



# JAPAN

COUNTRY STRATEGY

AUSTRALIA IN THE  
ASIAN CENTURY

TOWARDS 2025



Australian Government

Department of Foreign Affairs and Trade

The 16th Japanese Film Festival held in Australia in late 2012 drew a record attendance for any Japanese Film Festival the Japan Foundation has presented outside Japan.  
Credit: Japan Foundation.

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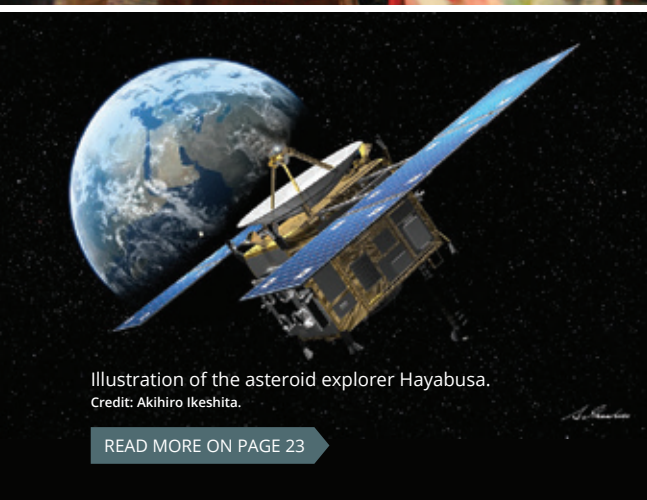


Illustration of the asteroid explorer Hayabusa.  
Credit: Akihiro Ikeshita.

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Offshore facilities  
of the Ichthys Project.  
Credit: INPEX Corporation.

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Minister for Defence, Stephen Smith MP  
meeting with Japanese Chief Cabinet Secretary,  
Yoshihide Suga in Japan, July 2013.  
Credit: Department of Defence.

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# INTRODUCTION

This country strategy takes forward the objective of the *Australia in the Asian Century* White Paper: for Australia to build stronger and more comprehensive relationships with countries across the region. Because of their size, economic links with Australia, and strategic and political influence in the region and globally, China, India, Indonesia, Japan and South Korea were identified as the initial priority countries for the development of country strategies.

Each strategy outlines a vision of where Australia's relationship with the country should be in 2025 and how we, the Australian community, intend to get there. The strategies identify opportunities for community, business and government to participate in and contribute to the process of deepening and strengthening our regional engagement. They reflect the views of Australians, collected during nationwide consultations, and in doing so continue the national conversation initiated by the White Paper, to better identify whole-of-Australia objectives and priorities for the Asian century.

These are challenges for all of us.

Consultations to develop this strategy were held from 4 April to 31 May 2013. During this period, Australian Government officials led by the Department of Foreign Affairs and Trade undertook face-to-face consultations in each state and territory capital. Officials met all state and territory governments and engaged with business representatives, the community and academic stakeholders. Consultations were also held overseas and in regional Australia. In all, 1,300 Australians attended meetings, roundtables and 'town hall'-style public forums. The Government also received over 250 formal written submissions.

This strategy will be tabled in Parliament and regularly evaluated and updated.

The Government extends its deep appreciation to all who participated in developing these strategies, and will continue to draw on the views expressed in Australia's ongoing engagement with these countries.

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Sydney consultations, May 2013.  
Credit: Department of Foreign Affairs and Trade.

## Front cover images

Top left: Member of the HMAS Sydney with counterparts from the Japanese Self-Defense Ship Setogiri during the Japanese Fleet Review, October 2012, courtesy of the Department of Defence.

Top right: Australian and Japanese surf lifesavers competing in the Sanyo Bussan International Life Saving Cup in Shirahama Japan, 2010, courtesy of the Japan Lifesaving Association.

Bottom left: LNG carrier, courtesy of the Department of Resources, Energy and Tourism.

Bottom right: Canberra Nara Candle Festival, Canberra, October 2012, courtesy of the Embassy of Japan in Australia.

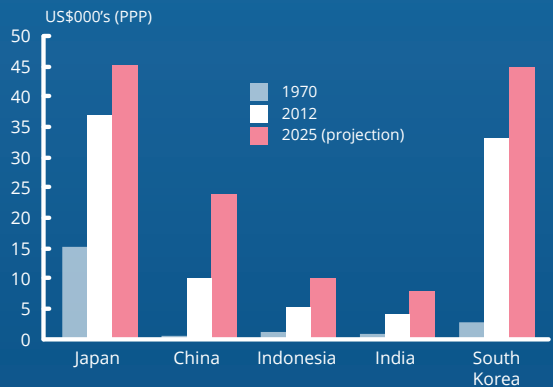
# JAPAN: WHY IT MATTERS

Australia's partnership with Japan is our closest and most mature in the region, and is a model for Australia's wider engagement with Asia. Australia's trade with Japan has been a mainstay of our economy for decades and will remain so in the future. Our second-largest trading partner, Japan accounts for just under one in four of all export dollars Australia earns, with total goods and services trade amounting to \$71 billion in 2012. Australia is Japan's number one source of coal, iron ore, liquefied natural gas (LNG), uranium, beef and dairy products. Japanese investment has been key to Australia's past economic development, and has continued to grow apace in recent years – almost doubling since 2007 to reach \$126.4 billion in 2012. Japan is currently our third-largest source of foreign investment after the United States and the United Kingdom.

Beyond trade, Japan is a key partner for Australia in the region and globally, including through our shared alliance partner the United States. Despite wide differences in geography and demography, Australia's comprehensive partnership with Japan is based on the shared values of democracy, human rights and the rule of law, as well as mutual respect, trust and a deep friendship born from decades of close cooperation.

Japan is the largest developed economy in the Asian region and the world's fourth-largest economy in terms of purchasing power parity (PPP). It is one of the world's largest investors in science, technology and innovation, consistently ranking as one of the top two countries in lodging patent applications. Deeply integrated into the world economy through trade, investment and value chains, Japan will remain a key global and regional economic player well into the future.

Gross domestic product (GDP) per capita



Source: United Nations, Conference Board, IMF, Maddison and Treasury projections.

## Japan is important to Australia because of:



The contribution its economy makes to global development and Australia's own prosperity



The strength and resilience of our bilateral trade and investment relationship



Our extensive, longstanding people-to-people links



The contribution our strong security and defence cooperation makes to peace and stability in the Asia-Pacific region



Our well-established capacity to collaborate when addressing shared global challenges

Japan has a high-quality manufacturing industry. However, demographic and economic factors have seen Japanese manufacturers increasingly investing offshore, establishing major regional value chains and production networks. In joint ventures, Japanese businesses have been important contributors to the success of other East Asian economies. There are significant opportunities for Australian firms to integrate with these regional value chains.

**“Japan is back ... It is not, and will never be, a tier-two country.”**

Prime Minister Shinzo Abe, 22 February 2013.

