

Hon Julia Gillard

Jeju Forum for Peace and Prosperity

Jeju, Republic of Korea

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I am honoured to be here today. I want to express my profound thanks and appreciation to Governor WOO and Ambassador MOON who invited me last year to come to Jeju in May. It was the first such invitation I received after leaving office, and it was a most welcome one.

First and foremost, especially as we are gathered here in Jeju, my message to the people of Korea is one of heartfelt sympathy for the devastating loss of so many lives – so many young lives – in the waters that surround this beautiful island.

I extend my condolences to the families and friends of those who were so tragically lost.

The grief is overwhelming. The entire world has been saddened by this tragedy, and deeply moved by the anguish that has consumed this community and indeed the entire nation.

The pain and anger will remain for as long as we remember those who perished.

I join all in the hope that out of this terrible event there can be safety reforms.

You have my heartfelt sympathies.

Be assured that your friends around the world share your grief.

And Australia and Korea are such good friends.

We have deep and rich ties. As Prime Minister I visited Korea three times, including in 2011 to mark the 50th anniversary of diplomatic ties between the Republic of Korea and Australia and the 60th anniversary of the battle of Kapyong, a hard fight in a costly war. 18,000 Australian troops served here, and 340 Australians died here. For many of the veterans with me on that special journey, it was the first time they had returned to Korea since they marched out of blood-soaked battle fields. I delighted in seeing their amazement as they discovered the prosperous nation that has been built since.

History binds, but actions today see bonds grow or wither. At every turn we have jointly chosen to strengthen the ties between.

We have nurtured our alliance with each other and the United States. We have a strong bilateral security architecture, with Australia and South Korea having annual 2+2 talks with the foreign and defence ministers.

We both believe in the importance of international diplomatic architecture. I am very pleased South Korea has joined Australia on the UN Security Council, where we are currently in our second year as a member of that elite group.

As robust trading partners – South Korea is our third largest export market and is our fourth largest trading partner, with two- way trade of approximately \$30 billion per year -- we have just concluded a landmark Free Trade Agreement that slashes tariffs and is expected to stimulate trade by \$5 billion more in the next 15 years.

We have strong people-to-people ties, with over 16,000 Korean students in our universities.

As Prime Minister, I ensured our nation looked towards Asia. In August 2012, I launched our comprehensive strategic document, the White Paper on Australia in the Asian Century.

The White Paper –which was very well received throughout the region – said:

“We [Australia] seek security in the broadest sense – meaning the security of Australia from attack or coercion; the collective economic and political security of this rapidly growing region; security of supply for food and energy as the region grows; the human security of individuals in the region ...; and the security of the natural system as the globe enters a period of rising temperatures and new environmental challenges.”

Our White Paper also said that South Korea is, and I quote, “a growing security and environmental partner for Australia,” and the White Paper noted the importance of the UN, the G20, the East Asia Summit and APEC.

My Government’s White Paper also called for the development of a comprehensive country strategy for South Korea, in order to bring stronger cohesion and purpose to the relationship.

In my life beyond politics, I have continued to look to you, to Korea. Indeed this is my second visit here since leaving the Prime Ministership and I will visit again very soon.

In a world of too few women leaders, I am always gratified to be in a nation led by a woman.

I have had the pleasure of meeting President Park and admire her greatly. I look forward to dealing with her in my capacity as the Chair of the Global Partnership for Education and trust we will be able to work together to address the tragic fact that in our world tens of millions of children continue to miss out on even a basic education.

But let me turn to our task today, which is to canvas, at this important conference, the key strategic issues in our region, and the policy settings that can help guide us to a better, more secure and more prosperous future.

In a world of so many geo-political challenges, today I will focus on three: the threat posed by North Korea and the prospects for change, the consequences of China's rise and the engagement of the United States in our region and what it means for us as allies.

First, to North Korea, which continues to oppress its own people and cause international concern because of its unpredictability and ambition for nuclear weapons.

The new leader, Kim Jong Un, comes across as both dangerous and erratic. We do not know the limits of what he is capable of doing, from brutalizing his own people, to murdering his opponents, to developing his nuclear weapons.

