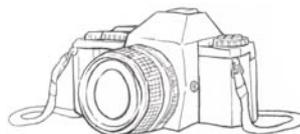


Bob Day

A columnist with one of the national daily papers was visiting his photographer friend. "These are great photographs," said the columnist, "you must have a really good camera." "I have," said the photographer, "and by the way, I've just finished reading your latest column. It's very good. You must have a good typewriter."



Australia has much to offer to the world. Despite our youth we have become one of the most stable and prosperous nations on earth.

Following the arrival of the First Fleet and establishment as a British penal settlement in 1788, Australia was progressively settled over the next half century with the founding of separate colonies. While many still arrived as convicts other migrants from across the globe flocked to our shores, some in search of gold and others in search of a new life. For all the hardships of our early years, and the conflicts that marked our early history, we rose to the occasion and formed a nation and established an open, democratic and inclusive society in which all people are equal before the law. It is not a perfect society by any means, however its comparative advantages over other nations are so great that millions would move here in an instant given half the chance.

Australia did not become this way by accident. We owe much of the stability and security we experience today to the systems of governance and law we inherited from the British, and the Christian heritage that was our moral compass.

Strong public institutions, a free press and the absence of corruption has provided Australians with a much greater sense of confidence and security in their lives than most others in the world experience.

Australia, by virtue of its political stability, resources and influence is uniquely placed to contribute to peace and stability and to foster the development of many of the world's poorest nations.

Increasingly, Australia is being looked to by those in the Asia Pacific rim for assistance in quelling civil strife and rendering humanitarian assistance. The Solomon Islands and East Timor are examples where Australian troops have been called to perform the lead peace-keeping role.

On the humanitarian front, there was an extraordinary outpouring of support from the Australian people in response to the Boxing Day Tsunami of 2004. This calamity, with an epi-centre in the Indian Ocean off the coast of Aceh claimed hundreds of thousands of lives in Indonesia, Thailand, India, Sri Lanka and in many other countries, even as far

away as the east coast of Africa. The dimensions of the event led to Australians identifying themselves as being part of Asia in a way they had never done before. They saw these events as unfolding in their own backyard and they considered that they had a special responsibility to help. The Australian government made Indonesia a special focus of its attention, announcing a \$1bn program to assist Indonesia in the rebuilding process. Australian citizens followed suit with private and corporate donations estimated at more than \$200 million.

In economic terms, Australia is the largest economy in the neighbourhood with a size slightly greater than that of Indonesia, Thailand, Papua New Guinea and Malaysia combined¹. The economic influence of Australia in our region cannot be underestimated and the needs of poorer nations around us cannot be ignored. We are, without doubt, a rich kid in a poor neighbourhood.

The question of how Australia can best use its influence to help fight terrorism, restore civil order and eradicate poverty and disease throughout the world is challenging, however, as with tackling any great challenge it is essential to first understand your strengths and apply them to the task.

The War on Terrorism

Australia's commitment to stand with the United States and United Kingdom in fighting terror was unequivocally the right thing to do. Terrorism is a direct threat to free society and must be resisted. While the relative size of the Australian Defence Force limits our capacity to make deployments on the scale our major allies have made in Iraq and Afghanistan, it is important that Australia makes commitments in these areas to the extent that our capacity allows.

Just as Americans and Britons have experienced acts of terrorism on their home soil, Australians have been the target of suicide bombings in one of their favourite holiday destinations, Bali. These perverse events in Bali, London, New York, Madrid and elsewhere, through which the lives of thousands of innocents have been lost, are the work of people whose ideology transcends national borders. The locations at which

these acts of terrorism occur are simply the crime scenes - the planning, funding and recruitment that made them so, happened far away in other countries, on other continents.

It will never be possible to fight terrorism against a globally mobile and internationally networked foe while being confined within our own national walls. There can be no haven for terrorists if the right of individuals to live and freedom and peace is to be preserved.

Regional Security

Approximately half the 4,000 Australian troops currently deployed overseas are serving in our own region.

In East Timor the focus of the Australian Defence Force was to facilitate the evacuation of Australian and other foreign nationals if and when necessary, to stabilise the situation and facilitate the concentration of the various conflicting groups into safe and secure locations thereby creating a secure environment so that discussions to resolve the crisis can occur.

The record of Australian involvement in peacemaking and peacekeeping activities of this kind is exceptional and will, no doubt, be an important and ongoing aspect of our involvement in the region as these fledgling democracies come to terms with the challenges of self government.

Development of Civil Order and Democracy

As a mature and stable democratic society, Australia also has an important part to play in our region in assisting developing nations to establish the institutions and systems necessary to found effective government.

The foundation for the development of any nation rests on its capacity to effectively self-govern. If civil order cannot be guaranteed there can be no progress in commerce,

infrastructure, health or education. If corruption flourishes, there is no hope of significant economic development and citizens will continue to live in poverty. If there is no confidence in the systems of law and justice to uphold the rights of citizens and corporations then the climate for building infrastructure and attracting investment does not materialise.