As a democracy committed to human rights and effective global governance, Japan is an influential global player and a natural partner for Australia in many common endeavours. Japan contributes to international public goods through trade and investment, technological innovation, substantial overseas aid, and global diplomatic engagement. We cooperate closely with Japan across a broad agenda, including nuclear non-proliferation and disarmament, climate change, United Nations reform and multilateral trade negotiations. Founding members of the Asia-Pacific Economic Cooperation (APEC) forum in the 1980s, Australia and Japan are now working together to consolidate the East Asia Summit (EAS) as the key regional institution in the Asia-Pacific region, while coordinating our support for development and governance in the region.

Extensive people-to-people links underpin our broader ties with Japan. According to the 2011 Census, more than 50,000 people of Japanese ancestry live in Australia. Tens of thousands of Japanese school students visit Australia each year. In Australia, Japanese is the most studied foreign language. Japan is also the fifth most popular overseas study destination for Australian students, and the most popular in Asia.



Australian Ambassador to Japan Bruce Miller with members of the Iitate community of Fukushima at the launch of the 'Koala-go' mobile library service (funded by the Australia-Japan Foundation and Queensland's Ironside State School).

Credit: Australian Embassy, Tokyo.

# VISION 2025: JAPAN AND AUSTRALIA

Australia's vision is of a deeper and more comprehensive partnership with Japan that fully exploits our complementary strengths, takes advantage of changes occurring in both countries, and entrenches cooperation regionally and globally.

As regional dynamics change, Australia must not take its longstanding partnership with Japan for granted – rather, we must work to realise its full potential. Our shared interests will come into sharper relief in the years ahead, providing a foundation for even closer cooperation to 2025. The Australia-Japan relationship is built on trust and mutual benefit. These qualities need to guide the future evolution of our relations.

Japan's society and economy continue to change through deliberate policy as well as through natural adaptation. The Japanese people have displayed ingenuity and resourcefulness to overcome huge obstacles in the past, and their ability to transform their situation yet again should not be doubted.

Japan will remain Australia's closest Asian partner for the foreseeable future, even as our engagement with other countries intensifies. Within our mature relationship, some barriers to cooperation – in education, trade and investment, and security and defence – need to be addressed. Our relationship will be shaped by decisions that Japan is now making regarding its economy and its broader international role. Looking ahead, changing regional security circumstances, the impact of climate change and the risk of major natural disasters also defy clear prediction.

Australia must build on the excellent relationship we have developed with Japan over many years. We need to ensure that existing capacities are strengthened, and that communities, businesses and governments have the skills to recognise and fully exploit new opportunities that arise.

Australia and Japan will continue to strengthen **community** links, by undertaking more frequent cultural and sporting exchanges to foster deeper mutual cultural understanding. By 2025, all Australian students will have access to a high-quality national Japanese-language curriculum from Foundation to Year 10. Demand for language courses will be

boosted by improved awareness of career opportunities for Japanese speakers. Collaboration in education and research will increase the mobility of students and researchers in both countries, strengthening the exchange of knowledge and building international competitiveness. Increased repeat visits in both directions will help dispel cultural stereotypes, but reaching new audiences through community links will be just as important.

Australian **business** will increase trade and investment with a more open Japanese economy that has embarked on structural reforms to boost growth. A high-quality bilateral free trade agreement, and closer regional integration through the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership, will help meet this objective. Reforms to Japanese agriculture would deliver benefits to Japan's economy and to food supply chains between both countries. Australia will continue to be Japan's most important minerals and energy supplier, while growing demand for cleaner energy will foster technological and industrial collaboration. Australia can access and integrate with Japanese-centred regional value chains, while working with Japan on infrastructure projects in the region. Services trade will expand, boosted by improved language proficiency in both countries and mutual recognition of qualifications.

By 2025, the Australian and Japanese **governments** will have significantly enhanced our capacity to work jointly – and with others – to support regional and global security and stability. Based on our strategic partnership, and working in both bilateral and multilateral settings, our defence forces will cooperate in natural disaster relief and peacekeeping operations. We will continue working with Japan to promote rules-based approaches to regional security; to secure gains in nuclear non-proliferation and disarmament, and sustainable development in the Asia-Pacific region and further afield; and to realise a fair and effective global climate change agreement by 2015.

# CONNECTING COMMUNITIES: WHAT WE ARE DOING



Taiji Cultural Exchange Program with St Mary's College, Broome, in August 2011.

Credit: Australia-Japan Foundation.

The business and strategic ties that make Australia's relationship with Japan our strongest in Asia are underpinned by extensive and well-developed people-to-people links. These links are supported by 16 Australia-Japan societies in Australia and 47 Japan-Australia societies in Japan. There are 102 Australia-Japan sister-city relationships and six state-prefecture relationships. The majority of these relationships were formed in the 1980s and 1990s, and are often the longest running relationships with Asia for Australian local governments.

Japanese is the most studied foreign language in Australia. As with all languages, the quality of Japanese-language teaching depends on the availability of teaching resources, motivational firsthand contact and readily accessible pathways to employment. Australia's third-largest services export to Japan is education, with nearly 60,000 Japanese

students travelling to Australia each year to study or undertake school exchanges. Meanwhile, about 6,000 Australian students go to Japan each year to do the same. The Australian Government is engaging more closely with Australian alumni in Japan to better promote Australian education and business opportunities.

Japan is Australia's fifth-largest inbound market in terms of visitors and total expenditure, with Japanese visitors spending \$1.5 billion in Australia in 2012. In 2012, some 354,000 Japanese visited Australia and more than 205,000 Australians visited Japan. Since the 1980s, the working holiday visa program has also seen large numbers of Japanese working in Australia and vice versa. The availability of flights is improving, supported by an 'open skies'-style agreement between Australia and Japan.



Australia and Japan have been partners in science and research since the 1980s. There are now more than 400 longstanding partnerships between universities and science institutes in Australia and Japan. Our collaboration has yielded advances in fields as diverse as nuclear and physical sciences, Antarctic research, space science technology and applications, and marine science and ocean observations. 2013 marks the 25th anniversary of Questacon, Australia's National Science and Technology Centre in Canberra, which opened in 1988 as a joint Australia-Japan bicentennial project. Questacon and its Japanese counterpart, Miraikan, have collaborated successfully on science communication, and played leading roles in the Asia Pacific Network of Science & Technology Centres.

Cultural and sporting ties are also thriving. Australian artists and performers have built niches for their work in the Japanese arts market, competing with the world's best. Our respective embassies and consulates, bilateral foundations and community groups have raised mutual awareness of each country's diverse cultural heritage. Likewise, sports exchanges have

increased in recent years, focusing on soccer, rugby union, softball, baseball, golf and martial arts.

Since its establishment in 1976, the Australia-Japan Foundation (AJF) has played a central role in expanding and developing contact and exchange between the Australian and Japanese communities. Every year, the AJF supports around 50 projects to strengthen people-to-people engagement in education and science, society and culture, communication and advocacy, regional and international security, and economics and trade. Since 2011, the AJF has broadened its scope to include supporting reconstruction and recovery in the tsunami-affected Tohoku region.