In facing such a regime, there is only one certain course: to stay vigilant and resolute. To be prepared to meet whatever emerges from Pyongyang. This means a continuation of the closest consultation, dialogue and coordination between us and our ally the United States. We do not know what he will do – but we have to be prepared for every contingency, including the possibility of change within North Korea itself.

If the events of this century so far teach us anything, it is that even the most apparently entrenched of regimes can fall quickly and with little warning. The so-called Arab Spring has shown us that and also demonstrated how hard it can be to fill the power vacuum created with a robust liberal democracy.

I was heartened to see a recent piece in the Washington Post, authored by an escapee from North Korea, Yeon-mi Park. In it she describes her generation as the 'Black Market Generation', younger people who grew up understanding the power of the market, because of North Korea's unofficial economic activity.

She also details her generation's increasing understanding of the world beyond North Korea because of increasing access to information through black market and non-government organisations.

To move from this to seriously challenging the current regime is a big and dangerous journey. But the human impulse for freedom should never be underestimated.

Should change happen, whether its source is the collapse of the current regime or it embarking on a different and better course, then the Republic of Korea would need to make decisions on reunification. While the entire world has a stake in this issue - China, the United States, Japan and Australia - it is, at the end of the day, one for the Korean people to decide.

This is another contingency for which to prepare and one that is the subject of so much dreaming and dialogue here in the Republic of Korea.

Every day you and the world have to manage the difficult calibration of diplomacy and discipline for North Korea. We are all familiar with the cycle of better behaviour by North Korea to secure something it wants like food aid, which gives way to capricious acts of bad behaviour once that goal is attained.

There are no easy choices here. But every choice possible requires deep thinking about China's engagement and its ability to influence North Korea.

This is but one dimension of the multiple strategic calculations our world needs to make about China.

Its rise is a powerful force shaping the times in which we live.

In my view, China's new and growing status and prosperity is both remarkable and to be welcomed.

When Great Britain industrialised, it took seventy years – the whole period from 1830 to 1900 – for its economy to quadruple.

In contrast, China is doubling the size of its economy every eight years.

Already the world's largest manufacturer, the world's largest exporter, the world's largest consumer of energy, already the world's second largest economy, and on some projections, on track to be the world's largest in twenty years.

Set to surpass the US economy for size by mid-century in purchasing power terms.

Enormous economic changes and human changes too – creating enormous human opportunity.

Millions of people leaving absolute poverty absolutely behind.

The creation of a large and rapidly growing Asian middle class, which within a few years will be bigger than that of the rest of the world combined, North America and Europe included.

In the Asian Century White Paper, our view of this transformation was stated clearly in the following terms:

'We welcome China's rise, not just because of the economic and social benefits it has brought China's people and the region (including Australia), but because it deepens and strengthens the entire international system. We have consistently supported the reform of global institutions to make them more representative of the large emerging economies and the modern world.

We accept that China's military growth is a natural, legitimate outcome of its growing economy and broadening interests. It is important that China and others in the region explain to their neighbours the pace and scope of their military modernisation, to build confidence and trust.

We want, therefore, to deepen our already close and cooperative relationship with China at every level, including enhancing our defence cooperation. We come to the relationship with China as a dependable economic partner, a constructive participant in regional affairs, one of the world's oldest democracies, a good international citizen, and a close ally of the United States. None of these dimensions will change. Together they offer the strongest possible foundation for engagement with China and the region as a whole.'

China's hunger for resources as it grows has brought great economic benefits, including to my own nation.

But it has also brought tension.

The recent anti-China riots in Vietnam are evidence of that tension at the street level.

The anxiety in the many diplomatic engagements about the South China Sea demonstrates that tension at another level.

But it is those diplomatic dialogues, bilaterally and through important multi-lateral forums like the East Asia Summit, that must be our focus.

We, Australia and Korea, along with our ally the United States, must be patient and perceptive investors in strengthening these exchanges and institutions so that they are robust enough to enable the resolution of the hardest of issues.

Of course, the difficult issues are not confined to the South China Sea.

Japanese nationalism and China's strength have collided in their territorial disputation over islands in the north.

