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Indo-Australian FTA by 2009



Issue

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Late Shri R.K. Prasad

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Editor: Satya Swaroop



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"India is expected to have the world's largest workforce by 2020, and while much of our growth to date has been domestically based we must embrace the global economy," Kamal Nath said. "Both India and Australia are committed to a rules-based global economy and I think this will continue to add to our relationship."

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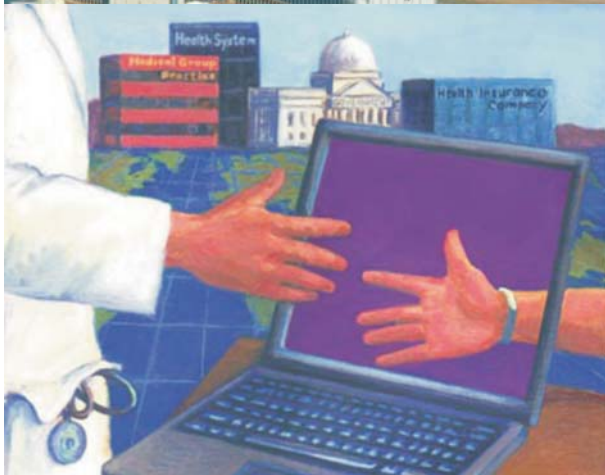
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India & Globalization

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The Minister reminded guests that China started its reform 16 years earlier than India, some 31 years ago, with India today being the world's fastest growing free market.

Through greater connections and greater engagement there is now enormous opportunity that didn't exist five years ago. For example, there are seven million new mobile phone connections per month in India which represents enormous growth opportunities. This growth however is balanced by the economic difficulties and poverty that still exists with some 300 million people in India living on less than \$1 a day and 700 million people living on less than \$2 a day. The complexity of the economic opportunity versus economic challenge dichotomy cannot be ignored.

Indian banking institutions are growing in strength and the Minister stated that India wants more foreign investment, however he noted that the current market has favored Indian investment outside India. For example, India has more investments in Australia and America than either country have in India.

The progress towards a free trade agreement between India and Australia was encouraged by the Minister, an effective tool alongside a rules based multilateral system. Of particular concern to development is India's geopolitical position with regard to terrorism. India is the world's largest (and rowdiest) democracy which encourages a global approach to the challenges that are relevant to the world.

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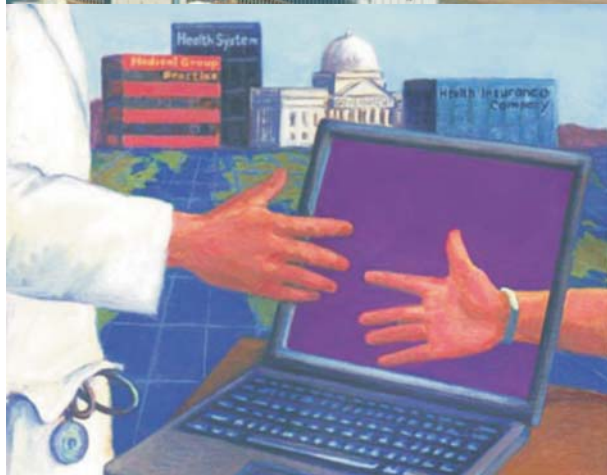
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Preparing Australia for the Asia Pacific Century

Australia's Prime Minister Kevin Michael Rudd, who swept to power in December 2007, has already made his mark as an articulate speaker on international issues. In a recent address to Asia Society AustralAsia Centre Rudd has given a call for building an Asia Pacific Community in order to foster the region's economic development. Because this century belongs to the Asia Pacific Region. Following is the text of Prime Minister Rudd's speech.

The Government's mission is to build a strong and fair Australia capable of meeting the new challenges of the 21st century. That means planning for our long-term future. It also means planning to meet our long-term international challenges.

Australia must above all enhance our regional and global economic competitiveness if we are to secure our future. Domestically we need to lift our productivity growth. We need to have the best-trained, best-skilled work force in the world.

Infrastructure

We will need world-class infrastructure, including high-speed broadband. We are committed to policies that will lift work force participation rates a critical need with an



ageing population. And we are committed to continuing population growth, underpinned by a continuing migration program.

We are committed to taxation reform and business deregulation. And underpinning all must be a commitment to responsible economic management injecting every effort to maintain macro-economic stability.

Challenges

But Australia faces additional regional and global challenges also crucial to our nation's future climate change, questions of energy and food security, the rise of China and the rise of India.

And we need a strong system of global and regional relationships and institutions to underpin stability. We also have to make sure that the open, rules-based system of global trade is maintained and expanded. It is the system that has underwritten our prosperity, just as it has underwritten the prosperity of the region.

When Australia looks intrinsically to the Asia-Pacific region, we can see significant future challenges. In the South West Pacific the challenges are great. Many of the smaller states in the region will need to work hard and we will work with them on establishing the foundation for a secure and sustainable future. Terrorism in South-East Asia will remain a continuing challenge.

And across wider Continental Asia, the rise of India and China represent great economic, environmental, energy policy and security reverberations for the future. A core challenge for Australia is how do we best prepare ourselves for the Asia Pacific century to maximise the opportunities, to minimise the threats and to make our own active

contribution to making this Asia-Pacific Century peaceful, prosperous and sustainable for us all.

Foreign Policy

Tonight I would like to respond to that question by talking to you about the third pillar of the Government's foreign policy – our policy of comprehensive engagement in the Asia-Pacific region.

Our alliance with the United States is the first pillar of our foreign policy and the strategic bedrock of our foreign and security policy.

Since forming Government, we have reaffirmed our support for the alliance, including in March in Washington when I met President Bush. The alliance – the relationship between Australia and the United States transcends political parties and Administrations on both sides of the Pacific.

I have also spoken about the United Nations – the second pillar of our foreign policy. The Government's policy is that a strong rules-based international system is in Australia's national interest. In March in New York I met with the UN Secretary-General. I announced after that meeting that Australia would seek a seat on the UN Security Council in 2013-2014. If Australia wants an effective United Nations, we have to be comprehensively, not marginally, engaged.

And that means engaging with key multilateral partners around the globe that share our goals, in particular our partners in Europe – a principle of multilateral cooperation with our European partners I re-affirmed in meetings with the European Commission in Brussels in April.

Tonight I want to talk about the third pillar of our foreign policy, comprehensive engagement with Asia. It is a pillar of our foreign policy because this Government is committed to strong, close, cooperative relations with the countries of Asia. We have interests that we want to pursue in the region. And we believe that we can also make a strong positive contribution to the region – to its long-term stability, prosperity and sustainability. We want to build on our history of political, strategic, economic and development contributions to the region in the years ahead.

Tonight I'd like to talk about the future of two of our critical bilateral relations in the region – Japan and Indonesia. And I'd also like to talk about the future of the regional architecture of the wider region. The changes now taking place in the global economic and strategic terrain are of historic proportions. Put simply, global economic and strategic weight is shifting to Asia.

For the first time in the settled history of this continent, we find ourselves in the region that will be at the centre of global affairs. This is a process that began half a century ago – and it has at least that long left to run. Japan led the way with its remarkable post-war recovery and rapid economic growth. Korea, Taiwan, Hong Kong and Singapore followed.

The countries of South East Asia – in spite of the 1997 financial crisis – have continued to show strong growth.

Then, in the 1990s China and India began to grow rapidly.

By 2020, according to one study last year, Asia will account for around 45 per cent of global GDP. By 2020 it will account for around one-third of global trade. By 2020, Asia's share of global military spending will have grown to nearly one quarter.

Militaries throughout Asia have sought to modernise and continued economic growth will encourage the acquisition of higher technology military systems. And the region contains continuing potential flashpoints – Kashmir, the Taiwan Strait, the Korean Peninsula.

But there is more to the story of a changing Asia than the economic and strategic picture. Demographics are changing.

The countries that developed first have ageing populations.

China's population continues to grow, but it too is ageing.

China expects its population to peak at around 1.5 billion in the 2030s. India's population will remain young and will continue to grow in the decades ahead. It will become the most populous nation in the world by the middle of the century. The overall population of the region is continuing to grow – by 2020 it is projected to be 4.6 billion (out of a total global population of 7.7 billion).

A growing population and higher standards of living are putting increasing pressure on resources.

To drive these growing economies and to provide the standard of living these populations require, demand for energy is growing dramatically. APEC estimates that among its member economies demand for energy will grow by around 40 percent by 2020. Overall, Asia's energy consumption could grow by around two-thirds by 2020. Or, to put it another way, more than half of the increase in global energy consumption to 2020 will come from Asia.

Wealthier populations are also demanding more and better food. We have already seen the rising cost of food,

globally not just in Asia. The rising population needs more water too.

We will see more people in water stress because much of the population growth in the years ahead will come in developing countries that already face fresh water supply pressures. The changes and challenges for Asia will be great.

So, for Australia, engagement with Asia is not just a matter of historical recognition of the requirements of geographical proximity. Our engagement with Asia for the future will be about engaging with a region of global significance in its own right. It is the coincidence of several imperatives – geographic, economic and strategic. It is engagement with a region that will be of crucial importance for the future of our planet.

How, then, do we best prepare for the Asia-Pacific century?

