



“REGIONAL TRENDS: AUSTRALASIA”

MR WILLIAM BLOMFIELD and MR WILL BUTLER

**AUSTRALIAN HIGH COMMISSION
SOUTH AFRICA**

SOUTH AFRICAN NATIONAL DEFENCE COLLEGE

18 May 2009

INTRODUCTION

Thank you very much for the opportunity to address this group. We at the High Commission value the opportunity to engage with the current and future leaders of South Africa’s defence forces. I would like to convey the apologies of the Deputy High Commissioner, who was to accompany me today.

I’ve been asked to provide an insight into the role of Australasia, specifically the People’s Republic of China and India, in world affairs. Naturally this will be from an Australian perspective. Quite a lot of ground to cover, so I’m sure we’ll have plenty of time for some good discussion in the second session.

SOME FAST FACTS ABOUT AUSTRALIA

I thought that I would begin my presentation today by outlining some facts about Australia – some of which may be familiar to you but some which may also surprise you

- Australia is the world’s sixth largest country in terms of land mass;
- Australia’s population is around 21 million – less than half the population of South Africa, although Australia has six times the land mass;
- between 1991 and 2006, the Australian economy experienced 15 years of growth – although the financial crisis has had a significant impact on this in recent months;
- Australia is consistently ranked as one of the most resilient and competitive economies in the world;
- Australia also ranks consistently highly in terms of measures of quality of life. For example, the average Australian male will live to be nearly 80 years old while the average Australian female can expect to live to 83 – this represents one of the longest life expectancies in the world;
- In 2005-2006, Australia exported 192 billion dollars worth of goods and services to the world – and our two largest merchandise trading partners are Japan and China;
- the United States, South Korea and Singapore make up our top 5 merchandise trading partners;
- the Australian Defence Force has around 52 000 full time personnel and 20 000 members in the Australian defence force reserves;

Indeed, military affairs is something that has recently been at the forefront of Australian minds. For two reasons:

On 25 April, Australians (and New Zealanders) celebrate Anzac Day – which is a day where Australians commemorate those who have died serving in wars for Australia. The spirit of the Anzac has also evolved to form a key part of our national identity. Our commemorations this year included a dawn service at Diamond Hill, near Cullinan – just outside of Pretoria.

The other reason has been intense public debate of late following the release of a Defence White Paper earlier this month. The White Paper outlines the collective view of all the agencies in the defence portfolio on the key national security challenges faced by Australia. The review took place over 15 months and a complete re-examination of Defence strategy, capabilities, business processes and resources in order to meet national security challenges over the next 15 to 20 years.

One of the more widely debated issues in the paper was the acknowledgment that there is increasing uncertainty in the strategic environment (including the role of China) so the White Paper seeks to better position Defence to respond to the broad range of possible conflicts and contingencies likely to impact upon Australia's future security.

But I will speak more on that later. Back to the facts about Australia:

- Australia is a proudly multi-cultural society. A quarter of Australia's population was born outside of Australia – the top five source countries were the United Kingdom, New Zealand, Italy, China and Vietnam;
- two point four (2.4) per cent of Australia's population are of Aboriginal or Torres Strait Islander descent – 20 per cent of Australia's land mass is either owned or controlled by indigenous Australians;
- and of course, it would be wrong of me to present facts about Australia without mentioning something about sport. One thing I have learned during my time in South Africa is how much friendly rivalry and good-natured competitiveness that Australians and South Africans share on the sporting field...well good-natured most of the time;
- with that in mind, I'm very pleased to say that in just over a year from now, when South Africa hosts Africa's first FIFA World Cup in June/July 2010, prospects for the Aussie senior mens soccer team, the Socceroos, ranked 27 in the world, to be one of the 32 teams competing are looking good. Fingers remain crossed of course – we have snatched defeat from the jaws of victory before. But with only one point needed from the remaining 3 or 4 games, many of my friends have already claimed some of my floor space! So one Aussie sporting fact that may surprise you is that Australia's most popular sport at a grassroots level is soccer.

