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Statement by The Hon. Mr Kevin Rudd MP, Minister for Foreign Affairs of Australia

(Check against delivery)

Since we last gathered in this great assembly one year ago, we have witnessed developments of historic dimensions.

Democratic protest and democratic reform across the Arab world as we discovered afresh that freedom is the right of all, not just the few.

A rolling global economic crisis as we enter a new and dangerous period that threatens the jobs and livelihoods of working people everywhere.

And while rarely making the front pages, the continuing, and, alarmingly, the almost silent advance of those other great, global challenges that have been with us now for too many years – challenges of grinding poverty, environmental degradation and the continued proliferation of nuclear weapons, the enhancement of human rights – all of which compete for attention on an already crowded international agenda.

Our global institutions are struggling to comprehend, let alone effectively respond to, this vast array of challenges that now confront us – challenges that arise as the inevitable consequence of what we now call globalisation.

Put simply, the dilemma is this – the challenges we face are increasingly global while the institutions at our disposal are still primarily national.

Or put more crudely again, for those engaged in democratic politics: "the answers may lie abroad, but the votes all lie at home".

The Global Economy

Three years ago, when I first spoke at this podium, I spoke of the storm clouds gathering across the global economy.

It seemed as if we were in free fall as we all stared into the abyss – with the very real possibility of a second global depression in a century.

Through coordinated intervention in 2009, we broke the fall.

Yet three years on, the crisis in the global economy continues, still with a capacity to engulf us all.

Recovery is stalling.

Unemployment is rising.

Confidence is waning.

There are growing concerns over sovereign debt levels.

Concerns also over the national and international political will to deal with these challenges.

The IMF revised downwards global economic growth for both 2011 and 2012.

The IMF is now also moderating downwards its forecasts for trade volumes in both 2011 and 2012 and cautions that those forecasts are dependent on a lot going well.

And with trade volumes falling, concerns must be raised about the impact on the emerging Asian economies which are export dependent for their growth.

Asian trade is central to the region and now to the world.

Sustained weakness in the US and Europe is beginning to hit growth in Asia.

This week, the IMF issued a stark warning for the global economy, highlighting that we have entered a new and dangerous phase.

So what then is to be done?

First, the Financial Stability Board and Basel II recommendations must be implemented for the global financial sector so that global taxpayers are no longer asked to bail out the irresponsible behaviour of major financial institutions. Some of these institutions have become far too comfortable with the practice of privatising their profits and socializing their losses.

Second, all major economies need to find a credible path back to surplus over time, consistent with the G20's Framework for Strong, Sustainable and Balanced Growth.

Third, we must prevent a further outbreak of protectionism and conclude Doha, as history will condemn us if we repeat the job-destroying protectionism of the 1930s that transformed a financial crisis into a full blown depression.

We must all harvest the political will of the global community to act.

The Peterson Institute estimated last year that a Doha Round outcome could boost global trade by up to USD794 billion per annum.

We must summon the political will to deliver outcomes at the WTO Ministerial Meeting in December.

This is an important driver of global growth for the future.

Fourth, for international trade to grow and Chinese domestic demand to make a greater contribution to growth in economies, we must also see currency reform, particularly with the appreciation of the Chinese yuan.

Finally, we must with clarity of leadership and resolution of purpose define and deliver a range of other new innovative drivers of global growth including:

- Innovative public/private finance for the new infrastructure revolution needed for power, water, agriculture, transport and communications;
- Fully harvesting the jobs potential for the green energy revolution by carbon pricing;
- Lifting the full participation of women and youth in the economies of the developed and developing world, given the findings by Goldman Sachs that closing the gap in workforce participation between women and men in emerging markets could increase projected per capita income by 20 percent by 2030. Narrowing the gender gap in Australia would boost our GDP by 11 percent;
- And doing the same with education, skills and training to boost the ability of the youth of the world to fully participate in the global economic opportunities of the future.

These are not just useful social policies.

These are not just useful environmental policies.

They are now necessary economic policies to generate the next missing increment of global growth.

What is therefore required is global and national political leadership capable of looking beyond the next electoral cycle.

To look to the long term over the short term.

To look to the strategic over the tactical.

To look to the necessary over the urgent.

Some may ask: why dwell so extensively on the global economy in an address to the UN General Assembly?

My answer is simple.

