



UNITED MACEDONIAN DIASPORA
ОБЕДИНЕТА МАКЕДОНСКА ДИЈАСПОРА

**Submission of the
United Macedonian Diaspora (Australia)
to the
Australian Foreign Policy White Paper 2017**

Feb. 2017

The United Macedonian Diaspora (Australia)

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27 Feb. 2017

The Hon Julie Bishop MP
Minister for Foreign Affairs,
Parliament House, Canberra ACT 2601

Dear Foreign Minister Bishop,

Re: United Macedonian Diaspora Submission on Australian Foreign Policy White Paper 2017

The United Macedonian Diaspora (Australia) congratulates you and DFAT for initiating this timely and important process for developing a new Australia's Foreign Policy White Paper with stakeholder input. UMD welcomes the opportunity to provide independent and non-partisan comments to the Terms of Reference. We call on the Australian Government to develop and implement a contemporary, independent and high quality foreign policy strategy based on evidence, ethics, social justice, solidarity and strategic partnerships. It must also be free from the corruptive influence of foreign political donations and domestic pressure groups.

UMD supports the Australian Government's agenda of developing a rigorous and relevant Foreign Policy White Paper that will better meet the needs of all Australians including the Australian Macedonian community.

In our submission, we ask the Australian Government and the Australian Parliament to finally recognise the Republic of Macedonia by its legitimate constitutional name as has been done by 137 nations at the UN. We call upon Prime Minister Malcolm Turnbull and the Leader of the Opposition, Bill Shorten MP to show how much direct and indirect funding their parties have received from Hellenic sources since 1994 in order to segregate, delegitimise and discriminate against the Republic of Macedonia and against Macedonians living in the Hellenic Republic, in Australia and globally. Finally, we call upon Australia's political leaders to formally apologise to Macedonia and its people around the world for this shameful, unethical, illegal and unsustainable foreign policy position that has harmed Australia's national and international reputation and undermined peace, international laws and regional stability in Southeast Europe.

Yours sincerely

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Terms of reference and our responses

1.0 Australia's foreign policy needs to be grounded in a clear-eyed assessment of our national interests?

1.1 How should we define Australia's national interests in a changing world?

UMD believes that in a rapidly changing and uncertain world, Australia's national interests should be regularly debated, shaped and defined by all key stakeholders in our vibrant multicultural society. These include established and new ethnic communities, diaspora organisations, youth groups, all elected representatives in the Australian Parliament, civil society organisations and NGOs, Australian business and academic research networks.

The current bipartisan approach of defining Australia's national interest by a closed circle in the federal Cabinet with the support from some government agencies, selected foreign policy editors and journalists and some foreign policy think tanks does not facilitate clear-eyed assessment of our national interest in real time and from a triangulated and multi-disciplinary perspective.

The fact that the last Australian Foreign Policy White Paper was produced in 2003 shows that our political and foreign policy establishment and the Australian Parliament have become disinterested in rigorous and regular foreign policy debate, new research, innovation and input from new sources. Being disengaged and continuing with the 'business as usual' does not help Australia to understand and prepare for the widespread multidimensional strategic, economic and environmental change that is occurring in our region and globally and to effectively shape developments in the world. Australia and its citizens need to have a nuanced understanding of our national and international interests based on evidence on what is happening in our region and globally and what are the risks and opportunities to our nation and to the international order that we rely on so much for our security and prosperity.

Australia's 'national interest' has focused on protecting and advancing the security and prosperity and to contributing to the shaping and running of the international institutions which reinforce the rule of law and international norms of behaviour (Varghese, 2015). Our national interest has been conceptualised by Evans (1989) into three broad categories: geo-political or strategic, economic and trade and good international citizenship.

Australia should establish a widely accepted formal conceptual definition of the national interest along with a national interest test which can be calibrated, scrutinised and constantly improved or transformed as required. This can facilitate regular assessment of relevance, outputs and impact. The current practice of having the national interest defined sometimes on subjective, ideological and political grounds by the Australian Prime Minister or the Foreign Minister or worse by special interests groups or by foreign powers does not advance our national or international interests.

Once defined, Australia's national and international interests then need to be debated in the federal parliament, at schools and universities, the traditional and digital media and by communities and

other stakeholders so that everyone can help advance our national interests in alignment with our new foreign policy strategy. This project could be conducted by the Australian Institute of International Affairs which has the mission, credibility, reach and capacity to shape debate on this important issue and which is holding Roundtable events on Australia's Future: The 2017 Foreign Policy White Paper.

