

# THE AUSTRALIAN APEC STUDY CENTRE CENTRE ACTIVITY REPORT

July 2010 – June 2011

Prepared for the Advisory Board Meeting 1 August 2011



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Attachment 1 – Mission Statement and Key Performance Indicators

Attachment 2 – Centre Advisory Board and Financial Services Advisory Board

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## 1.0 SUMMARY

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The goals and objectives of the Centre and a statement of our core activities are set out in Attachment 1.

The Centre has deepened its relationship with RMIT and specifically with the College of Business. This relationship has afforded the College of Business the ability to build stronger relationships with the state and federal government, links with the Global Business and Engagement Unit, research credits from our cutting-edge training programs, improve the industry profile of RMIT facilities such as the refurbished Emily Macpherson building and the new RMIT campus in Hanoi, and increase marketing and positioning of RMIT throughout the Asia Pacific.

The Centre's finances remain sound but there is increased competition for funding. The last tranche of funding under the Melbourne APEC Finance Centre has been received and the program, which commenced in 2007, is now being reviewed. We are confident of a favourable review.

We have widened the range of activities we bid for under AusAID PSLP and other programs but maintained relevance to our core capacities. We continue to maintain strong links with APEC and in particular ABAC (APEC Business Advisory Council) and with international agencies.

Commonwealth Departments continue to support the work of the Centre, in particular DFAT and Treasury and key regulatory agencies such as the APRA, ASIC and the RBA.

Our linkages with industry and with academia broadly in Australia and in the region are deepening.

We are seeking to establish a partnership funding agreement with AusAID; such agreements are recommended under AusAID's recent Independent Review of Aid Effectiveness.

The centre has been extremely busy with capacity building programs and other activities and has a full calendar until 1<sup>st</sup> quarter 2012.

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## 2.0 INTRODUCTION

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***The relationship with RMIT is a vibrant one and strongly collaborative.*** The Centre values the deep cooperation with the College, through Professor Aaron Smith and with the Pro Vice Chancellor Ian Palmer. Where practicable, the Centre utilises RMIT facilities for the delivery of its programs, and in particular the refurbished Emily McPherson building.

The Vice Chancellor gave the opening address to a major regional symposium, "Enhancing Financial Policy and Regulatory Cooperation – Responses to the Global Financial Crisis", convened in March, and the Pro Vice Chancellor, College of Business opened a symposium in April, "Policies and Environment Conducive to Investment".

We seek to involve RMIT academics in training programs and most recently we commissioned the services of a coordinator in designing and implementing a training component of an Australian Leadership Fellowship Program on public private partnerships in infrastructure. The program involved an academic from the Graduate School of Business and Law. The RMIT School of Property Construction and Project Management organised a seminar as part of the program on "Directions and Issues for PPP Research".

We arranged the delivery of a program at RMIT University campus in Hanoi in October 2010 and which was opened by the President of RMIT Vietnam. We plan to convene a workshop in the 1<sup>st</sup> quarter 2012 at the RMIT Campus in Ho Chi Minh.

We are discussing with the College of Business the possible relocation of the Centre to the Swanston Academic Building (SAB), due for completion in early 2013.

The Centre continues to gain academic research credits for the College of Business, based on components of our training programs and activities that can qualify as research related. While this is time consuming it makes a substantial contribution to the relationship with the University.

We are delighted to advise that the Executive Manager of the Centre has been selected to participate in LeadRMIT, a program to develop leadership capabilities in the University.

**Linkages are strong and growing.** Through our strong links with ABAC and its Advisory Group on financial system capacity building (the Director of the Centre is a member of that group), we are able to demonstrate support for our funding applications to AusAID, and to the APEC Secretariat, that our activities are strongly supportive of APEC's agenda. We are continuing to develop relationships with the World Bank Singapore Office in creating modules to promote public private partnerships in infrastructure financing, and with the ADBI on financial regulation and supervision and with the OECD on investment.

The DFAT website on impediments to financial trade services in the APEC region has been expanded by 6 more economies and it has been turned into an APEC Secretariat funded project. It is a deliverable for this year's APEC Leader's meeting in Honolulu in November. The Centre is responsible for managing this database in cooperation with ITS Global. A recommendation is imminent that the database be expanded to cover all APEC member economies.

We have completed work on the Treasury Catalogue of Policy Choices and provided our assessment on the Catalogue. Our view is that this exercise has had very limited impact and has made at most a modest contribution to APEC's work on supporting policy initiatives to strengthen financial and regulatory supervisory policies in the region. This result is as a consequence of the constraints placed on access to the data base and the policy material that was originally envisaged be included in the Catalogue. We have advised Treasury that these matters need to be addressed in the (unlikely) event that APEC seeks to develop the concept further.

Notwithstanding the completion of the funding by the Victorian Government, we continue to build relationships with the government agencies, in particular the Department of Business Development and Innovation and Partnership Victoria, an office under the Department of Treasury and Finance. We are supporting a review of the outcomes of the MAFC program being undertaken by the NOUS Group on behalf of the government. This review will examine the program objectives and the review team will consult with major stakeholders. It is expected to be completed in September 2011.

**Partnerships.** We will seek to develop a partnership funding agreement with AusAID. Such an agreement would provide certainty of funding over a medium term period and reduce the administrative burden on both AusAID and its partners

We are entering into a partnership with the Asian Development Bank Institute (ADBI) to collaborate on capacity building training programs and research. We have recently undertaken a program on financial inclusion in the Philippines with the Association of Development Finance Institutions in Asia and the Pacific (ADFIAP). We are discussing a partnership to promote joint capacity building activities in financial regulation and supervision and financial inclusion with the Association.