First, we have to get our national house in order to maximise our global competitiveness. Then we need to have good economic and security relations with the countries in our region.

But there is a brittleness in a foreign policy based only on bilateral relations. To remove some of that brittleness, we need strong and effective regional institutions. Strong institutions that will underpin an open, peaceful, stable, prosperous and sustainable region. We need them because regional institutions are important in addressing collective challenges that no one country can address alone – and they help us develop a common idea of what those challenges are. Challenges like:

- Enhancing a sense of security community (we have something to learn from Europe where centuries of animosity have been transformed into an unparalleled degree of transnational cooperation);
- Developing a capacity to deal with terrorism, natural disasters and disease problems that definitionally transcend national boundaries;
- Enhancing non-discriminatory and open trading regimes across the region in support of global institutions; and
- Providing long-term energy, resource and food security.

I believe it is time that we started to think about where we want to be with our regional architecture in 2020. It is nearly 20 years since the first APEC meeting in Canberra.

When APEC started, we spoke about the gradual evolution of regional architecture. And that architecture has evolved in the intervening 20 years.

We have APEC, the ASEAN Regional Forum, ASEAN Plus Three and, most recently, the East Asia Summit. Each has its own positive role to play. But the core question is what should the long-term vision for our region's architecture be?

We believe that we need to anticipate the historic changes in our region and seek to shape them; rather than simply reacting to them. We need to have a vision for an Asia Pacific Community, a vision that embraces:

- A regional institution which spans the entire Asia-Pacific region – including the United States, Japan, China, India, Indonesia and the other states of the region.
- A regional institution which is able to engage in the full spectrum of dialogue, cooperation and action on economic and political matters and future challenges related to security.

The purpose is to encourage the development of a genuine and comprehensive sense of community whose habitual operating principle is cooperation. The danger in not acting is that we run the risk of succumbing to the perception that future conflict within our region may somehow be inevitable.

At present none of our existing regional mechanisms as currently configured are capable of achieving these purposes. That is why the new Australian Government argues that we should now begin the regional debate about where we want to be in 2020. Such a debate does not of itself mean the diminution of any of the existing regional bodies.

APEC, the ASEAN Regional Forum, the East Asia Summit, ASEAN Plus Three and ASEAN itself will continue to play important roles, and longer-term may continue in their own right or embody the building blocks of an Asia Pacific Community. There will be wide ranging views about this across the region some more supportive than others. New bodies and new ideas will continue to emerge.

Australia would welcome the evolution of the Six Party Talks into a wider regional body to discuss confidence and security building measures in North East Asia and beyond – and we support the United States in this.

I would also argue that an Asia Pacific Community by 2020 is consistent with President Bush's call for the development of a Free Trade Area of the Asia Pacific – an ambition we have consistently supported as a long-term goal.

The European Union of course does not represent an identikit model of what we would seek to develop in the Asia Pacific. But what we can learn from Europe is this – it is

necessary to take the first step. In the 1950s, sceptics saw European integration as unrealistic. But most people would now agree that the goal of the visionaries in Europe who sat down in the 1950s and resolved to build prosperity and a common sense of a security community has been achieved.

It is that spirit we need to capture in our hemisphere.

Our special challenge is that we face a region with greater diversity in political systems and economic structures, levels of development, religious beliefs, languages and cultures, than did our counterparts in Europe. But that should not stop us from thinking big.

ASEAN

The Association of South-East Asian Nations (ASEAN) is an example of the benefits of long-term vision. In a diverse region, ASEAN has brought together a varied group and forged a common outlook on many questions. ASEAN has built habits of cooperation and dialogue. And ASEAN has played a critical role in building and maintaining peace in the region through its work.

To take forward the vision for an Asia Pacific Community during the next six months, the Australian Government will dispatch a high-level envoy to the capitals of the wider region to discuss this proposal. Subject to that further dialogue we would envisage the possibility of a further high-level conference of government and non-government representatives to advance this proposal.

I fully recognise that this will not be an easy process just as the establishment of APEC was not easy 20 years ago.

But the speed and the scope of changes in our region means we need to act now. That is why I am announcing tonight the appointment of Dick Woolcott as Australia's envoy on this important matter of unfinished regional business to continue and hopefully complete the work he began on Prime Minister Hawke's behalf 20 years ago. I said before that this is the Asia Pacific Century. Ours must be an open region we need to link into the world, not shut ourselves off from it. And Australia has to be at the forefront of that challenge, helping to provide the ideas and drive to build new regional architecture something we have not done for over a decade.

We also need to invest in our relationships with our partners around the region. In North East Asia we will need to continue to build our relationships with the economic powerhouses to which we are so closely linked China, Japan and Korea.

In South East Asia we have to add even more depth to our relationships with our key partners Indonesia, Malaysia, Singapore and others. In South Asia, we need to re-energise our relationship with the other rising giant, India. But, ahead of my visit to Japan and Indonesia next week I want to explain how our Government sees its relations with these two crucial partners.

In many ways, our relationship with Japan is one of the foundations of our regional engagement. The relationship between Australia and Japan is a comprehensive strategic, security and economic partnership and beyond that we have an enduring friendship. And I am committed to adding even more depth and breadth to that partnership.

Over the past 50 years, developments in our relationship with Japan have often led the way in our engagement with the region. From our trade treaty in 1957, through to working together to establish APEC in the 1980s under Bob Hawke's leadership, and to our security cooperation, developments in our relationship with Japan have been at the forefront of our regional engagement.

Japan is an ancient culture. Japan is a global economic power the world's second-biggest economy. Its economic presence has made a critical contribution to many economies around the world including Australia. It is a major provider of development assistance around the globe.

Japan is also one of the United Nation's strongest supporters. It is a clear voice on the world stage for non-proliferation of nuclear and other weapons bringing to the debate its unique and terrible history as the only country to have suffered the effects of a nuclear weapon. Japan also represents a significant security presence in





our East Asian hemisphere. So, for Australia, engaging with Japan is a core priority. We have an enduring economic relationship. But we can still do more to secure a strong future economic relationship. I will be talking with Prime Minister Fukuda about how we can accelerate our negotiations for a free trade agreement (FTA). We are also strategic partners. When I meet with Prime Minister Fukuda next week I hope to be able to take forward concrete proposals for strengthening our security engagement both bilaterally and trilaterally with the United States. Prime Minister Fukuda and I will also look at how Australia and Japan can cooperate more both regionally and globally. Regionally, we can look also work more closely together on our development assistance efforts in the Pacific. Globally, we can also work together on climate change. Prime Minister Fukuda has invited me to attend the G8 outreach meeting in Japan in July.

Climate Change

Climate change will be a major focus of the outreach session and I will be talking to Prime Minister Fukuda about how we can work together on the science and the policy of climate change.



Underlying the economic relationship, the political relationship and the strategic relationship are the people to people links. It includes students travelling in both directions including those who spend time on home stay programs, learning the language and culture of the other country. Japanese is the most studied foreign language in Australia more than 220,000 Australians are studying Japanese at public high schools.

I have to acknowledge here the problem of whaling. We have had, and continue to have, a frank dialogue with Japan on this. But I am hopeful that we will be able to find a diplomatic solution to what is an important disagreement among friends.

Indonesia

Next week will be my second visit to Indonesia since becoming Prime Minister my first having been to the Bali climate change meeting in December. I am looking forward to sitting down again with President Yudhoyono and talking through the future of our relationship. We already have a great history to build on. Australia under the ALP took the initiative to represent Indonesia's interests at the United Nations in 1947. We were a strong supporter of Indonesian independence in 1949. And, since that time, our histories have been inseparable.

Our relationship has now matured and we have a true partnership. I have watched Indonesia's remarkable development in recent years. And it is worth revisiting some of the fundamentals about Indonesia. Indonesia is the largest democracy in Asia after India. It is the world's most populous Muslim nation. Since the financial crisis in 1997 Indonesia has made a strong recovery. Its economy is growing at over six per cent annually. Its transition to democracy and its economic recovery in the past decade have been remarkable. In Australia we should have a better understanding of these changes because our relationship with Indonesia is so important.

It is important to us because of the joint challenges we face and the need we have to develop common responses to these challenges. For instance on climate change. I have already had a discussion about increasing our climate change cooperation with President Yudhoyono when we met in Bali and I want to acknowledge the President's leadership on this. Exploring ways to further this cooperation will be a top priority for my visit to Indonesia next week. I hope to be able to outline a way forward for Australia-Indonesia climate change cooperation during my visit.

In particular, I believe there is real scope for us to cooperate on the problem of deforestation. We also have a strong base of people-to-people links. Nearly 400,000



people travel back and forth between Australia and Indonesia each year. And around 15,000 Indonesian students study in Australia. I am keen to make sure that more people in Australia learn about Indonesia. Indonesian is one of the target languages of our Government's investment of \$62 million dollars over the next three years to boost Asian language study in Australian high schools building on the 170,000 Australians who already study Indonesian at public high schools. And I am keen to see Indonesians learn more about Australia too. An important part of this mutual learning process is inter-faith dialogue. There have been a number of rounds of this dialogue so far.

