



The Australian
APEC
Study Centre

REPORT
ON
ACTIVITIES 2000
&
PROGRAM 2001



ACTIVITIES 2000

Activities in the Centre expanded steadily in 2000. In keeping with trends in the region, the Centre has developed a focus on financial issues. The most significant development was the introduction of the three-year program to increase the capacity of life insurance regulators in the Asian Pacific region. This is an official program of the APEC Finance Ministers and is funded jointly by AusAID, the Asian Development Bank, AXA Asia Pacific and the Colonial / Commonwealth Bank.

TRAINING

MANAGING REGULATORY CHANGE IN LIFE INSURANCE AND PENSION

This program is now a major ongoing activity of the Centre. The Australian APEC Study Centre initiated activity in this important area in 1999. A regional Symposium in November 1999 was followed by a training program in March 2000.

The success of these activities encouraged the Centre and its partners to develop a longer term program in this area. The scope of the program has been extended to include the regulation of both life insurance and pensions. In recognition of its contribution to the ongoing reform of the financial systems in the region the program has received endorsement by the APEC Finance Ministers and the APEC Leaders.

The program has secured financial support from AusAID, the Asian Development Bank, AXA Asia-Pacific Holdings and Colonial / Commonwealth Bank. The Australian Prudential Regulatory Authority and The Australian Securities and Investment Commission have provided assistance in the planning and delivery of the program.

The first activity of the three-year program was a Symposium held in Manila in November 1999. These activities involves participation of regulators from China, Fiji, Hong Kong SAR China, India, Indonesia, Malaysia, Papua New Guinea, Philippines, Singapore, Chinese Taipei, Thailand and Vietnam.

The success of this program vindicates the Centre's policy of making a practical contribution to the APEC process while involving the business, government and academic sectors.

APEC TELECOMMUNICATIONS TRAINING PROGRAM

In February 2000 the APEC Telecommunications Training Program was held. The course was developed in cooperation with the Department of Telecommunications, Information Technology and the Arts and sponsored by AusAID. Participants were drawn from six APEC economies for the two week course which explored the theme of *Good Governance in APEC: Meeting the Challenges of the Information Age*. As a follow up to this activity a publication on the 'Digital Divide in APEC' is being prepared by telecommunications expert Dr Patrick Xavier.

INSURANCE REGULATORS TRAINING COURSE

This course was held in March 2001 as part of the first round of activities in life insurance regulation. It was a two week course involving regulators from developing APEC economies in the region with the added participation of Fiji and India. Funding was by AusAID with additional contributions of funds and expertise from Colonial / Commonwealth Bank and AXA. Australian regulatory agencies contributed to the planning and delivery of the course. There were also contributions from regulatory authorities in Hong Kong and Singapore. Its success lead to the development of the three year course.

THE APEC TRADE POLICY TRAINING COURSE

The APEC Trade Policy Training Course was five weeks in length and was held in Melbourne. The program was provided for twenty-one officials from seven developing countries: Indonesia; Laos; Malaysia; Papua New Guinea; Philippines; Thailand and Vietnam.

The program was designed specifically to meet the needs of officials from developing economies to more fully participate in multilateral trade negotiations. Presentations by the participants on trade policy issues have been mounted on the website.

APEC INFRASTRUCTURE ROUNDTABLE

This was an APEC-endorsed event which the Centre mounted in Melbourne during December 2000. Delegates from agencies involved in the delivery of infrastructure in fifteen APEC economies took part, as well as representatives from Australian business and academia.

Presentations were made by Australian and regional experts including Mr Michael Klein from the World Bank, Professor Bambang Soedjito of the APEC Group on Economic Infrastructure and Mr Sean O'Sullivan from the Asian Development Bank.

John Brumby, State Treasurer and Minister for State and Regional Development addressed the Conference Dinner, highlighting Victorian achievements in developing public/private partnerships in the delivery of key infrastructure. The Roundtable was funded by AusAID, the Australian Department of Industry Science and Resources and the Victorian Department of State and Regional Development.

PUBLIC ISSUES

MONASH APEC LECTURE

The Second Annual Monash APEC Lecture was held on 26 October 2000. The presenter was Mr Warren Maruyama, a trade law expert from Washington, DC. His visit was sponsored by the Department of Foreign Affairs and Trade. The title of the lecture was *US Trade Policy after Seattle*. The Lecture was chaired by Mr Bruce Kean AM. Considerable interest was generated by Mr Maruyama's frank remarks and predictions of future directions of US Policy after the Presidential Election. The full text of the lecture is available on the Centre's website. Mr Maruyama is tipped for a senior position in the Bush White House.