Australia cannot have a clear-eyed assessment of its national and international interest using the current bipartisan strategies and practices that shape foreign policies, international outcomes and public opinion.

1.2 How should our values underpin Australia's foreign policy?

UMD believes that good foreign policy must strike a balance between interests and values. Values must underpin Australia's foreign policy strategy by articulating to world who we are and what we stand for. Australia likes to be seen as a liberal democracy that values equality, fairness, justice, solidarity, freedom, accountability, transparency, rule of law, ethics, human and environmental rights including sustainable development. Prime Minister Turnbull likes to tell the world that we are the most successful multicultural nation in the world that treats all its citizens, communities and diverse cultures equally. Australia's Prime Minister likes to state that we are an open society, free from corruption at the federal level. Australia's values are a key component of its 'soft power' which determines its ability to attract support for issues, policies and campaigns that are important to Australia, to the Indo-Pacific region and to the world.

Australians and the international community expect the Australian Government and the Australian Parliament to give full expression of its declared values in international relations, foreign policy strategy and statecraft. Most importantly, not to sacrifice these values to appease special interests and foreign powers at the expense of Australian democracy and its global reputation for good international citizenship and to the detriment of some smaller states like the Republic of Macedonia.

1.3 What should Australia do differently?

UMD and others in Australia are deeply concerned that since 1994 Australia's major political parties and governments have allowed the Hellenic Republic and its lobbyists in Australia to use donations, in-kind support and political pressure on Cabinet, the major parties and DFAT in order to influence and retain Australia's shameful bipartisan policy of segregation, institutional discrimination and delegitimisation of the Republic of Macedonia and its diaspora.

By not recognising Macedonia's constitutional name and by pretending that a solution can be found through unprecedented negotiations at the UN, Australia has not lived up to its values or advanced its interests. Australia's major parties have not treated both sides equally in domestic and international forums.

We therefore call on the Australian Government and the Australian Parliament to immediately bring Australia in line with the 137 nations that have recognised Macedonia by its constitutional name and who have shown care for Macedonian human rights in the Hellenic Republic and the region.

We call upon Prime Minister, Malcolm Turnbull and the Leader of the Opposition, Bill Shorten MP to come clean on how much direct and indirect funding their parties have received from Hellenic sources since 1994 in order to segregate, delegitimise and discriminate against the Republic of Macedonia and against Macedonians living in the Hellenic Republic, in Australia and globally.

We also call upon Australia's political leaders to formally apologise to Macedonia and its people around the world for this shameful, unethical, illegal and unsustainable foreign policy position that has harmed Australia's national and international reputation and undermined peace, international laws and regional stability in Southeast Europe.

Australia needs to stop all foreign political donations as they are undermining our democracy, our national credibility and the quality of our foreign policy strategy and implementation (Medcalf, 2016). Australia urgently needs to create a robust and independent online system for scrutinising and reporting of political donations from all sources (Edwards, 2016).

Gocher (2016) argues that our political disclosure laws are shockingly inadequate and in urgent need of overhaul. It is not clear who pays the political piper and how much?

UMD believes that only Australian citizens enrolled to vote should have the right to make small political donations of up to AUD\$1,000. Donations from large corporations, trade unions and private foundations should be banned and replaced by public funding to strengthen our democracy and the quality of our foreign policies.

A recent survey by the Australia Institute found 85% of voters believed there was corruption in federal politics (Denniss, 2017). The same survey found 82% of Australians support the creation of an independent commission against corruption at the federal level to scrutinise the activities of Federal Members of Parliament and Commonwealth Public Servants.

UMD believes that Australia's national and international interests will be best served when all key stakeholders work in partnership to define and implement the priorities and values for the nation in the wake of tectonic shifts in the strategic, economic and physical environment in the Indo-Pacific, the EU, the Middle East and the Americas.

Statecraft is too important to be left to Cabinet, the Australian Parliament and DFAT to figure out and implement. It impacts just about every citizen, community, business and organisation in Australia. It also affects the lives of citizens in the Indo-Pacific, Africa, the Middle East, Europe and other places that need democracy, peace, security, trade and international development assistance.