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### **3.0 CENTRE'S FINANCIAL POSITION**

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The current financial position of the Centre is sound and the Centre is committed to generating an operating surplus. Victorian Government funding for the MAFC program has concluded, reducing guaranteed income.

The surplus provides an opportunity to recruit an additional staff member. Despite increased competition for funding the centre continues to win AusAID funding. The Centre has been successful in widening its sources of funding to include work commissioned by DFAT and by the APEC Secretariat. We are confident of receiving funding from the World Bank. A partnership agreement with AusAID would be a significant contribution to the medium term financial strength of the Centre.

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### **4.0 FUTURE ACTIVITIES AND STRATEGIC DIRECTIONS**

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We continue work to develop a proposal in response to a request by the World Bank Urban Hub in Singapore to provide video conferencing training modules for Vietnam officials and potentially other ASEAN members. The modules relate to Public Private Partnerships in Infrastructure – a major but complex priority on APEC's agenda. We are also assisting with a World Bank organised study tour of PPP officials from Vietnam, in Melbourne from 10-12 August.

The Centre's work in this sphere of activity is in part driven by the quality and involvement of the Victorian public and private sectors in PPPs and the emphasis placed on promoting PPPs as part of the MAFC mandate.

In addition, the Centre is supporting the development of an Asia Pacific Infrastructure Partnership of high-level business representatives and the multilateral development banks, in forming a panel to advise APEC Ministers and senior officials on strategic aspects of PPPs and ways in which to attract private capital. The formation of APIP is being promoted by the APEC Business Advisory Council and its Advisory Group. These activities are regarded as priorities by APEC Leaders and Finance Ministers in the development of the region. The Chairman of the Centre's Advisory Board, Mr. Mark Johnson is leading this work and the Centre Director is supporting it through his participation the ABAC Advisory Group.

The centre has been approached about the provision of training services to the National Provident Fund of Fiji- to strengthen capacities across various functions of the Fund, but progress on this is impeded by the current political standoff between Australia and Fiji.

The Centre is in discussions with representatives from IMF Tokyo office, responsible for IMF operations in the Pacific, to consider, inter alia, the possibility of providing training to small Pacific island states.

The Centre will continue to bid for AusAID PSLP funding and will also look at new and alternative funding sources for future programs. The Centre is also looking to consolidate its position as the leading APEC Study Centre in the region and promote RMIT's interests in Australia and the region

*Specifically, the Centre proposes to undertake the following activities:*

- Review on a continuous basis with Commonwealth Departments major opportunities that are anticipated in APEC, ASEAN, the East Asian Community and in the Pacific more broadly; determine priorities for funding under PSLP and related funding sources that make competitive and attractive bids;
- Build on recent discussions with AusAID, DFAT and Treasury to support Australian initiatives for a new APEC strategy for structural reform in the region; to continue to

develop core work in trade and investment liberalisation, sustainable energy developments, trade in services, connectivity and logistics, financial system strengthening and financial inclusion

*In strategic terms the Centre proposes to focus on:*

- Building institutional policy and regulatory capacities of economies in APEC, ASEAN, Pacific, South Asia and the East Asia Summit;
- Promoting the objectives of RMIT University and positioning itself for a deeper integrated presence with RMIT University to 2015;
- Promote and support the Victorian government in building Melbourne as a centre of excellence for regional financial training and as regional financial sector
- Enhancing the Centre's financial viability

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## **5.0 SUMMARY OF ACTIVITIES IN THE PERIOD JULY 2010 TO JUNE 2011**

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### **Capacity Building and Symposium Initiatives**

Following successful bids for funding from the AusAID PSLP program; the Centre convened the following major programs in the period of this report:

- A capacity building training program 'Improving supply chain connectivity across APEC economies through open and competitive services' (22 – 24 September 2010 in Manila; 27 – 29 September in Hanoi)
- A major regional symposium "Enhancing financial policy and regulatory capacities to implement reforms in response to the global financial crisis" (8-9 March 2011)
- A major regional symposium – "Enhancing investment flows by reducing risk in private investment in APEC economies" (5-8 April 2011)
- A regional symposium – "Financial regulations supporting MSME (micro, small and medium enterprise) lending to promote financial inclusion" (27-28 June 2011 in Manila)

We designed, and organized the following

- Australian Leadership Awards (ALA) Fellowship Program 'Promoting Public Private Partnerships in Infrastructure Development' - (this program was executed in July 2011)
- Training Program for senior China Bohai Bank officials - in conjunction with RMIT Executive Education - (this program to be delivered in the period 19-28 July 2011)

The Centre also participated in or convened other activities, including

- In association with ITS Global and ASTA, the development and operation of a website to assist businesses across the region in understanding the barriers to trade in services in APEC economies. This website is currently being expanded to include 6 more APEC economies.
- The Islamic Finance Road show, Melbourne, May 2011-07-31

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## 6.0 CAPACITY BUILDING PROGRAMS

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### 6.1

**Program: Improving supply chain connectivity across APEC economies through open and competitive services'**

**Funding Source: AusAID PSLP**

**Dates: September 2010**

**Location: Manila, Philippines and Hanoi, Vietnam**

The program aimed to improve trade logistics and supply chain connectivity to ensure the efficient of goods across borders. The programs engaged an international faculty from the Asian Development Bank, University of Asia and the Pacific, the Australia and New Zealand Chamber of Commerce, the National University of Singapore, the Asian Institute of Management, the University of Philippines and the University of Indonesia.