Australia's system of government

Before I talk about Australia's engagement with the Asia-Pacific region I would also like to make a few remarks about Australia's system of government, which reflects the traditions and values on which our society is based.

Australia's system of government is based on the liberal democratic tradition, guarantees freedom of association and religion and promotes respect for human rights.

Australia's structures of government are reflective of both British and North American models, although are quite unique.

Australia is an independent country with Queen Elizabeth II as the Constitutional Monarch. On the advice of the government of the day the Queen appoints a Governor-General to represent her. The Governor-General acts on the advice of the elected government of the day.

Australia's first female Governor-General is Quentin Bryce. The Governor-General actually recently visited ten countries in Africa – a demonstration of Australia's commitment to enhancing its engagement with Africa, which I'll talk about later.

The Government of Australia is formed by the political party which commands a majority in the lower house (also known as the House of Assembly – or House of Reps.) in the Australian parliament.

The Prime Minister is the leader of the party which commands a majority in the House of Assembly and is the head of the Australian government.

Elections for the House of Assembly are held every three years and unlike in many countries, voting is compulsory.

There is also an upper house (known as the Senate) which acts as an important house of review.

One of the important aspects of Australia's system of government is that it is a federation – made up of six states and two territories. Indeed, modern Australia was born in 1901 when the former British colonies joined together to form the Commonwealth of Australia – and Australians are proud that our country has enjoyed 107 years of uninterrupted democratic government.

In the Australian system of government, the state governments have significant areas of responsibility, including on issues such as health care and education.

Although it is the national government which coordinates Australia's international engagement, including in relation to foreign affairs, trade and defence.

The Rudd government and its foreign policy priorities

Australia's current government has been in power since November 2007. The government is led by Prime Minister Kevin Rudd, from the Australian Labor Party (or ALP).

As I am sure some of you know, Prime Minister Rudd is a former diplomat who served in Australia's embassies in Sweden and China before entering politics.

Mr Rudd's Government, which includes Foreign Minister, Mr Stephen Smith and Minister for Defence Joel Fitzgibbon, has based its foreign policy priorities on three pillars – all of which are designed to serve Australia's global interests and our regional priorities in an interconnected way.

(1) Alliance with the United States

Firstly, the new government has underscored that our long-standing security alliance with the United States is indispensable to our foreign policy priorities.

The United States system of security alliances – including the United States-Australia alliance and the United States-Japan alliance is essential to maintaining peace and stability in the Pacific region.

The United States' role has continued to provide the stability that allows nations in our region to focus on their pursuit of economic prosperity. An ongoing presence in, and active engagement by the United States, in the Asia Pacific is essential to the future for both security and prosperity reasons.

Australia's alliance with the United States, a key pillar of Australia's foreign policy, continues to be vital to our pursuit of our regional security interests.

This alliance does not mean that, the United States and Australia will necessarily agree on everything. As you will know, it is possible to have such an alliance, while from time to time having a different view.

- for example, Australia's withdrawal of combat troops from Iraq – achieved in close consultation with our allies and the government of Iraq.
- at the same time, Australia has reaffirmed – with the United States and Afghanistan governments – Australia's military commitment to Afghanistan.

(2) Engagement with the United Nations

Secondly, Australia has traditionally been a strong supporter of the United Nations and the Rudd Australian Government has made deepening Australia's engagement with the United Nations one of its top priorities.

Australia's engagement with the United Nations has been long and active. Australia was a founding member, and we are the 13th largest contributor to the UN's budget. We've contributed to over 50 peacekeeping operations – historically in southern Africa in Namibia in the early 1990s, but also including the recent increase in our contribution to the United Nations assistance mission in Sudan – which also reflects Australia's renewed interest in developments in Africa.

Australia's renewed commitment to working through the United Nations and the broader multilateral system is demonstrated by Australia's ratification of the Kyoto protocol – which was in fact the first official act of the Rudd Government when it came into office in November 2007.

Australia participated actively at the climate change meetings in Bali in December 2007 and helped forge the Bali roadmap which launched negotiations towards a post 2012 global agreement aiming to see all countries contribute towards fighting climate change. And we're now engaged in the hard slog of negotiations.