Since 2001, the Australian and Japanese governments have convened eight Australia-Japan Conferences (AJCs). These conferences bring together participants from government, business, academia, media and other sectors for wide-ranging discussions on how to enhance the bilateral relationship. Discussions at the AJC in Tokyo in March 2013 focused on strengthening the strategic partnership and revitalising economies.

## THIS SPORTING LIFE KICKING GOALS

Japanese soccer star Shinji Ono made an impressive debut for the Western Sydney Wanderers in the 2012–13 season, helping take his team to the grand final of the Australian A-League in its first year in the competition. Socceroo Joshua Kennedy led the Japanese J-League scorers' list for both 2010 and 2011 for his club Nagoya Grampus, where he continues to play. Sports exchanges will continue to grow, based on the strength of both leagues and the fierce Australia-Japan rivalry in the FIFA World Cup.



Australia prepares to take on Japan in Saitama during the 2014 FIFA World Cup Asia qualifying rounds.

Credit: Australian Embassy, Tokyo.



## CONNECTING THE AUSTRALIAN BALLET

Since The Australian Ballet's first tour to Japan in 1968, Australia and Japan have shared a close connection through the art of classical ballet. The AJF supported the company's tour of Tokyo in October 2010 to perform two of its signature full-length ballets – Graeme Murphy's *Swan Lake* and *Nutcracker: The Story of Clara* – at the invitation of the Japan Performing Arts Foundation. The AJF also provided support to enable two leading dancers from the Tokyo Ballet – Ms Mizuka Ueno and

Mr Naoki Takagishi – to perform a pas de deux from *Carmen* as part of The Australian Ballet's 50th Anniversary International Gala. This unique event reunited international 'friends' of The Australian Ballet in a cultural exchange reflecting the global village of dance. In 2012, the AJF provided scholarships for two Japanese students to study at The Australian Ballet School in Melbourne.



Japanese dancers perform as part of The Australian Ballet's 50th Anniversary International Gala in 2012.

Credit: Photo courtesy of Jeff Busby.

# CONNECTING COMMUNITIES: WHAT WE NEED TO DO

**EDUCATION GOAL:** Australian students will be offered an integrated, high-quality program of Japanese studies at all levels.

Toward 2025, the teaching of Japanese will be strengthened by increasing the availability and quality of teachers. A new Japanese curriculum under the *Australian Curriculum: Languages* will also be introduced to ensure course continuity from Foundation to Year 12. Japanese-language education providers will be able to offer higher-quality teaching using better resources, which will motivate students to continue their studies at the tertiary level.

Successful initiatives in a number of jurisdictions could be expanded by enhancing coordination, and exchanging experiences and best practices. For example, schools in some states and territories, such as Victoria, have well-established programs to source native Japanese-language teaching assistants in schools, to boost the quality of Japanese tuition and offer students authentic cultural insights. Queensland's *New Land, New Language* program provides online courses in Japanese and other languages for state schools, enabling different modes of delivery such as web conferencing and accelerated or self-paced learning. Initiatives such as these could be complemented by efforts to facilitate continuous learning from primary to secondary school.

“The study of Japanese in schools will help Australia build stronger understanding and links with this very important regional neighbour, as well as supporting increased trade and commercial engagement.”

Peter Garrett MP, former Minister for School Education, Early Childhood and Youth, 6 June 2013.



Students of ACT's Harrison School communicating with students in Japan using the National Broadband Network, February 2013.

Credit: Embassy of Japan in Australia.

Student movements between Australia and Japan will expand as more institutions offer a 'study abroad' experience in Asia. Opportunities for Australian students will grow as Japanese tertiary institutions offer more courses in English and as part of the Japanese Government's measures to attract 300,000 international students by 2020. The Japanese Government's efforts to further internationalise the country's workforce, including by doubling the number of Japanese students studying abroad by 2020, may see an increase in the number of Japanese students in Australia.

Through enhanced engagement by governments and the tertiary education sector, the substantial number of alumni of Australian institutions in Japan will be leveraged to promote Australia as a destination for overseas study. The Australian Government will work with other stakeholders to improve recognition of Australian qualifications and standards in Japan, thereby enhancing student mobility and opportunities for research and employment.

**TOURISM GOAL:** Build annual Japanese visitor numbers, to grow the Japanese inbound tourism market spend to between \$2.7 billion and \$3.3 billion by 2020.

The Japanese market still holds significant potential for the Australian tourism industry, even as other Asian markets grow and diversify. Tourism Australia estimates that Japanese visitors will spend \$2.7 billion to \$3.3 billion per year in Australia by 2020. To capture this reinvigorated market, Australian tourism campaigns will need to focus on factors most highly valued by Japanese tourists, including safety and security; world-class beauty and natural environments; rich history and heritage; and good food, wine, local cuisine and produce. Japanese travellers will gain better access to electronic visa-lodgement options as part of expected enhancements to the Department of Immigration and Citizenship's systems.



Model Moe Oshikiri and actor Masaru Nagai at a Tourism Australia promotion in Tokyo, April 2013.

Credit: Tourism Australia.

## TRAINING AUSTRALIAN SURF LIFESAVING IN JAPAN

Australian and Japanese surf lifesavers competing in the Sanyo Bussan International Life Saving Cup in Shirahama Japan, in 2010.

Credit: Japan Lifesaving Association.

With funding from the AJF, Surf Life Saving Australia travelled to Japan in 1983 to train Japanese lifesavers. Today, Japanese lifesavers continue to follow Australian techniques and regularly participate in Australian competitions. Shimoda Life Saving Club and Maroochydore Surf Life Saving Club have held a surf lifesaver exchange program every year since 1997.



## COLLABORATION IMPROVING IVF RESEARCH



James Thiedeman (Monash IVF), Dr Hiroaki Kitano (Systems Biology Institute) and Professor Nadia Rosenthal (Australian Regenerative Medicine Institute) at the signing of the memorandum of understanding on 7 May 2013.

Credit: Australian Regenerative Medicine Institute, Systems Biology Institute and Monash University.

The Australian Regenerative Medicine Institute (ARMI), Japan's Systems Biology Institute (SBI) and Monash IVF have joined forces to improve the outlook for in-vitro fertilisation (IVF) success rates. In May 2013, the three organisations signed a memorandum of understanding to launch new research using SBI's advanced mathematical software to analyse four decades of clinical data stored by Monash IVF. The analysis will help researchers better understand the factors that affect the growth of embryos and the success of IVF programs. Another project will use ARMI's optical-microscope techniques and SBI's sophisticated bio-imaging analysis software to track the development patterns of living early embryos in 3D and match them to IVF success rates.

### SCIENCE AND TECHNOLOGY GOAL:

Australia and Japan will enhance our collaboration in science and technology to increase our contribution to addressing the challenges of the 21st century.

In the period to 2025, Australia and Japan should continue to seek opportunities for scientific collaboration in areas of mutual interest that leverage our complementary research strengths. These areas could include marine and space sciences, clean and renewable energies, new materials, medical science, agricultural and veterinary sciences, and information and communications technology. Researcher-led initiatives should be complemented by a strategic approach developed at the institutional level between businesses and governments.