The program involved 55 participants from the Philippines, Vietnam, Indonesia, Thailand and China from Ministries of Trade, Customs, Industry and Commerce. Ms Kristen Bondietti, senior consultant at ITS Global, was the Academic Coordinator. The programs were rated very highly by participants and commended by program presenters. Networking functions were attended by high level department supervisors and key contacts in the region including the Deputy Commissioner of the Bureau of Customs of the Philippines, the Director of Customs of Vietnam and CEOs and presidents of multiple companies in the Philippines and Vietnam. The Australian Ambassador to Vietnam and President of RMIT Vietnam spoke at the Hanoi networking function. ([www.rmit.edu.au/browse;ID=ujz52fcfq194z](http://www.rmit.edu.au/browse;ID=ujz52fcfq194z))

### 6.2

**Program: ALA Fellowships Program- Promoting Public Private Partnerships in Infrastructure Development**

**Funding Source: AusAID ALA Fellowships Program and MAFC**

**Dates: 2-22 July 2011**

**Location: Melbourne, Australia**

The objective of this Fellowships Program was to address concerns in governments and public agencies about entering into relationships with the private sector in the component parts of the PPP process; to build confidence in the process and contribute to enhance investment flows in the region by exposing regional officials to best practices and deepening of their understanding of private sector interests in the PPP processes.

The program involved a 5-day Leadership Training Course, 5-day Professional Placements, Site Visits and High-Level Roundtable Discussion. The roundtable involved ALA participants with Australian public and private sector experts and international specialists in PPP policy frameworks, financing, project evaluation, risk sharing and building a PPP pipeline of quality projects together with a review of activities undertaken during the placements.

The program involved participants from China, Indonesia, Thailand, Peru, Brazil, Mexico, India and Pakistan. The Academic Coordinator was Paul O'Connor from the RMIT School of Property Construction, and Project Management. ([www.apec.org.au/event2.asp?event=74](http://www.apec.org.au/event2.asp?event=74))

### 6.3

**Program for senior China Bohai Bank officials in conjunction with RMIT Executive Education**

**Dates: 19-28 July 2011**

**Location: Melbourne, Australia**

The objective was to build relationships, to enhance understanding of the officials of Australia's political and governance structures and of Australia's financial system and the challenges arising in the post global financial crisis environment.

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## **7.0 CONFERENCES, SYMPOSIA, LECTURES AND RECEPTIONS**

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### **7.1**

#### **Symposium 'Enhancing financial policy and regulatory capacities to implement reforms in response to the global financial crisis'**

**Funding Source: AusAID PSLP and Melbourne APEC Finance Centre**

**Dates: 8-9 March 2011**

**Location: Melbourne, Australia**

The objective was to build capacities in APEC's developing financial system policy and regulatory agencies to consider the relevance, impact, and implementation, on the region's financial systems of reforms proposed by international standard setting bodies in response to the global financial crisis. The goal to help APEC economies understand the complex nature of proposed reforms and their impact, and to implement best standards and practices as appropriate to regional economies, and to reduce future risk to financial systems and to economic stability arising from shocks to financial systems, and to build on the lessons learned from the global financial crisis. ([www.apec.org.au/event2.asp?event=71](http://www.apec.org.au/event2.asp?event=71))

### **7.2**

#### **Symposium: 'Enhancing investment flows by reducing risk in private investment in APEC economies' and ADBI/OECD/APEC Symposium and Roundtable on Investment for Balanced and Sustainable Growth**

**Funding Sources: AusAID PSLP, Melbourne APEC Finance Centre and ADBI**

**Dates: 5-8 April 2011**

**Location: Melbourne, Australia**

The objective of the symposium was to build policy and implementation capacities to minimise investor risk in an uncertain global economic climate and to encourage and facilitate investment flows in the Asia-Pacific region. It drew on key lessons emanating from APEC's investment framework, OECD's Policy Framework for Investment and work of the World Bank, UNCTAD, UNESCAP and the ADBI.

The Roundtable considered how investment policies could contribute to the recovery from the global financial crisis and improve the development prospects across the Asia-Pacific. It also considered how the *G20 Seoul Development Consensus for Shared Growth* could promote private sector involvement and innovation. Special emphasis was placed on the mining and mineral sectors, in which investment flows are rapidly recovering to pre-crisis levels and developing Asia is a major destination. Papers and presentations can be found on the ADBI website

([www.adbi.org/event/4491.adbi.oecd.apec.symposium.roundtable/events.resources.php?TypeID=21](http://www.adbi.org/event/4491.adbi.oecd.apec.symposium.roundtable/events.resources.php?TypeID=21))

Participants included Investment and economic planning policy makers from the following Asia-Pacific economies: Bangladesh; Brunei-Darussalam; Cambodia; People's Republic of China; Fiji; Hong Kong, China; India; Lao PDR; Republic of Korea; Malaysia; Mongolia; Myanmar; Papua New Guinea; Philippines; Singapore; Solomon Islands; Sri Lanka; Thailand; Timor-Leste; and Vietnam. A selected number of business and civil society representatives were also invited.

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## 8.0 INTERNATIONAL ACTIVITIES

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### 8.1

#### **Regional Symposium-Best Practice Regulatory Principles Supporting MSME Access to Finance**

**Funding Sources: AusAID PSLP and ADFIAP**

**Dates: 27-28 June 2011**

**Location: Manila, Philippines**

This symposium sought to address this challenge by promoting a regulatory environment in the APEC region's economies conducive to supporting increased lending by development banks, the commercial banking system and through capital markets. It was organised in partnership with the Association of Development Financing Institutions In Asia and the Pacific (ADFIAP). Deputy Governor Nestor A. Espenilla of Central Bank of the Philippines opened the symposium.

