

Remarks by Mr Sumio Kusaka, Ambassador of Japan

Australia Japan Business Cooperation Committee (AJBCC) Networking Function

8 June 2017

Perth, Western Australia

Check against delivery

Thank you for inviting me to speak to you all today. To begin, I would like to extend my sincere thanks to Sir Rod and the AJBCC for organising this event, and to Rio Tinto and Hogan Lovells for their valuable support.

As Japan's Ambassador to Australia, it gives me immense pleasure to be here in Perth and in Western Australia—the heartland of Japan-Australia relations—and among so many friends. As you would know, this year marks the 60th Anniversary of the Japan-Australia Commerce Agreement.

The groundbreaking agreement was concluded under Prime Ministers Kishi and Menzies, at a time when the wounds of the Second World War were still very fresh. It was a powerful expression of determination to realise a brighter future for our two countries, without forgetting the lessons of the past. And history shows, without question, that the proponents of the Commerce Agreement were right. Within ten years of the agreement coming into force, Japan became Australia's biggest trading partner. Indeed, Japan went on to maintain this position for around four decades, until 2008. Building on the firm foundations of the trade and investment relationship of our two countries, the overall ties of Japan and Australia have deepened and widened over many years, and this is a trend that continues today.

Regarding people-to-people links, a staggering 445,000 Australian visitors travelled to Japan in 2016. This is an increase of as many as 70,000 visitors on the previous year. We can be confident that this number will increase even further with the launch of a long-awaited new air route directly linking Melbourne and Tokyo, which will be operated by Japan Airlines and

commence this September. I hope that one day we will also see direct flights operating between Perth and Japan, as I believe was the case in the past.

In the area of defense and security, in 2016 Japan joined Australia and the United States to participate in Exercise Southern Jackaroo, and a new Acquisition and Cross-Servicing Agreement (ACSA) was signed by our two countries during Prime Minister Abe's visit to Australia at the beginning of this year.

On the economic front, the coming into force of the Japan-Australia Economic Partnership Agreement (JAEPA) in 2015 has not only provided a major boost to exporters from both nations, it has also further encouraged Japanese businesses to invest in new areas of the Australian economy, including the country's growing services sector. This investment increase seems to be happening on the back of Japanese business's growing confidence and optimism in the Australia-Japan economic relationship. But underling all of this is the trade in energy and resources, and indeed, the ever-dependable relationship of Japan and Western Australia.

In this regard, it is most fitting that former premier of Western Australia, H.E. Mr. Richard Court, recently took up the role of Australia's Ambassador to Japan. I have observed that Ambassador Court has been busily and actively engaged in many events and activities across Japan. In addition to the very significant contributions to the Japan-Australia relationship that Ambassador Court has already made in his own right, Richard's father, Sir Charles Court—another former Premier of Western Australia—was also instrumental in advancing the trade in natural resources between Japan and Australia in the years immediately following the Second World War. This is a topic I would love to speak more about, but I fear it would leave little time for networking, which is the main purpose of today's function. But as much as the Japan-Australia relationship is deeply valued by both the governments and wider communities of our two countries, we must never allow complacency to set in.

Many challenges remain, and I believe that the task of the Japanese and Australian business communities is likely to get harder in the years ahead, as forces that seek to stifle trade and foreign investment grow stronger. Within this context, we must continue to emphasise the positive contributions that the Japan-Australia relationship has made to the lives of the

Japanese and Australian people, to ensure that our ties do not suffer the collateral damage of broader efforts to protect our borders and national security.

On the Australian side, one example of particular concern is the recent abolition and replacement of the 457 visa. As it stands, this policy threatens to deter Japanese CEOs, managers and experts from coming to Australia—just the kinds of people that have made Japan’s massive cumulative investment and vital operations in Australia possible. Under this new scheme, Japanese CEOs—as well as other executives and middle managers—will only be granted an initial two-year visa and will have to leave Australia for an uncertain period to reapply for a visa after four years. This is obviously too short a time span to consider and implement long-term business plans in Australia.

In addition to such a situation having a very real impact of the attractiveness of Australia as a destination for future Japanese investment, it could also create major disruptions to the operations of Japanese businesses that have already established themselves here. I stressed this point during recent meetings held with senior officials from the Department of Immigration and Border Protection. I acknowledge that these kinds of policies are never easy to develop, but it is incumbent upon us to keep the needs of Japanese businesses clearly in the minds of policymakers at both the state and federal level. So there is undoubtedly a role for us to play and I think it is going to become even more important moving ahead.

Accordingly, I look forward to continuing to work with the AJBCC and you all to ensure that the crucial business relations of Japan and Western Australia, and indeed Japan and Australia at large, continue to grow and to flourish, for many years to come.