

Australia: the perfect host

By NICK LYNE

SENIOR STAFF WRITER, FIRST

Australia has become one of the fastest-growing advanced economies, and is now the 13th largest in the world

Australia has been described as a country whose origins are rooted in the West but whose geo-political and geo-economic realities are increasingly shaped by its location in the eastern hemisphere. At the same time, although the country dominates most of the southern half of the planet, its identity for much of its history has been shaped by its links to the British Isles, far away to the north.

These ever-shifting influences over the years partly explain Australia's ease in getting on with the Commonwealth's multinational membership, reflected in its long-standing commitment to the organization: a founding member back in 1931, it has hosted the organization's heads of government meeting more than any other: the gathering in Perth this year will be its third time, coming after Cooloolin in 2002 and Melbourne in 1981.

In the 30 years since the country staged its first Commonwealth Heads of Government Meeting the country has changed more than in the previous fifty.

Prior to the 1980s most of Australia's trade took place with Europe and North America. During this period, Australia's was a relatively closed and protectionist economy. However, after the government of Bob Hawke began introducing key economic reforms from 1983 on, the Australian economy started to expand its horizons, turning its attention away from trade with the Western markets to trade within the Asia-Pacific region.

By 2002, when the country hosted its last CHOGM, protective measures in manufacturing had all but disappeared. Foreign banks had been allowed to compete, and airlines, shipping, and telecoms had been deregulated. The labour market had been largely freed, with centralised wage-fixing replaced by enterprise bargaining. State-owned firms had been privatised. A capital-gains tax and a valued-added tax had been brought in, and the double taxation of dividends ended. Corporate and income taxes had both been cut.

Since then Australia has become one of the fastest-growing advanced economies, and is now the 13th largest in the world. In the past two decades, Australia has enjoyed a period of uninterrupted economic growth – an average of 3.3 per cent in real GDP growth annually. Australia now possesses a well-diversified economy boosted by strong services and resources industries.

All this has been underpinned by a stable and modern institutional and regulatory structure. Australia was ranked third in the 2011 Economic Freedom Index after Hong Kong and Singapore, and continues to provide an ideal environment for business.

This eastward shift in trade has also changed Australia demographically: by freeing the labour market and operating a colour-blind immigration policy, the country is now an increasingly cosmopolitan society. Up to the 1980s Australia was overwhelmingly British and Irish, with a few other Europeans, mostly Italians and Greeks. Today over a quarter of the population was born abroad, and most migrants, if they are not from New Zealand or Britain, are from India, China, Vietnam and other Asian nations. Asians make up about 10 per cent of the population.

Australia, the UK, and the Commonwealth

Australia has a significant relationship with the UK underpinned by shared heritage, common values, closely aligned strategic outlook, and interests. The two countries are frequent and regular dialogue partners at the highest levels across government and are like-minded on pressing global issues, including international security, multilateral cooperation and climate change.

Independence from the United Kingdom, rather than occurring as a single event in history has been a continuing process. By the mid-nineteenth century a process of internal self-government was underway. Australia's independence from the United Kingdom took place one hundred years ago with a Constitution that provided the country with all the powers associated with a sovereign state, including the power to engage in foreign affairs and to raise its own army. But the United Kingdom still retained the power to engage in foreign affairs on behalf of Australia, and to make laws for it. In the early years Australia continued to be represented by the United Kingdom as part of the British Empire at international conferences.

In 1927 a shared monarchy was approved, and in 1931 the passing of the Statute of Westminster, which established legislative equality for Australia and other British dominions. It was not until 1986 that the Australian Act brought independence. Since then, the only remaining constitutional link with the United Kingdom is in the person of Queen Elizabeth

II, who remains the Head of State, a state of affairs that Australians approved through a referendum in 1999. Queen Elizabeth was the first reigning British monarch to visit Australia, in 1954; her attendance at CHOGM 2011 will be her 16th visit.

Foreign policy

Australia's foreign policy is guided by a commitment to multilateralism and regionalism, as well as to strong relations with its allies. Key concerns include free trade, terrorism, economic cooperation with Asia and stability in the Asia-Pacific region. Aside from its active role in the Commonwealth, Australia is also a member of organisations such as APEC, the G20, WTO, and OECD.

After spending her first year in office largely dedicated to domestic issues, Prime Minister Julia Gillard will be focused for much of the rest of the year on international affairs. Her agenda between now and the end of the year will see her travel to the East Asia Summit in Jakarta; the G20 in Cannes; and the APEC forum in Hawaii. She will also be hosting a visit by US President Barack Obama in November. Inevitably, the Pacific Asia region lies at the centre of Canberra's foreign policy. In September, Australia also announced a major review of its social and economic ties with Asia.

The Asian review is Ms Gillard's first major foreign policy initiative since she was elected premier in August 2011. Ms Gillard says the review will explore ways to strengthen existing groupings rather than seek new regional or global structures such as the EU-style Asia Pacific Community proposed by her predecessor Kevin Rudd, who is now Foreign Minister.

Aside from traditional diplomacy, Australia has used its successful participation in most of the world's sports, notably team events, to project itself internationally. This has proved relatively easy in a country where sport has been described as the national religion. Aside from hosting the Commonwealth Games on four occasions, the country has staged the Olympic Games twice, most recently in 2000. The huge popularity of cricket and rugby in Australia have helped add a new dimension to its relations with many fellow Commonwealth members, while hosting the Rugby and Cricket World Cups have served to bolster its tourism industry.

That said, even without sport, the country has been hugely successful in attracting growing numbers of tourists, modestly laughing at itself through international campaigns that highlight the country's laid back approach to life, and where the sunny climate has made barbecued shrimp and chilled beer the national dish. Visitors flock to enjoy its unspoiled beaches, seemingly endless interior, coral reefs, lively cities, and incredible wildlife from all over the world. The booming economies of Asia have helped swell

numbers in recent years, while cheaper air travel has meant that numbers from Europe and North America have grown as well. After nearish neighbour New Zealand, the United Kingdom and the United States are the source of most visitors.

Whether or not delegates at CHOGM 2011 will have time to enjoy a grilled shimp or a chilled beer is another matter. Ms Gillard has said that Australia will use the event to address challenges of food security, sustainable development and natural resource management – challenges that lie at the heart of national and global resilience for many member states.

“As host, Australia will seek to strengthen the Commonwealth's effectiveness in supporting democracy, the rule of law and good governance among the Commonwealth, strengthening national resilience within member states. Australia will look to the recommendations of the Commonwealth Eminent Persons Group and the Commonwealth Ministerial Action Group to strengthen the Commonwealth as an institution,” said Ms Gillard.

Unique as an international organization, the Commonwealth arguably best represents Australia's unique geo-political and geo-economic realities, as well as its social fabric. Its membership is diverse, spanning all six continents of the world, encompassing all major faiths, and including both developed and developing countries. The Commonwealth represents one-third of the world's population and more than one-quarter of the world's countries.

Most importantly, however, as Ms Gillard has pointed out, “the Commonwealth is an organisation built on the values and principles that have defined Australia's domestic and international policy over the decades. The countries of the Commonwealth share a commitment to democracy, freedom, peace, the rule of law, and opportunity for all.”

The country has been hugely successful in attracting growing numbers of tourists

Perth, Australia, the host city of the Commonwealth Heads of Government Meeting 2011



Photo: Tourism Western Australia