In a recent UN report entitled, *“The Future Within Reach”*, it was found that no developing nation in the Asia Pacific region is on track to meet the United Nation’s Millennium Development Goals (MDGs) by the target date of 2015. This, the Report said, was due, among other things, to inefficiency, corruption and/or political barriers. This finding emphasises both the enormous scale of the problem and the scope of the opportunity for Australia constructively to contribute to the development of nations in our region. In response to the report Mr Kim Hak-Su, Executive Secretary of the UN Economic and Social Commission for Asia and the Pacific pointed to the fact that two-thirds of the world’s poor are in the Asia Pacific region and that in some of these countries there is a lack of even basic infrastructure.

The capability of Australia in many of the areas where developing nations are deficient is well established. We have a valuable part to play in working alongside developing nations to assist in their journey toward stable government and economic growth. Already many Australians participate in this process by using their skills, experience and knowledge in assignments abroad with Australian Volunteers and other development non-government organisations (NGO’s). Australians are good at building schools, clinics, farming and water initiatives. Support for teams of young Australians endeavouring to pursue ‘adventure with purpose’ should be encouraged.

However, there is room for a wider and more comprehensive involvement in development and nation-building activities in our international neighbourhood and we need to be enthusiastically encouraging Australians who desire to do so, to be part of the search for positive solutions.

Trade, Aid and Poverty Reduction

When it comes to tackling poverty head-on and eradicating entrenched disadvantage, it is going to take a lot more than a few rock concerts and public demonstrations to 'make poverty history.'

So great is global poverty that the United Nations estimates that nearly three billion people live on less than US\$2 per day and more than a billion people entered the 21st century unable to read a book or sign their names. Tens of thousands die each day from poverty related illness and despite summits, conferences, strategies and the commitment of vast sums of money in aid little has changed for the world's most impoverished people.

While aid and relief payments from donor countries are, and will remain, important mechanisms for funding health, education, housing and development initiatives they will not, by themselves, lead to the fundamental social and economic changes necessary to lift people out of poverty. The primary focus for Australia must be on the sustainable relief of poverty and whilst this can be best achieved through trade and stable institutions, I believe Australia should set a target of committing 1% of GDP to foreign aid.

In a study of 73 developing countries which included China, India, Brazil, Mexico, Malaysia and the Philippines it was found that those increasing their openness to trade grew, on average, faster than those that did not and in fact, grew faster than most rich countries². Annual incomes in these countries grew by an average of 5 per cent in the 1990s, which was significantly higher than in previous decades, even though they had reduced tariffs by an average of 34% since 1980. By comparison, economies that did not reduce tariffs experienced a lower average annual income growth of just 1.4%. In connection with the sustainable relief of poverty, the difference is even more striking. Between 1993 and 1998 the percentage of people in absolute poverty in countries that opened themselves up to trade decreased by 14%. In countries that did not, absolute poverty *increased* by 4% over the same period.

Trade is however, a two way street and just as it is important that developing nations take down their tariff barriers and enter the global market, it is equally important that

developed nations do the same. Former Secretary General of the United Nations, Kofi Annan has been strident in his view that no single change could make a greater contribution to eliminating poverty than fully opening up the markets of prosperous countries to the goods produced by poor ones.

Despite the comments of Kofi Annan, many affluent nations strenuously protect the markets or their producers through the imposition of tariffs or the payments of subsidies. In the case of the European Union, subsidies are paid to farmers totalling more than 40bn Euros (A\$50bn) a year in order to protect their place in the market. Not only does this distort global trade and lead to overproduction, it hurts poor farmers in Africa as they contend with subsidised produce from Europe being dumped into markets in their own backyard.

At the same time, the European Union is an aid donor to Africa, providing around 15bn Euros (A\$20bn) a year. One suspects that making aid payments is an easier option for the European Union than dealing with the inefficiencies in their agricultural industries. The problem is, it is the poor who suffer. Removing subsidies and allowing those in the developing world access to European markets would much better serve the cause of poverty reduction. Developing countries *will* export. If they are not permitted to export their goods and services then they will export their people. The West has a choice – take the developing world's goods or end up taking its people.

Since 2003 Australia has granted duty and quota free access to many of the least developed countries. While this has been positive development it should be just the start. We need to be bold in embracing a free market, confident in our own ability to remain competitive and determined to give developing nations a go by allowing access to our markets.

Global Impact

Australia is a rich land in so many ways.

Our economic wealth is vast and largely untapped and the capacity of our people is still to be fully realised. We are blessed with strong institutions in Politics, Business, Military, Judiciary, Academia, Media and the Church. These institutions offer us the stability and assurance to plan for the future.

There is so much that we have to offer the world.

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- ¹ World Development Indicators Database, Total GNI 2004-Atlas Method, World Bank, 2006
- ² Trade, Development and Poverty Reduction, Dept of Foreign Affairs & Trade Fact Sheet, 2006