Australia should not fall into trap of placing its self-interest first at the expense of all other nations in our region or the world. Instead our foreign policy strategy should be focused on solving the most pressing challenges facing Australia, our region and the world. It should add real value at home, in

our region and globally. Australia will only be as big as the pressing issues that it seeks to address in collaboration with key stakeholders in the Indo-Pacific region and globally.

The Australian Parliament in partnership with DFAT, the AIIA and the ABC should conduct regular monthly surveys of stakeholders of Australian diplomacy and foreign policies to address the most pressing issues in real time. This information should be used to innovate its foreign policy strategy and to improve its impact. Relying on annual, high quality and very limited polls from the Lowy Institute is not a long term solution.

The Australia Government and the Australian Parliament need to accept that we need to close the growing diplomatic deficit (Lowy, 2009) and to at least double the resources that have been cut from its shrinking budget.

The Australian Government should work with key stakeholders in Australia and the Indo-Pacific to establish a Regional Cooperative Research Centre on Diplomacy and Foreign Policy Strategy. It should co-invest funds for research programs and projects looking at the tangible and intangible value of diplomacy and foreign policy strategy to Australia and the Indo-Pacific region in the 21st century. It should use the research findings to close gaps in foreign policy strategy and implementation capabilities at DFAT and beyond.

Australia's ability to achieve significant and positive impact in international affairs can be enhanced if it clearly articulates what is its endgame? An endgame is the explanation of the specific role that Australia intends to play in the overall solution to pressing strategic, economic, social, environmental and reputational elements of the national interest and values mix. Endgame statements (Gugelev & Stern, 2015) have been used in the social sector to measure their success by how they are helping meet the total addressable challenge in a particular issue area.

In his recent speech in the Australian Senate, Senator Richard Di Natale like our former late Prime Minister Malcolm Fraser, has called for open and public debate on the future of the Australia-USA alliance and for a more independent foreign policy.

1.4 How can Australia do better?

We need to disrupt the 'status quo' in Australian foreign policy making because for decades it has not worked as effectively and efficiently as it could. More robust foreign policy strategies and innovative practices are needed to serve the interests of all Australians and not just the privileged and the politically connected.

Australian foreign policy experts such as Harris (2015) have noted that foreign policies are often not just linked to domestic interests but become part of the domestic electoral politics – whether as photo ops with foreign leaders, muscularly assertive security stances or support for influential domestic pressure groups. This often leads to opportunistic political decisions lacking long-term vision and analysis.

The 2010 report *Ahead of the Game: Blueprint for Reform of Australian Government Administration* recommended that the Australian Public Service Commission undertake regular and systematic reviews to promote improved capability in key agencies and assess institutional capability of the service as a whole. The Capability Review of DFAT in 2013 found that the leadership, strategy and delivery capabilities can be significantly improved. UMD looks forward to a fresh Capability Review of DFAT in the near future to assess what progress has been made since 2014 and what gaps need to be filled especially in policies and practices towards Macedonia and South East Europe.

Australia can get better outcomes from its investment in foreign policy strategy and diplomacy by making it a far higher priority in the Australian Government budget. The full potential of Australian diplomacy and foreign policy has been undermined by our major political parties. They do not see elections being won or lost over foreign policies in general. They place too much investment into forward defence and industrial scale intelligence at the expense of diplomacy. Reckless Treasurers have forced Australian Foreign Ministers to achieve the same impact with significantly reduced financial and human resources. The Australian public and the media have also not helped the situation by not putting enough pressure on the Australian Government and the Australian Parliament to fund diplomacy and foreign policy strategy on a regular basis and in keeping with our status as the 12th largest economy on the planet.

According to White (2016) the new Australian Foreign Policy White Paper is an opportunity to make and articulate some important decisions about the kind of world Australia want to live in and what need to be done to get there. It starts with a broad definition of what our foreign policy is supposed to do. Next, it identifies the features of the international environment and our key foreign policy priorities. Next we should develop long term plans for each priority area. Finally, what resources will be needed to implement the plans we have developed.

Deep policy thinking is an area where our system, at both the political and the public service levels, has struggled over the last decade (Varghese, 2016). The quality of public decision-making depends significantly on the quality of analysis and advice provided through public organisations (Head, 2015). It is concerning that political and ideological factors often undermine evidence-informed practices.