Unless together we can craft a path to sustainable global growth, and unless we avoid rolling economic crises and the continuing spectre of global recession, we will cut from underneath us the economic foundations of all that we seek to achieve through the global institutional order.

Asia Pacific

Mr President

Over the course of the last decade, we have seen an acceleration of the shift of economic power to Asia, marking Asia's re-emergence as the centre of global economic gravity after an interruption of more than 200 years.

In the year 2000, China was a mere 3.7 per cent of global GDP. India was less than half that.

Within the next five years, those two countries alone will account for 15 per cent of the global economy.

By 2030, they will account for more than 20 percent.

By the same year, emerging economies more generally will comprise 60%.

Asian countries held 16.6 per cent of global foreign exchange reserves in 2001. Now they hold 39 per cent.

At \$3.2 trillion, China has the greatest ever accumulation of foreign exchange reserves in economic history.

Therefore what happens in Asia is now of fundamental relevance to the world, not just the region.

Asian economic growth has been overwhelmingly good for the global economy.

But Asia has also seen an exponential increase in military expenditure.

Over the last 20 years, East Asian military expenditure grew by nearly 150%.

During the same period of time, US military expenditure grew by 36%.

Asia, with its many unresolved territorial disputes and military tensions, has become the new global arms bazaar.

Unless we preserve the peace and stability of the Asia-Pacific region for the future, the long term economic growth potential of the region will be undermined.

One of the big spenders, despite the poverty afflicting its population, is North Korea.

North Korea's recent behaviour and its continuing development of nuclear and missile technology in defiance of UN Security Council resolutions 1718 and 1874 has direct implications for the security of our region.

North Korea's nuclear weapons program, and its long range missile program, represents a direct threat to our region's security, including Australia.

To deal adequately with these and other security challenges in Asia, we need stronger regional institutional architecture, as a complement to the UN, to help build the transparency, cooperation and in time a sense of common security in our region.

For this reason, Australia has promoted the concept of an Asia Pacific community. Collectively, regional countries now have an opportunity to realise the idea such a community through the expanded East Asia Summit (EAS) which, for the first time this year, will include the Presidents of the United States and Russia.

The expanded EAS brings together for the first time the right countries with the right mandate to address the full range of political, economic and security challenges facing our region for the future.

At present, Asia offers the 21st century a new engine room of global economic growth, while at the same time being bound by an almost 19th century set of security policy relationships based on outstanding territorial disputes and political tensions.

Over time, a stronger EAS can promote the type of rules-based order regionally for which the United Nations strives globally.

This task is critical to avoid damaging strategic miscalculation in the Asia Pacific region which would also undermine global economic growth..

In Australia's more immediate region in the South Pacific, we are bound together by the common bonds of democracy and the responsibility we all have to develop these economies and protect their natural environments.

We thank the Secretary-general for his visit to the Pacific Islands Forum, the first ever by a UN Secretary-General.

His commitment to our region is an important signal of the international community's interest in the Pacific's prosperity, sustainability and democracy.

And we all look forward to Fiji returning one day to the family of South Pacific democracies.

The Middle East and North Africa

Global events since the last General Assembly have highlighted that the human cry for freedom and for democracy, is both indivisible and universal.

In Tunisia, what began as a single man's protest, so desperate that he set himself on fire, became a symbol of the cry for democratic change across the region – and across the world.

Australia stands with the rest of the international community in applauding the courage of those citizens seeking what is naturally theirs – in Tunisia, in Egypt, in Libya – and now in Syria and across the wider Middle East.

In Egypt, we are supporting improved dry-land farming and assistance with urban employment programs as Egypt moves to critical parliamentary and presidential elections.

In Tunisia, we are providing agricultural and electoral assistance.

In Libya, Australia was among the first to campaign internationally for a no-fly zone to protect civilians at a time when Gaddafi seemed destined for victory.

And we are proud of the fact that since the Libya conflict began Australia stands as the third largest humanitarian donor to the long-suffering people of Libya.

We also stand ready to assist with institution building in the new Libya of the future.

What challenges us now is the ongoing brutality in Syria.

We salute the courage of so many brave Syrians.

The Syrian regime should heed the lessons of Libya.

We call on Bashar al-Assad to step down now, for political reform to begin now and for the international community to intensify its pressure on Damascus to respond to the voices of the Syrian people demanding their legitimate freedoms.