It is a good initiative and one that I hope can be broadened over time. Our shared global interests and the good people-to-people links that we share give us a good base to further develop our bilateral relationship. We need to have a vision of where we want to take the bilateral relationship and we need to work towards that vision. For me, it is a vision of a partnership built on mutual respect and mutual benefit. Developing our economic relationship is an important part of that. We need to keep working on our free trade agreement study. Our goal is simple to make it easier for our business communities to interact with each other. We also have to build our defence and security relationship. We have a good basis for cooperation in the Lombok Treaty, but we need to do more. In particular, we need to further our cooperation in the security field given our common challenge in terrorism.

Beyond our bilateral relationship Australia and Indonesia can yield better results for the region and for the world when we work together in a diplomatic partnership that

goes beyond the traditional bilateral preoccupations. For Australia, cooperation with Indonesia on regional matters including the East Asia Summit is of central importance.

Natural disasters in Burma and China in recent weeks both with terrible death tolls have reminded us of the need to for regional cooperation to have practical results, by improving coordination of disaster response efforts for instance. Here APEC has an important role to play.

Australia and Indonesia are co-chairs of an APEC task force on emergency preparedness and response. It was established after the Indian Ocean tsunami in 2004. And it has already done some good work. When I visit Indonesia next week, I will be discussing with President Yudhoyono how we can lift the tempo of the task force's work.

I have some specific proposals to take to the President about how we can do more to bring together disaster relief experts from around the region because when a crisis hits, our people need to have ready made networks so we can respond in a timely fashion. In doing so, we will need to build on important initiatives already advanced elsewhere in the region most recently by Prime Minister Fukuda of Japan. As we look to build a new regional architecture for 2020 and beyond, Indonesia will be one of our critical partners. For Australia, Indonesia is a partner in nearly every field of endeavour. We are committed to building a closer relationship between our people, our parliaments and our institutions. We are partners in tackling climate change. We are partners in building the region.

Next week in Indonesia, I look forward to talking with President Yudhoyono about how we take this partnership forward. About 30 years ago I first set foot in the wider region. That experience and my study of Asian history, language and cultures at university opened my eyes to the importance of the region for Australia. And it has left me firmly of the view that Australia has to make itself the most Asia-literate country in the collective West.

Asia is a diverse continent and we have to put great effort into building and maintaining our engagement into the future. Our businesses, our academic institutions and our government agencies need to understand Asia. This Government will be investing more in this direction. Because we in this nation have a unique requirement to fully comprehend and engage with the great new global dynamics of the Asia-Pacific century. Australia must play its part in shaping the region's future. And that is what the new Australian Government intends to do. ■

'Chindia' Boosts Demand for Australian Resources Sector

By **Tim Harcourt**, Chief Economist, Australian Trade Commission

Australia's recent economic success can almost be summed up in two words: China and India (sometimes referred to as one word 'Chindia'). The economic expansion of these two emerging economic superpowers in Asia has fuelled demand for Australia's vast resources sector and the services we build around our key commodities.

According to new research just released by the Reserve Bank of Australia (RBA), in 1999, China and India accounted for just under 6.0 percent of Australian exports, whilst in 2007, 'Chindia' accounted for 18 percent (with Japan on 16 percent and 'other East Asia' on 16.7 percent). China is now our 2nd most important export destination (up from 7th place in 1999) and India is now the new number 7 (up from 13th spot eight years ago). Over this period average annual growth rate of Australian exports was 24.8 percent for China and 24.7 percent for India. Part of the reason Chindia's dash up the charts has, of course, been the high commodity prices particularly in key sectors like coal and iron ore.

In fact, according to the RBA, the growth in Australia's export volumes (taking out price effects) has been relatively subdued in the 2000s growing at an average annual growth rate of 2.4 percent compared to 8 percent for the 1990s. Much of the growth in exports is price driven and supply-side or 'capacity' constraints such as infrastructure 'bottlenecks' and labour shortages have been holding volumes down.

However, Australia is not Robinson Crusoe in this regard as infrastructure and logistics difficulties and skilled labour shortages are considered to be a global phenomenon as the strength and duration of the world commodity boom has taken many pundits and participants by surprise.

So that's the macroeconomic 'big picture', what's happening microeconomic level on the ground for Australian export businesses? How are exporters seeing the global picture?

According to the new DHL Export Barometer, Australian exporters are also looking to China and India for their future success. China and South Asia (mainly India) were in first and second place when exporters were asked where their export orders would come from over the next year. Whilst China has been consistently 'top of the pops', India's rise up the exporter sentiment ranks is a new

phenomenon. Other high place getters include our Trans-Tasman neighbour New Zealand, South East Asia, the Middle East (particularly the UAE) and North America.

Despite the sub-prime crisis in the US, Australian exporters believe it to be a short-term affair and regard the North American market as a good medium term prospect given the US's ability to bounce back. Also Australian exporters' engagement in China, India, the rest of East Asian and the emerging economies has left Australia with minimal 'northern exposure' from the US credit crunch.

How about the exchange rate? Exporters are feeling the pinch from the rampaging Australian dollar with 2/3 of all exporters worried about the appreciation compared to one half a year ago. The high Aussie dollar which has been hovering in the 90s for some time has adversely affected manufacturing, agribusiness and tourism exporters who don't have the benefit of the high resources prices. However, whilst exporters are hurting, they are still hanging in there because of the overall growth in the global economy and the fact that almost 40 percent are also importers and are therefore getting some benefit on the cost side.

Is it just a case of 'Rocks and Crops' benefiting and the rest suffering? Are we seeing a 'Gregory effect' or 'Dutch disease' where a mining boom crowds out the rest of the economy via an appreciation of the exchange rate? It's not as simple as that as many manufacturers and services provide inputs to the mining boom and are therefore benefiting. In addition, it's wrong to say that Australia's booming trade relationship with Chindia is all about the resources boom. In a companion piece by the RBA on education exports, the Bank notes that Australia is experiencing a major boom in the export of education services to both China and India. According to the RBA, China and India's combined share of Australia's education exports are now a third (on 2006-07) compared to just under 9.0 percent a decade or so ago (on 1995-96).

In conclusion, Chindia is making a difference to Australia at the chalk face as well as at the coal face and will do so for a long time yet.



Table 1: Australian Exports (%)

	Export volumes		Export values	
	Average growth		Share of total (a)	
	1990s	2000-2007	2000	2007
Total Exports	8.0	2.4		
Resources	6.9	2.7	36.3	46.4
- Coal and metal ores & minerals	4.9	5.4	16.2	26.6
- Other resources	9.2	-0.6	20.1	19.9
Services	8.7	3.1	24.0	22.6
- Education (b)	14.5	13.5	2.9	5.9
- Tourism (b)	9.4	-1.1	7.2	5.4
- Other	7.4	1.6	13.9	11.3
Manufactures (c)	12.0	3.1	17.3	13.9
Rural	7.1	-2.5	18.5	11.1

Source: RBA Bulletin, June 2008

(a) The components do not sum 100 since the heterogeneous 'other goods' balance of payments category is not shown.
 (b) Education and tourism services deflated by the headline CPI.
 (c) Excludes pharmaceutical exports due to the large degree of re-exporting activity in this category.



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South Australia, a Key Education Destination for Indian Students



A Memorandum of Understanding (MoU) between the Institute of Chartered Financial Analysts of India University (ICFAI) and the University of South Australia to establish a new ICFAI campus in Adelaide is an example of growing educational links between South Australia and India.

South Australia's Premier Mike Rann, who witnessed the signing, says India is becoming an increasingly important market for his State in its efforts to attract overseas students. Proposals for the delivery of Indian educational programs in South Australia were extending the relationship into new directions with benefits for each region's economy, Rann says.

"The increasing number of international institutions seeking collaboration between their own programs and South Australian institutions and researchers is a strong indicator of Adelaide's growing global presence as a learning city," he says.

The partnership with the Institute of Chartered Financial

Analysts of India Universities - through which the Hyderabad-based group of six universities would establish post-graduate business administration programs at an Adelaide campus - was one of several discussed during Rann's trade mission to India in March, 2008. The establishment of an ICFAI campus is subject to successful registration.

In another MoU witnessed by Rann, the University of South Australia held advanced talks with Shreemati Nathibai Damodar Thackersey (SNDT) Women's University in Mumbai deigned to foster research, staff and student exchanges between the two institutions.

A second MoU involving UniSA followed its negotiations with PSG Institute of Advanced Studies in Coimbatore. The MoU relates to UniSA's provision of aviation training for graduates from the PSG Institute's three-year Bachelor in Applied Sciences programs.

The fourth MoU involved TAFE SA and Career Point, a Kota-based, multi-campus institution that specialises in

preparing students for competitive entry examinations. The signing of the MoU will enable Career Point to commence marketing vocational courses using material licensed from TAFE SA and enrolments and courses will commence as soon as practical following execution of the agreement.

Rann says the proposed establishment of a trade in educational programs and campuses was taking the already strong education-based relationship between India and South Australia beyond the increasing popularity of Adelaide as a study destination for Indian students.

India is the second largest source of international students in South Australia, with 2,692 Indian students studying in the State in 2007 a 29.6 per cent increase on the previous year.

According to estimates from Education Adelaide - the organisation that markets South Australia's education capabilities around the world about 3,500 Indian students will be studying in the State by the end of 2008.

Rann says education is a sector that has the potential for enormous growth in trade between India and South Australia in the next decade. It was partly to promote the State's education facilities and services, he says, that he led the trade mission to one of South Australia's most important trading partners.