Structural factors and a heavy bipartisan straightjacket constraint innovation and debate on Australia's foreign policy (Carr, 2015). Australia has had four Prime Ministers in four years up to 2015 and none of them have been able or willing to have a significant impact on the direction of foreign policy.

It remains to be seen what impact the Foreign Policy of the Trump Administration will have on Australia's foreign policy strategy in 2017 and beyond and how Australia will manage its relations with Beijing and Washington? The election of President Donald Trump raises the biggest set of issues for Australian foreign policy since 9/11 and possibly since signing the ANZUS Treaty (McCarthy, 2017) and Australia should increase its engagement with Asia. Others also argue that the uncertainty created by the Trump presidency (Jakobson, 2017) means that Australia and Beijing should be looking to work more closely, not less.

Australia will need to review its Public Diplomacy Strategy in the digital age in order to meet the challenges of engaging diasporas in bilateral relations (Fitzgerald, 2016). Diasporas were identified as the greatest assets for building closer social, cultural, educational and trading ties with China and wide Asia-Pacific region.

Innovation of Australian foreign policy and transforming Australia into a modern member of the Asia and South West Pacific region has been identified as a priority by esteemed retired Australian diplomats. Woolcott (2016) has noted that to maintain policies rooted in the past is to undermine our ability to determine what Australia's real national interests are.

Beeson (2017) has noted that the new foreign white paper needs to acknowledge the limits of Australia's middle power status and have a realistic focus on fostering more effective multilateral institutions in both security and economics. Australia foreign policy needs to be guided by realism in terms of what is necessary and affordable.

The Australian Republican Movement has argued that an Australian Republic will increase our international standing as a more independent nation.

Australia needs to take a close look at its policy of offshore detention of refugees for two reasons. First, its needs to be more humane (Bowden, 2016) and in keeping with its international legal obligations. Second, in its current form the refugee policy will harm Australia's chances of winning a seat at the UN Human Rights Council (Smith, 2016).

Australia has often been reluctant to play a greater leadership role at the UN and other multilateral and regional institutions and sometimes too quick to criticise its work.

Australia has been completely reliant on ANZUS for its defence and stepping away would be an enormous mistake argue some of Australia's leading Asia-Pacific experts (Taylor, 2017). He has not explained how New Zealand and others in the Indo-Pacific region are managing their security arrangements independently or through coalitions.

The current foreign policy environment in Australia is deeply imbalanced, non-transparent and poorly accountable. It needs to change because it favours major political parties and their fundraising machines (Lewis, 2016) , minor parties and independents with the balance of power, high net worth individuals, large corporations and non-representative pressure groups at the expense of ordinary Australian citizens and diverse communities. It also favours some foreign powers that influence Australian elections and foreign policies through undemocratic means such as political donations, in-kind support and lobbying.

UMD would like to point out that there is a big mismatch between Australian citizen expectations for Diplomatic and Consular Services in Macedonia, Albania and Kosovo where Australia does not have permanent representation on the ground. A growing number of Australians are visiting this part of the world for tourism and business yet they find that they cannot access Australian Diplomatic and

Consular Services on the ground. Australian citizens have to travel for hundreds of kilometres to Serbia or to the Hellenic Republic where they sometimes experience discrimination, a hostile or unsafe environment and huge costs of travel and accommodation. The unmet needs of the Macedonian diaspora in Australia have been documented by Ben-Moshe et al (2012)

UMD once again calls on the Australian Government to open an Embassy in the Republic of Macedonia and a Consulate in regional city of Bitola. Such posts will serve the unmet needs of Australians who travel to this part of the world. They will also greatly assist the local population and institutions in Macedonia, Albania and Kosovo who require friendly, affordable and seamless access to Australian diplomatic and consular services as outlined in the Report on the Inquiry into Australia's Overseas Representation (2012)

2.0 Australia has diverse interests that span the globe

2.1 Which countries will matter most to Australia over the next 10 years?

Given its geo-political choices and positioning, Australia will need to significantly expand its strategic, economic, cultural and environmental networks in the Indo-Pacific region and maintain its strategic and security relations with the USA and other coalition partners.

The Indo-Pacific is the epicentre of economic growth, innovation and value capture. Australia has been a major beneficiary of the growth and power shifts that have taken place in China, North East and South East Asia. India and the ASEAN countries offer huge opportunities for value exchange and collaboration for collective benefit.