Australia should capitalise on Japan's drive to internationalise its science and research sector by encouraging scientists and engineers to increase their movements between the two countries. Australia will explore establishing an Australia-Japan Society for the



A world-first longitudinal trial of companion robots to improve the wellbeing of dementia patients (in residential and home-based care) is part of a collaborative venture between lead researcher Professor Rajiv Khosla, Director of the Research Centre for Computers, Communication and Social Innovation at La Trobe University, and Japanese company NEC - the creator of PaPeRo (Partner Personal Robot). Matilda, part of PaPeRo family of NEC, seen here interacting with residents of The Boulevard aged care facility.

Credit: Tess Flynn, La Trobe University.

Promotion of Science Alumni Association to promote links between Australian and Japanese researchers. New technologies such as the National Broadband Network (NBN) in Australia will also facilitate virtual collaboration between researchers.

**CULTURE GOAL:** Australia and Japan will establish stronger, deeper and broader cultural links.



Japanese film director Miwa Nishikawa speaking in Sydney with independent film critic Russell Edwards at the 16th Japanese Film Festival, held in Australia in late 2012.

Credit: Japan Foundation.

Looking ahead, we will need to raise awareness of the diversity and quality of contemporary Australian arts and cultural sectors among Japanese arts professionals and audiences. We also need to keep strengthening links between our respective artists and cultural institutions. Artist-in-residency programs in both countries – with targeted two-way cultural missions – will help achieve this objective.

Australian arts agencies are also adjusting their focus and funding to support more activities in Japan and Asia. The Australia Council is directing a greater proportion of funding toward activities that engage with the Asian region, including its new 'Creative Partnerships with Asia' program. We need to continue promoting arts and cultural exchanges with Japan, as well as market-development initiatives for Australian cultural products and expertise. Cultural exchange will continue to be a major focus of the sister-city relationships in the future, but business relationships will increasingly flow from the deeper understanding these ties bring.

## CULTURAL EXCHANGE AUSTRALIA HOUSE

The Australia House project in Niigata Prefecture is a base for cultural exchange, artist- and curator-in-residence programs, and art exhibitions. When the original house was destroyed by the earthquakes that struck Japan in March 2011, the Australian Embassy and the AJF sponsored a competition to bring Australian and Japanese architects together to design a new building. Opened in July 2012, the new Australia House showcases Australian architectural excellence. It will serve as a permanent location for arts and cultural activities featuring Australia, in collaboration with the local community.

The new Australia House, Niigata Prefecture, Japan.

Credit: Brett Boardman.



Competition between Australia and Japan in regional and global sports events has generated numerous sporting links. Major events such as the Rugby World Cup in 2019 (to be hosted by Japan) and the 2020 Olympic Games (for which Tokyo is a candidate city) present more opportunities to engage Japan in the sporting arena. Australia is hosting the 2015 Asian Football Confederation Asian Cup, which will provide opportunities for government, business and community to interact with Japan. The Australian Sports Commission and the Japan Sport Council will be strengthened through a memorandum of understanding to enhance ties between the two premier sports institutes.

An on-the-ground media presence helps improve the quality of information transmitted to Australian and Japanese audiences. The Australian Broadcasting Corporation (ABC) and *The Australian* newspaper have resident correspondents in Japan. *Kyodo News*, Jiji Press, NHK and the *Nikkei* newspaper have bureaus in Australia, while the *Asahi Shimbun* newspaper will reopen its bureau later this year. The growth of Internet-based media services promises more access to media in both countries.

## UNDERSTANDING LISMORE-YAMATO TAKADA SISTER-CITY RELATIONSHIP

The Lismore-based, 11-member Isabella a Capella Choir has a longstanding relationship with Japan. Through regular visits, it has built on the 50-year history of goodwill between Lismore and Japan. The AJF has supported the choir on several tours, including in June 2011 and May 2013.

Isabella a Capella Choir on tour in 2011.

Credit: Isabella a Capella and Australia-Japan Foundation.





# CONNECTING COMMUNITIES: PATHWAYS TO 2025

By 2025, Australian and Japanese communities will have a deeper understanding of one another, with wider links across the entire community.

Reflecting public submissions and consultations, Australia will work to:

## EDUCATION

- Implement a national Japanese-language curriculum for Foundation to Year 12 from 2014, as part of the *Australian Curriculum: Languages*.
- Encourage and support measures to enhance Japanese-language education, consistent with state and territory approaches and priorities, including:
  - deploying more native Japanese assistant language teachers to Australian schools, and developing and providing online resource banks for teachers
  - promoting stronger continuity in language education between primary and secondary levels, and enhancing opportunities for advanced language studies for continuing students
  - developing an Australia-Japan Network on Student Mobility to promote quality assurance and qualification recognition frameworks.
- Establish Australian alumni networks in Japan to help promote Australia as a study destination.

## TOURISM

- Implement and encourage tourism campaigns that highlight Australia's unique attributes valued by Japanese tourists.

## SCIENCE AND TECHNOLOGY

- Promote our scientific research strengths in Japan, and encourage further collaboration in areas of mutual interest such as marine, space and materials sciences; clean and renewable energy; medical science; and agricultural and veterinary sciences.
- Encourage and support existing and new channels for mobility of scientists, including bilateral exchanges aimed at strengthening ties between institutions and researchers.
- Explore the establishment of an Australia-Japan Society for the Promotion of Science Alumni Association.
- Improve access to information in Australia and Japan about collaboration opportunities, processes and available funding mechanisms.

## ARTS, CULTURE AND SPORT

- Encourage a stronger focus on building long-term relationships in arts and cultural exchange and cooperation initiatives, including artist-in-residency programs and targeted cultural missions.
- Support the conclusion and implementation of a mutually beneficial memorandum of understanding between the Australian Sports Commission and the Japan Sport Council.

# CONNECTING BUSINESS: WHAT WE ARE DOING

Australia and Japan enjoy a sophisticated business and trade relationship developed over more than 50 years. Japan is Australia's second-largest trading partner and largest source of foreign investment from Asia (and our third-largest source overall). Australia is a reliable supplier to Japan in a range of markets including agriculture, resources and energy.

Resources and energy account for 85 per cent of Australia's exports to Japan. We are the largest supplier of Japan's primary energy, providing 21 per cent of its needs in the 2011 Japanese financial year, while Japan is by far Australia's largest energy market. In 2012, Australia was the largest exporter of LNG to Japan by volume. Japan has been and will continue to be an important partner in the Australian resources sector's development.

Australia and Japan have a complementary relationship in the agribusiness, food and beverage trade. Japan is Australia's largest food-export destination. Australia enjoys a highly valued reputation in the Japanese food and beverage market with its 'clean, green and safe' image. However, over the last five years the value of processed food exports from Australia to Japan has fallen by 11.3 per cent, to \$3.1 billion in 2011–12.



Sir Rod Eddington AO, President, the Australia Japan Business Co-operation Committee at the 50th Anniversary Australia-Japan Joint Business Conference, October 2012.

Credit: Australia Japan Business Co-operation Committee.