"The relationship between South Australian education institutions and India continues to grow into new areas," Rann says.

"This collaboration is further evidence of Adelaide's international reputation as a 'university city' and its appeal to Indian students who have made it clear they want to study their program of choice in Adelaide.

"The number of Indian students choosing Adelaide for their education is already increasing rapidly," Rann says. "The establishment of an Indian campus in Adelaide is likely to send that number soaring, so that India may soon pass China as the source of our largest number of international students each year.

"Indian students are recognising that Adelaide is a wonderful city in which to receive an education that will set them up for life. ICFAI University is the fourth overseas university to choose Adelaide for an international base, following Carnegie Mellon of the US which was the first foreign university in Australia when it set up in Adelaide in 2006, the UK's Cranfield University, and University College London (UCL)."

Rann says the proposed collaboration boost the number of student and staff exchanges and research links between South Australia and India.

Education Adelaide chief executive Denise von Wald and senior representatives of South Australia's four universities Adelaide, Flinders, UniSA and Carnegie Mellon - joined Rann in promoting South Australia as a study destination to audiences of would-be students and their families in Delhi, Hyderabad, Chennai and Mumbai.

Research conducted by Education Adelaide indicates Indian students are being attracted not only by the





reputation and quality of South Australia's secondary and university schools and programs, but also by the depth of its vocational education and training (VET).

Rann says the growth in numbers of Indian students choosing Adelaide for their education is a trend reflected in overall increases in overseas student numbers and in the value of education to the State.

Education is now South Australia's largest service export sector and accounts for six per cent of total State exports. Figures compiled by Education Adelaide suggest Adelaide will have around 25,500 international students by the end of 2008, an increase of more than nine per cent on the 2007 total. For the past four years, Adelaide has outstripped the nation in the growth of overseas student numbers.

Rann says the sector is now worth \$673 million a year to the State economy and supports more than 3,250 full time jobs.

"The benefits to the State extend far beyond the direct contributions to the economy," Rann says. "International education also has a significant impact on the State's tourism sector, with many students' families visiting South Australia on a short-term or long-term basis.

"A growing proportion of former overseas students also investigate the possibilities of taking out permanent residency, which contributes to a skilled workplace and the development of a tolerant, globally linked, multi-cultural community."

Among the 23,300 students in Adelaide in 2007, an estimated 11,400 were enrolled at Adelaide's internationally renowned universities. These universities include three long-established public universities - the University of Adelaide, Flinders University and the University of South Australia which have been increasingly growing in popularity among international students for many years.

South Australia's universities are consistently ranked among Australia's top universities for research and providing a focus for research centres where industry, higher education and government work together on projects of national and international importance.

The arrival of two of the world's best universities - Pittsburgh-based Carnegie Mellon University and UK-based Cranfield University - has further boosted the city's status as an education hub, while University College London (UCL), ranked the ninth best university in the world, will begin accepting students into its new UCL School of Energy and Resources campus in Adelaide in 2010.

The UCL's post-graduate school will take as many as 60 students in its two-year Masters program, in addition to offering a portfolio of professional development courses tailored to meet the requirements of senior industry executives and engineering managers.

Mr Rann says the decisions by world-leading universities to establish industry-specific post-graduate programs in Adelaide was a demonstration of confidence in both the State's education system and its future as a defence and mining hub.

"South Australia's rapidly expanding defence and resources industries are knowledge-based sectors that will depend heavily on local science research but will also create fantastic opportunities for ground-breaking research in increasingly specialised fields," Rann says.

The announcement that the Royal Institution of Great Britain - the flagship of science in the UK for more than 200 years will open its first international satellite site in the world in Adelaide in 2009 is another measure of global regard for South Australia's learning capabilities, he says.

For more information about South Australia, studying in Adelaide, or Adelaide's internationally regarded universities, visit:

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Six e-Learning Steps to Innovative Business Approach

Six e-learning priorities have emerged across states and territories as the national training system takes an innovative approach in responding to the challenges of a modern economy and the training needs of Australian businesses and workers.

The national training system's e-learning strategy, the Australian Flexible Learning Framework (Framework), has awarded \$5.3 million in E-learning Innovations funding to support more than 90 registered training organisations (RTOs) to deliver innovative e-learning solutions for the vocational education and training (VET) system.

In total, 147 projects have been funded, of which 86 are led by TAFE and 37 by private providers. The remaining 24 projects are across the adult and community education, enterprise, university and VET in Schools sectors.

The outcome of this national collaboration will benefit the whole of the national training system - by providing greater access to e-learning resources, strategies, case studies and alternative e-learning education and training delivery models.

Although funding has been handed out via states and territories according to their local training priorities, some common themes have emerged across Australia.

1. Rural and remote: At least 30% of the funded projects support learners in rural and remote locations. Employers, trainers and employees across Australia face the obstacle of distance and isolation when it comes to accessing training programs. Face-to-face training can be expensive and not easily accessible. E-learning funding in this area will look to integrate learning management systems, mobile technologies and the use of DVD learning materials to assist in the delivery of education and training programs.

2. Primary industries: More than 20% of the funded projects come from primary industries such as agriculture, horticulture, animal care, forestry and mining. Traditional desk-top learning is unsuitable where the employee works out in the field, and where inadequate telecommunications access and bandwidth



restricts the use of internet based platforms and strategies for learning. This challenge will be tackled by trialling DVD multimedia materials, mobile phone interactivity and satellite technologies.

3. Indigenous: Some 20% of the funded projects are working to support education and training outcomes for Indigenous learners. English may be their second, third or more language, making traditional education and training programs a complete barrier to learning. Projects in this area will look at the use of audio and visual technologies to support auditory, visual and kinaesthetic learners.

4. Health and community services: About 16% of the funded projects come under the banner of 'health and community services', including supporting paid workers and volunteers in using e-learning within the areas of children's services, mental health and illnesses or the aged care industry. Many health and community service staff work shifts, making traditional training methods difficult. Funding allocated in this area will work to overcome this through the use of virtual worlds and in using e-learning content already nationally available online, via LORN (Learning Object Repository Network).

5. Trainees and apprentices: About 15% of the funded projects are focused on innovative solutions to address the personal learning styles of young people. This funded area looks at how to engage young people in the use of the very technology that they engage with as part of their everyday lives, including mobile phones, digital cameras and the use of social online networking sites.

6. Upskilling of existing workers and RPL (recognition of prior learning): About 13% of the funded projects are discovering ways of capturing evidence of existing skills in the workplace and putting this information into a long-term usable and online accessible form, such as an e-portfolio. ■

Mining Royalties to Fund Indigenous Students' Education

More than \$2.5 million in gold mining royalties will flow to remote communities in northern Australia's Tanami Desert over the next three years in a deal intended to improve the education and employment prospects of hundreds of indigenous children.

Mining company Newmont Asia-Pacific has negotiated the royalty deal with traditional owners from the Warlpiri communities of Yuendumu, Lajamanu, Nyirripi and Willowra.

The royalties, to be delivered over three years, will go directly into an education and training trust.

In an alternative to the common practice of cash lump sums being paid to individual traditional owners, the trust money will support an early childhood program, a secondary student support program, an adult learning program including the establishment of libraries, and a youth and media program.

The establishment of the education trust is in line with the recent call by federal Indigenous Affairs Minister Jenny Macklin for royalty and native title funds to be distributed for the benefit of entire communities, rather than individual landholders.

Newmont's Granites gold mines are on Warlpiri land in the central Tanami desert, 260km northwest of Yuendumu.

Newmont Tanami operations community relations co-ordinator Paul Davis said the mining company wanted to ensure that royalties were used for the long-term good of Warlpiri communities.

"Primarily, it's about a legacy," Mr Davis said. "We're not

looking to solve all of the issues here but we like to think that we leave the place better for being here. It is certainly reassuring knowing the money goes to education."

One of the organisations that will benefit from the education trust is the Kurdu Kurdu Kurlangi Yuendumu Childcare Centre, 300km northwest of Alice Springs. Sixty thousand dollars has been set aside in the education trust for the childcare centre, to be developed over the next three years, with an equivalent funding commitment from the federal government.

Newmont is also negotiating with the charity World Vision for contribution to expand the childcare centre.

The centre's director, Judith McKay, said the organisation was in desperate need of a new room for its playgroup and a training room for 17 indigenous staff members who would soon begin studying for certificates in childcare.

There are 147 children younger than five in Yuendumu, 50 born in the past year. The childcare centre caters for between 40 and 60 children a day.

Ms McKay said the establishment of the childcare centre two years ago had contributed towards better nutrition for the community's children, the teaching of parenting skills for the community's mothers and a better start in literacy education for young children.

Ms McKay said it was important that royalties benefited the whole community, particularly children. "People can see the difference. They can see something for their money, particularly if it's for the little kids."

A number of projects have been funded by the Warlpiri Education and Training Trust over the past two years. ■



USQ Staff Get e-Tools to Make Teaching Easy

In an Australian first all teaching staff at the University of Southern Queensland (USQ) will have access to use virtual classrooms, online study groups and other innovative educational tools from semester two this year.

The tools are part of the Wimba suite of educational technologies that USQ will implement to further engage students studying via distance education.

