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(Acknowledgments omitted)

Labor's foreign policy is founded on the belief that we deal with the world as it is and we seek to change it for the better. We are an independent multicultural nation, confident of our place in the world. We reflect this in the assertion of our interests and our advocacy of our values.

We know what we stand for: compassion, equality and fairness, promoting and protecting democracy, free speech, the protection of rights – including freedom from intimidation. These values are given expression in the principle of the rule of law and are grounded in our belief that all people have value and dignity by virtue of our shared humanity.

We know what our interests are: the security of the nation and its people; the prosperity of the nation and its people; the strategic stability of our region anchored in the rule of law; and constructive internationalism.

And we know who we are – an inclusive diverse nation which can draw strength and pride from the waves of immigrants who have come to this continent, and from our First Peoples.

Our diversity and multiculturalism are integral to Australia's contemporary identity. These attributes constitute one of our greatest strengths. We must continue to guard against allowing the racial fault lines from our past to resonate today. Doing so would have consequences for our national cohesion and national identity, and also diminish our national power and influence.

These elements – our values, interests and identity – underpin the way we understand, prosecute and advance our foreign policy.

As Bill Shorten said yesterday – our foreign policy should speak to who we are, for the confidence we have in ourselves, for the values we believe in, and to the region and world in which we want to live.

Since becoming Labor's foreign affairs spokesperson I have spoken at length about the disruption which distinguishes today's global operating environment.

The disruption we face is driven by structural, economic and strategic dynamics. These include the shift in global economic weight to Asia and, in particular, changes in the relative weight of the US, China and major powers, and the way in which that economic power is being refocused and reorganised.

It includes increasingly competitive strategic dynamics, evinced by the current narrative and certain policy settings of the Trump Administration, as well as China's own narrative as to its place in the world, particularly in our region, and its increased assertiveness in its prosecution of its interests.

We see it in the increased competition in our region and in the presence of more players in the Pacific. In the continuing trade conflict between the US and China. In the disdain evinced for various aspects of the existing rules-based order, and for the norms, principles and institutions of multilateralism.

Disruption abounds. Easy assumptions and past practice are now of limited utility. And inconsistency, ill-discipline and passivity are now more risky.

Labor both recognises and accepts the responsibility of these times. That is why we have used this period in Opposition to carefully assess the global and regional operating environment, and to undertake the intellectual task of framing our approach.

My opening articulation of our interests and our values sets out the high-level architecture of Labor's frame.

Labor's purpose is to take the world as it is and seek to change it for the better.

And Labor's resolve is for Australia to both maximise the opportunity and manage the risks of the world in which we live.

Today I want to set out some of the practical measures we will take in government to enable the prosecution of these objectives.

But first, a point about discipline and a point about motivation.

In uncertain times the imperative of good government intensifies. Perhaps nowhere is this more so than in the field of national security and foreign policy. In these domains, clarity of purpose and discipline are always necessary.

The recent decision by Mr. Morrison to hastily alter longstanding bipartisan foreign policy positions for patently domestic political objectives was, put simply, irresponsible.

It was an ill disciplined announcement taken without proper consideration and management of consequence or risk.

It was a poorly motivated announcement, intended to send a domestic political signal with little regard for foreign policy consequence.

Perhaps nothing demonstrated this more than the evidence at last week's Defence Estimates that ADF commanders were notified of the decision after media had been briefed.

The government's lack of discipline has also been evident in the inconsistency of public statements by Coalition ministers in relation to China over this last year. Lurching between describing China as a greater threat than terrorism, and incorrectly suggesting that certain behaviours in the South China Sea are only a matter for China does not earn Australia respect or articulate our national interests.

A Shorten Labor Government will bring greater clarity of purpose and discipline to foreign policy. As Bill Shorten said yesterday foreign policy should be shaped by our national interest – first, second and third.

Future Asia

One of the four national interests we have articulated is a stable co-operative strategic system in our region anchored in the rule of law.

Australia wants a region which retains a system of institutions, rules and norms to guide behaviour, to enable collective action and to resolve disputes. A region in which those seeking to make or shape the rules do so through negotiation not imposition. A region with an open trading system and investment transparency to maximise opportunity. A region where outcomes are not determined only by power.