Israel and Palestine

Twelve months ago we had no expectation of change in Egypt, Tunisia or Libya.

But we did hope to see progress in the historic process to bring permanent peace to the peoples of Israel and Palestine.

Sadly, there has been no progress.

Australia remains committed to a negotiated two-state solution that allows a secure and independent Israel to live side-by-side with a secure and independent Palestinian state.

Over the last ten months, I have travelled three times to both Jerusalem and Ramallah where I have met on each occasion with Prime Minister Netanyahu and President Abbas.

I have urged both parties to engage in direct negotiations.

I have argued that these should occur on the basis of the 1967 boundaries plus appropriate land swaps.

I have argued that the remaining final status issues on the right to return, the status of Jerusalem, the Holy Sites and the provision of external security be resolved through these direct negotiations.

My fear is that if we do not see these matters concluded in the near term, the rapidly changing geo-politics of the region will make the prospects of a lasting settlement remote.

We have already seen tensions between Israel and Egypt.

We have already seen the fracturing of the relationship between Israel and Turkey.

We do not know how long the current framework of the Arab Peace Plan will remain on the table.

We are fearful of a further intifada of the type we have seen before.

As a friend of Israel, we are fearful that in the absence of a negotiated settlement, Israel's security situation will rapidly deteriorate in the year ahead.

As a friend of the Palestinian people, we believe the time has come for direct negotiations to establish a Palestinian state, and one which guarantees the security of Israel.

If we fail to achieve this, I fear the gravity of the consequences as the ground continues to change across the wider Middle East.

An Israeli and Palestinian state, living side by side, would result in diplomatic recognition across the Arab world.

It would create an economic market of 350 million people from which the Jewish and Arab peoples could prosper.

And diplomatically and strategically, it would bring the focus to bear exclusively on the primary threat to regional security – namely Iran, its nuclear program and its support for terrorist organisations.

Australia therefore urges both parties to seize the day and to shape the future of a new Middle East. We await the outcome from the weeks that lie ahead in New York before framing our response to any particular resolution before the United Nations

Terrorism

Mr President,

Terrorism is the enemy of all civilised peoples.

A decade since 9/11, terrorism still casts a deep shadow over the security and safety of our citizens.

Ten years on, we have learned that our societies are indeed sufficiently resilient to prevail.

We have made it harder for terrorists to plan, finance and execute attacks.

We have also learned the cost.

Many of Australia's finest have lost their lives in the fight against terrorism in Afghanistan.

Australia will stay the course in Afghanistan because we refuse to yield to terrorism.

And as we fully support the transfer of security responsibility to Afghan security forces by 2014.

Disarmament

While terrorism threatens thousands, nuclear proliferation threatens millions.

Australia remains vitally committed to the goal of a nuclear weapon-free world.

That's why we have established with Japan the Non-proliferation and Disarmament Initiative (NPDI) to take forward the 2010 Nuclear Non-Proliferation Treaty Review Conference agenda.

Progress is slow – sometimes painfully so.

Last year I said the state of the Conference on Disarmament was scandalous.

Now it is beyond scandalous.

Nothing has changed.

A full fifteen years have now passed without progress on a treaty to halt production of fissile material for nuclear weapons.

We need progress on an FMCT, and if the CD cannot achieve it in the year ahead, another body should, and the NPDI has resolved to support this.

Australia and the NPDI will remain active on this and the rest of the non-proliferation and disarmament agenda in the lead-up to the 2012 NPT Preparatory Committee.

Development

As we speak in this Assembly, a fifth of humanity lives in grinding poverty.

The scale of this challenge has been graphically demonstrated by this year's devastating drought in the Horn of Africa – drought that has left more than 12 million people in need of direct humanitarian assistance.

I have witnessed how bad things are when I visited the affected areas in July.

I also witnessed the work of the UN and other agencies to provide the most basic needs of our Somali brothers and sisters.

We commend the UN agencies, particularly OCHA, the World Food Programme and UNICEF - who have been working tirelessly on the ground to save lives.

Australia has given almost USD100 million. We are the 4th largest international donor.

We will continue to give.

The crisis in the Horn of Africa brings the discussion we had in this place last year, at the Millennium Development Goals Summit, into sharp relief.