Perhaps the clearest example of Australia's commitment to the United Nations was shown by Prime Minister Rudd recently when he announced that Australia would be a candidate for a non-permanent seat on the United Nations Security Council in the years 2013-2014.

Australia was last on the Security Council in 1985-86.

The new government has announced that Australia will seek to use its influence as a “creative middle power”.

As such, Australia is committed to helping address the serious global challenges facing today’s world, such as climate change, conflict prevention, international development, terrorism, and the proliferation of weapons of mass destruction.

The Security Council plays a critical role in addressing many of these challenges and Australia is determined to make its contribution to the future development of a robust international rules-based order that enhances security and economic well-being worldwide.

(3) Australia’s relationship with the Asia-Pacific region

The third element of Australia’s foreign policy approach is our comprehensive engagement with Asia and the Pacific.

Australia’s national security and economic well being is very closely linked to the stability, openness and prosperity of the Asia Pacific.

In the Asia Pacific, Australia would like to see:

- a continued strong United States presence;
- regional diplomatic and security mechanisms that can absorb and accommodate the different strategic and economic interests of nations such as Japan, China and India; and
- an open trading system

Australia enjoys a strong and growing network of regional partnerships in the Asia-Pacific.

I would like to draw your attention to some data concerning Australia’s trading relationships with Asia which demonstrate how important Australia’s place in the region is – these figures tend to surprise those who assume that Australia’s closest relations are with the countries of North America and Europe:

- nearly two-thirds of all Australian exports go to the Asia-Pacific region;
- of Australia’s top 15 trading partners, nine are located in Asia; and
- nearly half of all Australia’s merchandise exports are sent to the countries of north Asia.

As I said previously, Japan and China are Australia’s two largest trading partners in terms of merchandise trade. And nearly one-third of Australia’s exports go to these two countries alone.

As such, Australia’s relations with the Asia-Pacific – and in particular with China and Japan – are of key importance to us.

And another, India, is of increasing importance.

Given the focus of the presentation, I would like to say a few words about Australia’s bilateral relationships with China and India - these two important Asian countries.

And I’ll start with India.

Australia and India

Australia views India as at the heart of a truly historic global shift in economic power and influence.

India is important to Australia for many reasons.

Australia and India have strong and growing trade and investment links. Last year our bilateral merchandise trade relationship was just short of A\$11 billion (ZAR693 billion). Almost half of that bilateral merchandise trade in 2007 was with one Australian state - Western Australia. Gold, alumina, iron ore and other resource products dominate these exports. And we are negotiating a Free Trade Agreement.

And these are matched by expanding people-to-people links. In recent years, increasing numbers of Indian students have been attracted to Australia's education institutions. Enrolments from India have grown at an average annual rate of 41 per cent since 2002.

Australia's 2006 census showed that the Indian community was the ninth largest ethnic group in Australia, at over 230,000. This number will grow now that India has become Australia's largest source of skilled migrants.

And did I mention, that we both love cricket!

And Australia and India share a number of key strategic interests. Australia and India share profound values, e.g. democracy and viewpoints that guide pursuit of our common interests. Strengthening defence links, including in particular the navy, are collaborating to tackle the transnational challenges in the region, which are many.

To cite one prominent example, Australia and India are working closely together to counter terrorism in our region. The Bali bombings and other incidents have brought home to Australia the threat of terrorism in Asia and we are deeply sympathetic to India as it faces ongoing terrorist threats. Australia and India have ongoing collaboration and continue to improve 'nuts and bolts' counter-terrorism cooperation i.e. extradition and mutual assistance treaties.

The Australian Government has underlined that Afghanistan and Pakistan remain crucial in the fight against international terrorism. Taliban success in Afghanistan would have serious consequences not just for that country but for the entire region. Australia's Foreign Minister/Prime Minister recently outlined Australia's objectives in Afghanistan, with a view to achieving two things:

- to make our contribution to efforts to promote peace and security through our military role;
- but also to assist in the vital task of nation building and capacity building.

Australia currently has around 1100 troops in Afghanistan.