The symposium was the first part of a two-part activity funded by AusAID under its Public Sector Linkages Program. The output are be proposals that will be submitted for consideration by APEC Finance Ministers and other fora as an action plan to further best practice regulatory approaches. The proposals will also be used as the basis for a subsequent 5-day capacity building training program for regional policy makers and regulators to be held in Melbourne, Australia in early 2012.

Presentations materials can be found on the ADFIAP website at

<http://www.adfiap.org/news/adfiap-australian-apec-centre-hold-forum-on-msme-access-to-finance/>

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## 9.0 INTERNATIONAL MEETING AND SPEECHES

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The Director of the Centre was involved in the following activities:

- Participant in the '2010 APEC Study Centres Consortium (ASCC) Conference' in Tokyo, Japan. The title of the conference was 'Achieving the Bogor Goals and Beyond'. He made two presentations. The first on '*TFAP II – Assessment of 10% Reduction of Transaction Cost*', and the second on '*Establish a new APEC Agenda; Achieving the Bogor Goals and Beyond*'.
- A meeting of the APEC Group on Services and Investment Experts' Group, Sendai, Japan (Sept 2010) where he made a presentation on the trade in services data base
- Meetings of the ABAC Advisory Group on APEC financial system capacity building: (Bangkok, August 2010; Yokohama, November 2010; Guangzhou, February 2011; Seoul, April 2011
- World Savings Bank Institute Asia-Pacific Regional Group Forum in Chennai, India, 10/11th February. The Director spoke on the impact of the new evolving global regulatory and supervisory framework n Asia's banking business.
- A Public/Private dialogue – ABAC.ABA/PECC/SEACEN – June 2010 – speech on "Regional and global financial architecture, post the global financial crisis".
- A conference on "ECFA and East Asia Economic Integration", National Policy Foundation, Chinese Taipei, Taipei – April 2011 – speech on "Economic Cooperation and the feasibility of establishing a FTA between Australia and Chinese Taipei"

Briony Wood-Ingram participated in 3rd Pacific Microfinance Week 2011 (PMW 2011) in Port Vila, Vanuatu from July 25 – 29<sup>th</sup>. It brought together representatives from microfinance institutions, development partners, commercial and central banks, learning institutions, government agencies and private companies Pacific wide as well as further afield to discuss and share their achievements, visions and priorities in fostering the growth of microfinance and the development of the industry as a whole.

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## 10.0 OTHER ACTIVITIES

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### **Project: APEC Services Trade Access Requirements STAR Database**

**Funding Source: Department of Foreign Affairs and Trade and the APEC Secretariat**

**Web Address: [www.servicestradeforum.org](http://www.servicestradeforum.org)**

### **Ongoing Project**

The project involves the development and maintenance of an online services and investment market access database which reflects barriers to services trade. It assists with exporting services internationally. It includes a comprehensive database of regulatory requirements faced by business trading in the APEC region and provides a forum for the exchange of trade information. The pilot looks in particular at the barriers to market entry in services in the following economies: Australia, the United States; China; Singapore; Korea, and; Malaysia. The second phase under APEC Secretariat includes Chile, Indonesia, Japan, New Zealand, Philippines and Thailand. The sectors to be examined are the Financial Services (banking and insurance), Professional Services (legal, accounting, architecture and engineering), Telecommunications, Transportation & Logistics, and Mining & Energy service sectors.

The website will be formally launched as part the US APEC year. The project is being carried out with the assistance of ASTA Solutions, ITS Global Consultants and verification experts from New Zealand APEC centre, School of Economics, University of Asia and the Pacific, Thai APEC Centre, Employers Association of Indonesia (APINDO – Asosiasi Pengusaha Indonesia), Center for Economic Institutions, Hitotsubashi University, Berkeley APEC Study Center (BASC), Institute of Southeast Asian Studies (ISEAS) and the Singapore APEC Study Centre, Korean National Center for APEC Studies and Korea Institute for International Economic Policy.

### **Treasury PPP Program, Melbourne, August 2010**

The Director accepted an invitation to participate in this program for APEC policy officials, designed by the Commonwealth Treasury and others to promote PPPs in infrastructure in the region.

### **Launch of AsiaLink Services Index**

**Funding Source: Asialink and ANZ**

**Date: 9 December 2010**

The Director prepared a section of the Index (on financial services) and advised on the entire project which was launched by the Minister for Trade, AsiaLink at Melbourne University and ANZ. The Director and the Executive Manager attended the launch

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## 11.0 OTHER MEETINGS / SPEECHES

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### **September 2010**

The Director and the Executive Manager visited AusAID, Treasury and DFAT on 9 September to discuss the Centre's relationships with those departments, PSLP proposals, APEC's developing agenda and the Centre for International Finance and Regulation.

**4 November 2010**

The Director participated in consultations arranged by DFAT in Melbourne to consider developments on the Trans Pacific Partnership (TPP) negotiations (Australia, NZ, Chile, Brunei, Singapore, Chile, Peru, US and Vietnam), the Singapore Australia FTA (SAFTA) and the Thailand Australia FTA (TAFTA).

**16 November 2010**

The Executive Manager attended meetings in Sydney with Austrade and APRA. She also participated in the Internal Audit Financial Services Forum.

**1 December 2010**

The centre hosted a visit to Melbourne by Assistant Secretary of the APEC Branch, Mr Brendan Berne. We discussed Structural Reform ,APEC SOM meeting in Honolulu and other APEC related activities.

**2 December 2010**

The Director visited Canberra for the annual Treasury Secretary's Christmas event and had several meetings with government stakeholders.

**14 December 2010**

The Director and the Executive Manager visited to Canberra for a series of meetings including a discussion with the PSLP review group.