Trade in services is growing naturally as this sector comes to dominate both economies over time. Australian firms are gaining a foothold in Japan in sectors such as telecommunications and construction – for example, Lend Lease Japan has increased its staff levels from around 300 to 1,100 in the last five years.

Australian and Japanese firms enjoy multi-faceted connections, based on a sense of mutual trust and reliability established over many years of collaboration. The relationship between the Australia Japan Business Co-operation Committee (AJBCC) and the Japan Australia Business Co-operation Committee (JABCC) is the most mature formal link between business associations in Australia and Asia. The Australian and New Zealand Chamber of Commerce in Japan, established in 1972, has more than 50 Australian entities as members. Such relationships complement many other industry-to-industry contacts, often backed by longstanding personal relationships.

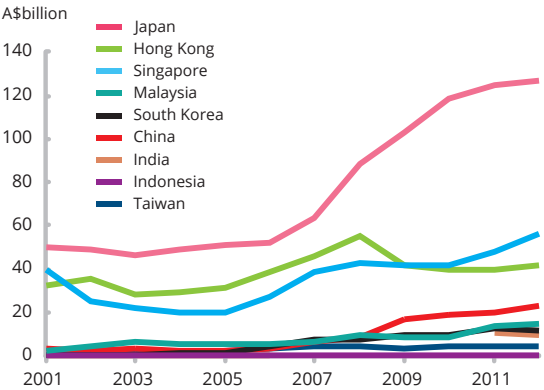
Australian governments are actively supporting business connections. Several Commonwealth Government agencies conduct bilateral dialogues on trade and economic policy issues with their Japanese counterparts, aimed at improving market access, cooperation and policy coordination. These dialogues, which encompass agriculture, fisheries, infrastructure, resources and energy, climate change, finance and the economy provide channels to discuss the challenges of economic reform in both countries. Trade ministers also conduct a formal annual bilateral dialogue. In addition, several state governments maintain offices in Tokyo to advance their respective states' commercial interests.

These bilateral conversations complement Australia's work with Japan to address shared economic priorities in international forums such as the G20, APEC and the EAS, as well as institutions such as the World Trade Organization (WTO), Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF).

Addressing market-access barriers is a major priority for governments. Businesses in both countries stand to gain significantly from a high-quality, comprehensive bilateral free trade agreement, which has been under negotiation since 2007. Australia is also seeking closer economic integration with Japan through multilateral negotiations on the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership.

Close to a third of Australian exporters active in Japan are using Austrade's services, which has four offices in Japan. Austrade's regional network has helped attract Japanese foreign direct investment (FDI) to Australia by targeting Japanese companies seeking to expand offshore.

Levels of foreign investment from Asia to Australia



Note: India data is not published from 2007 to 2010 inclusive.  
Source: ABS Cat No 5352.0 – International Investment Position, Australia: Supplementary Statistics, 2012.

## FOREIGN INVESTMENT THE ICHTHYS PROJECT

The US\$34 billion Ichthys Project, headed by Japan's INPEX Corporation, is the first Japanese-operated LNG project in the world and Japan's largest ever foreign investment project. It is scheduled to start production in late 2016 and will involve a more than 40-year commitment in northern Australia – at the peak of construction it will comprise roughly a fifth of the Northern Territory economy. Ichthys will involve building an 871-kilometre pipeline from the Browse Basin to two onshore LNG processing trains near Darwin. Annual production from the Ichthys Project is expected to represent around 10 per cent of Japan's total LNG import volume.

INPEX's expanding presence in northern Australia is not just transactional. INPEX, in conjunction with project joint venturers, has a \$91 million community and environment package. This includes helping build the Larrakia Trade Training Centre in Darwin, donating to the North Australian Hydrocarbon Centre for Excellence at Charles Darwin University, making multi-million dollar community infrastructure investments and cooperating with the Djarindjin Aboriginal Corporation in an upgrade and long-term management of the Djarindjin Lombadina Airport in the Kimberley region of Western Australia.

Planned LNG processing plant and onshore storage facilities at Blaydin Point on Middle Arm Peninsula, Darwin.

Credit: Image courtesy of INPEX Corporation.





# CONNECTING BUSINESS: WHAT WE NEED TO DO

Japan will remain a major economic partner for Australia through to 2025. However, the trajectory of our trade and investment relationship will depend on domestic policy settings in both countries, and active efforts by all stakeholders to seize the new opportunities of the Asian century.

Japanese Prime Minister Shinzo Abe's administration has made economic growth its first priority. The government's economic policy should encourage deregulation and private-sector investment to promote economic revitalisation. While these policies are yet to be fully implemented, such reforms will act as a catalyst for growth, and Japan should accrue benefits through to 2025.

Australia supports Japan's effort to rejuvenate its economy. We will take opportunities to share with Japan our own experiences of deregulation and structural economic reform, through direct bilateral engagement and multilateral forums such as the G20 and APEC. Australia is hosting the G20 in 2014, which will be an opportunity for us to lead the global reform agenda.

The conclusion of a high-quality Australia-Japan free trade agreement – Japan's first with a major developed trading partner – would provide a major boost to Australia's strong trade relationship with Japan. A comprehensive free trade agreement would deeply integrate the two economies across many sectors, including food, energy, services and investment. The Australian Government will continue to engage closely with domestic stakeholders in seeking to conclude free trade agreement negotiations.

Concluding the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership would further deepen these links, both bilaterally and in a wider regional setting. This work would complement and advance the work of the WTO Doha Round of multilateral trade negotiations, where Australia also consults closely with Japan.

**BUSINESS GOAL:** Australia will continue to work closely with Japan at bilateral and multilateral levels to increase the integration of our economies and strengthen the business relationship.

## Why do business in Japan?

- A large, stable, democratic and affluent economy nearly five times the size of Australia's.
- A market where consumers are willing to pay for quality and have the capacity to do so.
- A market where Australia has an established reputation built over 50 years, and is a trusted and reliable supplier.
- Well-developed networks and links across all levels of government and the business sector.
- A government seeking to reform and liberalise its markets to remain globally competitive.
- Untapped opportunities to partner with companies that have operations overseas, particularly in Asia, and to tap into their production networks and value chains.

Significant opportunities to strengthen the trade and investment relationship remain. Looking to 2025, as international competition for and security of food, energy and resources grow – along with pressure to diversify supply chains – Australia will remain a reliable and stable long-term supplier to Japan.

Japan will continue to be an important partner in the development of the Australian resources and energy sector, including the rapid expansion of LNG capacity that will likely see Australia become the world's biggest producer by 2018. Australia and Japan will collaborate in scientific, technological and industrial endeavours to develop clean-energy technologies and commercialise them in third markets. This will include our continued cooperation with Japan in the Global Carbon Capture and Storage Institute and efforts to transform brown coal reserves into hydrogen.

Towards 2025, Australia will continue to be a stable supplier of agricultural products to Japan. Consistent with the National Food Plan, Australian suppliers should take opportunities to move further up the food value chain in Japan, from supplying predominantly bulk ingredients to offering luxury processed food. The Japanese market appreciates high-quality food and has the capacity to pay for it.