Manager of the Program Revitalisation Project Dr Michael Sankey said the University has adopted the suite to help bridge the gap between on and off campus students.

'Almost 80 per cent of students at USQ are enrolled by distance education,' Dr Sankey said.

'The Wimba suite is offering a higher level of engagement for students who cannot come on campus than sitting at a computer using a web site and written discussion forums.'

The Wimba Collaboration Suite will be available to staff across the University which will allow virtual classes with the Wimba Classroom application, voice components through Wimba Voice Tools and instant messaging through Wimba Pronto.

'The suite has a range of tools within it, one of which is a virtual classroom where lecturers and students can interact in a synchronous fashion,' Dr Sankey said.

'Students can talk to the lecturer and other students from

anywhere in the world.' Podcasts and instant text messaging will also allow staff to communicate with students instantly.

'Wimba also offers voice boards where students create external study groups. Students can talk to their lecturers or each other with a video feed and leave messages and it is completely free.

'Unlike other public applications available the voice boards are within the course so discussions can not be interrupted.'

The University has been trialling the tools in semester one, with positive feedback from lecturers and students.

Lecturer in Business Dr Joseph Mula said he used the Wimba tools in semester one in an undergraduate and postgraduate course.

'I have used the voice, video, whiteboard, sharing application, recording sessions as well as the main room and individual chat room applications,' Dr Mula said.

The Wimba suite also allowed external students to view and listen to other students' presentations in the Forensic Accounting course, Dr Mula said.

'They had slides up and could annotate the slides. They were also speaking to us and those with web cams could be seen by the class.

'Students for that course stretch from as far north as Hong Kong to as far east as Brunei and South to Melbourne. About half are overseas and half are in Australia.

'It's a really good tool for interaction. It gives us the ability to set group work for external students. I am intending to continue to use it. It provides interaction not only between staff and students but between students.

'They can now get on and have face-to-face discussions and share documents easily. It's a big step forward.'



Exchange Pact between 'Varsities of Queensland & Washington

A new Fellowship Agreement between the University of Queensland (UQ) and the University of Washington will provide funding for faculty, student and research collaboration exchanges between the two universities.

The Trans-Pacific Fellowships would fund exchanges of both researchers and undergraduate students, and would further grow the expanding links between the two institutions.

"The University of Washington and UQ will provide up to \$150,000 over three years to support the Fellowship," Queensland Premier Anna Bligh said.

"It represents an exciting opportunity for talented students and researchers in both Queensland and Washington.

"There are already a number of groundbreaking collaborations underway between Queensland and Washington research institutes and organisations in the fields of vaccine development and bioengineering. This Fellowship initiative can only lead to more which is good news when it comes to addressing global challenges."

Ms Bligh took the opportunity to praise several other educational partnerships between Queensland and Washington.

"The Queensland Academy for Science, Mathematics

and Technology at Toowong is linking with Seattle's Overlake School to participate in Challenge 20/20 an internet-based program that pairs classes from schools in the United States with their counterpart schools in other countries," Ms Bligh said.

"Together these students tackle real global problems to find solutions that can be implemented at a local level in their own communities.

"First up they are working on a project addressing infectious diseases."

Ms Bligh said plans were also underway to send 20 Queensland Year 11 students to Seattle in early December as part of a pilot program which will see them participate in a four-day workshop at the Seattle Biomedical Research Institute BioQuest Academy.

"There is so much going on between Queensland and Washington and it's extraordinarily positive," Ms Bligh said.

"It bodes well for our future reputation as a regional hub for biotechnology."

Ms Bligh is currently in San Diego leading a Queensland biotechnology delegation to BIO 2008, the world's largest biotechnology convention. ■

QUT to Merge IT with Science to Create New S&T Faculty

Queensland University of Technology will merge its Information Technology and science faculties to create a faculty of Science and Technology in time for the start of the 2009 academic year.

The move, which has just been announced, addresses financial problems in the existing IT faculty, created in part by changes in student interest away from traditional computing subjects.

However QUT vice chancellor Peter Coaldrake said that while financial concerns were important "the need to

ensure academic quality and distinctiveness was the driver".

"If we are to continue excellent, high impact research at QUT, we have to provide the opportunity for the sciences and IT fields to work more closely, both in terms of curriculum offerings and research," he said.

Professor Coaldrake said the University intended to retain the existing school and research structure and hoped there would be "minimal disruption in terms of employment". ■

Education Must Aid Socio-Economic Development, Says APEC

Workers need "to go to higher levels" and to develop their propensity for "critical thinking, creativity, teamwork and self-learning", according to ministers throughout the Asia-Pacific. A Joint Statement issued by Asia Pacific Economic Commission (APEC) Ministers anticipates rapid technological change and the need to transcend borders in accommodating them.

"It is not enough to be skilled in Mathematics or grammar," explains Peruvian Minister of Education and Chair of the Meeting, Jose Antonio Chang Escobedo. "Societies are becoming increasingly interdependent. In order to succeed in the future, students will need to be able to share their skills, to collaborate and to cooperate with others. They will need to adapt quickly to change and find solutions to problems that do not even yet exist."

Education is a substantive priority across APEC - not only as a social issue but as a fundament in defining economies and economic relations in the future. "Well educated citizens," says the Statement, "not only contribute to but also make for the social, economic, and sustainable development of our 21 Economies within just societies that value knowledge, promote a culture of peace, understanding and diversity."

Recognizing at once the diversity among cultures as well

as a marked escalation in the number of trade agreements and level of regional cooperation, Ministers will concentrate efforts on developing among students the "competencies of the 21st Century...needed to succeed in all aspects of life, beyond the workforce, as an individual, a family member, community member and global citizen."

To this end, they say, curriculums should place critical emphasis on:

- Mathematics and science as a way to navigate in a data-driven and technological world, regardless of occupation;
- Career and technical education, preparing students to make multiple career transitions and to adapt to new technological innovations;
- Learning each other's languages to communicate across cultures; and
- Integrating information and communications technologies into classroom instruction.

While the actual roadmap may vary among economies, there is broad consensus as to desired outcomes and the statement includes a clause citing as imperative systematic educational reform. ■

Australian Govt to Revamp e-Security Framework

THE Australian Government is all set to overhaul the digital security framework that protects government and business from electronic attacks.

Over the next three months, the Federal Government will undertake a wide ranging review of e-security measures led by Mike Rothery, the assistant secretary for critical infrastructure protection inside the Attorney-General's Department.

The E-Security Review is a response to the increasing proliferation of technology in business and government. Rothery will oversee an executive committee formed from senior representatives in ASIO, Defence Signals Directorate, the Australian Federal Police and the Australian Government Information Management Office.

The review puts a question mark over funding committed to a number of agencies in 2007 by the Howard Government in its four year, \$73.5 million E-security National Agenda.

The review will be completed by October 2008 and the findings will be used to develop a new Australian Government E-Security Framework.

Queensland academic and digital security expert Bill Caelli said the review should provide for an education and training program that equips all government and business personnel with the appropriate security skills.

"In the United States there are specific institutions that provide the appropriate level of education and training to people in certain areas or positions," said Professor Caelli, Assistant Dean, Faculty of Information Technology Queensland University of Technology.

"They're now looking at legislating in order for that to be compulsory, and our government should consider a similar notion as well."

Shadow communications Minister Bruce Billson welcomed the review but called on the Government to add cyber bullying to the terms of reference. ■

India, Australia to Work for Energy, Food Security

At the Australia-India Foreign Ministers Framework Dialogue in Canberra on 23 June, Australian Minister for Foreign Affairs Stephen Smith, and Indian Minister for External Affairs Pranab Mukherjee underlined the strong bonds and enduring shared interests which underpin the Australia-India relationship. They affirmed that the two governments were committed to taking bilateral links to a new, higher level. They noted that existing and new forms of cooperation in a wide range of areas exemplified the growing depth and breadth of the Australia-India partnership. They have stressed the importance of food and energy security and pledged to work together to accomplish the task.

The Ministers welcomed the diversification and strengthening of political links between Australia and India, two democracies committed to the rule of law, pluralism and respect for human rights. They emphasised that regular high-level political contact would continue to underpin bilateral relations.

Smith said he looked forward to visiting India in September. Mukherjee welcomed the visit and said this would provide another opportunity for continuing the dialogue.

International and regional cooperation

The Ministers had an in-depth and wide-ranging discussion on international and regional issues. They underlined the significant capacity for enhanced regional cooperation between Australia and India, including in the context of the East Asia Summit. They also confirmed the need for effective multilateralism and more representative international institutions which reflect the realities of the 21st century.

Smith reiterated Australia's strong support for a permanent seat for India on the United Nations Security Council (UNSC). He also highlighted Australia's firm support for India's membership of the Asia Pacific Economic Cooperation grouping when the membership moratorium ends in 2010.

Mukherjee welcomed Australia's bid for a non-permanent UNSC seat for the 2013-14 term. He noted India would follow with interest Australia's initiative in appointing an envoy to explore how an Asia-Pacific Community might evolve over time to respond to emerging opportunities. He further said India supported Australia's application for observer status at meetings of the South Asian Association for Regional Cooperation.

Smith and Mukherjee discussed the current food security and energy security challenges facing the world and underlined the capacity of Australia and India to work together, including at ministerial level, to address these issues in a mutually beneficial manner. They noted



Australia's capacity to cooperate actively in these areas as India's economy continues to expand.

