’ trade is with Asia.

These are the figures: 72 per cent of Australia’s two-way trade is with other East Asia Summit (EAS) countries. By comparison Japan’s trade with the EAS bloc is 61.5 per cent of its total trade; China’s is 49 per cent; Singapore’s is 62.5 per cent; the United States’ is 31 per cent.

So, the next time someone tells you that Australia has not been enough engaged with Asia, tell them to get themselves a calculator.

Consider also, for example, the regional initiatives we have been intimately involved in:

- . The Colombo Plan (1951) – conceived under the Chifley Government, and established under the Menzies Government, Australia led in the development of the Colombo Plan, offering scholarships whose recipients included a significant number of emerging Asian leaders (it brought some 20,000 students from Asia to study in Australia over 35 years);
- . The formation of APEC(1989) – under the Hawke and Keating governments Australia played a central role, alongside Japan and South Korea, in the development of the Asia–Pacific Economic Cooperation forum in the late 1980s and early 1990s;
- . ARF(1994) – Australia was a founding member of the ASEAN Regional Forum and has been an energetic participant in its discussions and activities;
- . The stabilisation of Timor Leste (1999-2002) – during the Howard Government Australia lead a multinational force in East Timor and played a leading role in support of the UN transnational administration preceding the country’s independence in 2002
- . The EAS (2005) – Australia participated as a founding member in the inaugural East Asia Summit and more recently Australia advocated successfully for the inclusion of the United States and Russia in the EAS.

Consider also, the level of engagement by Australian companies in Asia: Singapore is no doubt the example par excellence of how our companies – be they banks, engineering/infrastructure companies, architecture firms, education providers, the food and beverage industry, logistics operations, and the list goes on... – have come to Asia and are doing business well. There are now over 26,000 Australians living in Singapore, the great bulk of whom are involved in business.

Thirdly, the White Paper is a government paper, but it's mostly not about government: it's about Australia much more broadly.

A key focus is business. The Paper says Australia's commercial success in the region requires that highly innovative, competitive Australian firms and institutions develop collaborative relationships with others in the region. But it's not just business. All key sectors of Australia should be strengthening relationships in the region. Our educational and cultural institutions have important roles to play in this respect.

The Australian media also needs to adapt to the Asian Century. Not to put it too bluntly, the content and coverage of the region in Australia's media need to improve. As Prime Minister Gillard has commented, should our economic outlook focus endlessly on seeing Chancellor Merkel run in and out of rooms in Europe looking harried and stressed? Or should Australians be getting deeper real-time information about the region we live in? This is the responsibility of media organisations themselves. It is an important part of the whole-of-Australia approach to building links and engaging with Asia that is needed.

Last, the White Paper transcends the sterile debate about whether Australia is in Asia or not. Of course we are part of the region. The region has accepted this, evidenced not the least by our acceptance – and indeed the key role that is expected of us – in forums such as the East Asia Summit, the ASEAN Regional Forum, the expanded ASEAN Defence Ministers Meeting (ADMM+), and the Asia-Europe Meeting (ASEM).

These comments above are by no means the entirety of the White Paper's content – it runs to over 300 pages. The Paper also has much to say about many other aspects of Australia's engagement in the Asian Century, including the promotion of innovation; developing Australia's infrastructure; refining our tax system and other regulatory reforms; environmental sustainability, and building sustainable security in the region.

The White Paper and Singapore

But I want to move on to the particular significance of the White Paper to us in Singapore.

In the interest of brevity, I will make four key points.

First, the White Paper highlights the necessity of linking into regional and global value chains. There is no better single case study on the relevance of this than Singapore. Singapore is a hub, an entrepot, a link in a wider value chain. So value chains will become core business for Austrade in Singapore with a particular focus on value chains in the natural resources business and in advanced manufacturing.

Second, the White Paper recognises the role our suppliers of professional services play in the region in areas such as financial, legal and accounting services. Australian companies represented here in Singapore play crucial roles in supporting broader Australian interests, for example in providing services to Australian resources, mining, infrastructure and other interests in the region.

Third, Singapore is already a key market for Australia's education services sector. The White Paper encourages every Australian university to have a presence in Asia. Of course many of our universities already have a strong presence in Singapore – I will be working to expand this presence.