Australia's reputation will also help us seize opportunities from the ageing and health-conscious Japanese consumer segments. Australia's rigorous quality standards for vitamin supplements and other health-related food and drink products closely mirror market requirements in Japan.

The period to 2025 will see a shift towards greater services trade as a natural extension of our business connections. For example, Japan's extensive financial integration in Asia – and its push to deregulate and further liberalise its economy – provide opportunities for Australia's world-leading finance industry in the Asian century. This could also help catalyse collaboration in other industry sectors such as infrastructure.

From an investment perspective, we need to continue building on the growth of Japanese FDI in Australia, a market which Japan appreciates as an affluent and stable FDI destination. Part of Austrade's core work with Japan is promoting investment opportunities in Australia across a range of sectors. This includes major economic and social infrastructure, clean energy, innovation and tourism infrastructure. Japanese investors are attracted to food, agricultural and energy security, market expansion and technology innovation – all areas in which Australia excels.

Japan's efforts to internationalise its workforce offer many opportunities for Australian education and training providers. Australia can take advantage of its reputation as a leading supplier of global human capital programs to tap into corporate Japan's need for a workforce with skills such as English-language,

## PARTNERSHIP BUILDING THE FUTURE IN VIETNAM

Established in 1889, Australian firm PTW Architects is renowned in Asia for its architecture and master planning of major developments such as the Beijing National Aquatics Center, also known as the 'water cube'. Austrade has been helping PTW Architects find opportunities to partner with Japanese companies throughout Asia.

PTW Architects is working with two Japanese companies in Vietnam: Tokyu Corporation, a major rail, retail and urban developer; and architectural firm Nikken Sekkei. PTW Architects is providing architectural design and construction documents for Tokyu's residential complex of around 7,500 houses as part of a sustainable urban community called 'Tokyu Binh Duong Garden City' outside Ho Chi Minh City, a joint venture between Tokyu Corporation and Becamex. Tokyu has also asked PTW Architects to participate in other projects.

PTW Architects is also working in a sub-consulting capacity with Nikken Sekkei, the project design consultant in the Exim Bank Tower construction, in Ho Chi Minh City's District 1 area.

Sora Gardens, part of the Tokyu Binh Duong Garden City, Binh Duong, Vietnam.

Credit: Image courtesy of PTW Architects.



cross-cultural awareness and leadership. In addition, more internships and exchanges between Australian and Japanese businesses would help both nations develop the knowledge and skills to take advantage of opportunities in each other's countries. The newly announced National Centre for Asia Capability will help businesses develop the Asia-relevant capabilities they need to better access growing markets in Japan and our region.

Through to 2025 and beyond, Japan will have to deal with the challenges of an ageing society, which will be likely to require policy innovation and investment in areas where Australian governments and business are well placed to contribute. Australia can also learn from Japan's experiences, technology and policy responses as we confront the challenges of an ageing population at home.

**COLLABORATION GOAL:** Australia will pursue new opportunities in Japan's changing market, and use our economic complementarities to increase collaboration in the growing markets of Asia.

Despite two decades of low growth, the Japanese economy has changed in ways that present opportunities for Australian business. Japanese firms have established a large and cost-effective production base for manufacturing in Asia. In 2011, around a third of total Japanese manufacturing was conducted offshore, up from around 3 per cent in 1985. Australian companies are already becoming active participants in this new regional economy. The growth in Japanese commercial networks in Asia has begun transforming longstanding commercial relationships into a hybrid model focused on collaboration.

Asia's US\$8 trillion infrastructure needs, combined with the Japanese Government's objective of tripling infrastructure exports to ¥30 trillion by 2020, represent a major opportunity for collaboration between Australia and Japan. Australia's knowledge of infrastructure financing and delivery through public-private partnerships – as well as Japanese

firms' technical expertise, equipment and well-established networks in Asia – are ideal complementary strengths.

The Australia Japan Business Co-operation Committee and the Japan Australia Business Co-operation Committee are exploring the potential for collaboration by leading joint Australia-Japan infrastructure missions to India in 2010 and Indonesia in 2011. They have also worked with the Australian and Japanese governments to establish an Australia-Japan Public-Private Infrastructure Policy Dialogue to facilitate two-way infrastructure investment.

“Australia has an opportunity through this relationship [with Japan] to explore the full potential of its future with Asia.”

Neville Meaney, *Towards a New Vision – Australia and Japan Across Time*, UNSW Press, Sydney, 2006.

In the resources and energy sectors, Japan is increasingly looking to work with Australia in other countries, using our world-class expertise in mining equipment, technology and services. For example, Australia's Horizon Oil has announced a strategic partnership with Osaka Gas to help commercialise Horizon's gas assets in an LNG project in Papua New Guinea. Japan is also seeking to work with Australian companies to develop Africa's minerals and energy sector.

Third-country opportunities also exist in the automotive sector, with the offshore expansion of Japan's automotive manufacturing sector creating value chains in regional markets in Asia. This is particularly the case in Thailand, with which Australia has existing free trade agreements. Further joint opportunities exist in food and beverage exports to Thailand, Vietnam and Indonesia (where Japanese supermarkets and food-service businesses are increasing in number); infrastructure projects in Vietnam and Indonesia; and education services exports to Vietnam. Austrade, as part of its 'Japan in Asia' initiative, is working with Australian companies to identify and develop these opportunities. Breaking into manufacturing supply chains requires Australian businesses to have effective strategies that boost innovation and competitiveness.



# CONNECTING BUSINESS: PATHWAYS TO 2025

By 2025, Australia will build a stronger trade and investment partnership with Japan based on our complementary and common interests. We need to move beyond simply removing barriers and begin creating partnerships.

Reflecting public consultations and submissions, Australia will work to:

## OPEN MARKETS

- Conclude negotiations on a high-quality free trade agreement with Japan that substantially reduces barriers to trade and investment.
- Advance regional economic and financial integration through negotiations on the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership.
- Pursue improved market access in food and agriculture – including via nationally consistent messaging under the Brand Australia Global Food Strategy, and by working with exporters to find effective entry points into growing retail chains and regional supermarkets in Japan.
- Increase Australian financial institutions' engagement in Japanese capital markets, where investors are seeking higher-yield products such as managed investment trusts.

## REFORM AND SKILLS

- Support the Japanese Government's economic growth and reform agenda by continuing to share experiences of reform and liberalisation through bilateral channels, and in multilateral forums such as the G20, WTO, APEC, EAS, OECD and IMF.
- Explore opportunities to support a stronger dialogue with Japan on the challenges of an ageing society, including on economic and policy issues, innovative technologies and research.

- Develop the knowledge, literacy and skills to take advantage of business opportunities in each country, through initiatives such as the National Centre for Asia Capability, and by cultivating internships and exchanges between the Australian and Japanese corporate sectors.
- Help Japanese firms develop a workforce with global skills, building on Australia's expertise as a leading supplier of global human capital programs.