**20 January 2011**

The Director hosted a meeting with a delegation from the government of Chinese Taipei to discuss Australia/Taiwan relations.

**25 March 2011**

The Director participated in the National Infrastructure Research Summit was held at Parliament House in Canberra. The purpose of the Summit was to start the process of developing a national collaboration framework so we can scale up our scholarship in infrastructure research to better match the size of the challenges facing Australia.

**9 May 2011**

The Director chaired a session of the Islamic Finance event on behalf of the Victorian government.

**11 May 2011**

The Director of Foundation for Development Cooperation (FDC) visited the centre to discuss possible collaborations. FDC is an independent, not-for-profit international development organisation. FDC assisted with presenters for the Financial Inclusion Symposium and the project manager attended the Pacific Microfinance Week in Vanuatu.

**13 July 2011**

The Director and the Executive Manager visited Canberra to meet with DFAT, Treasury, the Taiwan Economic and Cultural Office in Australia, and AusAID.

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**12.0 FUTURE ACTIVITIES**

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**APEC Residential Training Workshop on Structural Reform,****Dates: 10-12 August****Location: Singapore**

The Director will be attending the major workshop for 2011, a residential training workshop on structural reform, 10-12 August Singapore. Australia (DFAT) is organising the workshop with

support from New Zealand, Singapore and the US. He will be presenting on achieving reform in a developing country context.

**WB Study Tour to Australia**

**Dates: Melbourne 10-12 August 2011**

**Location: Melbourne**

The Government of Vietnam is developing its PPP program in infrastructure with World Bank (WB) assistance. The GOV has developed a comprehensive PPP Financing Framework, and is currently preparing a pilot PPP project in the toll roads sector. The GOV wishes to model their evolving PPP program along international good practice in PPP policy and financing. The centre will host a high level GOV delegation led by the Vice Minister of the Ministry of Planning and Investment (MPI), Ministry of Finance (MOF) and Ministry of Transport (MOT). We will focus on our work in PPPs and ways to support Vietnam capacity building needs. This visit is being coordinated with Partnership Victoria.

**APEC Symposium on ‘Enhancing SME Capacity of Managing the Risks associated with Trade Liberalization’**

**Dates: 16-17 August, 2011**

**Location: Taipei, Taiwan**

The Director will participate in this symposium which is the cornerstone of this year’s SME Crisis Management Centre working program. The event is to share experiences and views for APEC SMEs representatives, government officials and experts with an agenda addressing the key risk associated with the trade liberalization and how to manage the risks of international trade. The theme of his session is “Strengthen SMEs competitiveness to benefit from Trade Liberalisation”.

**Asia-Pacific Infrastructure Partnership (APIP) Dialogue for Latin America,**

**Dates: 24 August 2011**

**Location: Lima, Peru**

The APIP Dialogue is taking place in conjunction with the meeting of ABAC and the Advisory Group on APEC Financial System Capacity Building in August. This dialogue will include key policy makers from Chile, Mexico and Peru, as well as infrastructure PPP experts from the Inter-American Development Bank.

This is the first planned dialogue on infrastructure PPP with APEC member governments. Outcomes will be discussed with the APEC Finance Ministers during the ABAC dialogue in November.

**Program: Enhancing Financial Policy and Regulatory Capacities to implement reforms in the response to the global financial crisis”**

**Date: 28 August-2 September 2011**

**Funding: PSLP and Asian Development Bank Institute**

**Location: Melbourne**

This training course is the last of three components of a program financed by the Australian Commonwealth Government’s Public Sector Linkages Program organized by AusAID. The program aims to help APEC economies in understanding the complex nature of proposed reforms as a consequence of the global financial crisis, and their impact and to implement best standards and practices as appropriate for regional economies.

Senior and middle level representatives of policy areas of government and financial system regulatory agencies responsible for banking, insurance and securities will be invited to participate in the program from APEC economies, China, Indonesia, Philippines, Thailand, Vietnam, Mexico and Peru and these will be funded under the AusAID PSLP finance. The ADBI will fund representatives from other regional economies and, in consultation with the

Asian Bankers' Association, a number of private sector bankers from the region will also be invited on a self-funded basis.

Building on the research paper and the report of the symposium, this training program is designed to support policy makers and financial system regulators in enhancing their understanding and their capacities of the following 3 general themes:

- defining and implementing Macro Prudential Supervision frameworks, surveillance and crisis monitoring / management appropriate for economies in the region
- stress testing and modeling techniques as a means of strengthening risk management
- continuing financial system development generally within the region (including ongoing Basel implementation)

The Academic Coordinator for this program is Mr. David Jones, who has had over 40 years experience in the finance industry, particularly in the banking sector. A faculty of highly experienced presenters and panelists has been assembled from Australian and international regulatory agencies; accounting firms, academia and the finance industry.

### **The Asia-Pacific Financial Inclusion Forum: Expanding Financial Access through Regional Public-Private Cooperation**

**Dates: 6-8 September 2011**

**Location: Tokyo, Japan**

This Asia-Pacific Financial Inclusion Forum will draw on the combined expertise and experiences of the public and private sectors, international institutions and academe from throughout the region. Its outcomes will be summarized in a report to serve as basis for useful recommendations that will be conveyed to key officials and institutions, particularly those involved in developing regional frameworks to promote expanded financial access for households and enterprises. Consideration will also be given to the development of capacity building resources using the discussions of the Forum. The Director will discuss recommendations from the Manila Symposium

### **APEC Consortium Meeting**

**Dates: 27-28 September, 2011-07-28**

**Location: San Francisco, USA**

The APEC Study Centers Consortium meeting, will be held on September 22-23, 2011 in San Francisco, California, as part of the APEC activities hosted by the United States and in particular, the SOM III meeting. The centre is planning to attend and deliver a paper on its work in investment and the APEC STAR database.