Australia also needs to build on existing bi-lateral relations outside of the Indo-Pacific. These include Europe, the Middle East, Africa and the Americas.

It is imperative for Australia to get its relationship with the Republic of Macedonia and its diaspora right. Although public discourse in Australia on Macedonia is extremely limited especially in the Australian Parliament and the mainstream media, it is important to have a sophisticated understanding of why the relationship matters.

Macedonia like Australia is a successful multicultural liberal democracy and a market economy. It has participated in USA and NATO led peace and capacity building missions in Bosnia, Kosovo, Iraq and Afghanistan. Macedonia has been at the forefront of combatting terrorism and addressing global challenges like climate change. Most recently it has provided crucial support to the EU and to Turkey in managing the huge flow of refugees and asylum seekers from Syria and other hot spots without receiving any substantial support from the EU, NATO or anywhere else.

UMD and other key stakeholders will work on stimulating a nuanced and realistic discussion among Australian government, business, academia, think tanks, the media and the foreign policy community in order to advance sustainable, robust and balanced policy and programs on

Macedonia. A detailed explanation of why Macedonia's matters can be found on the UMD website and On Line Opinion.

2.2 Why and in what ways?

As a middle power Australia has the capacity to form coalitions with all friendly countries in order to achieve better security, economic, social and environmental outcomes through innovative policies and campaigns.

Australia has a proud tradition of giving voice, capacity building and empowerment to small nations. This has been achieved through international development assistance, joint campaigns at the UN, WTO and other multilateral and regional organisations.

Australia should therefore go back to its roots. It should stop siding with bullies around the world who have used their size, wealth and influence to suppress smaller and less powerful states or who blatantly ignore their international legal obligations towards them.

Australia's needs to make far better use of its diplomatic and trade network for optimal impact using diplomacy in all its forms including culture, sport, education, research and investment.

2.3 How should we deepen and diversify key relationships?

UMD believes the Australia can deepen and diversify its key relationships in at least two ways. First, by harnessing the power of its diverse multicultural society and its own diaspora. This can be achieved by creating meaningful opportunities for strategic, economic, social and environmental engagement with all friendly countries in the world for mutual benefit. Second, by building on existing bilateral, regional and multilateral relationships and networks.

Australia's political leaders need to stop arguing at home and abroad that we cannot afford to invest significant resources in diplomacy and international development assistance when Australia spends tens of billions of dollars on defence and \$50 billion on supporting tax cuts for big business.

Every citizen in Australia and every member of Australia's global diaspora should be made aware they have the right and the obligation to constantly advance Australia's positioning and influence in regional and world affairs.

Australia needs a more powerful and better resourced Public Diplomacy strategy which informs each member of our international relations network that the relationship with them is deeply valued and needs to be enhanced through joint co-investment in meaningful programs, projects and campaigns.

2.4 Which global trends, such as developments in technology, environmental degradation and the role of non-state actors, are likely to affect Australia's security and prosperity?

There is a rich body of research literature on global trends and mega-trends that will impact Australia and the world. A global mega-trend is a significant shift in environmental, social and economic conditions that will play out over the coming decades that will change the way we live.

According to a landmark CSIRO's Futures Report (Hajkowicz et al; 2012) these mega-trends include: More from less – the earth has limited supply of mineral, energy, water and food resources and these need to be used and shared wisely;

Going, Going, Gone - many of the earth's natural habitats, plants and animal species are in decline or at risk of extinction;

The Silk Highway – a global economic shift is occurring from West to East and North to South;

Forever Young – Australia and most countries in the OECD have ageing population and these need to be seen as assets;

Virtually There: explores what might happen in a world of increased connectivity in a virtual world;

Great Expectations: there is rising demand for experiences over products and the importance of social networks is increasing.

These mega-trends need to be factored into Australia's new Foreign Policy Strategy.

The EU's Global Strategy for Foreign and Security Policy (2016) notes that in a more connected, contested and complex world, the EU needs clear sense of direction, agreed priorities and goals and the means required to achieve them. The EU needs a common, comprehensive and consistent global strategy. An effective response depends on the EU's ability to make choices and prioritise areas where it can and wants to make a difference. There are lessons here for Australia.

