

## **DFAT White Paper Submission**

### **1. AUSTRALIA'S FOREIGN POLICY NEEDS TO BE GROUNDED IN A CLEAR-EYED ASSESSMENT OF OUR NATIONAL INTERESTS.**

**→ How should we define Australia's national interests in a changing world? How should our values underpin Australia's foreign policy? What should we do differently? How can we do better?**

- Bring expertise, changing the world that positively influences the interest of allies whilst also seeing benefits back to Australia.
- Shared value – policies and practices that enhance the competitiveness of companies while improving social and environmental conditions in the regions where they operate. It is a business strategy focused on companies creating measurable economic benefit by identifying and addressing social problems that intersect with their business. To qualify as shared value, there must be an identifiable economic benefit to the company as well as measurable impact on a social or environmental issue.
- The shared value concept has already been engaged with and supported by The Hon Julie Bishop MP, and the Private Sector Development Section in Multilateral Development and Finance Division, building on the work from Ministerial Statement for Aid and Development – 'Creating Shared Value Through Partnership', therefore expand this activity throughout DFAT and other departments in the Australian government.
- Aligned interests and collaboration between various sector together (government, business, NFPs etc).

### **2. AUSTRALIA HAS DIVERSE INTERESTS THAT SPAN THE GLOBE.**

**→ Which countries will matter most to Australia over the next 10 years? Why and in what ways? How should we deepen and diversify key relationships?**

**→ Which global trends, such as developments in technology, environmental degradation and the role of non-state actors, are likely to affect Australia's security and prosperity? How should Australia respond?**

- US, China, New Zealand, other countries in Asia, the UK, as well as countries with increasing trade and development such as Mexico. Countries connected to Australian society's core commodities, as well as emerging markets to enhance Australia's key industries that want to be maintained and strengthened.
- Deepen through establishing initiatives that focus on long term, two-way trade relationships and diversify by looking at relationships that support emerging markets for the private sector or that are connected to Australia's value chain.
- Global trends: developments in technology, environmental degradation, food security, growing middle class in developing countries, climate change and need for mass migration as a result.

- Disparity between cities versus regional areas – better engagement between the two both physical e.g infrastructure as well as interpersonally. Great to see DFAT Secretary France Adamson encouraging this already: <http://www.abc.net.au/news/2016-11-17/from-paris-to-poondindie-dfat-ambassadors-to-woo-country/8033710>

### **3. AUSTRALIA IS AN INFLUENTIAL PLAYER IN REGIONAL AND INTERNATIONAL ORGANISATIONS.**

→ **Which regional and global organisations matter most to us? How should we support and shape them? How can we maximise our influence?**

- Both private sector organisations and public sector organization (development organisations, NFPs etc) who are willing to work collaboratively and with DFAT to create social and commercial value – shared value – aligned with the interests of Australia.
- Through continuing programs such as the Business Partnerships Platform (BPP) – launched as part of the Ministerial Statement for Aid and Development – ‘Creating Shared Value Through Partnership’ - and applying this thinking to other parts of DFAT and other Australian Government Departments.

### **4. AUSTRALIA NEEDS TO BE AMBITIOUS IN GRASPING ECONOMIC OPPORTUNITIES.**

→ **What steps should be taken to maximise our trade and investment and expand commercial opportunities for Australian business? How can we ensure Australia is positioned to take advantage of opportunities in the global economy? What are the key risks to Australia’s future prosperity and how should we respond?**

- Shared value
- Local cluster development as a form of Microeconomics of Competitiveness - competitiveness and economic development addressing the subject from a bottom-up, microeconomic perspective, whereby wealth is actually created at the microeconomic level; the sources of national or regional productivity, which are rooted in the strategies and operating practices of locally based firms, the vitality of clusters, and the quality of the business environment in which competition takes place.
- Collective impact projects with the private sector and other civil society organisations – for example building trade corridors and infrastructure in regions to enable trade/export capacity for farmers to other nations where there is a shortage of particular food supplies and market demand for such goods – i.e China and milk.
- Risk of entrants from overseas such as Amazon disrupting and monopolising key industries such as retail, FMCGs and food and agriculture in progress, therefore Australia needs to build up it's own competitive businesses and value chains before this happens.
- Trade and diplomatic relations with other large nations given the current nature of international affairs – i.e U.S and China. Therefore utilising

relationships and networks through the private sector and multinationals to maintain prosperous ties.

## **5. AUSTRALIA CONFRONTS A RANGE OF STRATEGIC, SECURITY AND TRANSNATIONAL CHALLENGES.**

**→ How can Australia best deal with instability beyond our borders? How can our foreign policy, including our overseas development assistance program, support a more prosperous, peaceful and stable region? How should our international engagement work to protect Australia against transnational security threats, such as terrorism?**

- Support development initiatives that focus on long term results, as opposed to short term financial aid distribution.
- Work with countries that are connected to Australia's own supply chains and key industries.
- Work in alliance with other partner countries- strengthen ties with international governments through activities such as those outlined above to do so. Therefore, building positive reputation for Australia, decreasing likelihood of Australia becoming a 'target'.

## **6. AUSTRALIA USES A RANGE OF ASSETS AND CAPABILITIES TO PURSUE OUR INTERNATIONAL INTERESTS.**

**→ What assets will we need to advance our foreign policy interests in future years? How can we best use our people and our assets to advance Australia's economic, security and other interests and respond to external events?**

**→ How can Government work more effectively with non-government sectors, including business, universities and NGOs, to advance Australia's interests?**

- Solid networks of both private sector and civil society players (both locally and internationally).
- Over the past year the dialogue around government and shared value in the region has noticeably progressed through the leadership role that DFAT has taken in implementing their 'Creating Shared Value Through Partnership' Ministerial Statement, and taking on a shared value framework to unlock new policy opportunities and to leverage new ways to collaborate with the corporate sector and civil society in aid and development. Therefore build on this leadership and apply this framework to other parts of DFAT and other Australian Government Departments.
- Shared value as a vehicle to drive both the Australian Government's development agenda as well as domestic productivity.
- Through the shared value framework and collective impact model – working with groups to advance long term social prosperity and improve communities in which they are operating whilst creating economic returns and scalable business models – (i.e Reconceiving products and markets, redefining productivity in the value chain, enabling local cluster

development. A common language to bring together different sectors together in ways that they haven't in the past, these cross-sector conversations don't happen enough and this needs to change.

- Build a bridge and help reconcile the tensions of building emerging markets versus supporting marginalised populations through development agencies.
- Governments can help accelerate the adoption and implementation of shared value by serving as knowledge brokers, convening key stakeholders, acting as operating partners, changing the risk-reward profile for shared value opportunities, and creating more supportive regulatory environments.
- Collective funding towards goals – e.g cash contributions from corporate sector, impact investing, means to attract new types of finance and create more convening power.
- Resilience building and risk mitigation – E.g Australian Business Roundtable for Disaster Resilience & Safer Communities  
<http://australianbusinessroundtable.com.au>