### **Asia-Pacific Infrastructure Partnership (APIP) Dialogue for Indonesia and Philippines**

**Dates: October 2011**

**Location: Manila and Jakarta**

The Director will be involved in coordinating the dialogue with ABAC representatives.

### **Program: Enhancing Investment Flows by reducing risk in private investment in APEC economies**

**Date: 12-18 October 2011**

**Location: Melbourne**

This training program is the second component of a program financed by the Australian Commonwealth Government's Public Sector Linkages Program organized by AusAID and co-sponsored by ADBI and the OECD. The first component was a major APEC regional symposium convened in Melbourne on 5/6<sup>th</sup> April, which brought together senior officials of investment policy advising agencies, including officials involved investment facilitation and promotion, senior business representatives and officials of major regional and global agencies,

to consider major challenges now impacting on investment flows. Participants in the symposium were also invited to an ADBI/OECD High Level Policy Roundtable on International Investment Policies in Asia, held on 7/8<sup>th</sup> April.

Senior and middle level representatives of policy areas of governments responsible for investment policies, facilitation and promotion will be invited to participate in the program from selected APEC and non-APEC regional economies. Representatives from the following APEC economies will be invited: China, Indonesia, Philippines, Thailand, Vietnam, Mexico and Peru and from non-APEC economies, India. These participants will be funded under the AusAID program and others to be invited by the ADBI, will be funded by the Institute. Officials will be invited from Ministries of Commerce, Economic Affairs, Industry, Finance, Investment Coordination Boards, Planning and Development and Reform Commissions.

The Program Co-ordinator is Mr Tony Hinton, a former Commissioner with the Australian Productivity Commissioner (2002-2007), Australia's Ambassador to the OECD (1998-2001) and a former senior Australian Treasury official (including Executive Member, Foreign Investment Review Board). Presenters and panellists will be experts in the various fields of investment policies from a range of organisations and agencies, including OECD, ADBI, Government Departments, including Treasury, business and consulting groups and academia.

**APEC Senior Officials Meeting, Finance Ministers Meeting, APEC Ministerial Meeting and Economic Leaders Meeting**

**Dates: 8-13 November 2011**

**Location: Honolulu, USA**

The Director plans to attend the APEC meetings in Honolulu.

**Program: Recognising the importance of open services to manufacturing trade and investment in the APEC region**

**Dates: 11-15 November 2011**

**Location: Melbourne**

A five-day intensive course will be held in Melbourne for 18 participants. The course will provide participants with quality detailed presentations, case study examples, workshop scenarios and group exercises presented and facilitated by experts in services (including services inputs – “embodied services” – and services linked to products – “embedded services”) and key manufacturing industries.

Participants will be instructed on how to calculate the value of embodied services from national accounts data to get a detailed picture of which sectors in their economy are the source of most services inputs. Case studies from participant countries will be presented. The course will be interactive and will be structured to encourage participants to share experiences with peers and with the private sector.

**APEC Lecture**

**Date: 17 November 2011**

**Location: RMIT, Melbourne**

The Honourable Dr. Craig Emerson, Australian Minister for Trade will give the APEC lecture. The lecture had to be delayed from earlier in the year due to his busy schedule.

**Program: Best Practice Regulatory Principles Supporting MSME Access to Finance**

**Dates: February 2012**

**Location: Melbourne**

Lessons learned from the symposium will be developed into an intensive 6 day training program in Melbourne for 18 policy and regulatory agency representatives from the region; the

focus would be on regulatory changes necessary to support increased lending, financing arrangements and instruments; credit enhancement; risk management and governance; development banks involvement in PPP financing. Both components of the program will be designed by an academic coordinator to be appointed by the Centre in collaboration with ADFIAP.

**Regional Seminar: Recognising the importance of open services to manufacturing trade and investment in the APEC region**

**Dates: Early 2012**

**Location: RMIT Campus, HCMC Vietnam**

As a follow up to the training program, a one-day workshop will be held in Vietnam involving participants and supervisors. The workshop will present course outcomes to supervisors of participants and seek their buy-in for the process of continued dissemination of these outcomes and policy options. The aim of involving supervisors is to contribute to the course's objectives and anticipated outcomes through dissemination of key themes and policies for open services markets in relevant agencies. There will be a discussion of how participants have begun disseminating what they learned from the course in their work place. And a key objective will be to conduct an exercise where supervisors and participants devise strategies for how they intend to take forward options for further analysis of services and for improving services regulation in their domestic policy environment. This will be aided by case studies and by a facilitated discussion about the role of services in manufacturing growth.

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## **13.0 PROPOSALS AND BIDS**

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### **December 2010**

For the Provision of Services relating to the Development and Delivery of Training Programs on Investment Promotion and Attraction for Austrade's Investment Group. The centre put together a competitive bid with academic partners from RMIT University, Melbourne University, former Treasury Investment Specialists and Industry experts from Commonwealth bank, Ernst and Young, ADBI and Invest Canada and Korea. From this bid we have been encouraged to participate in further investment work and tenders by the World Bank and Austrade. (unsuccessful)

### **April 2011**

As part of the second round of PSLPS submissions for the 2010/2011 year, the Centre submitted 5 concepts for AusAID's consideration with the support of DFAT and Treasury

- Developing Supply Chain Risk Assurance across APEC (Detailed proposal requested)
- Enhancing private pensions to promote financial system stability in APEC regional economies (unsuccessful)
- Optimal use of resources for effective planning and investment in PPPs in infrastructure for regional economies (unsuccessful)
- Capacity building to facilitate and enhance Supply Chain Connectivity within APEC (Detailed Proposal requested)
- Improving capacity in services market access scheduling (unsuccessful)

### **July 2011**

The centre contributed to RMIT's involvement in bid with Monash University to establish the Centre for International Finance and Regulation (CIFR) as proposed by the Commonwealth Treasury. (unsuccessful)

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## 14.0 RESEARCH, PUBLICATIONS AND REPORTS

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### 14.1 Monthly Reports

#### APEC SME Economic Crisis Monitor

Since August 2010, our Director has been contributing to the APEC SME Economic Crisis Monitor as the expert on Australia, NZ and India.