TRADE AND LABOUR CONFERENCE

In June the Centre held a conference *Trade and Labour - Competing or Complementary Interests?* The Conference was attended by politicians, trade unionists and representatives of

non-government organisations. This activity was timed to provide a forum for discussion of these issues prior to the debate at the ALP National Conference. Papers from the conference and background readings on trade and labour issues have been mounted on the website.

TRADE POLICY CONFERENCE

In October the Centre held its annual trade policy conference (CITER 5). The theme of the conference was *'Managing Globalisation for Prosperity'*. Once again the conference was jointly organised with The Asian Economics Centre, University of Melbourne, and the Department of Applied Economics, Victoria University. Papers from the conference have been mounted on the website.

INSURANCE REGULATORS SYMPOSIUM, MANILA

In November the Centre conducted a Symposium in Manila as part of the Life Insurance and Pensions Program.

GLOBALISATION GUIDE

The WEF Conference in Melbourne generated a significant debate. The Centre was active in this debate, Alan Oxley contributing opinion articles in the media. In view of the widespread interest in issues relating to globalisation, the Centre contracted David Uren, business columnist with "The Australian" to develop a new website to contribute to general understanding. The site was written to enable its use by secondary school children. It is the only substantial site that puts the case for and against globalisation. The site has links to a large number of other sites dealing with both sides of the debate, and to papers and speeches by key world leaders and commentators. It is being promoted to schools and appropriate teacher organisations.

APEC ESSAY COMPETITION

The Centre once again conducted the Ansett APEC Essay Competition for secondary school students. Schools from all states again participated. The winner was Alysia Debowski who wrote on *Building Globalisation: the role of APEC in developing economies*.

SUBMISSION TO PRODUCTIVITY COMMISSION TARIFF REVIEW

In January 2000 the Centre prepared a submission to the Productivity Commission's Review of Australia's General Tariff Arrangements. The submission has been published as an issues paper of the Centre.

PUBLIC DEBATE ON APEC RELATED ISSUES

Alan Oxley, John McKay and Darby Higgs have made regular contributions on APEC issues to media.

GLOBAL ACTIVITIES

THE INTERNATIONAL CONSORTIUM OF APEC STUDY CENTRES

The annual conference of the international consortium of APEC Study Centres was held in May in Brunei and was hosted by the University Brunei Darussalam. The consortium continues to be the leading body for academic discourse on APEC related issues.

Professor John McKay presented a paper on *Managing the Asian security situation after the crisis: a role for APEC?* and Darby Higgs presented a report on *The Centre's Life Insurance Regulatory Program*.

APEC YOUTH CONFERENCE

In July the Federal Department of Education , Training and Youth Affairs organised the Australian Delegation to an APEC Youth Conference in Thailand. Australian participants were briefed prior to departure by Darby Higgs. Mr Ben Ross of Monash University attended the conference and made two presentations on behalf of the Centre.

APEC ART EXHIBITION

The Centre assisted DFAT in selecting an indigenous artist for an exhibition at the Leaders Summit in Brunei.

INFORMATION ACTIVITIES

NEWSLETTER - APEC CURRENTS

APEC Currents, the Centre's quarterly newsletter, is now distributed to over 3300 subscribers in Australia and throughout the region. It is now established as a key element in the dissemination of information about APEC. It is the most widely distributed publication on APEC and its APEC Observer opinion piece continues to attract attention. Because of programming difficulties, only two issues were published in 2000. Steps have been taken to ensure that we return to publishing four issues in 2001.

INTERNET SITE

This site continues as the single most comprehensive site on APEC and related issues. Over 1200 research reports, discussion papers, conference papers and similar items are now accessible from the site. Most major related organisations are linked to and from the site which is now filling its role as the information hub for APEC in Australia, and to a growing extent throughout the region. The outputs of all activities of the Centre are mounted on the site.

The Centre also maintains an Internet site for the International Consortium of APEC Study Centers.

PUBLICATIONS

The principal publishing vehicle for the Centres is the Website.

Papers and reports published on the Website were in summary:

- Life Insurance and Regulation - 10 papers
- Globalization and Trade Policy Issues - 10 papers
- Trade and Labor issues - 6 papers
- Infrastructure Management - 6 papers

STAFF CHANGES

The Centre has three new staff members. Mr Kevin Ryan has been appointed to as Project Manager in the first instance to oversee the Life Insurance and Pensions program and to develop other major programs. Ms Melissa Garro is Conference Manager with responsibility for office finances. Mr Justin Kennedy has been appointed to Project Officer.

Ms Jo Bosben is on leave of absence for a year.

Ms Pat Prowling has responsibility for accounts and general office administration. Mr Darby Higgs continues as Deputy Director, with special responsibility for information management and publications.