In this context Australia are highly conscious of the role India is playing in Afghanistan's reconstruction and welcome it. India is the fifth largest aid contributor to Afghanistan and over 3,000 Indians are working on various projects in Afghanistan.

Let me now talk to you about the other country which is the focus of this presentation, China.

Australia's relationship with China

Australia pursues constructive and friendly relations with China on the basis of mutual respect and recognition of our shared interests and our differences.

Australia's Prime Minister – who is a fluent mandarin speaker – recently visited China as part of a major overseas working visit. Australia has also been pleased to host President Hu Jintao in September 2007 for the APEC leaders meeting and for a bilateral visit.

Australia established diplomatic relations with China in 1972. Australia's One China policy, has underpinned Australia-China relations for more than 30 years.

The pace of China's economic development and social transformation is unprecedented in human history and people in Australia, like elsewhere, recognise that China's economic development is having a profound global impact. Australia has benefited greatly from China's astonishing economic emergence onto world markets and the scale of its economic growth.

For Australia, there have been huge economic benefits. Australia is a major exporter of iron ore, wool, lead, zinc, copper and coal to China. Shipments of Liquefied Natural Gas from Australia's north-west shelf to China also commenced in May 2006.

Australia signed a trade and economic framework with China in October 2003 and have held ten rounds of negotiations towards a free trade agreement. While trade in minerals resources from Western Australia is important, the trading relationship is now broadly based and very productive.

Australia also engages in constructive dialogue with China on human rights and has provided technical assistance in relation to China's legal system. We acknowledge that we don't always see eye-to-eye on questions of human rights, but, as in any mature partnership, in the context of mutual respect and trust, these differences can be aired.

Australia pursues a broad-based relationship with China. And so we must - China is now a major global political and economic force, and makes its influence felt in world affairs. So Australia engages closely with China on a wide range of international issues affecting our national interests.

The relationship extends beyond trade, to a strategic dialogue and issues of climate change, human rights, regional security, and disarmament. Cooperation on environmental issues is becoming increasingly important. Cooperation to combat climate change is now a priority for both countries and is regularly discussed at high-level bilateral meetings.

People-to-people links play a vital role in Australia's relationship with China. After English, you may be surprised to hear that Chinese (mandarin and cantonese) is the most widely spoken language in Australia.

Chinese student enrolments in Australia have grown in excess of 100,000, making China Australia's largest market for international student enrolments.

Chinese visitors to Australia are also growing and Chinese tourists are now the 5th largest group of visitors to Australia.

It should be clear then that Australia has a key interest in enhancing its already excellent relations with both China, and India.

Broader relations in the Asia-Pacific

Before I go on to talk about the strategic outlook for Australasia, I'd like to quickly touch on other important relations in Asia. Australia's engagement with the region is broader than our relationship with the two countries of India and China, important though they are. Australia continues to work hard to build relations right across the region.

Given the focus of this presentation, I have unfortunately had to neglect two other key bilateral relationships in the region.

The Australia-Japan partnership is one of the strongest in the Asia-Pacific region. For economic, political and strategic reasons the relationship is of fundamental importance to both countries.

Japan is expected to remain Australia's largest export market for many years and it is currently Australia's second largest trading partner, coming close behind China. Negotiations for a free trade agreement are ongoing. In addition, Australia and Japan have a comprehensive strategic partnership built on shared democratic values, a commitment to human rights, freedom and the rule of law as well as common security interests, mutual respect, trust and deep friendship.

Australia and Japan are together taking practical steps to address regional and global strategic challenges such as fighting terrorism, preventing the proliferation of weapons of mass destruction and human security concerns such as disaster relief and the rapid and effective management of international pandemics.

Australia benefits from the consistent support of Japan in important regional bodies such as APEC and the East Asia summit. The two countries also share a strong interest in reform to make the United Nations more effective. Australia is a supporter of Japan's aspiration to become a permanent member of a reformed Security Council in the United Nations in addition to supporting Japan's bid to become a temporary member of the Security Council.

And another key bilateral relationship is that of our close neighbour, Indonesia.

Australia was a proud supporter of Indonesia's independence in the 1940's – and has recently taken steps to further strengthen our links and cooperation with that important country.

