

My term as Ambassador to Australia is almost at an end after two years and four months, and soon I shall return to Japan. During my time in Australia, certainly over the past year and a half, the Japan-Australia relationship has developed in leaps and bounds, so much so that one could say we have entered a 'new age'.

Active dialogue at the prime ministerial and cabinet level, as evinced by the visit by Prime Minister Abbott to Japan in April last year and the subsequent visit by Prime Minister Abe to Australia in July, produced some remarkable achievements. Foremost among these has been the conclusion of the Japan-Australia Economic Partnership Agreement (EPA), the establishment of a new framework for co-operation in defence equipment and technology, an agreement to hold annual leaders' visits on a reciprocal basis, and enhanced youth exchange programs between our countries.

Why, then, has the Japan-Australia relationship progressed so far? Of course, in the background to recent advances one could point to the more than 50 years of close business ties between us and the close affinity between our people fostered by such ties. Yet when one looks at the rapid development in bilateral relations over the past 18 months, a significant factor driving that relationship has been the strong personal ties between Prime Ministers Abe and Abbott. This point is often brought up by the media, however it would be wrong to simply ascribe progress in the relationship to the friendship or chemistry shared by our leaders.

At the core of the trust shared between Prime Minister Abe and Abbott lies a clear awareness of the strategic importance of Australia and Japan to one another, coupled with the political will of both leaders to enhance bilateral ties to this end. While pushing ahead with difficult reforms in their countries as they undergo a period of change, both leaders have engaged one another with due respect and consideration.

Allow me to elaborate further.

In the case of Japan, the nation is experiencing large-scale transformation under the Abe government. A series of bold reforms known as "Abenomics" have been implemented, aimed at revitalising the Japanese economy. At the same time, the changing strategic environment in the Asia Pacific spurred the government to decide on the limited use of collective self-defence to effectively respond to such changes. Together with this, while firmly adhering to its role as a peaceful nation, Japan is pursuing a diplomatic initiative to make a "proactive contribution to peace" to support the peace and stability of the international community.

It is by no means an easy thing to break down long standing practices and change established systems. However last year's general election saw the Japanese people again place their faith in the Abe government. I am certain that the government will continue to develop and expand such reforms and diplomatic initiatives using its strong political base.

Australia too is implementing bold reforms. Amid talk of an end to the mining boom, a need has emerged for planning aimed at boosting the competitiveness of existing industries while concurrently fostering new industries targeted at the growing Asian market. Australia now faces the crucial task of improving its business environment while simultaneously restoring its fiscal health.

One could say that Australian diplomacy is also undergoing a period of change. The end of the Cold War saw Australia shift from a domestic focus to one that concentrated on Australia's role as a "middle power". Today, as a resource-rich country with the world's 12<sup>th</sup> largest GDP,

Australia is no longer content to merely remain a “middle power”, but has embarked on a course of diplomacy that contributes much more to the international community while boosting Australia’s profile in the world.

Under the Abbott government, Australia has achieved many remarkable successes in diplomacy which have substantially raised Australia’s international standing. As a non-permanent member of the UN Security Council, Australia engaged in very pro-active diplomacy. As chair of the G20 last year, by focusing on growth and employment, Australia played a crucial role in the success of the Brisbane Leaders’ Summit.

On the economic front, Australia rapidly concluded ambitious economic agreements with South Korea, Japan, and China. One should also note the exemplary way in which the Abbott government has responded to crises, particularly the assistance Australia has provided to the US-led campaign against ISIS and the response to the downing of MH17. In each instance Australia has displayed remarkable fortitude and leadership, and is to be commended for it.

In Japan and Australia, the leaders of our countries have embarked on intrepid reforms to transcend the status quo and realise their vision for their nation. In the course of doing so, both leaders have attracted their fair share of criticism both domestically and abroad. It should be noted, however, that no matter who the leader is, attempting to launch reforms in the theatre of modern politics is a particularly difficult task, especially reforms that ask the general public to make sacrifices and which challenge vested interests. As such, the basis for the relationship of trust between Prime Minister Abe and Abbott is not simply a result of their similar ages or political allegiances. Rather, it is because both leaders share a dedication to their values and a resolve to bring their reforms to fruition.

What further progress can thus be made in our relationship? Put simply, it is precisely because our leaders share such a strong relationship that we should take advantage of this to build a framework for bilateral co-operation that doesn’t just rely on personal ties.

When considering our relationship, economically both countries will continue the reliable and complimentary partnership that has long distinguished our ties. The business relationship that has spanned more than half a century since the end of WWII has been a major source of prosperity and growth for both nations. Two defining characteristics of such relations have been the emphasis on long-term, mutual benefit rather than short-term gain and the importance placed on trust. It is for these reasons that I am confident that businesses in both countries will continue to be the best of partners for many years to come.

In security matters, as allies of the United States, it is entirely natural for Japan and Australia to strengthen their co-operation with one another amid the rapidly changing security environment of Asia. Both countries have sustained their peace and prosperity under a regional security architecture centred on the US, and this will remain unchanged. This is why Japan and Australia have expressed their strong support for the US rebalance policy.

Of course, both China and other emerging countries must be incorporated as constructive partners into a co-operative regional framework. Yet the United States will remain at the very core of the region’s security apparatus, and this must be supported via co-operation between Japan and Australia.

On the diplomatic front, while Australia continues to enhance its profile abroad and Japan makes a proactive contribution to peace, our combined efforts as partners in both regional and global diplomatic initiatives (the rule of law, freedom of navigation, nuclear non-proliferation, and reform of the United Nations) are steadily increasing in importance.

Our bilateral relationship, with all of its important mutual benefits, is ultimately sustained by our core values of freedom, democracy, and human rights. We share strong personal bonds and affinities that have been nurtured for many decades. I am therefore convinced that Australia and Japan will continue to aspire to the new 'special relationship' agreed to by our leaders last year.