## COLLABORATION

- Boost the bilateral trade and investment relationship and advance cooperation in third countries, through organisations such as the Australia Japan Business Co-operation Committee, the Japan Australia Business Co-operation Committee, and the Australian and New Zealand Chamber of Commerce in Japan.
- Collaborate with Japanese firms to develop previously untapped minerals and energy resources in third countries by providing mining equipment, technology and services.
- Generate new export opportunities by helping build relationships between the Australian and Japanese business communities in third markets.

# CONNECTING GOVERNMENTS: WHAT WE ARE DOING

Australia's government-to-government links with Japan are without parallel among our regional relationships. Frequent visits and dialogues at the leadership level, as well as among ministers and senior officials, cover the security, economic and people-to-people aspects of our comprehensive bilateral relationship.

Australia's security and defence partnership with Japan has strengthened in recent years. Our joint defence exercises – including trilateral exercises with the United States – have increased in tempo and complexity. Australia's extensive military and civilian contribution to post-tsunami operations in northern Japan in March 2011 demonstrated our ability to collaborate quickly in a major crisis. Australia and Japan share assessments on regional and global security through regular 2+2 meetings of foreign and defence ministers, and through the Trilateral Strategic Dialogue involving the United States, our common ally.

The Australia-Japan security relationship also makes a significant contribution to regional and global security. Building on our past cooperation with Japan in Cambodia, Iraq and Timor-Leste, two Australian Defence Force officers are working with Japan's deployment to the United Nations Mission in the Republic of South Sudan.



Kindergarten students in Fukushima entertain visiting HMAS Sydney crew members, 11 October 2012.

Credit: Australian Embassy, Tokyo.

“Australia and Japan are natural strategic partners sharing common values and interests, including a commitment to democracy, the rule of law, protection of human rights and open markets. Australia and Japan share a common strategic objective of ensuring long-term peace, stability and prosperity in the changing strategic and security environment in the Asia-Pacific region and beyond.”

Fourth Australia-Japan Foreign and Defence Ministerial Consultations: Common Vision and Objectives, September 2012.

Australia and Japan have a tradition of cooperating to promote peaceful and rules-based regional and global order. We worked together to create APEC, and are now cooperating to intensify regional cooperation through the EAS. We have a history of shared activism in nuclear non-proliferation and disarmament. Australia and Japan established the International Commission on Nuclear Non-proliferation and Disarmament (ICNND) in 2008, and are working together to diminish nuclear threats through the cross-regional Non-Proliferation and Disarmament Initiative (NPDI), which we launched in 2010.

As two of the largest contributors of development assistance in the Asian region, Australia and Japan are working to maximise the effectiveness of our aid under an agreement between the Australian Agency for International Development (AusAID) and the Japan International Cooperation Agency (JICA) signed in 2011. Our aid agencies have cooperated to support development in our region, including in Myanmar, Samoa, the Solomon Islands and Vanuatu.

Australia and Japan cooperate on a range of environment and sustainable development issues, including climate change, biodiversity, endangered species, migratory birds, coral reefs and urban sustainability. We are advancing our longstanding

collaboration with Japan in Antarctic science and operations through joint scientific projects in areas as diverse as robotic science on the high Antarctic Plateau, and plankton research.

We have a well-developed relationship with Japan on space-related activity, including providing the Woomera Protected Area in South Australia as the landing site for the Japanese Hayabusa spacecraft in 2010.

Australia opposes Japan's commercial whaling program in the Southern Ocean. Having tried to resolve the issue through diplomacy, in 2010 the Australian Government initiated legal action in the International Court of Justice. We hope for a successful outcome in the ICJ before the start of the 2013–14 whaling season. Our differences over whaling have not affected the broader Australia-Japan relationship.

Robust bilateral architecture facilitates the dynamic and complex exchanges between our governments. The Australian Embassy in Tokyo, home to representatives of seven Australian Government agencies, is supported by consulates in Osaka, Fukuoka and Sapporo. Western Australia, Queensland and Victoria also maintain offices in Japan. Australia-Japan ties are also bolstered by 102 sister-city relationships and six state-prefecture relationships.

Strong networks between politicians and parliaments have been vital to the success of the Australia-Japan relationship. Since 1992, 34 two-way parliamentary visits and 33 bilateral exchanges under the Australia-Japan Young Political Leaders Exchange Program have fostered mutual understanding between our legislatures and political representatives.

## COOPERATION ANTARCTIC SCIENCE

Australia and Japan share a longstanding relationship in Antarctic science and operations. This photograph shows the scientists, students, officers, crew and cadets of the TRV Umitaka Maru during the Collaborative East Antarctic Marine Census voyage for the Census of Antarctic Marine Life in 2008. Scientists and students from Australia, Japan and a number of

other nations participated in the voyage, which was led by Professor Takashi Ishimaru from the Tokyo University of Marine Science and Technology, and Dr Graham Hosie of the Australian Antarctic Division.

Credit: Image courtesy of Tokyo University of Marine Science and Technology, and the Australian Antarctic Division.





# CONNECTING GOVERNMENTS: WHAT WE NEED TO DO



Minister for Foreign Affairs Senator the Honourable Bob Carr and Japan's Foreign Minister Fumio Kishida, during Australia-Japan Ministerial talks in Sydney, January 2013.

Credit: Lorrie Graham.

The focus of Australia's official cooperation with Japan has gradually shifted from purely bilateral issues to include the contribution we can make on the regional and global stage. This trend toward a broader 'internationalised' strategic partnership is set to continue.

Australia's security and defence partnership with Japan will continue to grow strongly. Joint exercises

across all three services will grow in scope and sophistication, as will opportunities for collaboration with Japan on advanced defence technologies. Facilitated by our new bilateral agreement on information security, we will further enhance our dialogue on regional and global security through the 2+2 process and the Trilateral Strategic Dialogue with the United States.

We will continue cooperating to promote regional stability and security – including maritime security – and the peaceful resolution of disputes under international law. Our extensive experience working with Japan on peacekeeping, disaster relief and humanitarian assistance operations has made us partners in responding to future challenges in our two countries and beyond. Future cooperation in this area will be facilitated by our new bilateral Acquisition and Cross-Servicing Agreement.

**SECURITY GOAL:** Australia and Japan will enhance our militaries' capacity to work jointly and with others to support regional and global security and stability. This includes responding effectively and at short notice to security and humanitarian challenges.

**INTERNATIONAL GOAL:** Australia and Japan will work as like-minded partners to pursue shared international objectives in areas such as regional architecture, nuclear non-proliferation and disarmament, development assistance, climate change and sustainable development.

As important like-minded voices in regional and global councils, Australia and Japan will continue to use our influence to ensure the right diplomatic structures are in place to address the challenges of the 21st century. Globally, we will work with Japan to consolidate and further develop the G20's role as the world's pre-eminent economic institution. Regionally, we will combine our efforts to ensure the EAS becomes the key institution to help manage the full range of political, security and economic challenges confronting the Asia-Pacific region. We will continue to work closely with Japan in APEC to reduce barriers to trade and investment, deepen regional economic integration and strengthen Asia-Pacific economies. Through arrangements such as the ASEAN Regional Forum and ASEAN Defence Ministers Meeting Plus, we will work with Japan to promote practical defence cooperation and adherence to rules and norms that will bolster peace and stability in the Asia-Pacific region.