At times the language used around this dispute has been heated. I witnessed that myself at an Asia-Europe summit meeting. The dangers of miscalculation are ever present. Here too work is needed to reduce tension and find a path through.

In all of these issues, the deep engagement of the United States is vital. Fortunately our shared ally is bringing a sophisticated approach to that engagement.

This was summarised in our Asian Century White Paper, in the following way:

‘The relationship between China and the United States, the two most powerful states influencing the region, will do more than any other to determine the temperature of regional affairs in coming decades.

Beijing and Washington both want to develop constructive relations and avoid conflict: their governments have consistently said so; the intensity, structure and sophistication of their engagement, often underestimated, has shown it; and they have deeply interlinked interests that will push them that way.

We are optimistic about the ability of China and the United States to manage strategic change in the region. But their relationship will inevitably have a competitive element, especially as China’s global interests expand, it becomes more active on a broader range of international issues and its defence capabilities grow in areas dominated for more than half a century by the United States.’

As our region sees both the benefits of co-operation between the United States and China and the out workings of a natural competition, it is important that each of us is able to work collaboratively together, to the best of our ability, on our shared strategic outlook.

Australia and Korea can do that seamlessly and well.

But the continuing tensions between Korea and Japan are concerning to me. I understand the deep and painful historical roots. The enduring memories of Japan's occupation of Korea and the wrongs that were inflicted on the Korean people – particularly Korean women – are making that necessary collaboration more difficult.

World War II ended 69 years ago. One must always remember – one must never forget – the lessons of World War II – and the war crimes that were committed. The Korean people suffered. Korean women were treated terribly. From my country, Australian troops suffered grievously at the hands of the Japanese.

The past must be acknowledged with honesty. The victims still alive today should have their suffering recognised.

But one must live in the present, and embrace the opportunities at hand today – precisely for our security tomorrow.

The world would be grateful to see a movement forward for Korea and Japan.

I expect as this conference unfolds the strategic issues I have canvassed -- North Korea, China's rise and the relationship between Korea and Japan -- will be the subject of deep discussion.

Of course, the interplay of strategic and economic questions will be in our dialogue too.

The first G20 meeting I attended was in Korea and the next is in Australia. At the forum much work must still be done to strengthen the global economy, deal with structural imbalances and focus on jobs and growth.

Regionally, APEC continues to play a vital role on furthering economic integration.

The East Asia Summit and our relationships with ASEAN are also part of building the stronger architecture we need for cooperation and commerce.

In short, we need to be focused on developing an effective regionalism that will work to bring greater harmony on the geopolitical front as well as embrace food security and foreign investment, immigration and education,

stock market structures and financial regulation, energy policy and environmental standards.

This is a vast landscape of change – a landscape that can help build both prosperity and peaceful engagement.

The strength of integrated financial ties and trade, as well as people to people links, can do much to overwhelm any tensions.

These are also themes that I hope are explored in Jeju over the next three days.

Finally, and more specifically:

What can Australia and the Republic of Korea do together to advance these more positive dynamics?

Although a Western nation, Australia has deep and growing ties across Asia. Australia is seen as a dependable friend, possessed of immense goodwill and a desire to engage with and learn from its neighbours.

The Republic of Korea is well integrated economically with the whole region. Korea has FTAs with the United States and Australia, and is advancing free trade agendas with ASEAN, China and Japan.

It is a vibrant democracy – sometimes, perhaps a little too vibrant on the floor of your Parliament. Your culture, which so respects education, is greatly admired. Your technological prowess, with broadband deployed to virtually every house, is the envy of the world.

In short, Korea and Australia work together so well economically and politically:

Let's keep building our capacity to do so in the interests of peace, stability and security in the region.

I agree with President Obama, who was here just a few weeks ago, that all the tensions in this region that I have discussed this morning can be managed – they can be successfully navigated.

But they require constant attention and goodwill – and not just to avoid the dangers of mistake and miscalculation, but to reduce the harm that will occur if they persist in the years ahead.

We can always do better, but there has to be a break – not with history, or with memory – but a break with paralysis over the legacy issues of the 20th century.

That is what we have to strive for. That is what holds the promise of a better tomorrow – for ourselves and for our children.

Thank you.