BUDGET

Consistent with the steady expansion of the Centre's activities, the turnover has steadily expanded, just topping one million dollars in 2000 for the first time. The Centre began 2000 with a surplus of \$90,000 and ended with an operating surplus of \$60,000, matching practice in previous years.

SUPPORTERS OF THE CENTRE

Monash University contributes core funding of \$200,000 and contributes half the cost of the rent.

The following organisations supported the Centre in 2000:

Ansett Australia, AXA Asia-Pacific Holdings, The Economist, Coca Cola Australia, Commonwealth Bank of Australia, Department of Foreign Affairs and Trade, the Victorian Department of State and Regional Development.

PROGRAM FOR 2001

A further expansion of activity is planned for 2001. A trade law program is to be introduced late in 2001 in conjunction with the Monash Law School and development of an infrastructure training program is under active consideration. The focus on IT, telecommunications and related E-Commerce issues will be sharpened.

TRAINING

MANAGING REGULATORY CHANGE IN LIFE INSURANCE AND PENSIONS PROGRAM

This program will continue with

- Two Training programs, in March and July
- International Evaluation exercise of stakeholders in April
- A Symposium of Life Insurance regulators in Beijing November 2001

LAW AND ELECTRONIC COMMERCE TRAINING COURSE - PROJECTED FOR JULY

Funding is currently being sought from AusAID. This course will involve participation by China, Indonesia, Philippines, and Vietnam. It is intended that officials from relevant government agencies and as well as academics from APEC Study Centres in participating economies will take part. It will be mounted by senior staff from the Monash Law School

OTHER COURSES PLANNED

- Competition Policy and Telecommunications
- WTO Trade in Financial Services

INFRASTRUCTURE MANAGEMENT

Following the successful APEC Public Private Sector Roundtable on Infrastructure, the Centre has proposed to the APEC Group on Economic Infrastructure that training be provided on a continuing basis. The issue is the basis on which this is to occur. Mounting the programs as fully commercially funded training is being assessed.

PUBLIC ISSUES

MONASH APEC LECTURE

The Centre had invited the Treasurer, the Hon Peter Costello, to deliver the 2001 Annual Monash APEC Lecture in June. He has declined so the issue is under consideration.

US AUSTRALIA FREE TRADE AGREEMENT - CONFERENCE

The Centre is planning a conference in Canberra for industry groups and government officials to examine the implications for Australia of a Free Trade agreement with the US.

ANNUAL TRADE POLICY CONFERENCE

The format of the annual trade policy conference will be reviewed. The content of the programs have been high quality but we and Melbourne University and VUT are disappointed we have not attracted more attendees.

APEC FUTURE ECONOMIC LEADERS THINK TANK - PROSPECT

AXISS, the government sponsored organisation to promote Sydney as a regional financial centre is mounting the APEC Future Economic Leaders Think Tank in 2001 for the APEC Finance Ministers. Two four day seminars will be held during July and October in Sydney which will bring together future leaders from the 21 APEC economies. The Centre has been invited to tender for this activity and has submitted a proposal.

US FTA - ANALYSIS OF IMPACT - PROSPECT

The Centre has been invited to tender for a comprehensive analysis of the impact and benefits of a Free Trade Agreement with the United States. This will be settled by competitive tender.

INFORMATION ACTIVITIES

NEWSLETTER

APEC Currents has been published in the current form for five years and will be reviewed. The newsletter will continue, but the format will be reviewed.

INTERNET SITE

The site will continue to be developed.

The Centre also maintains an Internet site for the International Consortium of APEC Study Centers.

PUBLICATIONS

A new set of publications from conferences and symposia is anticipated.

A report on the prospects for an Asian Monetary Fund has been commissioned from Ben Ross at Monash. A Guide to Bilateral and Subregional Groups in APEC is also under preparation by Tim Martyn, an intern at the Centre.

The growth of the Centre should enable us to sponsor more targeted research reports.

GLOBAL ACTIVITIES

THE INTERNATIONAL CONSORTIUM OF APEC STUDY CENTRES

The annual conference of the international consortium of APEC Study Centres will be held in May in China.

STAFF

The Centre has collaborated with the Monash Law School to create a new Chair of International Trade Law. The Centre contributes one quarter of the costs of the Chair, the rest the Law School, which will also give it tenure. The Centre will use the position to enhance the standing of the Centre as a leading trade policy Centre in Australia and will develop a regional trade law training program.

BUDGET

Commitments for 2001 will require income of \$800,000. This will be met from the surplus carried over from 2000 and committed income. If the Centre secures funding for three additional training programs this year, as planned, the Centre should end the year with a minimum surplus of \$12,000.