We will also deepen cooperation with Japan at the global level through a range of multilateral forums. We will continue to consult closely with Japan during Australia's 2013–14 term on the United Nations Security Council, and to promote UN reform, including by supporting Japan's aspiration to join the Council as a permanent member. Australia and Japan will work together to address proliferation challenges globally and in our region, including in concert with cross-regional partners through the NPDI. The NPDI will advocate practical ways to take forward the consensus outcomes of the 2010 Nuclear Non-Proliferation Treaty Review Conference, and will remain the cornerstone of Australia-Japan cooperation in this field. We will also work with Japan to strengthen the G20's role in promoting employment and global economic growth.

Australia and Japan will strengthen cooperation on development assistance through to 2025. We will assist countries in the region, particularly in the Pacific Islands, to achieve the Millennium Development Goals by 2015, and will support the establishment of the UN's post-2015 development agenda. Future initiatives will include encouraging the Afghan Government's progress on its reform commitments under the Tokyo Mutual Accountability Framework, and promoting initiatives in disability-inclusive development.

Australia and Japan will continue to cooperate on a wide range of environment and sustainable development priorities to 2025, including in the Antarctic. In particular, given our shared commitment to meeting the challenges of climate change, we will work with Japan to develop a new global climate change agreement to be agreed on by 2015 and put into effect from 2020. We expect that Japan will participate in an increasingly integrated global carbon market, with significant growth in joint Australia-Japan collaboration on advanced low-carbon technologies.

The period to 2025 presents significant opportunities to strengthen our collaboration with Japan in the field of space. The Japanese Aerospace Exploration Agency (JAXA) plans to repeat arrangements for the Hayabusa 1 mission in 2010 by using the Woomera Protected Area in South Australia as the landing site for Hayabusa 2. The Australian Capital Territory's Mount Stromlo facility is a reference station for Japan's new Quasi-Zenith Satellite System (QZSS), a GPS-style system focused on the Asia-Pacific region that will provide excellent coverage of Australia. With one QZSS satellite in orbit and a further three planned, Japan has indicated strong interest in further Australian involvement in this system. In addition, the Bureau of Meteorology will enhance its reliance on Japanese satellite data by tapping the sophisticated capabilities of Himawari-8/9, a new Japanese weather satellite.

Australia and Japan have also committed to take forward the proposed International Code of Conduct for Outer Space Activities, and to enhance our engagement with the region on space issues, including in the ASEAN Regional Forum.

**NETWORKING GOAL:** Australia will have stronger political and government networks with Japan.

Maintaining and strengthening Australia's networks with Japan across governments and parliaments is vital to sustaining our bilateral relationship and ensuring it is not taken for granted in the Asian century. Regular two-way visits by Australian and Japanese parliamentarians and parliamentary delegations will promote understanding and goodwill between our democracies, as will a continuation of the Australia-Japan Young Political Leaders Exchange Program under the leadership of the Australian Political Exchange Council.

We will increase efforts to encourage senior politicians to attend the 1.5-Track Australia-Japan Conference, which will ensure high-level contributions to discussions on enhancing the bilateral relationship. DFAT will also continue to use its Special Visits Program to promote an understanding of Australia, and the importance of the bilateral relationship among current and emerging Japanese leaders and opinion-makers.

In order to strengthen Australia's networks with Japanese ministries, the Government has taken steps to establish an alumni network of Japanese officials previously posted to Australia. This could be complemented by a reciprocal network in Australia.

State and territory governments have indicated they will continue to pursue mutually beneficial cooperation with Japan, particularly in strengthening bilateral trade and investment. In some cases, this may include strengthening in-country representation: for example, New South Wales is planning to establish a new office in Tokyo.

## TEAMWORK SHOULDERS TO SHOULDER IN SOUTH SUDAN

Japan Self-Defense Forces and the Australian Defence Force are working together on post-conflict peace-building projects in the Republic of South Sudan, including developing critical infrastructure such as roads. This cooperation will provide valuable assistance to the people of South Sudan as they rebuild their nation after years of conflict.

A member of the Australian Defence Force with Japan Self-Defense Forces personnel, discussing the progress of the Nabari Road construction with the Nabari Community Chairman.

Credit: Department of Defence.



# CONNECTING GOVERNMENTS: PATHWAYS TO 2025

Towards 2025, we will build the connections between people within our governments, and embed the architecture for our engagement beyond 2025.

Reflecting public submissions and consultations, Australia will work to:



## SECURITY AND DEFENCE

- Broaden bilateral defence information exchanges at all levels, expand personnel exchanges, and continue reviewing existing bilateral cooperation frameworks to ensure they meet the needs of the expanding Australia-Japan relationship.
- Conduct regular air, land and maritime exercises and engagement – bilaterally with Japan and trilaterally with the United States – to boost interoperability and increase skills and capabilities.
- Deepen our defence science and technology relationship with Japan in fields such as research, operational testing and industry cooperation.
- Examine opportunities for defence capacity-building cooperation in Southeast Asia and the Pacific, and for joint contributions to international peacekeeping efforts.
- Work with the United States and Japan to help maintain peace and stability in the Asia-Pacific region, particularly through the Trilateral Strategic Dialogue.
- Strengthen cooperation on development assistance, including by helping countries in the region (particularly the Pacific Islands) to achieve the Millennium Development Goals by 2015, and by supporting the establishment of the UN's post-2015 development agenda.
- Work with Japan to realise a fair and effective global climate change agreement by 2015, and to create a robust and integrated global carbon market.
- Maintain and strengthen bilateral exchanges aimed at maximising the Antarctic research efforts of Australia and Japan.
- Engage with Japan on mutually beneficial space-related activities such as meteorology, positioning and satellite landing, while increasing engagement with Japan through the Asia-Pacific Regional Space Agency Forum.



## INTERNATIONAL COOPERATION

- Cooperate with Japan to strengthen the EAS as the key regional institution, and the G20 as the premier forum for international economic cooperation and decision making.
- Leverage our combined influence and reputation to pursue regional and global action, preventing the spread of weapons of mass destruction and their means of delivery, including through the NPDI.
- Maintain an active program of government-to-government dialogues and visits, including regular meetings between leaders and ministers.
- Encourage state, territory and local governments to increase their engagement with Japan.
- Maintain and enhance relations between the Australian and Japanese parliaments, while encouraging emerging political leaders to expand bilateral exchanges.
- Continue to encourage political-level attendance at the 1.5-Track Australia-Japan Conference.
- Develop an alumni network of Japanese officials previously posted to Australia.



## NETWORKING

## CONTACT US

**Web** [www.dfat.gov.au/issues/asian-century](http://www.dfat.gov.au/issues/asian-century)

**Email** [asian.century@dfat.gov.au](mailto:asian.century@dfat.gov.au)

**Mail** **Australia in the Asian Century Implementation Unit**  
Department of Foreign Affairs and Trade  
R.G. Casey Building  
John McEwen Crescent  
BARTON ACT 0221

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