



The Australian
APEC
Study Centre

MONASH
UNIVERSITY

REPORT ON

ACTIVITIES 2001

&

PROGRAM 2002

ACTIVITIES IN 2001

The Centre has continued to expand its activities throughout 2001. The Managing Regulatory Change in Life Insurance and Pensions Program is the largest ongoing project of the Centre. Other training courses were held on Legal Aspects of E-Commerce and on Biotechnology. The Centre responded to the possibility of a Free Trade Agreement with the US by holding a conference and writing a commissioned report. Work has commenced on a number of trade and environment issues. The Centre has continued its work on public issues and information activities.

TRAINING PROGRAMS

MRC TRAINING PROGRAMS

As part of the ongoing Managing Regulatory Change in Life Insurance and Pensions Program (MRC), the Centre conducted two training programs during March and July 2001. Both programs were attended by middle level officials from regulatory agencies in China, Fiji, India, Indonesia, Malaysia, Papua New Guinea, the Philippines, Thailand and Vietnam.

Insurance and corporate regulators, academics government officials and industry representatives from Australia, Hong Kong and Singapore as well as the participating economies contribute expertise to the planning and delivery of the MRC Program. Over three years the program will provide a two-week training program to over one hundred and sixty officials from the Life Insurance and Pensions Sector in developing Asian economies.

The program is part of the APEC Finance Ministers process. It is intended to contribute to the development of sound standards and practices in the industry and thus contribute to a stable and vibrant financial services sector in APEC. The MRC program is funded by the Asian Development Bank, AusAID, AXA Asia-Pacific Holdings and the Commonwealth Bank.

LAW AND E-COMMERCE PROGRAM

The Legal Frameworks and E-commerce training program was held during June 2000. The program was designed by the centre in conjunction with the Centre for Law in the Digital Economy (CLIDE), unit of the Faculty of Law, Monash University. Participants included government officials from legal and telecommunications departments and academics from APEC Study Centres in China, Indonesia, the Philippines and Vietnam. This course was funded under AusAID's APEC Support Program.

BIOTECHNOLOGY PROGRAM

In June –July 2001 the Centre mounted *Reaping the Benefits of Biotechnology*, a training program for officials and academics from China, Indonesia, Philippines and Vietnam. The two-week course was designed and mounted in response to initiatives in several APEC fora which highlight the need for human capacity building in the development of effective public policy to deal with this emerging technology. This course was also funded under AusAID's APEC Support program.

CONFERENCES AND SEMINARS

MS PAMELA FAYLE APEC BRIEFING - MARCH 2001

In March the Australian APEC Study Centre organised a briefing by Ms Pamela Fayle, Ambassador to APEC. The briefing was timed to allow discussion of the outcomes of the 2001 APEC Senior Officials Meeting (SOM). Ms Fayle outlined the Australian Government's trade objectives for 2001 and reported progress in the various APEC fora. The briefing, which was held in Melbourne, was attended by business leaders and academics.

FTA CONFERENCE IN CANBERRA - JUNE 2001

The Australian APEC Study Centre believes that a Free Trade Agreement with the United States represents an exciting opportunity to advance Australia's trade interests. The expectation of early progress has faded, but it is likely that the proposal will be further pursued over the next couple of years. There are a wide range of issues to be considered in the negotiation and possible implementation of such an agreement. The Centre has been engaged in activities to support progress in clarifying Australia's policy development in this area.

In June 2001 the Centre staged a conference *An Australian/US Free Trade Agreement: Opportunities and Challenges*. The Conference, held in Canberra, featured presentations by Australian and US experts and covered a wide range of issues related to a possible FTA including agriculture, the new economy, competition policy, media as well as the overall national interest in developing such an agreement. The target audience was government officials and business representatives. The Conference was supported by DFAT who met the cost of attendance by American speakers. Microsoft and Southcorp Wines provided financial support to the conference.

The Centre was also commissioned by DFAT to prepare a report on the issue. The report, *An-Australia-US Free Trade agreement: Issues and Implications*, was the major analysis of the proposed FTA. It canvassed a broader range of issues beyond those which have been traditionally been associated with FTA's.

MRC BEIJING SYMPOSIUM

The second annual Managing Regulatory Change in Life Insurance and Pensions Symposium was held in Beijing on 9-11 November 2001. The Symposium is a key component of the Centre's MRC Program. It was attended by senior regulators from Australia and the region as well as officials from international financial institutions. A major outcome the Symposium was the development of a set of principles for the regulation of private pension plans. Regulators at the Symposium also reviewed progress in the MRC program to date.