Fourth, the Australian Government announced as part of the White Paper package that it will fund a new Asian Century Business Engagement Plan. One of the goals of the Plan will be to help chambers of commerce (such as AustCham) to help Australian companies access business networks and develop new relationships with partners in Asia. Guidelines for these grants should be out early next year, so I look forward to seeing AustCham's application to access this new initiative.

My work in Singapore

That's the backdrop. So how am I going to approach my work here?

In two words: with energy. This role is a scrumptious feast for me, a range of delicious opportunities, to be voraciously devoured. I have plenty of energy, and my professional background shows that I'm not afraid of hard work.

I'll be focussed on business. That's why I'm here today, giving my first address in Singapore to Australia's business community. Beyond that, I will be keeping up the tradition of hosting AustCham's High Commissioner Breakfast Series. And, I am pleased to announce today that I will be establishing a new forum to allow me to engage directly with Australian business in a regular, frank and collegiate way. I am proposing that we meet once a quarter, for a closed door session on what we are doing right in Singapore and what we are not.

I'm here to listen: to your views on doing business here in Singapore; to how the Australian government can better work with you; to how Australia can improve its status. I am very aware that this room is full of people who know a thing or two about Singapore; and a thing or two about doing business here. I'm keen to tap that collective wisdom to strengthen the role I play.

I'm looking for a "joined-up" approach. That is, I want to see the High Commission work together with business and the broader Australian community. One advantage that comes with my job is that I come into contact with many parts of the bilateral relationship – trade, investment, security, education, tourism, cultural ... Through this exposure I am able to see potential linkages between different parts of the bilateral relationship. I want to draw on this knowledge and use it to help Australian businesses working in the region.

I'm keen to engage publicly in Singapore and deepen the impact and quality of our public diplomacy. I've already done my first interviews, and I'm looking forward to getting out more in the media. We are developing a digital strategy for the High Commission. We see real advantages in using e-diplomacy including a presence in social media, leveraging off Singapore's position as one of the most digitally connected countries in the world. To maximise our impact, I'll also look to tap into your work here, and your knowledge about the best ways to use new media to get a message across.

Finally, I feel strongly that we at the High Commission – and may I say in the broader community – need to brand ourselves high. Singapore has moved up the global scale, and its sense of what is impressive or classy has become elevated. Given this, I’m especially keen to always present Australia as sophisticated, thoughtful, outward looking, informed, and engaged in the region.

The Australia-Singapore relationship

Finally, I’d like to say a few words about the Australia-Singapore relationship.

It is in very good shape.

My objective here in Singapore as High Commissioner is to make a very good relationship even better. Given the maturity of the relationship, this is not an easy task. There are great relationships between our leaders and our senior ministers. There is a thriving trading relationship – with Singapore our fifth largest trading partner. We have a defence relationship of unparalleled closeness in the region. Education links are massive, with over 100,000 Singaporeans having studied at Australian institutions and many partnerships established between Australian and Singaporean universities. Tourism links are huge – with 960,000 Australians visiting Singapore (not just transiting through Changi Airport) each year.

So it will take an effort of creativity and effective implementation to find more to do together. But I am ambitious enough to do that.

I’ll be looking to engage more deeply with Singapore in any profitable field – this deep engagement with Asia is one of the White Paper’s key messages. So long as there is benefit to Australia, I will be keen to engage.

In doing so I’m conscious there is a lot we can learn from Singapore. Be it in public policy planning, managing strategic relationships, or building key infrastructure, Singapore has got its act together in many ways. We need to be big enough to accept that, and to profit from it. Sometimes, learning from Singapore can be hard – Singapore is tough-minded about generating success, and some Australians say “Singapore could do that, but it’s not for us”. I think it is worth the effort.

We also need to recognise the realities of a changing relationship. It is now a mature relationship – and one to which we both come with impressive skills.

And it’s more complex. In business, it is less about selling things to each other, more about a complex, web-like structure in which both countries are part of regional value chains and the circulation of expertise rather than any linear relationship. It is not what we sell or buy from Singapore – but more about how we work with Singapore in the region.

My assessment is that these links are in pretty good shape now.

So I'm looking to continue my engagement with the extensive Australian business community: to listen, to leverage and to showcase Australian business; and to deepening the relationship and reminding Singapore of the role Australia and its nationals play in this Asian century.

I look forward to your partnership in that effort.

* * *