The rise of populist political parties in Australia, Europe, USA and the Indo-Pacific will change the political and foreign policy landscape and demand a sophisticated, timely and balanced response from Australia.

According to the Australian Communications and Media Authority (2013) there were 8.67 million smart phone users and 4.37 million tablet users in Australia in May 2012. Today over 90% of Australians have smart phones. Australia needs to engage with key stakeholder by leveraging smart phones, tablets, applications, social media and other platforms.

2.5 How should Australia respond?

Australia needs to mobilise all key stakeholders and resources in order to shape a new foreign policy strategy that will deliver stability, prosperity and peace in the world instead of instability, poverty and unwinnable wars.

Australia should not try to re-invent the wheel in developing its new foreign policy strategy. A good starting point is the 2015 Report on the UK Foreign and Security Policy Working Group '*Strengthening Britain's Voice in the World*' which provides a framework for discussion and customisation.

DFAT in partnership with the AIIA and the ABC should develop educational material such case studies, short videos, documentaries, op-eds and newspaper articles on its new Foreign Policy Strategy. This will help manage stakeholder expectations in Australia and internationally and provide ongoing opportunities for feedback and engagement.

The Australian Government and the Australian Parliament need to empower DFAT to satisfy the unmet needs of all Australian citizens especially ethnic communities whose voice is seldom heard in foreign policy debates. These include Australian Macedonians, Armenians, newly arrived migrants, refugees and many others.

3.0 Australia is an influential player in regional and international organisations

3.1 Which regional and global organisations matter most to us?

Global organisations that matter most to Australia include the UN and its agencies, the World Trade Organisation and the World Bank. Membership of the G20 is also an important platform for facilitating global initiatives for improving economic and environmental policies, programs and meaningful outcomes.

Regional organisations that matter most to Australia include ASEAN, the East Asian Summit, the Asian Development Bank, the Asia Infrastructure Investment Bank, the Regional Comprehensive Economic Partnership, the EU, the African Union, the Arab League and the Gulf Cooperation Council. This is not an exhaustive list.

Australia needs to become a master of understanding and harnessing the power of networks for positive change across economic, social, security and environmental fields.

3.2 How should we support and shape them to maximise our influence?

Australia should support all key global organisations by adding value and funding to their reputation, reach, impact and influence. In particular, our political leaders should stop devaluing and delegitimising the UN and the opinion of the wider international community outside the Anglo-European sphere.

Similarly, Australia should support all key regional organisations by contributing funds, talent, ideas and policies that will enhance their efficiency and effectiveness. Australia should create opportunities for collective impact through co-investment of funds and programs that solve the most pressing challenges before us.

4.0 Australia needs to be ambitious in grasping economic opportunities

4.1 What steps should be taken to maximise our trade and investment and expand our commercial opportunities for Australian business?

UMD believes that Australia needs to develop and implement a comprehensive strategy for maximising its trade and investment opportunities. It could start by engaging all key stakeholders in policies, programs and projects through highly effective engagement pathways.

It should devote resources to signing all outstanding trade and investment agreements that are clogged in its long and slow moving approvals pipeline. It should also regularly review the performance and impact of its free trade agreements. Most of all, emphasis needs to be placed on extracting optimal value in multilateral agreements which can bring benefits to Australia and the wider global and regional economy.

Australia should follow the lead of the Trump Administration and abandon the Trans Pacific Partnership. In September 2016, Senator Hanson-Young stated that this dirty deal actually has very little to do with trade. Rather it is a corporate takeover of our democracy designed to set rules and regulations between member countries that suit the rich and powerful. Verrender (2015) has stated that the TPP is about entrenching the interests of major corporations at the expense of ordinary citizens as found by the Australian Productivity Commission.

As part of the new foreign policy strategy, Australia should commit to strengthening its economic reach and positive economic impact by making this one of its strategic goals. Its strategic objectives should be to promote sustainable and inclusive growth, poverty reduction and improving resource security and expanding the access to trade, investment and commercial opportunities.

4.2 How can we ensure Australia's is positioned to take advantage of opportunities in the global economy?

There is a huge body of research literature on Australia's place in the global economy and how it can be improved. As a member of the G20 and other influential bodies, Australia is well placed to shape policies and programs to advance the global and regional economy. Australia must take a proactive role in working with key stakeholders in removing barriers to economic growth at home and abroad.