In February 2008, our two countries brought into effect the "Australia-Indonesia framework for security cooperation" – also known as the Lombok treaty.

The treaty provides a framework for our two countries to build on the key security challenges which we face – and recognises the shared security interests of our two countries.

Counter-terrorism cooperation continues to be a success story in Australia's relationship with Indonesia. The collaborative work between our two countries has put terrorist infrastructure under extreme pressure.

Australian assistance to Indonesia has also played a major part in helping that country in the aftermath of the 2004 tsunami – and Australia has also recently announced an expanded program to help combat the spread of HIV, particularly in Papua where the spread of HIV is of great concern.

Australia and Indonesia also have established close economic and people to people links – bahasa Indonesia is one of the most popular foreign languages for Australian students and Australia is also providing assistance to 2000 schools in Indonesia through our development assistance partnership.

Strategic Outlook in Australasia

There is little doubt that this century will be 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, China and Japan;
- the largest democracy in the world, India;
- and the country with the largest Muslim population in the world, Indonesia.

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

China and India are adding their enormous energy to the already considerable economic strength embodied in Japan and Korea. By 2020, it is forecast that 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.

The shift, however, is not just economic or demographic. It is also strategic. Three of the world's five largest military forces, China, India and the Democratic People's Republic of Korea, are located in Asia. The other two, the United States and Russia, have very substantial military forces in the Pacific theatre.

East Asian military spending alone is now equivalent to that of all the European NATO countries combined. With this transfer of economic and strategic influence comes an expectation of, and the actual exercise of, greater political influence.

For Australia, our security and prosperity will hinge to a significant degree on the political and economic development of our friends and neighbours in Asia.

So what does this all mean for the Australia in our Australasia region?

These days national security is a broad and malleable concept. The traditional approach focuses narrowly on individual nation states and their conventional military assets and threats.

But in a modern, globalised world, this approach only represents one dimension of the challenge and does not encompass a range of factors relevant to a nation's security in the twenty first century.

There is no doubt that international terrorism, weapons proliferation, transnational crime, environmental degradation, energy security, health pandemics, as well as poverty and inequality as

a cause of instability, are all key factors affecting the security of Australia and our region. Add to this the as yet unknown medium term effects of the global financial crisis.

The first point I would make is that Australia is firmly focused on the Asia-Pacific region. As I mentioned before, on coming to office, the Government made it clear that comprehensive engagement with Asia and the Pacific would be one key pillar of our foreign policy.

The second point I would make is that Australia believes that strong regional institutions and multilateral approaches are needed in Asia because the region faces many security challenges.

Since our own prosperity and security is linked to that of the Asia-Pacific, Australia has a responsibility to help shape the way in which the region adjusts to the power shifts now taking place - helping to create the right structures for the future, or helping them emerge from existing ones. Securing common approaches to threats of the kind I mentioned above requires agreement at government to government level, both bilateral and on a regional basis.

Now, there are many different fora in the region, with many different acronyms, and overlapping membership.

Each of these regional fora, Association for South East Asian Nations (ASEAN) itself, the ASEAN Regional Forum, the East Asia Summit, South Asian Association for Regional Cooperation (SAARC) and Asia Pacific Economic Cooperation (APEC), makes a unique and positive contribution to regional relations and regional cooperation.

Australia strongly believes that the active and constructive role of China and India, including in these fora, will be crucial to the success of our attempts to tackle these common security challenges, to help ensure security and stability in Asia.

Today, Australia looks to China to play a leading role in regional and global affairs, a role befitting its growing economic and political influence. Australia's prosperity, like that of China, is linked to the stability and growth of the Asia-Pacific region.

Of course, as India assumes the mantle of global influence accorded to it by its economic size and strength, its strategic weight in the world is naturally increasing.

China's leadership has a fundamental and abiding interest in the security and stability of North East Asia, and a significant contribution to make in helping the region respond to challenges such as North Korea's nuclear program, and the six-party talks process.

We see the positive trend in relations between China and other regional powers as a very welcome development. One example is the trilateral discussions between China, Japan and the Republic of Korea.