#### Papers and reports

### 14.2

#### Conference and Training Program Reports

- Reports on all the training programs and other assorted activities mentioned above have been prepared by the various Academic Coordinators and are available upon request

### 14.3

#### Websites

The Australian APEC Study Centre has continued to maintain its main websites, including:

- APEC Study Centre <http://www.apec.org.au>
- Melbourne APEC Finance Centre (MAFC) [www.apec-melbournefincen.org.au](http://www.apec-melbournefincen.org.au)

#### Other:

- APEC Region Services Trade Database <http://www.servicestradeforum.org>

### 14.4

#### e-Newsletters

Both newsletters are distributed to the Centre's subscriber base of circa 3,000 people:

Melbourne APEC Finance Quarterly – MAFC started producing the Melbourne APEC Finance Quarterly in the second half of 2007. The newsletter draws on Centre networks and industry linkages for content that considers issues of contemporary importance to the finance sector.

APEC Currents – It was rebranded in 2009 to reflect the new relationship with RMIT and continues to discuss relevant issues. The Centre builds upon an extensive alumnus of officials throughout the governments of APEC economies, and publishes articles relevant to them, as well as general announcements.

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## 15.0 MEDIA / PUBLIC EXPOSURE

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In 2010/11 the Centre was mentioned in the media, particularly through the activities of the Director, and Chairman. Following is a selection of some of these mentions:

#### Coverage of centre activities

'Sobering Advice for new Regulators' Scott Rochfort, Sydney Morning Herald, 9 March 2011

( [www.smh.com.au/business/sobering-advice-for-new-regulators-20110308-1bmfu.html](http://www.smh.com.au/business/sobering-advice-for-new-regulators-20110308-1bmfu.html))

'Be tough with banks: regulator' The Age, Danny John, 9 March 2011

([www.theage.com.au/business/be-tough-with-banks-regulator-20110308-1bmkx.html -ixzz1TSBWTGKU](http://www.theage.com.au/business/be-tough-with-banks-regulator-20110308-1bmkx.html-ixzz1TSBWTGKU))

'Best to prepare for inevitable next crisis: APRA' Australian Financial Review, 9 March 2011 ([afr.com/p/business/financial\\_services/best\\_to\\_prepare\\_for\\_inevitable\\_next\\_yPbXy6rdCDI3lJcjmyXclM?hl](http://afr.com/p/business/financial_services/best_to_prepare_for_inevitable_next_yPbXy6rdCDI3lJcjmyXclM?hl))

'Microfinance needs flexible schemes' Business World Online, Antonio Siegfried O. Alegado., 27 June 2011

Business World, 'MSME access to finance forum set', Coverage in the Philippines of Symposium June 28, 2011

### **On Television**

Margot Kilgour, Xinhua News Agency (Chinese State's Press Agency) ,10 November 2010

- Interview on APEC 2010

Ken Waller, ABC Network, June 2011

- Interview on WTO and state of the Doha round

### **On Radio**

Ken Waller, China Radio International, 12 November 2010

- Interview about the APEC 2010 and regional discussion panel

Ken Waller, ABC, The World Today, 28 July 2011

- Interview with Ken Waller about Hilary Clintons' speech on US Default.

Alan Oxley, Australian economic body questions regional trade deals, *ABC Radio Australia*, 19 July 2010 ([www.radioaustralia.net.au/asiapac/stories/201007/s2958295.htm](http://www.radioaustralia.net.au/asiapac/stories/201007/s2958295.htm))

### **In Print**

Ken Waller was quoted in, Australian Financial Review ' A Push for scale and status fuel bid', Comments on the takeover bid for ASX by Singapore Exchange (SGX).

Margot Kilgour was quoted in, Xinhuanet "WTO Doha round to be focus of APEC Summit" ([news.xinhuanet.com/english2010/indepth/2010-11/11/c\\_13602269.htm](http://news.xinhuanet.com/english2010/indepth/2010-11/11/c_13602269.htm))

Alan Oxley was quoted in, Agriculture the key to FTA with India *Australian Financial Review*, John Kerin, 19 July 2011

([www.afr.com/p/national/agriculture\\_the\\_key\\_to\\_fta\\_with\\_fHV8fJRAR5GhkndsAi2XK](http://www.afr.com/p/national/agriculture_the_key_to_fta_with_fHV8fJRAR5GhkndsAi2XK))

Alan Oxley ,Victoria's economy shifts down into the slow lane

*The Age*, 4 Feb 2011.

([www.theage.com.au/business/victorias-economy-shifts-down-into-the-slow-lane-20110203-1afka.html](http://www.theage.com.au/business/victorias-economy-shifts-down-into-the-slow-lane-20110203-1afka.html))

### **Other**

The Director of the Centre and Chairman, Alan Oxley, significantly contributed to a DVD on 'Australia's role in the Asia-Pacific region' for school students aged between 15-17. It was produced by VEA Group, one of Australia's largest producers and distributors of Educational and Training DVD Resources.