Central to achieving this are closer ties with our region.

This reflects a longstanding Labor view – from Prime Minister Whitlam through Hawke, Keating, Rudd and Gillard: spanning recognition of China, to the establishment of APEC, to a White Paper which recognised the need to shape domestic policy to meet the opportunity and challenges of the Asian century.

Labor's FutureAsia plan, launched last year, continues this tradition – a framework that recognises our future prosperity depends on improved capability at home and greater engagement and collaboration abroad. It's a comprehensive and confident plan for advancing Australia's national interests and contributing to the prosperity, stability and security of the region.

Through FutureAsia, a Shorten Labor government will achieve a step change in our relations with Asia. Not tinkering, not gradualism, but a fundamental whole-of-government, indeed whole-of-nation, effort to deepen and broaden our engagement with the Indo-Pacific.

To date, we've announced initiatives that focus on improving Asia capability in business, better leveraging our diaspora communities, strengthening high-level economic engagement with Indonesia and India, including through APEC and the G20, and greater support for Southeast Asian studies.

Last week Tanya Plibersek, Chris Bowen and I announced a suite of initiatives designed to improve Asian language capability. Labor will make Asian languages and literacy a national priority. We're investing \$32 million to strengthen Asian language and literacy education in schools – including by boosting the supply of Asian language teachers, better equipping school leaders, and improving curriculum. Making Asian languages and literacy a national priority will help to give more of our children the skills they'll need – for their future and for the country.

But through FutureAsia we are not only seeking to generate greater engagement and understanding – we must also work to maximise convergence of interests, and strategic confluence around key principles. That means we need the relevant capability.

Labor recognises the need for Australia to have a more effective and capable diplomatic infrastructure. It is more important than ever that we have the capabilities and people on the ground to manage co-operative activities, strengthen engagement

and realise our national interests. In short, we need a strong diplomatic network, since diplomacy is what operationalises foreign policy.

Australia's diplomatic effort remains under-resourced for a country of our economic weight and status. While it has started to be rebuilt in recent years, we still need to invest more in our diplomatic efforts. Our footprint is still relatively light in Asia. Our embassies and high commissions in the capitals work hard to effect as wide a representation as they can, as do our smaller posts in regional centres. But they are limited in the number of staff available and the large distances that need to be covered.

I'm announcing today, under our FutureAsia plan, Labor will establish four new posts in the Indo-Pacific region. Given the growing importance of Australia's relationship with Indonesia, a new post there will be a priority. We will consult with regional partners to determine exact locations.

One of the central elements of the current disruption is the divergence of economic and military power as principal tools of strategic influence.

The government's Foreign Policy White Paper rightly highlighted the growing geo-economic competition in our region, evidenced particularly by the way that trade, investment and infrastructure development are used as instruments of strategic influence.

To advance our national interests and achieve the kind of region we want – the characteristics of which I outlined earlier, Australia will need to come to terms with and manage the consequences of geo-economic power in Asia. As DFAT has acknowledged, it needs new capabilities and additional resources to address this key development.

To continue its leadership role DFAT will need to demonstrate greater capacity to interpret economic information and apply this to its diplomatic effort. The recently established Info-Pacific Strategy and Geo-economics team in DFAT Canberra is a start. But this needs to be built on.

I am therefore also announcing today that Labor will establish a new category of geo-economic counsellor across our diplomatic network. Bangkok, Beijing, Hanoi, Jakarta, New Delhi, Tokyo and Washington will be important initial locations.

These new positions will focus on how geo-economic power manifests itself in the countries identified, on how geo-economic power is used by or in those countries, and on how to develop opportunities for Australian engagement. These will be in addition to the existing economic counsellor and Austrade positions across our network.

These geo-economic positions will play a key role in identifying improved ways of connecting and leveraging Australian private sector and civil society activities in the interests of broader foreign policy objectives.

They will also help to ensure our development, trade and diplomatic policies are integrated and that our development assistance programs across the region are visible to and coordinated with the various Australian enterprises operating there.