We welcome the vigorous stimulus measures China has adopted to respond to the global financial crisis, which make a vital contribution to the task of restoring confidence, and will help the Chinese economy counteract the effects of falling global demand. China is better placed than most to weather the global financial crisis, given its sound fiscal position and low public-debt burden, its huge current-account surplus and foreign currency holdings.

Australia and China cooperate in a range of regional institutions. A key example is the Asia Pacific Economic Cooperation grouping of economies - a grouping that is vitally important for Australia. Australia played a role in the creation of APEC the late 1980s and early 1990s. Since then, APEC has played an important role in promoting trade and investment liberalisation and business facilitation. It is now engaging on the challenge of structural reform behind borders.

APEC also reinforces the United States' engagement in our region, something Australia regards as essential.

India is not yet a member of APEC. Australia's strong view is that India should become a member when the membership moratorium ends in 2010.

But many of these regional institutions do not only take things forward on the economic front. For example, Australian cooperation with ASEAN also embraces defence and security.

The ASEAN Regional Forum, founded in 1994, remains the region's primary multilateral security forum. It contributes positively to counter-terrorism, non-proliferation and maritime security capacity building. It also fosters military to military and civilian-military security cooperation. Both of these are crucial in the delivery of humanitarian assistance and disaster relief. It is important that the ASEAN Regional Forum develop practical capabilities in this area.

The intersection of Australia and India's interests in this region can be seen in our relationships with ASEAN. We cooperate closely in both the ASEAN Regional Forum and the East Asia Summit.

The recent appointment of an Australian Ambassador to ASEAN underlines the critical importance the Australian Government places on its relationship with ASEAN. The appointment will enhance our ability to work closely with ASEAN to address key regional issues and promote regional prosperity and stability.

And, as important as regional institutions are to the discussion of security, some of the most effective work on security in the region is done at the practical, operational level, under our agreements with ASEAN and bilaterally with ASEAN states. In addition to the regional security-related work we do with ASEAN, Australia contributes to regional security bilaterally with ASEAN member states. Australia has defence relationships with most ASEAN countries. Close cooperation with ASEAN and its member states is essential for combating the terrorist threat in South-East Asia.

Australia signed the ASEAN-Australia Joint Declaration for Cooperation to Combat International Terrorism in July 2004, and finalised the Work Programme to Implement the Joint Declaration in June 2007.

Other examples include Australia and the Philippines signed a Status of Visiting Forces Agreement in May 2007, and the Lombok Treaty I mentioned before, the historic Agreement on the Framework for Security Cooperation between Australia and Indonesia, came into force in Perth on 7 February 2008. Australia has also concluded counter-terrorism MOUs with Indonesia, Malaysia, Thailand, Cambodia and Brunei.

This strategy of engagement with ASEAN countries is also reflected in Australia's development assistance to the East Asia region. In 2008-09, Australia's total Official Development Assistance expenditure for the East Asia region will be nearly \$1 billion (about 6.5 billion Rand), most of it for

ASEAN member countries. This makes us one of ASEAN's major development assistance partners. This assistance is both bilateral and regional, and designed to address transnational threats such as people trafficking, illicit drugs, terrorism, infectious diseases and regional economic integration.

China and India's expanding strategic role in the region and in the globe means that the architecture, or structure of regional and global institutions must evolve to take these into account.

So while India's expanding strategic role has increasingly focused on our shared Asian neighbourhood, India has global interests. So we would want to see the United Nations reflect that reality. We strongly support a permanent seat for India on a reformed United Nations Security Council.

Consistent with Australia's commitment of comprehensive engagement with the Asia-Pacific region, the Prime Minister last year announced an Asia Pacific community initiative. The Prime Minister's initiative has started a conversation with our friends and neighbours about how the Asia Pacific regional architecture might evolve to meet future strategic, security, economic and political challenges and opportunities.

It's about what regional architecture might prepare us for these emerging regional and global challenges spanning the Asia-Pacific. Such architecture would need to include the US, Japan, China, India, Indonesia and other States in the region; engaging in the full spectrum of dialogue, cooperation and action on strategic, security, economic and political matters; and encouraging the development of a genuine and comprehensive sense of community, whose primary operating principle was cooperation.

