



Speech by

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“Japan and Australia: an enduring partnership”

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Introduction

Thank you for that kind introduction.

I also thank Ambassador Satoh, the President of the Japan Institute of International Affairs.

It is a great pleasure to be in Tokyo again and to have the opportunity to make some remarks at this distinguished venue.

This is my fourth visit to Japan this year. I welcome this opportunity to engage with our Japanese friends and colleagues as we take forward the partnership between our two nations.

Our relationship, built on a long term economic partnership, is importantly underpinned by shared values, intersecting interests and common approaches to international security challenges.

It is a relationship of increasing strategic importance to both countries.

Today Australia's Minister for Defence, Joel Fitzgibbon, and I will join our Japanese counterparts for the Australia-Japan Joint Foreign and Defence Ministerial Consultations, the so-called 2+2 meeting.

This strategic dialogue is of great significance to Australia and Japan.

It is the only formal 2+2 Foreign and Defence Strategic Dialogue that Australia has in Asia. It is one of only three that we have world-wide, the others being with the United States and the United Kingdom.

This Australia-Japan 2+2 meeting builds on our shared perspectives of regional and global security.

It also reflects the deep partnership of mutual respect, trust and friendship built up between our countries, with a history of successful security cooperation.

Such a meeting could only take place in the closest of relationships. The 2+2 highlights the reality that Australia and Japan are firm friends, close partners and key players in addressing regional and global security challenges.

I wish to focus today on Australia's view of our enduring partnership with Japan and why we regard it, now and into the future, as a comprehensive strategic, security and economic partnership.

The foundations

The Australian Government's first year has been an intensive one, and diplomacy has been at the heart of our efforts to strengthen Australia's international engagement.

That engagement is directed towards the effective pursuit of Australia's regional priorities and our global interests.

Our Prime Minister, Mr Rudd, noted in Australia's inaugural National Security Statement on 4 December, that Australia is pursuing an

“activist diplomatic strategy aimed at keeping our region peaceful and prosperous”.

A key pillar of our foreign policy is our relations with the Asia-Pacific region.

Central to this enhanced Australian regional engagement is our partnership with Japan.

Our bilateral relationship is an enduring and mature one. We have a long history of cooperation, embracing security issues as well as well-established economic links.

We have common interests in maintaining a stable, prosperous and open Asia-Pacific. These interests, and our common democratic values and virtues, have forged close bonds between the Australian and Japanese people.

Our students and businesspeople have been driving this interaction in a practical way. In 2007, nearly 90,000 Japanese went to Australia for education purposes. About 16,000 of these are Japanese students who are studying full time in Australia.

Japanese has long been the most studied foreign language in Australia.

Australia recognises that our prosperity and security are shaped by our relations with the countries of the Asia Pacific region.

Those relations will be built and sustained by increasing numbers of Australians who can speak an Asian language and who can operate and build links in Asian societies.

In recognition of this, the Australian Government this year committed \$62 million to the teaching of Asian languages in Australia.

The Australian and Japanese business communities have led the way in forging links between our countries. Our commercial partnership has flourished over recent decades and brought our people closer together.

Japan has been Australia's largest export market for more than 40 years.

Australia is a reliable and stable long-term supplier of food, energy and resources to Japan. This will underpin our relationship even as international competition in these markets increases.

Japanese direct investment continues to play a key role in the development of many of Australia's export industries.

Australia is one of the largest recipients of offshore investment by Japanese mutual funds. Similarly, Japan is one of the largest destinations for Australian investment abroad.

Our trade relationship has transcended the bilateral to become regional in nature. Companies from both countries operate and invest in third-country supply and manufacturing networks.

Both Governments recognise that our complementary and growing trade and investment relationship in energy and mineral resources such as iron ore, coal, liquefied natural gas and uranium is also of strategic importance.

Australia and Japan understand the crucial importance of stable and secure supply of resources. The Australian Government is enhancing our infrastructure to boost our energy and minerals exports.

Australia and Japan are committed to building on this history of successful cooperation. We believe we can take our economic relations to a higher level.

We are actively pursuing a comprehensive Free Trade Agreement.

We have held four negotiating rounds this year and we have another scheduled for early 2009. We have made good progress but, naturally, there are sensitivities that need to be carefully addressed.

Our commitment to an FTA with Japan reflects our conviction that the economic relationship can be further developed to our mutual benefit. A comprehensive FTA would bolster trade and investment and strengthen the economies of both countries.