GLOBAL ACTIVITIES

JOINT RESEARCH WITH CHINA ON TRADE AND ENVIRONMENT

The Australian APEC Study Centre is partnering Peking University and the Chinese University of Foreign Trade and Economic Co-operation in a joint research project on trade and environment issues. The aim of the project is to compare attitudes of developed countries and developing countries on trade and environment.

The project is part of a larger program funded by AusAID to enhance China's capacity to participate in the World Trade Organization. The project is to be completed in June 2002.

INTERNATIONAL CONSORTIUM OF APEC STUDY CENTRES

The International Consortium of APEC Study Centres held its annual Conference in Tianjin, China in May. The Centre was represented by Professor John McKay, Mr Darby Higgs, Mr Kevin Ryan and Mr Justin Kennedy. Papers presented from The Australian APEC Study Centre were *What can APEC do to restore sustainable growth*, by Alan Oxley and *APEC as a complex adaptive system: insights on the problem of multilateralism versus bilateralism from a new science* by Darby Higgs.

APIAN PROCESS

Professor John McKay has continued to represent the Centre on the APEC International Assessment Network (APIAN). This network is a collaborative independent project based on a group of APEC Study Centres. It is providing valuable policy advice to the various APEC fora with particular emphasis on encouraging the fulfilment of APEC objectives.

PUBLICATIONS OF THE CENTRE

APEC CURRENTS NEWSLETTER

Four issues of the newsletter were published during 2001. It is well received by business, government officials and academics. The format was revamped for the November edition giving a new look and replacing the *APEC Observer* opinion piece with an expanded Analysis section.

ISSUES PAPERS

Issues papers continue to be an important means of pursuing the Centre's goals. Five were published during 2001.

- *The Australia Japan economic relationship - the need to modernise a vital relationship* Issues paper no 22, October, 2001 by Alan Oxley, Chairman, Australian APEC Study Centre
- *APEC as a complex adaptive system: insights about the problem of multilateralism versus bilateralism from a new science* Issues Paper No 21, May 2001 by Darby Higgs, Deputy Director, Australian APEC Study Centre
- *APEC needs a wake up call more than trade liberalization*, Issues paper no 20, May 2001 by Alan Oxley, Chairman, Australian APEC Study Centre
- *An evaluation of the feasibility and desirability of the proposal for an Asian Monetary Fund*, Issues paper no 19, April 2001, by Ben Ross, Research Associate, Australian APEC Study Centre
- *New exchange rate policies for Asia after the crisis*, Issues paper No 18, January 2001, by Christopher Walker, Asian Development Bank

REPORTS

An Australia-US Free Trade Agreement- Issues and Implications. A report commissioned by the Australian Department of Foreign Affairs and Trade.

Bridging the Digital Divide: refocussing on a market based approach, an APEC perspective by Patrick Xavier.

CONFERENCE PAPERS

Papers from the Australia/US Free Trade Agreement Conference

- *Keeping focused on Australia's interests*. Keynote Speech by Hon Mark Vaile, Minister for Trade
- *Can Australian and US competition policy be harmonised?* Brian Cassidy, Australian Competition and Consumer Commission
- *Agriculture: the strategic issues*, Peter Gallagher, Inquit Pty Ltd
- *The strategic setting: an American assessment*, John Higley, University of Texas at Austin
- *CER lessons*, Peter Lloyd University of Melbourne
- *Info-economy issues: E-commerce law*, Moira Paterson, Law School, Monash University
- *What the invasion of "McDonalds TV" means for Australia's media*, Stuart Simson, Managing Director- Artsim Pty Ltd
- *Implications for anti-dumping and countervailing*, Jeff Waincymer, Professor of Law, School of Law Deakin University
- *Benefits of free trade area between Australia and the US in the context of developments in the new economy*, Patrick Xavier Swinburne University

OTHER PUBLICATIONS

A complete guide to regional trade agreements in the Asia Pacific, By Tim Martin (intern student)

Country reports on legal frameworks and E-commerce from China, Indonesia, Philippines and Vietnam. These reports were commissioned as part of training course on law and the Internet.

Creating Long Term Confidence: Report of the first year of the Managing Regulatory Change in Life Insurance and Pensions Program.

INTERNET PUBLISHING

THE AUSTRALIAN APEC STUDY CENTRE'S SITE apcc.org.au

Since inception the emphasis of the centre has been to make its publications as freely and widely available as possible. Electronic publishing is the most economic means of doing this. The volume of material on the site has grown as the scale and scope of the Centre's activities have expanded and by 2001 it needed to be revised in order to facilitate user searches and management activities.

The site was overhauled and mounted on a more user-friendly platform at the end of 2001. It now has a more consistent style and attention has been given to ease of navigation by users. The Centre believes that site will continue to be a valuable resource in disseminating information to academics, students, researchers, business and the general public.