The Ministers reiterated their strong support for nuclear disarmament and non-proliferation. They noted that Australia and India have stepped up their dialogue on strategic issues. They welcomed the decision to establish regular chief of defence force level talks. The inaugural talks are scheduled to take place in Australia in the near future.

Recalling the recent bombings in Jaipur, Smith and Mukherjee stressed that Australia and India were united in the fight against terrorism. Looking forward to the next meeting of the bilateral Joint Working Group on Counter-Terrorism and Immigration in New Delhi later this year, they noted the need for practical cooperation in areas such as intelligence, law enforcement, border security and counter-terrorist financing and money laundering. The ministers underlined the desire of both countries to strengthen intelligence cooperation, including on counter-terrorism issues.

Smith and Mukherjee stressed the importance of an effective and comprehensive global response to climate change and reaffirmed the UN Framework Convention on Climate Change. They noted the positive contribution being made by joint



Australian-Indian projects under the Asia-Pacific Partnership on Clean Development and Climate, including in relation to deploying clean technology. They announced the creation of a new bilateral water dialogue to share ideas about the best way to handle scarce water resources.

Political links

Smith and Mukherjee announced that the two countries had decided to extend the political partnership which binds the two countries together by establishing a new forum, the Australia-India Roundtable. Convened by the Lowy Institute and the Indian Council for World Affairs, the Roundtable will bring together leading individuals from both countries every year to discuss the opportunities and challenges facing Australia and India in the twenty-first century. Details regarding the holding of the Roundtable are being determined.

The Ministers welcomed Australia's decision to allocate up to \$10 million under its development assistance program for targeted technical assistance to build public sector linkages between the two countries.

Projects



funded under the scheme will address pressing public policy issues in various areas, including potentially on agriculture, climate change, water and resource management.

The Ministers announced the formation of a new joint working group on visas, passports and consular issues to facilitate greater practical cooperation in these areas. Smith said the Australian Government would continue to address concerns about the safety and well-being of Indian students in Australia in an active way. He stressed that Australia authorities would also continue to follow up any incidents involving Indian students quickly and efficiently.

Legal cooperation

Legal cooperation, especially in relation to law enforcement, is another key and expanding area of the Australia-India relationship. Smith and Mukherjee signed an extradition treaty and a mutual legal assistance treaty, underscoring the willingness of the two countries to collaborate and address criminal matters in a practical way.

Economic links

Smith and Mukherjee underlined the strength of the bilateral economic relationship, especially in the resources and energy sector, and welcomed the positive outcomes of the 11th Joint Ministerial Commission, co-chaired by the Australian Minister for Trade, Simon Crean, and the Indian Minister for Commerce and Industry, Kamal Nath, in Melbourne on 20 May. They noted that the base of the economic relationship was expanding into new areas such as information technology and biotechnology. They highlighted the proposal to create an Australia-India CEOs Forum to enhance business links, ensuring that the expanding economic relationship was underpinned by closer business links at the highest level. They reiterated that the two governments looked forward to receiving a report on the feasibility of a comprehensive FTA from the joint FTA study group by the end

of 2008. They welcomed the proposal to enhance resources cooperation between the two countries by finalising the terms of a bilateral resources strategy.

Scientific and education cooperation

Recognising that science and education constitute one of the most dynamic parts of the Australia-India relationship, the Ministers underlined the capacity for scientific cooperation, including via the bilateral strategic research fund.

Australia's and India's premier science organisations, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Council of Scientific and Industrial Research (CSIR), will sign a Memorandum of Understanding in July to further their scientific collaboration. This MOU will build on the recent signing of a research partnership between CSIRO and CSIR that focuses on research related to water, energy and sustainable agriculture. The Ministers noted the advantages of hosting the Square Kilometre Array, the world's largest radio telescope, in Australia.

Education is a cornerstone of the relationship, with more than 52,000 Indian students currently enrolled in Australian educational institutions. Ministers noted the

positive role being played by Australia's Endeavour Scholarship Awards in strengthening knowledge links between the two countries.

People-to-people links

The Australia-India relationship is underpinned by diverse and expanding people-to-people links. The Indian diaspora in Australia is making a tangible contribution to enhancing bilateral links. Smith and Mukherjee called for more youth exchanges in various fields, including between young professionals, to build up connections and take the Australia-India relationship forward over the coming decades. Australia agreed to forward a proposal for sending a group of Australian Youth Ambassadors to India in the near future.

Sport has long been a strong bond between Australia and India. Taking our well-established cricket relationship in a new direction, ministers welcomed the decision of the Australia India Council to fund training programs for some of India's rising young women cricketers. They also acknowledged the good work of the Australian Sports Outreach Program (ASOP), which provides funding for sports projects in disadvantaged communities. ASOP will fund up to three projects in India over the next 12 months. ■

Infosys to Invest in Australian R&D Programme

Indian IT major Infosys has announced that it is investing 1.9 million Australian dollars (\$1.8 million) in the IT services industry of Australia to develop a research and development (R&D) programme.

"Infosys has invested in the future of Australia's IT services industry, committing up to 1.9 million Australian dollars in cash and services to the newly formed Smart Services Cooperative Research Centre (CRC)," the company said in a statement in Bangalore recently.

The CRC will bring together the best technology minds from industry, six Australian universities and the government to develop the R&D programme aimed at creating intellectual property (IP) of value to Australia's services market - with initial demonstrators planned for the finance, media and government sectors, it said.

This IP will be engineered and commercialised by CRC participants, resulting in new technology products and services that will increase the competitiveness of Australia's IT industry and make the services market more innovative.

"As the only global IT services company involved with the

programme, Infosys is spearheading the CRC from a technology perspective alongside SAP, with industry heavyweights like Telstra, Fairfax Digital and Suncorp-Metway actively involved in setting the research agenda. World-class researchers from around the country will also contribute to the R&D and IP creation," the statement said.

"Innovation is imperative for growth, and with Australia, an emerging market on the global IT stage, we're pleased to be contributing to the development of the industry in such a significant way," said Infosys Australia CEO Gary Ebeyan.

Infosys' participation in Smart Services CRC is a joint venture between its Australian subsidiary Infosys Australia and SETLabs, the company's research group, headquartered in India.

Warren Bradey, CEO of Smart Services CRC, said: "The inclusion of a trans-national partner such as Infosys in CRC provides us with the opportunity to truly draw on world-leading development techniques for new services." ■

Australian Aviation Delegation to Visit India for Tie-ups Avenues

India and Australia have recently discussed the possibility of a high-level aviation and infrastructure delegation visiting India either later in 2008 or early in 2009, according to Australia's Minister for Infrastructure, Transport Anthony Albanese.

This was the outcome of a meeting that Albanese had during his meeting with India's Minister for Civil Aviation Praful Patel.

"Minister Patel and I discussed a range of issues important to both countries, including air services; opportunities for Australian companies to contribute to aviation and airport infrastructure development in India; international efforts to reduce greenhouse emissions; and cooperation in the areas of transport security and aviation safety.

There are enormous opportunities for Australian companies to assist India as it moves to invest around A\$500 billion in infrastructure development over the next five years.

In particular, as one of the world's fastest developing economies India's demand for domestic and international aviation services is booming, with hundreds of new airports likely to be built in coming years.

A high level government and business delegation to India would bring a greater focus on the practical ways we could assist in developing India's aviation infrastructure.

Between March 2007 and March 2008, more than half

a million passengers travelled between Australia and India - and the market is growing rapidly.

According to the Australian Forecasting Committee, Indian visitor numbers to Australia is expected to more than triple by 2016.

At present, no Indian airlines fly direct to Australia, although this may change once Air India and Indian Airlines have completed their merger - or other Indian carriers give further consideration to the Australia/India market.

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The majority of traffic between Australia and India currently travels on third country airlines via intermediate hubs such as Singapore, Bangkok and Kuala Lumpur. ■



ArcelorMittal Raises Stake in Australian Coal Firm

ArcelorMittal has increased its shareholding in Australia's Macarthur Coal Limited to 19.9 per cent by purchasing a further 5.0 percent interest from Talbot Group Holdings, owned by Ken Talbot.

ArcelorMittal said the shares were purchased at \$AUD20 bringing the company's total investment in Macarthur Coal to AUD\$843 million.

Macarthur Coal Chairman Keith De Lacy said in a statement: "We are pleased with ArcelorMittal's continued support and look forward to continuing our long term relationship with them as a major customer."

ArcelorMittal had paid A\$604 million for a 14.9 percent

stake in Queensland-based Macarthur Coal in May, but earlier in June talks with Macarthur for a possible takeover had ended without a deal.

Ken Talbot stepped aside last week as a director of Macarthur Coal, an Australian coal company developing a new generation of coal assets in Queensland's Bowen Basin.

The acquisition of this holding is in line with ArcelorMittal's strategy of securing its supply of raw materials, in this case through the acquisition of a stake in Macarthur, which is a key supplier of low volatile pulverised coal injection (PCI) coal. ■

Asia Holds Key to Australian Firms' ICT Business Strategy

With Information and Communication Technology spending in the Asia-Pacific expected to grow annually at 10.5 percent until 2011 to over US\$1,300 billion, Austrade is urging Australian ICT firms to include Asia in their international business strategy and promoting opportunities in the region.