The Asia-Pacific Century

Australia has important, but different, relationships with the great and emerging powers of the Asia-Pacific region.

The importance of those relationships derives from the mutual interests they embrace. The differences between them are defined by their history, their scope, their intensity and the shared values on which they are based.

We have an alliance relationship with the United States that is of central and indispensable importance to our national security and economic interests.

Our comprehensive partnership with Japan is built on common values, shared strategic priorities and vital economic links.

We have an important and growing relationship with China that is founded on critical areas of economic complementarity and shared regional interests.

We have an engagement with India that we are committed to taking to the front rank of Australia's bilateral relationships and that is established on strong historical ties, shared economic interests and significant regional links.

We also have important and expanding relationships with the Republic of Korea, with Indonesia, with the other countries of ASEAN and with the countries of the South Pacific.

The depth and intensity, in particular, of the modern Australia-Japan relationship is a significant asset for both countries, and will serve each of us well as we advance into "the Asia-Pacific century".

This new era is marked by an inexorable shift in global economic and strategic influence to the Asia Pacific.

Within Asia we have the world's two most populous countries, China and India; two of the top three economies, Japan and China; the largest democracy in the world, India; and the

country with the largest Muslim population in the world, Indonesia.

By 2020, Asia will account for around 45 per cent of global GDP, one-third of global trade, and more than half of the increase in global energy consumption.

By 2020, 56 per cent of the world's nearly 8 billion people will live in Asia.

These rapid changes, however, are not just economic or demographic. The global strategic balance is changing.

Two of the world's largest military forces, China and India, are in Asia.

With this growing economic and strategic influence comes an expectation of, and the actual exercise of, greater political influence.

The continuing rise of China and the emergence of India will accentuate these trends.

Transnational challenges

As this Asia Pacific era takes shape we are confronting problems that cannot be effectively addressed by individual nation states acting in isolation.

Today, climate change, the global financial crisis, weapons proliferation, terrorism, transnational crime, environmental degradation, energy security, health pandemics, people movement, poverty and inequality all affect global and regional stability.

In our first year in office, the Australian Government has looked afresh at our strategic and national security challenges and how to respond to them.

The Prime Minister's National Security Statement two weeks ago sets out how we intend to adapt and respond to these challenges.

We recognise that the challenges of globalisation demand a committed and active bilateral, regional and multilateral strategic engagement from Australia.

In each of these spheres we regard Japan as a key strategic, security and economic partner.

Australia and Japan are committed to cooperating on climate change and reducing greenhouse gas emissions, as Prime Ministers Rudd and Fukuda stated in June 2008.

Our two countries cooperate closely through the United Nations Framework Convention on Climate Change (UNFCCC), particularly in the ‘Umbrella Group’, as well as the Asia Pacific Partnership for Clean Development and Climate (APP), APEC and the East Asia Summit.

We applaud Japan making climate change a central theme during its G8 Presidency in 2008, and support the G8’s goal to commit to 20 large-scale Carbon Capture and Storage (CCS) demonstration projects globally by 2010 with a view to beginning broad deployment by 2020.

The strategic relationship

Prime Minister Aso recently described the Australia-Japan relationship as reaching the most productive time in its history.

It is the increasing scope and depth of our strategic relationship that really bears out Prime Minister Aso’s judgment.

As economically advanced democracies, we share important common ground on today's key global challenges.

Last year, we signed the Japan-Australia Joint Declaration on Security Cooperation, which was the first such document Japan has signed with any country other than the United States.

The Declaration affirmed our growing strategic partnership and set out an Action Plan to take forward practical measures that enhance our partnership.

It facilitates Australia-Japan cooperation in contributing to regional and global peace and stability.

The Joint Declaration also established the "2+2" meeting between our Foreign and Defence Ministers, the second meeting of which will be taking place in Tokyo today.

Australia and Japan have cooperated effectively on the ground most recently in Iraq, but before that in East Timor and Cambodia.

An important part of our ongoing security cooperation will be maintaining some of the interoperability that we achieved during these operations.

Good progress has been made since the signing of the Joint Declaration, including under our Memorandum on Defence Exchange.

The visit of Japanese P3-C aircraft to Australia and the participation of the Japanese Maritime Self Defence Force in *Exercise Kakadu* off the northern Australian coast this year were important in expanding our practical defence engagement.