Last year, we gathered to see how we were tracking on our collective pledge to lift a billion people out of poverty by 2015.

The report card was very poor.

Most of the MDGs are unlikely to be achieved, including maternal health, gender equality and environmental sustainability.

These realities have challenged us in Australia to maintain our commitment for the future.

We have doubled our development assistance over the last 5 years.

And are on track to double it again by 2015.

Based on available data, that would make Australia's ODA budget approximately the 6th largest in the world.

We are also meeting the Istanbul Conference commitment that 0.15% of our ODA go to Least Developed Countries.

In particular, we are doubling and redoubling our efforts across the great continent of Africa.

The international community must get behind both regional and global efforts to meet the strategic need for food security.

In the long term, there needs to be a new strategic commitment to agricultural productivity.

With a forecast global population of 9.3 billion by 2050, an estimated 70 percent increase in global food production will be needed to feed the world.

Australia is bringing its considerable experience in agricultural research to help address this challenge.

But we must also address food distribution deficiencies, within and between markets.

Many countries have inadequate infrastructure.

But the distortions in global agricultural and food markets caused by subsidies and market access barriers are also a critical factor – something the Doha Round must address.

In food security, we should be blunt – the Food and Agriculture Organization is failing fully to meet its mandate to the poor of the world.

The FAO was established in 1945 with a mandate to raise levels of nutrition and standards of living, to improve agricultural productivity, and to better the condition of rural populations.

Under its new management, the FAO needs to set clear priorities for the future and eliminate the unsustainable administrative overheads it has long tolerated.

If the FAO does not, Australia will comprehensively review its development funding for the FAO under our new aid effectiveness criteria.

Food is fundamental to development.

So too is the right to education.

World-wide, more than 67 million children don't go to school at all.

27 million of these are children in Australia's own region – the Asia Pacific.

These children must be given a chance at life.

Good for them, good for their economies.

But to do this, the \$16 billion gap in global education funding must be closed.

Last year I announced that Australia was expected to invest some \$5 billion in education over 5 years.

We intend to make education the flagship of our aid program.

One fifth of our development effort will go to education.

Australia makes a substantial investment in education multilaterally – particularly through the Global Partnership for Education.

Since it was established, it has helped increase global primary school enrolment by over 19 million children, train more than 330,000 teachers, and has constructed more than 30,000 classrooms and distributed over 200 million text books.

But the problem is that despite this we are still not on track to meeting MDG 2.

For this reason, Australia believes, learning from both the Global Fund to Fight AIDS, Tuberculosis and Malaria, and GAVI (the Global Alliance on Vaccines and Immunisation), the time has come to consider developing a new public/private institution with an explicit mandate for school education.

At present, this task is shared between the World Bank, UNICEF and UNESCO with negligible private sector buy-in.

We should consider therefore a new Global Fund for Education which concentrates exclusively on the immediate task ahead of getting nearly 70 million children into school by 2015.

Harnessing fully the private capital and entrepreneurial initiative of the business community, not-for-profits, faith groups and retired teachers.

Australia would consider contributing substantially to such an institution to bring about real results at a rate as rapidly as possible.

I challenge education donors, current and potential, to join such a Fund.

Mr President,

Natural disasters, drought, conflict, violence and instability inevitably result in immense loss of life, human misery and displacement.

At the end of 2010 there were 15.4 million refugees in the world, four-fifths in developing countries.

Since 1945, Australia - one of the top three resettlement countries in the world - has welcomed more than 750,000 refugees.

Other countries must do more.

Our humanitarian program will continue to focus on refugees from Asia, the Middle East and Africa.

In supporting the world's most vulnerable peoples, we recognise the world's estimated 370 million Indigenous people, spread across 90 of the 193 UN member states, remain among the most marginalised and disadvantaged.

Including in our own country.

That is why the Australian Government has reached beyond the apology to the Stolen Generations to pursuing constitutional recognition of our first people and committing to Closing the Gap between Indigenous and non-Indigenous Australians.

Australia stands ready to support wherever possible the particular needs of the Indigenous peoples of the world – given our own difficult experience as a settler society.

Australia will also remain active in human rights institutions of the international order as we seek to give effect to the full range of international covenants to which we are a party.

Environment

Mr President, our hope of answering the development challenges of the world is inextricably linked to the health of the planet itself.