Our diplomatic capability, alongside our economic and military power, is fundamental to advancing our national interests. So too are our people, our institutions, and our image. Our soft power. Our identity as a diverse and multicultural nation is an important component of our soft power. The articulation of Australian identity and Australian values matters to our region. It matters to our relationships and it matters to our influence.

So Labor's FutureAsia policy also supports arts and cultural programs, and encourages exchanges, training and partnerships.

Labor will provide an additional \$4 million to expand the existing Australian Cultural Diplomacy Grants program. This additional funding will focus on Australia's cultural activities in Asia and the Pacific – helping to present to the region an accurate image of who we are. It will also support more exchanges and partnerships with arts organisations here in Australia to promote greater collaboration in both performance and production.

Pacific

We need to shift Australian mindsets from thinking about our neighbours as 'small island states' to understanding the region as 'one Blue Pacific continent', as leaders declared at the Pacific Islands Forum last year. From describing it, as some do, as *our backyard*, to thinking of the ocean continent as Australia's *front yard* – as a Pacific representative told me recently.

Development assistance will continue to be an important component of our engagement and cooperation. But our relationships should not just be seen through this prism. We will seek to develop much deeper ties and connections between our peoples. We recognise that our futures are intimately and irrevocably linked.

The Pacific will be core business for Labor. We believe in a deep and comprehensive partnership with Pacific nations. We believe Australia should be a responsible and constructive partner. We want Australia to be the natural partner of choice for Pacific nations, and we know this has to be earned.

And understand that our credibility as a constructive international actor, and as a valuable Pacific partner, depends on our commitment to climate change. You can't have a Pacific policy if you don't have a climate change policy.

The Boe Declaration, agreed at this year's leaders' meeting of the Pacific Islands Forum, recommitted member states to the Paris Agreement and recognised climate change as "the single greatest threat to the livelihoods, security and wellbeing of the peoples of the Pacific."

Unlike the Coalition, we understand the need to reflect our commitments to our Pacific neighbours in our actions.

And a climate change policy has to actually be capable of delivering reductions in Australia's emissions.

Currently we won't meet Paris targets, despite Mr. Morrison falsely claiming we can meet it 'in a canter'.

The countries of the Pacific rightly expect much more from an Australian leader.

Labour mobility is highly valued – access to Australian and New Zealand schemes is both a key comparative advantage and important to our neighbours.

Labour mobility, and the remittances it generates, will remain an important element in regional economic development. Income streams from migrant Pacific workers in OECD countries contribute 83 per cent of the Pacific's GDP, according to a 2016 study by Stephen Howes.

Labour mobility provides mutual benefit to Australia too. Pacific seasonal workers contribute substantially to the success and long-term viability of Australia's agricultural sector, including through complementing and supplementing the workforce in regions where labour shortages occur.

That's why a Shorten Labor Government will seek to build on the Seasonal Workers Program.

Australia's economy benefits from the availability of Pacific workers. And our society benefits from the connections with Pacific communities.

So it's deeply concerning this policy appears to have been at play in National Party leadership games.

Thus far Foreign Minister Payne has succeeded in maintaining the integrity of the Pacific schemes. She has my support in doing so.

I'd encourage Mr. Morrison not to repeat recent errors in putting short term domestic politics ahead of the national interest.

Quality infrastructure is also key to the economic development and future prosperity of the region and many of our neighbours have substantial unmet need. In particular there is a requirement for roads, water supply, education and health facilities, and critical infrastructure including ports, energy infrastructure, and ICT.

Although Australia remains, by far, the biggest aid donor to the Pacific, and has a substantial program of infrastructure support, since coming to power, the Abbott, Turnbull and Morrison Governments have cut well over \$11 billion from Australia's aid budget.

Our neighbours who need assistance to develop the infrastructure they require are increasingly looking to others to meet their needs.

Many nations are stepping up and playing an increasing role in the region.

Australia needs to demonstrate greater leadership and play our part in ensuring a stable and prosperous region.

We gave bipartisan support to Australia's decision to fund improved internet access and connectivity in Papua New Guinea and Solomon Islands by supporting the construction of undersea high speed telecommunications cables.