Australia must learn from the experiences of Singapore and Israel as they have managed to rapidly transform their economies and lift their living standards. They become fertile grounds for start-up companies focused on solving really difficult and important problems through innovation and entrepreneurship in the digital economy.

Australia's future will be bleak if it remains an exporter of raw materials and cheap energy and an importer of expensive value added goods and services.

4.3 What are the key risks to Australia's future prosperity and how should we respond?

There is a substantial body of research literature on the key risks to Australia's future prosperity and how we should respond.

The latest research report by the Grattan Institute (2017) *Stagnation Nation? Australia's investment in a low growth world* urges government and policy makers to do more to ensure Australia remains a dynamic and growing economy.

Australia needs to move from being a commodity supplier and become a value adding economy and a centre for education, research, advanced manufacturing and advanced service industries.

Australia needs to become a value creating and value capture economy producing intellectual property and solutions to the most difficult challenges facing corporations, communities, nations and customers in regional and global markets. It needs to stimulate industry, innovation and entrepreneurship and develop highly competitive enterprises that will create employment for all Australians. The country needs to boost the capacity of CSIRO and the R&D participants so they help make local firms globally competitive. We need to integrate our enterprises, industries and economy into regional and global supply chains.

Our education system needs to be better aligned with the needs of Australia and the world and produce world class graduates and solutions to unmet economic, social and environmental needs.

Our energy, food and agriculture future needs to be secured for domestic needs first before we sell them overseas often at rock bottom prices.

5.0 Australia confronts a range of strategic, security and transnational challenges

5.1 How can Australia best deal with instability beyond our borders?

Managing instability and risk beyond Australia's borders will require concerted efforts by all key internal and external stakeholders in government, industry, universities, research centres and the wider community.

Australia needs to work in partnership with regional and global stakeholders to find and implement effective risk management strategies. Australia can help reduce instability by playing its part in supporting peace, prosperity and security in the world and by contributing to the sustainability and impact of the UN and other bodies.

5.2 How can our foreign policy, including overseas development assistance, support a more prosperous, peaceful and stable region?

As a top 20 or middle power Australia's foreign policy can play an important role in supporting a more prosperous, peaceful and stable region. Australia needs to show more leadership and solidarity in dealing with the most pressing issues that are confronting our region and the world.

These include climate change, population growth, lack of education and jobs, unsustainable development, poor governance, corruption and resource scarcity.

Regional prosperity can be enhanced if we work with our neighbours in developing their economies and opening our markets to them and vice versa. Progress can be made by integrating them and us into regional and global supply chains. Similarly, we can enhance their prosperity by lifting their educational and training to Australian standards.

Australia also needs to commit to serious investment in the UN Millennium Development Goals on a regional level and at home.

Australia's DFAT and foreign policy shapers should take another close look at the US State Department and USAID Strategic Goal Framework as part of the Strategic Plan 2014-2017. This framework clearly outlines the strategic goals and objectives under the Department of State and USAID under the then Secretary of State John F. Kerry. Such clarity needs to be articulated in Australia's new foreign policy strategy.

China and others in our region have transitioned from relative underdevelopment to significant living standards through investment in education, infrastructure, smart market policies and export oriented trade and investment. They did not wait for aid from the West to lift them out of poverty.

Australia will need to increase its overseas development assistance budget from 0.25% of GDP to 0.7% of GDP as is the case with the UK, Sweden and other developed countries. This is necessary because not all countries in our region have the same living standards, education, infrastructure and culture for good governance, innovation and entrepreneurship.

5.3 How should our international engagement work to protect Australia against transnational security threats such as terrorism?

Australia needs to regularly review its international engagement strategy for protecting it from transnational security threats such as terrorism. It needs to invest in relationships, campaigns and de-radicalisation programs that will reduce or eliminate terrorism. It also needs to look at the root causes of terrorism and how the swamp can be drained.

The Australian Parliament needs to conduct a formal inquiry into how the Howard Government locked Australia into the disastrous war in Iraq against the Saddam Hussein regime. It appears the decision was made without any evidence of honest and professional assessment that justified

invasion of a foreign country without UN support. That military intervention has cost hundreds of thousands of lives in Iraq, destroyed key infrastructure, polluted the environment and created a huge and ever growing refugee and security problem. It also resulted in the rise of wide range of terrorist organisations like Islamic State in Iraq, Syria and across North Africa that are still destabilising the Middle-East region, the EU and the Republic of Macedonia. This disaster has cost Australia dearly in terms of treasure, blood and health impact on Australian armed forces especially returned soldiers.