Austrade's National Industry Manager for ICT Peter Harrison said Australian businesses, particularly start-ups, should look beyond the US and UK and take advantage of the booming opportunities close to home.

"There's been a significant growth in Australian exports of ICT goods and services to Asia, particularly the ASEAN and China over the past three years. In 2006-07, Australia's ICT exports to ASEAN countries increased to A\$415 million, nearly 15 percent from the previous year; and exports of Australian (ICT) goods and services to China were worth A\$183 million."

Harrison said recent trends in global ICT spending indicate that the emerging economies in the Asia-Pacific were investing in technology to prepare for long-term growth.

"According to the recent study by the World Information Technology and Services Alliance (WITSA), in 2007 countries in the Asia-Pacific spent over US\$877 billion on ICT. This year, China surpassed Germany and the UK to become the third biggest spending country at US\$327 billion. This has created a huge demand for Australian innovation," he said.

Austrade will help Australian ICT firms harness these growing opportunities by representation at major industry events in Singapore and China.

Austrade has assisted more than 60 Australian exhibitors showcasing their innovation in Singapore at the recent Asia Pacific's largest ICT industry trade event CommunicAsia 2008.

Austrade's Singapore-based Senior Trade Commissioner, Maurine Lam said, "Australian companies are recognised in South East Asia for their innovation, specialisation in niche technologies and quality of service. A number of Australian companies are already exporting technology services and equipment to the region.

"Across Indonesia, Philippines, Malaysia, Singapore, Thailand and Vietnam, there is a range of emerging opportunities in ICT areas like:

- 3G installation
- bioinformatics
- digital content
- e-security, and
- enterprise software for industries including tourism, hospitality, retail, logistics, education and manufacturing.

"CommunicAsia showcases the latest trends in the ICT industry to key decision makers from the Asia Pacific. It is an opportunity for Australian exhibitors to meet and network directly with top buyers and systems integrators in the region. This year, Austrade will also bring international buyers from across South East Asia, India, China and Hong Kong to maximise prospects for Australian firms," she said.

Last year, CommunicAsia attracted 50,000 international trade visitors from 107 countries.

Meanwhile, 11 Australian companies have joined the first-Austrade-organised ICT trade mission to China's largest international software and information service fair, CISIS.

The participating companies will be able to establish relationships directly with potential partners and distributors.



Austrade's Beijing-based Senior Trade Commissioner, Phil Ingram said, "China is Australia's largest trading partner, with two-way trade at \$58 billion in 2007. Although a lot of attention is focussed on China's minerals and energy sectors, the potential for trade in ICT goods and services is underrated.

"China is the world's fastest growing software market, the domestic market alone is expected to exceed US\$130 billion by 2010. A number of global technology companies, from Intel to IBM, have invested in China. Intel is set to open a US\$2.5 billion microchip factory in Dalian."

Ingram said Australian firms need not shy away from exporting to China because of concerns about intellectual property (IP) protection.

"Austrade strongly recommends that Australian companies undertake due diligence and pay particular

attention to IP protection when exporting to China. It pays to be cautious, but concerns around IP protection need not be a deal breaker.

"As a global exporter, China has a vested interest in IP protection. Chinese R&D businesses, across all sectors, are becoming increasingly proactive when it comes to intellectual property rights," he said.

In 2006-07, Austrade assisted 771 ICT companies to achieve export sales totalling \$1.34 billion.

Austrade has a team of 101 Export Advisers and Business Development Managers in over 40 cities world-wide dedicated to assist ICT businesses through export coaching, development of market entry plans, sourcing of new tenders, building buyer networks, and pursuing specific business opportunities. ■

Australia Getting Ready for Pune Sports Festival

Australia's campaign for the Commonwealth Youth Games, to be held in India in October, was officially launched recently by the Minister for Sport and Youth, Kate Ellis.

Ms Ellis said the Commonwealth Youth Games for athletes 18 and under - was an important event for Australia's future stars. "The young athletes in our Youth Games team will be Commonwealth and Olympic Games medalists of the future," she said.

"The Youth Games are a great opportunity to visit another nation, live in an athletes' village, mix with other young athletes from around the world, and most importantly gain the experience we hope will motivate them to represent Australia for many years to come."

Australia's team members will be chosen over the coming months. Some successful Australian athletes who have competed at past Youth Games include: swimmers Jodie Henry, Nick Ffrost, Linda McKenzie, Meagen Nay, track and field athletes Sally McLellan, Dani Samuels, Chris Noffke

female hockey player Rebecca Sanders female gymnast Monique Blount.

The 2008 Commonwealth Youth Games will be the third event of its kind. The first Youth Games were in Scotland



in 2000 and the second in Bendigo in Australia in 2004.

Ms Ellis said the Commonwealth Games were widely and aptly known as the friendly games and the same spirit of co-operation and unity bridging many different races, religions and cultures

would be evident at the Youth Games.

"That does not mean the competition is not fierce - of course it is," Ms Ellis said.

The 2008 Commonwealth Youth Games will be held in Pune in the western Indian state of Maharashtra, from 12 to 18 October. All 71 members of the Commonwealth are expected to field teams, with a total of 1,300 athletes and officials likely to take part.

They will compete in nine sports - athletics, badminton, boxing, shooting, swimming, table tennis, tennis, weightlifting and wrestling.

Australia's team of 140, including 102 athletes, will compete in all of these sports and will be the biggest team after the host nation's.

Petria Thomas a swimming legend with nine Commonwealth Games Gold Medals and eight Olympic medals will again be the general manager of the Australian team. ■

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Vedanta to Invest Rs 20,000 cr to Put Bengal on Global Aluminium Map

The Vedanta Group has recently signed a Memorandum of Understanding with WBIDC. The group will establish an aluminium smelter and a power plant at Bidhanbag near Asansol by investing a massive amount of Rs 20,000 crore. The project will have an annual capacity of 6.5 lakh tonnes of aluminium and also a power generation of 3000 MW. To complete the entire project project it will approximately take three years. After the completion of this project Bengal will regain its stature on the global aluminium map.



The whole project will spread over a huge area of 1000 acres. "Our government will help Vedanta aquire the land" said Chief Minister Buddhadeb Bhattacharya, though the company already has 270 acres of land with them.



Vedanta Group Chairman Anil Agarwal promised to the state government that the company will also establish a Metal Park near the smelting plant. The entire 3000 MW of

power generated will be used for captive purposes. Part of the power generated could also be given to downstream units in the proposed metal park.

The Vedanta group's twin project is expected to generate 2500 jobs and the indirect employment will be 25,000. "Downstream units can be developed near the mother plant. We will supply the power and also aluminium and other metals like zinc and copper to the downstream units" said Agarwal.

"Its like coming back home for me" - said Agarwal. The main purpose of selecting Bengal as Vedanta's next destination is only because Bengal has a long history of aluminium production. Also the state has a huge deposit of coal" added Agarwal.

The project will be completed by the group outfits - Vedanta Aluminium and Balco, said Agarwal.

"As power is the key input for aluminium so we wanted to be close to the coal belt. We will bring the surplus alumina from our Orissa operations for this project", he said.

The Vedanta Group is one of India's largest aluminium producing company. Vedanta Resources plc is a London Listed diversified and integrated FTSE 100 metals and mining group. The group has multiple operations in India and foreign countries like Zambia and Australia.

Vedanta's current market capitalization is over US \$ 13.7 billion. Vedanta is also the first company to be listed on the London stock exchange in December 2003. It is expected that in a next few years after the completion of Bengal's aluminium project the company will reach very near to its annual production capacity of 1 million tonnes each in aluminium, copper, zinc and lead, over 20 million MT in iron ore and commercial power generation close to 10,000 MW. The Group's different outfits in India are Sterlite, Balco, Hindustan Zinc, Malco, Vedanta Alumina and India Foils.



S. Australia World Food Exchange Fest in Sept '08

South Australia will position itself to take advantage of the world's growing culinary tourism market when it hosts the World Food Exchange in September. The inaugural World Food Exchange is a unique, must attend event for South Australia's food and wine producers and the culinary tourism industry. The event will bring together leading international and Australian experts in the development of high quality food and wine themed tourism experiences to share their knowledge and expertise.



Tourism Minister Jane Lomax-Smith has recently announced the event will be held from 21 to 25 September and will be a major boost for the State's gourmet tourism appeal.

"Hosting this event is a South Australian first," Dr Lomax-Smith says.

"Sophisticated food and wine travellers already understand that South Australia's wine, food and agriculture are among the best in the world. "The World Food Exchange will examine programs that can accelerate the State's campaign to become a world-leading culinary tourism destination.

The four day event will promote South Australia as a leading culinary tourism destination and showcase South Australian primary produce industries as ecologically sustainable and among the best in the world.

"South Australia is in a good position to make the most of the growing global trend for sustainable culinary tourism. We are home to some of the best food and wine regions in the world, allowing visitors to eat the most fresh and delicious food and drink quality wine, all of which is grown locally and often within a 50km radius.

"People are now more aware of what they consume and the people and places that produce it and we want to capitalise on that in our tourism industry. The World Food Exchange will bring together leading international and Australian experts in the development of high quality food and wine-themed tourism experiences.