GLOBALISATION GUIDE globalisationguide.org

The Centre maintains *Globalisation Guide*, a website developed in response to the public debate surrounding the WEF conference in Melbourne in September 2000. The target audience is upper secondary and undergraduate students but the site has considerable value to a wider audience. As the only substantial site providing both pro and anti-globalisation cases, the site attracted large interest with increasing numbers of visitors being logged. Two educational publishers, one in the UK and one Australian-based, have republished extracts from *Globalisation Guide* in print. The site was updated in December 2001 to reflect new material and the changing course of the debate.

INTERNATIONAL CONSORTIUM OF APEC STUDY CENTRES apccstudy.org

The Australian APEC Study Centre maintains a site as a service to the International consortium. [Apccstudy.org](http://apccstudy.org) provides a means of networking and development of collaborative activities for academics throughout the region. The site has enhanced the reputation of the Australian Centre among its peers in other economies.

MANAGING REGULATORY CHANGE PROGRAM apcc-finsec.org

This website is maintained as part of MRC training program. Its role is to provide information about the program, to maintain contact with trainees after their courses and to provide a platform for ongoing networking among regulatory agencies. The site also features an online newsletter to encourage ongoing involvement with the program.

STAFF CHANGES

Professor Jeff Waincymer has been appointed Chair of International Trade Law in the Faculty of Law at Monash University. This is a shared position with the APEC Study Centre. Professor Waincymer's expertise in Trade Law and the WTO disputes system will be a valuable addition to the Centre's research and training capabilities.

Ms Ainsley Jeffery has been appointed as Project Officer, with special responsibility for training programs.

Ms Jo Bosben was on extended leave of absence during 2001. She has now resigned from her position. The Centre wishes to record its gratitude to Ms Bosben for her role in the developmental years of the Centre.

Mr Kevin Ryan, who was Project Manager for the MRC Program has also resigned from the Centre.

Mr Darby Higgs continues as Deputy Director, Mr Justin Kennedy as Project Officer, Ms Melissa Garro as Office Manager and Ms Patricia Prowling as Accounts Officer.

SUPPORTERS OF THE CENTRE

The Centre receives a core funding grant from Monash University of \$220,000.

The following organisations have supported The Centre's Activities during 2001:

- The Asian Development Bank
- AXA Asia Pacific Holdings
- AusAID
- BHP Billiton
- Commonwealth Bank of Australia
- Rio Tinto Limited
- Microsoft
- Southcorp Wines.

ACTIVITIES IN 2002

CONTINUATION OF THE MRC PROGRAM

Two more training programs are scheduled for 2002, one was held in March, the second will be held in July. The Annual Symposium of Life Insurance and Pensions Regulators will be held in New Delhi in November.

TRADE AND ENVIRONMENT ACTIVITIES

In February 2002 a two-week training program for trade and environment officials from developing ASEAN economies plus China was held. This was followed by a high level seminar for Australian and overseas officials. The joint research project with Peking University will be completed in the middle of the year.

Two papers dealing with the environmental threat to trade, one from the developing country viewpoint, and another dealing with the issue from the international business viewpoint have been written by Alan Oxley and published.

Further activities in this area are likely as governments respond to the emerging issue.

MONASH APEC LECTURE

The Monash APEC Lecture was delivered by Ken Henry, Secretary of the Australian Treasury in March 2002. His lecture *Restoring Growth in the East Asia Region: the role of the APEC Finance Ministers* has been published on the website.

TRADE FACILITATION TRAINING PROGRAM

The Centre has been contracted to provide an eight-week training program for up to eighteen Indonesian government officials. This will occur in June-July, and is funded by AusAID via the IASTP II project.

AUSTRALIAN US FREE TRADE AGREEMENT

This is likely to become topical during 2002 and the Centre is investigating suitable activities to build on those of 2001.

TRAINING PROGRAMS IN PROSPECT

The centre has project tenders with AusAID for two training courses, one on Financial Risk Management and the second on Biotechnology.

INTERNATIONAL CONSORTIUM MEETING IN MERIDA, MEXICO

The International Consortium Meeting will be held in Mexico in May 2002. Professor McKay and Darby Higgs will be presenting papers.

APEC DIALOGUE ON GLOBALISATION AND SHARED PROSPERITY

This dialogue will be held in Mexico in conjunction with the APEC SOM II meeting. Alan Oxley has been invited to present a paper.

INFRASTRUCTURE COURSE DEVELOPMENT

The Centre is currently developing a program on infrastructure with a focus on corporate governance and management. This initiative will be a ten day program developed on a commercial basis, targeting the Asian Region.

APEC FINANCE CENTRE

The Centre is developing a proposal to establish a program to provide training for regulators in the financial sector of the region. This would build on the strengths of the MRC program but would embrace a broader range of components of the financial services sector.