Defence Minister Fitzgibbon and I look forward to strengthening this engagement through our talks this afternoon.

Trilateral Security cooperation

Australia's cooperation with Japan in the Asia-Pacific region is strengthened by the fact that we are both allies of the United States.

Australia's alliance with the United States remains the bedrock of our foreign and security policy.

Both Australia and Japan understand the importance of the continuing presence and engagement of the United States in the Asia-Pacific region.

Our alliance relationships with the United States enhance our own security and contribute to the stability of the Asia-Pacific region generally.

Strengthened bilateral cooperation between Australia and Japan in turn enhances our respective relationships with the United States, including through our security and defence cooperation under the Trilateral Strategic Dialogue.

Former Foreign Minister Koumura and I joined Secretary of State Rice for the Ministerial meeting of the Trilateral Strategic Dialogue in Kyoto in June.

We decided then to jointly develop arrangements to exchange information that will ensure the best use of assets and other resources in preparing for and responding to natural disasters and other humanitarian emergencies in the region.

Regional Security: a shared approach

The Japan-Australia Joint Declaration on Security Cooperation provides a framework for us to work together on common global and regional security challenges.

Our region still contains potential security flashpoints, where political miscalculation or adventurism could have dramatically adverse consequences for Japan, Australia and our region as a whole.

Both our countries are committed to easing tension and finding cooperative means to resolve ongoing disagreements.

The recent agreement between Japan and China to cooperate in contested areas of the East China Sea is a good example of this approach.

Australia warmly welcomes this dimension of the improved relations between Japan and China.

While significant political disagreements remain unresolved, Australia also welcomes recent progress towards better relations across the Taiwan Strait.

Australia strongly supports international efforts to encourage North Korea to denuclearise.

We work closely with Japan, the United States, the Republic of Korea and others in support of the Six Party talks.

We look forward to continuing our close cooperation with Japan on resolving the North Korean nuclear problem. We also strongly support Japan's call for a full accounting of the fate of Japanese citizens abducted by North Korea.

Australia places high importance on our cooperation with Japan in wider efforts to promote nuclear non proliferation and disarmament.

This year Australia and Japan established the International Commission on Nuclear Non-proliferation and Disarmament.

The Commission is co-chaired by Ms Yoriko Kawaguchi, a former Japanese Environment Minister and Foreign Minister, and Mr Gareth Evans, a former Australian Foreign Minister.

Both bring a wealth of experience to the Commission.

The Commission, which held its inaugural meeting in Sydney in October, has received strong international support. It is reinvigorating global efforts to prevent the proliferation of nuclear weapons and to seek a recommitment to the ultimate goal of a nuclear weapon-free world.

By establishing the Commission, Australia and Japan are making a positive contribution to the prospects for a successful Nuclear Non-Proliferation Treaty Review Conference in 2010.

Terrorism also continues to threaten global security. The appalling attacks in Mumbai were a horrifying reminder of that reality.

Australia is firmly committed to the fight against international terrorism.

Afghanistan, and the border areas of Pakistan, remain crucial to that effort. Failure there will have serious adverse consequence for the region, and for the wider international community.

In this context, Australia welcomes Japan's recent decision to continue naval refuelling activities in the Indian Ocean. The decision is an important step in support of international operations in Afghanistan.

Australian has made clear that it is committed to contributing to international efforts in Afghanistan for the long-haul.

We recognise that those efforts cannot be military alone, and that collectively we need to pursue a comprehensive strategy

that addresses not only security but governance, economic development, genuine reconciliation and capacity-building as well.

Australia has around 1100 defence force personnel deployed in Afghanistan. They are engaged in vital security and reconstruction tasks. We have also provided more than \$600 million in aid and reconstruction assistance since 2001.

We are also increasingly focused on ways to assist Pakistan deal with the threat posed by Islamist extremists.

Australia is stepping up its engagement with Pakistan across a range of areas and is supporting health and education initiatives, good governance, counter-radicalisation and counter-terrorism.

Like Japan, we are a member of the Friends of Democratic Pakistan Group which will support Pakistan in addressing its internal challenges.

Japan has made a very strong contribution to these efforts, particularly through its economic assistance along the Afghan-Pakistan border.