"The will share their knowledge and expertise with the

State's food and wine producers, restaurateurs and tourism operators."

K. Dun Gifford, president of the food issues think-tank Oldways Preservation Trust, is Chair of the 2008 World Food Exchange. Dun is an enthusiastic supporter of all things South Australian and a devotee of the riches of produce and experiences the State has to offer.

Gifford's Oldways Preservation Trust, which he founded in 1988 in Boston promotes healthy eating and drinking, to encourage traditional and sustainable food choices, and to develop effective programs for helping consumers change their food choice behaviours. Gifford and Oldways have organized more than 30 International Conferences focusing on culinary traditions and culinary tourism. These conferences have brought journalists, scientists, chefs, and food lovers to great destinations around the world - from Barcelona and Bordeaux to Beijing, from Ponce and Portofino to Palermo, and from Marrakech to Modena.

David Rosengarten is another speaker, one of the world's foremost authorities on food, wine and cooking. He is also a travel writer, cookbook author and TV journalist beloved by millions of fans the world over. David is perhaps best known for his popular TV programs on The Food Network, where he has hosted or co-hosted approximately 2,500 shows. A frequent guest on NBC's Today show, David has also written about food, wine and travel for Gourmet, The New York Times, Food & Wine, The Wine Spectator, Newsday, Bon Appetit, Harper's Bazaar, House Beautiful, Business Week, Metropolitan Home, The New York Daily News, The New York Observer, Expedia Travels, Cigar Aficionado, among many other publications.



A third speaker, Jo Sinfield, was raised in the Cape and completed his education in the United Kingdom. He comes from an international sales and marketing background where he demonstrated an excellent track record of building brand profitability, across cultures, within a leading and results-driven organisation. Within the wine industry he has worked for Graham Beck in the Cape, Chateau Ausone in St. Emilion, France and for Oddbins Wine Merchants in the United Kingdom. Before returning to South Africa and settling in Franschhoek Jo worked for the multi-national beverage company, Seagram.

Media

The World Food Exchange will bring together South Australian, national and international experts in the development of high-quality food and wine-themed tourism experiences to share their knowledge and expertise.

A key aspect of the World Food Exchange will be a regional tour program, which will introduce speakers, media and industry attendees to regional South Australia's wealth of wine and food experiences.

Attendees will be given a taste of the world-class and ecologically sustainable seafood and aquaculture industries of the Eyre Peninsula and will be immersed in the food and wine culture of the Barossa.

The opening cocktail reception and closing gala dinner will also feature produce from around South Australia's regions.

Industry-targeted workshops will be conducted in Port Lincoln and the Barossa, offering local producers and business operators the chance to learn from the expert panel and examine the business opportunities offered in creating experiences for the culinary tourism market. ■

S. Australia's Research Project on Grain Marketing

A new research project in South Australia takes a look at the future of the State's grain growers' and sellers' market.

Primary Industries and Resources SA's Belinda Barr, says the State Government has joined forces with the South Australian Farmers' Federation to find out how the grain growers market and sell their grain and make crucial business decisions.

"This new project will assess grain growers' capabilities and skills to implement risk management strategies and successfully market and sell their grain," Ms Barr said.

"It will help identify the future education and training needs of grain growers and determine what skills are needed to successfully market and sell grain in an increasing deregulated environment."

"Many farmers in the past season faced severe drought conditions, which left some unable to deliver and meet their forward contract obligations.

"We are keen to determine the extent of the problem and what knowledge or advice gaps are required to be filled through education and training."

More than 300 grain growers will be surveyed by the Lucas Group on their attitudes and behaviour in regards to risk management and marketing and selling grain.

"We encourage all grain growers if contacted, to take the time to talk about their learning from the 07-08 growing season, because the information they give will ultimately help shape future policy direction," Ms Barr said.



"We need to ensure our growers have access to the right resources and training so that they can effectively manage the risks associated with selling grain in future years."

The project is being supported by the Government of South Australia and the South Australian Farmers' Federation. Research results will be available to growers after May 2008. ■

'Taste Australia' Promotion Kicks Off to Bright Start in Bangalore

Sales of Australian food and beverages have taken off in India after a major Austrade-organised supermarket promotion kicked off in the country's IT hub Bengaluru (Bangalore) recently.

The 'Taste Australia' program was launched by Austrade in conjunction with Australian consolidator, BEMCO Australia at Bengaluru's SPAR Hypermarket, operated by one of India's biggest retail chains, Max Hypermarkets.

Through the month of June, shoppers from India's 'Silicon Valley' had been enticed to buy Australian baked goods, confectionary, juices, soups, spreads, desserts, snack foods, mixes, olive oil and canned foods.

The month-long promotion showcased 24 leading Australian brands including the iconic Vegemite. Other featured brands were: Angus O'Neil's, Arnotts, Bamboleo, Carman's, Country Gold, Edgells, Fountain, Golden Circle, Goldyna, Greens, Heinz, ITAL, IXL, John West, Jols, Juicy Isle, Masterfoods, Red Island, Smiths, Thomas Chipmans, Waterthins, Weight Watchers and Windsor Farms.

Austrade's New Delhi-based Senior Trade Commissioner, Mike Moignard said, the 'Taste Australia' program will help Australian food and beverage producers gain market access and identify opportunities for long-term growth in India's multi-billion dollar food sector.

"Indian food retail is worth over AUD\$172 billion (USD\$165b), of which organised food retail is only about three percent. The increasing affluence of India's burgeoning middle class is driving demand for a new range of food products. Consumers are looking for quality, variety, convenience and above all a new taste experience, and this is treating tremendous new opportunities for Australian grocery lines and gourmet foods," he said.



Managing Director of Max Hypermarkets, Viney Singh said, "There's a growing trend among Indian consumers to try foods from overseas. Our customers are always on the look out for good quality products with the best new tastes. Australia has a reputation for clean, green products of the highest quality, which we think they will appreciate. We're encouraging them to try Australian products."

The 'Taste Australia' program organized in-store demonstrations and promotions covering 122 Australian food and beverage products. SPAR expects to import between AUD\$ 730,000 to AUD\$ 1.04 million worth of Australian products over the next year.

Moignard said the Taste Australia program is part of an Austrade strategy to boost market opportunities for Australian food products.

"The southern cities are at the forefront of India's shift towards modern food retailing. Australian food and beverage products already line supermarket shelves in Chennai and Bengaluru.

"Since the programme's launch there's been a significant increase in sales of Australian food products, juices and biscuits in particular. Although it's early days still, initial feedback from the retailer is good. Australian products have certainly whet the appetite of SPAR supermarket customers in Bengaluru, and the prospect of introducing more Australian food brands into India's growing organised retail sector is looking very good," he said.

The 'Taste Australia' promotion is part of Austrade's Utsav Australia (Celebrate Australia) program. The program is supported by the Department of Agriculture, Fisheries & Forestry (DAFF). ■

Australia to Review Drought Policy

'A Climate Change Report that Reads Like a Disaster Novel'

A new report by Australia's top scientists predicts that the country will be hit by a 10-fold increase in heatwaves and that droughts will almost double in frequency and become more widespread because of climate change.

The scientific projections envisage rainfall continuing to decline in a country that is already one of the hottest and driest in the world. It says that about 50 percent of the decrease in rainfall in south-western Australia since the 1950s has probably been due to greenhouse gases.

Australia's agriculture minister, Tony Burke, has described the report as alarming and said: "Parts of these high-level projections read more like a disaster novel than a scientific report."

The analysis, commissioned by the government as part of a review of public funding to drought-stricken farmers, was published days after another report, by Professor Ross Garnaut, warned that Australia had to adopt a scheme for trading greenhouse gas emissions by 2010 or face the eventual destruction of sites including the Great Barrier Reef, the wetlands of Kakadu and the nation's food bowl, the Murray-Darling Basin.

Prime Minister Kevin Rudd, who swept to victory on a green agenda last November, said the analysis by the Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation was "very disturbing".

The reports will put pressure on him to act swiftly on his pledge for Australia to lead the world in tackling polluters. However, the rising cost of living has dented his government's popularity and his plans for a carbon

trading scheme have begun to unnerve voters and industry. Rudd has acknowledged that tough debate lies ahead and has said the government will map out its policy options this month.

The report revealed that not only would droughts occur more often but that the area affected would be twice as large as now. The proportion of the country having exceptionally hot years could increase from 5.0 percent each year to as much as 95 percent, according to the projections.

The report says rainfall in Australia has been declining since the 1950s and about half of that decrease is due to climate change. It says the current thresholds for farmers to claim financial assistance are out of date because hotter and drier weather will become the norm.

Burke said it was clear that the cycle of drought was going to be "more regular and deeper than ever before". He added: "If we failed to review drought policy, if we were to continue the neglect and pretend that the climate wasn't changing, we would be leaving our farms out to dry."

Parts of Australia are now in a sixth year of drought, and the report coincided with an announcement that there has been a worsening of the drought in New South Wales. Some 65 percent of the state is affected, an increase of more than 2.3 percent on May, although opinion is divided on whether it can be attributed to climate change.

A plague of locusts is also threatening crops in the state, with farmers on 900 farms reporting finding locust eggs. The government plans to fight the infestation with aerial spraying before the eggs hatch. ■