As a continent of climatic extremes, located in one of the world's most exposed regions to climate change, Australia understands the threat that we are facing.

We also understand what it means for small developing states, many of them our island neighbours.

These small island developing states are among those who will be most affected.

It is important their voices are heard.

That's why in the margins of the Commonwealth Heads of Government Meeting, which Australia will host in Perth next month, I will convene a meeting of Commonwealth and Developing Small States Foreign Ministers to discuss this challenge. The Commonwealth forum which brings together States from every continent and embraces a disparate range of developing and emerging economies is a valuable forum for complex cross-cutting issues, such as climate change.

The focus of the meeting I will convene in Perth will be the challenges facing small states in the lead-up to Durban and to the Rio+20 conference on Sustainable Development next June.

As a key input to Rio+20, the UN Secretary General's High-level Panel on Global Sustainability must develop a clear framework for integrating the three pillars of

sustainable development: economic growth, social equity, and the environmental sustainability.

The Panel must also face the reality that human activity is beginning to push ecosystems towards the limits of what they can sustainably bear – against what have been called our “planetary boundaries”.

The planet ultimately can only bear so much.

Scientists tell us there are limits beyond which we should not venture in climate change, biodiversity loss, stratospheric ozone depletion, chemical pollution, ocean acidification, and depletion of fresh water reserves.

So not just atmospheric limits, but the oceans as well.

Hundreds of millions of people rely on oceans and coasts for their food and livelihoods.

Marine ecosystems around the world are in decline.

Fish stocks are diminishing.

Coral reefs are feeling immense strain.

We need action to achieve a sustainable, prosperous marine economy – a “Blue Economy”.

Next year at Rio the international community has the opportunity to act decisively to protect a planet under stress.

Just as we need to take effective global action on climate change.

On this difficult but vital road, we have made a start.

Two years ago at Copenhagen, we agreed in the Copenhagen Accord for the first time on a limit of 2 degrees Celsius global warming, on commitments from both developed

and developing economies, and on the need for a global system of measurement, reporting and verification.

Cancun took the world closer to a comprehensive agreement by incorporating this accord into the formal agreements of the UNFCCC.

Amongst those pledges, Australia is committed to putting a price on carbon.

Australia will work actively to bring about agreed outcomes at Durban later this year.

Climate Change will not go away even if some choose the easy path of simply putting their heads in the sand. If we do that, our children, and theirs, will never forgive us.

This year has been a truly horrifying year for natural disasters, as witnessed in Pakistan, Japan, New Zealand and Brazil.

Large parts of Australia also saw severe flooding, including in my home state of Queensland.

In addition to improving the effectiveness of the international humanitarian system and quick responses to crises, we need to support damage reduction activities.

That's why Australia together with our neighbor Indonesia is leading efforts in the East Asia Summit to improve regional mechanisms to respond to natural disasters.

Australia's engagement in the wider world

As a global community we face challenges of historic consequence - to our global economy, to global security, to the basic freedoms of all peoples, to our global environment, to the security of our citizens, to our obligation to the world's poor, to our planetary boundaries themselves.

While so many challenges lie before us, the last year has proven that when the international community does act collectively and decisively, we can deliver.

As we have seen in the decisions of the Security Council on Libya and Côte d'Ivoire.

But to be effective, this parliament of human-kind, these United Nations, must continue to summon the political capital of Member States to make our global institutions work.

Otherwise, we become a clanging gong, full of sound and sentiment, but ultimately symbolizing nothing.

When Secretary-General Ban came to Australia two weeks ago, he saw a country that values the rules-based system the UN embodies.

Australia was there at the creation of the UN Charter, so it was no surprise that the Secretary-General found the values of the Charter to reflect the values and character of the Australian people – our desire to see others have opportunity, to stand up for those who are vulnerable, to defend the global commons.

The Secretary-General also saw a country that is determined to work in partnership with the United Nations to advance security, development, human rights and the environment.

A partnership so deep, he described it as “one of the best examples of how and what UN Member States should and can do for the common interest of the international community”.

Australia today is a middle power with global interests, animated by deep values of freedom and a fair go for all.

This is the Australia we are proud of in its work in the world.

This is the Australia that believes in the principle of good international citizenship.

This is the Australia which rolls up its sleeves, the Australia that by nature wants to pitch in, the Australia that wants to make a difference for the betterment of all humankind.