We also welcome Japan's contribution to Iraq's reconstruction and recovery. For our part, Australia is supporting progress towards these goals through our provision of humanitarian relief, reconstruction and capacity building in areas that include agriculture and law enforcement.

Closer to home, Japan and Australia are working together to promote stability and economic development in the Pacific Island countries.

Japan makes a strong contribution to the development of the Pacific Island countries, both as a major aid donor and as a regional partner with Australia in support of good governance.

Together, we can do much to assist the nation building and development efforts of countries like Solomon Islands and East Timor.

The Australian Government has achieved much in its first year to develop a new approach based on mutual respect and mutual responsibility in our relations with our Pacific neighbours.

Prime Minister Rudd's Port Moresby Declaration on 6 March, welcomed by Japan, outlined a new vision for Australia's engagement in the region.

Australia is committed, in particular, to helping our Pacific neighbours through our Pacific Partnerships for Development. These Partnerships will build economic capacity in the Pacific and help our neighbours achieve progress towards the Millennium Development Goals.

Working to strengthen multilateralism

Many of the most imposing problems we face in the world today require genuinely global cooperation.

Australia shares with Japan a firm belief that, in facing complex global challenges, the work we can do in the multilateral system and through the United Nations is vital.

The Australian Government has worked in its first year in office to ensure that Australia plays a much more active multilateral role, including in the United Nations.

The United Nations, however, needs reform to be more effective. The UN Security Council needs to better reflect the modern world and the emerging realities of global power and influence.

Australia supported Japan's successful bid for a non-permanent Security Council seat in 2009 and we will continue to support a permanent seat for Japan on a reformed Security Council.

Australia is itself seeking election to the Security Council as a non-permanent member for the 2013-14 term.

Australia has much to contribute to the Security Council. We bring unique perspectives, creativity, energy and a practical problem-solving ethos.

We also bring a wealth of experience in peace-keeping, conflict prevention and peace-building.

Much of Australia's multilateral diplomacy is also aimed at strengthening stability in the Asia-Pacific region.

That is why Australia, like Japan, contributes actively and constructively in regional bodies such as APEC, the ASEAN Regional Forum and the East Asia Summit.

Australia believes that now is the time for regional countries to focus on and to think carefully about how regional architecture in the Asia-Pacific should develop to best address economic and strategic challenges into the future.

Australia has developed some broad ideas underpinning the evolution of an Asia-Pacific Community by 2020, and we have initiated constructive dialogues across the region on the most effective institutional architecture to meet the challenges we face.

Australia and Japan have a history of working together to develop and build the regional architecture which is fundamental to regional peace and prosperity.

APEC, established nearly 20 years ago with the active engagement of Australian and Japanese diplomacy, is a clear example of this. We are partners in APEC's ongoing work and we look forward to Japan's chairmanship in 2010.

APEC has evolved into a powerful and influential economic forum, representing economies that account for over half the world's Gross Domestic Product.

In that context, it was important that APEC Ministers in Lima called for greater urgency in finalising the Doha trade negotiations.

APEC reflected the highly successful G20 Leaders' meeting in Washington last month to galvanise practical internationally coordinated responses to the global financial crisis.

This global crisis poses difficult challenges for us all. The G20 Leaders meeting was the vital multilateral response and demonstrated the capacity of the G20 to provide effective global leadership to these unprecedented challenges.

The G20 Action Plan for the reform of financial markets provides critical benchmarks for progress out of the crisis.

Importantly for both Australia and Japan, G20 Leaders recognised that we must not allow unprecedented challenges to the global economy to threaten one of the key drivers of global economic prosperity - the liberal international trading system.

With nine of the G20 countries in APEC and with 6 of the G20 countries coming from our region (Australia, China, India, Indonesia, Japan and Korea), the Asia-Pacific is well placed to ensure that its voice is heard as the G20 countries continue to respond effectively to the international financial crisis.

The East Asia Summit Leaders' meeting early next year will be another opportunity for a regional discussion in advance of the G20 Summit scheduled for London in April.

Conclusion

Japan and Australia are natural partners, globally and in the Asia-Pacific Region.

We share a vision of a cooperative and more integrated region. We are committed to developing and strengthening our partnership to respond effectively to global challenges.

In a changing world, both Japan and Australia have a fundamental interest in sustaining an open, prosperous and secure global and regional environment.

That is why Australia sees building an even stronger and broader partnership with Japan as a bilateral and regional priority of the highest order.

Thank you.