But this was funded at the expense of bilateral aid programs with Indonesia and Cambodia. We need a more strategic and fit for purpose capability than this.

Infrastructure needs are beyond the capacity of governments to fund directly through traditional grant aid alone.

As Dame Meg Taylor noted recently, "these building blocks of growth are expensive and require long term commitments in supporting complementary institutional and policy development".

We will need to develop and utilise more innovative financing mechanisms to enable Australia to work in partnership with Pacific nations to provide them with the ability to meet their development aspirations.

That's why yesterday Bill Shorten made it clear that Labor intends to establish a government-supported infrastructure financing facility.

Beyond the funding, Australian support for Pacific infrastructure can also offer capacity building, job opportunities and training, support for governance and project

management, and technical assistance to help ensure appropriate design and financing arrangements, including climate resilience.

We would help Pacific nations ensure their infrastructure is sustainable and resilient.

The Government is currently conducting both a Soft Power Review and a separate Review of Australian Broadcasting Services in the Asia Pacific.

Broadcasting in the Asia Pacific region has the potential to reach tens of millions of people cost-effectively.

But Australian services have been cut at the same time as other countries are increasing their overseas media presence.

This doesn't just matter in terms of Australian engagement.

As Vanuatu Prime Minister said in his submission to the Broadcasting Services review, Australian services are considered to be an information lifeline for his people.

Our media and broadcasting presence has to be remedied.

So I'd encourage the current review to think outside the square and pitch up options for government.

We want to see Australian voices back in the Pacific. And more Pacific voices in Australia.

We need to both hear and listen to Pacific island perspectives.

A Shorten Labor government would work closely with our friends and other partners to help the region meet its challenges, and, just as importantly, support and create opportunities and possibilities for realising the Pacific's own vision for the Blue Pacific continent.

We will coordinate and cooperate more to better leverage our engagement towards development outcomes and help reduce transaction costs for Pacific bureaucracies.

We will do this in equal partnership with Pacific leaders and communities.

We have much to learn from our Pacific neighbours.

And as this year's APEC host, PNG's role is both symbolic and substantive. With the Chinese and Russian Presidents, the US Vice President, and Japanese Prime

Minister all in attendance, the eyes of the world will be on Port Moresby as it hosts the APEC Leaders' Summit next month.

The world's great powers, and the key economies of Asia and the Pacific coming together in our region, hosted by our nearest neighbour. It is an opportunity for PNG, not only to host such a meeting but to bring the interests of the Pacific region into greater focus.

At a time when multilateralism is in need of advocacy, it's worth pausing to consider not only the merit of the institution of APEC, but the work that it has done and will do. APEC has been a key driver of economic integration in the region. And if you look at the APEC 2018 priorities we see again the emphasis on deepening regional economic integration and connectivity. The belief that the goal of sustainable and inclusive development requires collaboration is one that underpins the rationale for APEC as institution, and it is reflected in its work.

It is a precept that needs to be reasserted once again in the face of rising nationalism and protectionism.

On the first of this month, Christine Lagarde, the IMF Managing Director, gave an important speech in Jakarta. Always an insightful speaker, her topic was '*Steer, Don't Drift: Managing Rising Risks to Keep the Global Economy on Course*'. Her message was clear: the global community needs to manage risk, step up reform and modernise the multilateral system.

Her words underline the risks of passivity and the need for clarity of purpose. I trust my contribution today makes it clear that a Shorten Labor government intends to steer not drift.

Ms Lagarde's call also reminds us of the value of co-operation and of the importance of multilateralism.

This is the constructive internationalism with which I began. A Labor tradition renewed, to realise the interests of the nation.

The establishment of APEC just under thirty years ago was a tribute to the foresight of Bob Hawke and Gareth Evans, who together saw the power of collaboration.

Labor's FutureAsia and Pacific initiatives extend this collaboration.

This is Labor's foreign policy in action – working together for better outcomes for all. Globally, in our region, and with our Pacific Island neighbours.

Authorised by Noah Carroll, ALP, Canberra.