6.0 Australia uses a range of assets and capabilities to pursue our national interests

6.1 What assets will we need to advance our foreign policy interests in future years?

According to Lowy Institute (2009), Australia's assets to advance our foreign policy interests have been broken down into instruments of international policy and diplomatic infrastructure.

The instruments of international policy include Australia's overseas diplomatic network, its Consular service, Public diplomacy, International policy machinery, Australia's overseas aid program, Support for Australian business and non-government actors.

We need the Australian Government and the Australian Parliament to commit to performance reviews and reinvestment in both the instruments of international policy and the diplomatic infrastructure.

According to researchers from the Australian Council of Learned Academies (Ang et. al, 2015) the depth of Australia's linguistic and inter-cultural competence will be a determining factor in the future success of developments in innovation, science, technology, research capacity, international mobility, trade relations and economic competitiveness. In the medium to long term, the Asia Region will be principal focus, presenting major challenges and opportunities economically, socially, culturally, and for our national security interests.

6.2 How can we best use our people and assets to advance Australia's economic, security and other interests and respond to external events?

Australia's greatest assets are its people, its liberal democracy and its education system. They need to be empowered to develop and sustain a prosperous, peaceful, healthy and safe environment for the benefit of Australia and the world.

Australia needs to attract the best and brightest research schools and graduates to work with DFAT and other arms of government and foreign policy think tanks in order to advance our foreign policy interests in the years ahead.

Australia has a number of world-class foreign policy centres at the Group of Eight universities and their reach and impact needs to be expanded across the higher education centre. Australia is

blessed to have the Australian Institute of International Affairs which has again been ranked as a top foreign policy think tank in the region. Similarly, the Lowy Institute of International Policy is producing a wide range of rigorous and relevant reports for the benefit of Australia and the region.

Australia also needs to advance its foreign policy interests in future years by developing and implementing a strategy for harnessing the power of its diverse multicultural society. The importance of diasporas has been recognised in the research literature and in Australia's Public Diplomacy Strategy. The challenge is to develop policy and funding opportunities for meaningful engagement through programs and projects.

Australia's youth also need to be fully engaged in advancing our foreign policy interests now and in the future. Australia's universities should aim to double their cohort of international relations and foreign policy specialists. The Australian Government, business and industry need to create meaningful and secure employment for them. Similarly, Australia's ageing population needs to be recognised as a deep source of ideas, mentoring and knowledge transfer.

It is pleasing to note that Australia's Parliament is increasingly attracting new leaders from diverse cultural, religious, ethnic, indigenous and linguistic backgrounds who can add value to Australia's foreign policy strategies, diplomacy, impact and outcomes. UMD looks forward to the day when Australian Macedonians in the near future will also become members of the Australian House of Representatives and the Senate. They will bring fresh ideas, energy as well as informed and thoughtful public and foreign policy discussion on how to improve Australia's place in the world.

6.3 How can Government work more effectively with non-government sectors, including business, universities, diasporas and NGOs, to advance Australia's interests?

The impact, rigor and relevance of the Australian Government engagement with key stakeholders can be enhanced by having a new culture of openness, a new approach to engagement and citizen centric foreign policies. In particular, the Foreign Minister and DFAT should have a world class Foreign Policy and Diplomacy Stakeholder Engagement Framework. This framework needs to improve foreign policy and decision making by enabling key stakeholders from business, universities, diasporas and NGOs to constantly contribute to strategy, decision-making and evaluation and thus advance Australia's interests.

In Western liberal democracies, there is recognition that citizens and communities must have input into decisions that directly and indirectly affect them. Australian Macedonians expect the Australian Government, the Australian Parliament and DFAT to listen to their legitimate concerns and to develop policies, programs and projects that will meet their basic needs and expectations as has been done with other communities. Equality, fairness and justice are the values that underpin the Australian way of life.

The Stakeholder Engagement Framework should follow world best practice and should be guided by the following principles: Commitment, Integrity and Ethics; Clarity of Objectives and Scope; Inclusiveness; Good process; Quality Information and Knowledge sharing; Dialogue and Open Discussion and Impact on decision making.

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