This conversation doesn't diminish any of the existing regional bodies. On the contrary, they will continue to play their essential roles.

In addition to strong regional institutions, there are issues in the region which can only be addressed through effective multilateral action. The challenge of nuclear proliferation is one of these. Australia has established, with Japan, an International Commission on Nuclear Non-Proliferation and Disarmament, which will aim to shape a global consensus in the lead up to the 2010 Nuclear Non-Proliferation Treaty Review Conference and beyond.

India and China are clearly key players in non-proliferation issues.

Military deployments in the Asia-Pacific and beyond

I thought it would be remiss of me to deliver a speech at the National Defence College without mentioning something about Australia's defence force and its engagement with the region.

I already mentioned at the start of my talk that Australia has just over 50 000 full time military personnel.

You may also be interested to know that the government has approved the deployment of approximately 4000 Australian Defence Force personnel to 11 operations overseas and within Australia to protect our country and its interests. This includes our deployments in Iraq and Afghanistan which I have already mentioned.

However you may not be aware that Australia is also playing a major contribution to regional missions in both East Timor and the Solomon Islands – two countries which are in very close proximity to Australia. These missions are being undertaken with in cooperation the governments of those two countries.

Australian peacekeepers also make small contributions to UN peacekeeping missions in the Middle East and Africa.

Defence White Paper – defence/strategic policy

And the changing contours of the Asia Pacific region will have significant implications for Australia's defence policy and strategic challenges going forward. In fact, as I mentioned at the outset, a Defence White Paper has been put forward for public discussion. The White Paper is called "Defending Australia in the Asia Pacific Century: Force 2030". I have some material that I thought I'd pass out which could feed into our discussions in the next session.

Australia and Africa – enhanced engagement

Before I conclude, I also must briefly touch on Australia's engagement with Africa, because the last 18 months has seen the Australian Government commit to enhancing its engagement with the countries and regional institutions of Africa.

The priority areas of enhanced engagement include:

- increased efforts to support trade and investment;
- peace and security cooperation; and
- expanded development cooperation and humanitarian assistance.

This policy of closer engagement with Africa reflects several factors. Australia's economic ties with Africa have grown strongly over the past decade, particularly investment in Africa's mining and energy industries, where Australian companies have almost U\$20 billion of current or planned investment.

People-to-people links have also become substantial. We now have over 250,000 African-born Australian residents. I should stress that although the South Africans are the largest grouping (around 120,000), we have significant numbers from almost every part of Africa, from countries as diverse as Sudan, Somalia, Sierra Leone and Zimbabwe. There are also over 9,000 students from Africa at Australian universities and tertiary institutions.

And on the street, amongst ordinary Australians, there is a strong public interest and commitment to Africa and its development, which is why you see so many young Australians volunteering in Africa.

The Australian Government has a strong commitment to working through multilateral institutions to find collective solutions to global problems, such as climate change, trade and financial reform, arms control and global and regional security.

The Government is aware that this requires effective dialogue with African countries, which have a strong voice in organisations like the United Nations, the World Trade Organization and the Commonwealth.

In forging a closer partnership, Australia wants to help Africa in ways that our expertise and experience can make a unique and positive contribution.

Through increased development assistance, Australia will support Africa's progress towards selected Millennium Development Goals in areas where Australia has particular expertise and past investment, such as food security, water and sanitation, and maternal and child health.

Our Foreign Minister also announced in a visit to the African Union in Addis Ababa earlier this year, the first ever by an Australian Foreign Minister, that Australia will expand scholarships to up to 1,000 scholarships per year across Africa. The new program is currently being designed and will provide both long and short term scholarships in a range of sectors including agriculture, mining and health.

Conclusion

It is remarkable how far Australia's relations with China and India have come in recent years. And there is significant potential for further growth. The world is sitting up and taking notice of China and India. So regional and global architecture will evolve to take into account the increasing strategic weight of China and India, as there is little doubt that both will play a critical role in this the Asia Pacific century.