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## **16.0 CENTRE STAFF**

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Alan Oxley continues his position as Chairman of the Centre.

Ken Waller continues as Director of the Centre. He is also Chair of the Centre's Financial Services Advisory Board.

Margot Kilgour continues as Executive Manager after beginning in May 2009.

Lauren Streifer left the centre in April 2011.

Briony Wood-Ingram was recruited and began with the centre in February 2011.

Elissa Macleod began with the centre in April 2011.

Jack Gelvezon started with the centre in July 2011.

Over the year the centre has had two temporary interns Mary Prusakova from Russia in August 2010 and Alex Kerangpuna on the Prime Ministers Pacific Australia Awards.

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## **17.0 ATTACHMENTS**

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### **Attachment 1:**

#### **MISSION STATEMENT**

- 1) To support Australia's involvement in promoting APEC's objectives for the integration of economies of the region and social and humanitarian advancement.
- 2) To be a centre of excellence for regional institutional capacity building in policy areas relating to trade, finance, investment, structural reform and the environment.
- 3) To position Victoria as an international provider of financial services education and expertise, and as an international financial services centre, particularly in areas related to pensions and funds management, infrastructure financing and related risk management, and services related to clean development.
- 4) To promote Australian strategic and economic interests in the region through cooperation with Australian Government, the State Government of Victoria and RMIT University.
- 5) To organise conferences, workshops, regional dialogues, symposia, research and training programs involving regional and international policy makers, regulators and businesses in support of APEC's objectives and wider regional interests.
- 6) To cooperate with RMIT in defining and promoting interests in the region and to disseminate information and materials related to business, regulatory and academic activities.

#### **KEY PERFORMANCE INDICATORS**

- 1) Maintenance of financial viability in accordance with contractual specifications. The budget to include RMIT overheads as specified by RMIT's Financial Services Group, and to provide breakdowns of the consultancy and administration expenses.
- 2) Become affiliated to RMIT's Global Cities Institute with areas of cross-support identified.
- 3) Liaise with Global Business Development Unit to ensure the University is informed about APEC activity and tenders.
- 4) Assist in the recruitment of two industry or government members to a new College Industry Advisory Board.
- 5) Where appropriate, facilitate participation of selected faculty or senior post-graduate students in centre courses.
- 6) Profile and enhance the RMIT University brand and the College of Business programs through four prominent industry events or forums in Melbourne.
- 7) Provide ongoing co-operation in the development of co-branding initiatives, particularly in the form of content suitable for the University and College's industry engagement online portal.
- 8) Facilitate the engagement between College of Business senior academic staff and industry / government through two new memberships to prominent industry or government advisory bodies.

- 9) Facilitate the engagement between College of Business senior academic staff and industry / government.
- 10) Where requested, and where contacts allow, facilitate introductions with industry organisations and particularly government.
- 11) Where requested, facilitate an application to the AusAID ADRA Grant Scheme. Review all future funding applications to maximise the research component under the DEST ruling.
- 12) Where requested, facilitate international networks to support College international policies in China and Vietnam to have outcomes in education, research and industry engagement.

## **Attachment 2:**

### **THE AUSTRALIAN APEC STUDY CENTRE ADVISORY BOARD**

Mr Mark Johnson AO, Chairman of the Board, Australian ABAC Member; Chair, Australian Financial Centre Forum

Mr David Hanna, Deputy Secretary, International Coordination Department of Innovation, Industry and Regional Development, State Government of Victoria

Prof Paul James, Director, Global Cities Research Institute, RMIT University

Mr Bruce Kean AM, Past Chairman of the Board

Mr Alan Oxley, Chairman, Australian APEC Study Centre

Prof Ian Palmer, Pro Vice Chancellor (Business), College of Business, RMIT University

Mr Ken Waller, Director, Australian APEC Study Centre (and Melbourne APEC Finance Centre)

John Larkin, Assistant Secretary, APEC Branch, Department of Foreign Affairs and Trade

Amb Richard Woolcott AC, Former Secretary, Department of Foreign Affairs and Trade

### **THE FINANCIAL SERVICES ADVISORY BOARD**

Mr Ken Waller, Chairman of the Board

Dr Christine Brown, Professor, Department of Accounting and Finance, Monash University

Prof Kevin Davis, Research Director, Melbourne Centre for Financial Studies

Mr Justin Douglas, Manager, Bank Policy Unit, Australian Treasury

Mr Richard Foster, Director, Foster Infrastructure

Mr Joe Garbutt, Policy Director, Institute of Internal Auditors - Australia

Mr Chris Gaskell, Head of International Relations, Australian Prudential Regulation Authority

Ms Ros Grady, Associate Professor, University of New South Wales

Dr Jules Gribble, Director, Enterprise Metrics

Ms Adeline Hiew, Senior Associate, Blake Dawson

Dr David Knox, Worldwide Partner, Mercer Consulting

Mr Rod Maddock, Head of Group Strategy, Commonwealth Bank

Mr Hugh Moor (Observer), Director, Financial Services, Department of Innovation, Industry and Regional Development, State Government of Victoria

Mr Alan Oxley, Chairman, Australian APEC Study Centre

Prof Aaron Smith, Associate Pro-Vice Chancellor (Industry Engagement), College of Business, RMIT University

Prof On Kit Tam, Deputy Pro-Vice Chancellor (Business International), College of Business, RMIT University

Mr Ian Thompson, Managing Director, Chief Credit Officer and Head of Research & Training (Asia-Pacific), Standard & Poor's

Ms Kathryn Watt, Principal General Council and Company Secretary, Vanguard Investments Australia Ltd