Address to the Australian Unity Australia Day Breakfast
Dr Ian Watt
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Queen's Hall, Parliament House, Melbourne

Thank you Glenn for those kind words of introduction.

Distinguished guests, ladies and gentlemen.

I would like to acknowledge the traditional owners of the land on which we meet this morning and, in the spirit of reconciliation, offer my respects to their elders, past and present.

Secondly, I would like to thank Australian Unity for the invitation to join you today.

It's a great honour and a privilege to address you, on our national day, in Melbourne and in this lovely Parliament House setting. It is particularly so for two reasons.

First, both my wife and I are Victorian born-n-bred and still regard ourselves, in many ways, as Melburnians, despite our 28 years 'leave of absence'.

Secondly, it is a genuine honour to be the first public servant to deliver this address.

Australian Unity is a direct descendant of the Australian Natives Association – which long and successfully championed both Federation and 26 January as our national day.

Both organisations are to be congratulated for the fact that we celebrate Australia Day, and the uniquely Australian way we now celebrate it.

The way a nation commemorates and celebrates its national day reflects the nation itself. And how Australia has evolved, and our national day evolved in turn, is something I want to talk about this morning. I then want to spend a little time on the challenges Australia faces in the Asian Century, and how we need to evolve to secure the prosperity that should result, including the public service.

Evolution of Australia Day

Australia and Australia Day have both changed dramatically in my lifetime.

Let's look at three past Australia Days and some of the components of our commemoration and celebration of them.

1950 – the year of my birth.

1980 – the start of the build-up to our Bicentenary.

And 2012.

1950

By 1950, we had moved beyond the official roast-beef luncheon and loyal toasts that had characterised commemorations in the 19th Century, but formalities were still the order of the day.

The national anthem played at civic ceremonies was "God Save the King".

While official flag-raising ceremonies still featured the Union Jack, increasingly communities were raising an Australian flag as well.

In many cases, however, communities would have chosen the red ensign over the blue.

If you were in NSW, a feature of Australia Day 1950 would have been a re-enactment of Captain Phillip's landing at Sydney Cove, including a reading of his proclamation.

If you were in Victoria and had a baby born on 26 January, you were presented with a silver spoon in commemoration.

Australians opening their morning newspaper at breakfast would have read of the newest inductees into an Imperial awards system. There would be no system of Australian honours and awards for another 25 years.

While in 1950 we had our second Australian-born Governor-General, we were still overwhelmingly white, and of British stock. And Australia Day reflected that.

The White Australia policy was only starting to be seriously challenged and the very concept of Australian citizenship was still new. The *Nationality and Citizenship Act 1948* had taken effect only 12 months earlier, on 26 January 1949.

Aboriginal and Torres Strait Islander peoples had been granted citizenship under this Act, but they would have to wait 17 years to access the full rights, including voting, that citizenship implies. And their traditional ownership of the land and most aspects of their presence in, and contribution to, Australia was largely ignored until much later still.

There was something else different about Australia Day 1950. Depending on their home state, many Australians would have closed their newspapers, risen from the breakfast table and headed off to a normal Thursday at work.

There wouldn't be a uniform national holiday for another 44 years.[i]

In many ways, Australia Day in 1950 was still overtly a commemoration of the arrival of the First Fleet, and the beginnings of the colonial era.

The Prime Minister, Robert Menzies, could still say, in his Australia Day message, that the day was an "opportunity to recall with pride the spirit of resourcefulness and adventure of the men and women who, 162 years ago, set about the establishment of a new home in a country many thousands of miles distant from their Motherland".[ii]

The Age, in a special article for younger readers, described Captain Phillip's landing as "laying the foundations of Australian history" and stated that in the years since, Australia had embarked on a path that was turning it into the "Britain of the Pacific."

1980

Jump to 1980.

Australians opening their morning papers lived in a nation in some ways different from the Australia of 1950, but in others similar.

Our population had almost doubled from 8 million to nearly 15 million.

Many of us were still born overseas, but, under the impact of the post-war immigration surge, the mix was changing.

In the 1947 Census, two-thirds of our overseas-born were born in the UK.

By 1981 it was just over a third.

In 1980 there was no confusion about which flag to fly at the civic receptions. Everyone knew the red from the blue ensign. Now, however, there were rumblings about an entirely *new* national flag.

By 1980 "God Save the King" had changed, to "God Save the Queen".

By 1980 we did have an Australian honours system – after a fashion. A year after the introduction of the Australian system by the Whitlam Government, the Fraser Government restored the imperial system, so the two operated side by side.

While home-grown awards were still a novelty, one innovation that had become well-established was the Australian of the Year award.

In 1980 it had been augmented by an award for Young Australian of the Year. However, that was announced earlier in the month and was not explicitly connected with Australia Day.

Public attitudes towards Australia Day commemorations were lukewarm, at best. The *Daily Telegraph's* editorial on the public holiday Monday headlined "Ho Hum".

It pointed out that the NSW Premier had been too busy to attend the official flag-raising ceremony and had sent a junior colleague. The Leader of the Opposition had sent his deputy, and even the Governor had been otherwise engaged. As for the Prime Minister, he went fishing. The editorial lamented, "is it any wonder most of us treat our national day as … a yawn?"

The *Age* was a bit more charitable. It argued that Australia Day was a reminder of our freedom to consciously shape our national character.

It wrote: "Instead of being bound by age-old traditions that frustrate change……..we are free to develop our own personal potentials, our political system and our cultural pattern". "Australia Day invites us to ask: what kind of nation do we want ours to be?"

The Age, perhaps unwittingly, showed considerable foresight.

By 26 January, 1980 we were starting to think about how we might celebrate the 1988 Bicentenary.
The appropriate activities of even a few years earlier were starting to be questioned.

And we were giving greater recognition to Aboriginal and Torres Strait Islander peoples in our history.

However, the speed of change seemed slow. The official Australia Day program in Sydney still included a reading of Captain Phillip's 1788 Proclamation and the raising of the Union Jack alongside the Australian Flag and would do so well into the 1980s.

Still, the approach of the Bicentenary was one reason for Australians to reconsider their national day, and we were.

2012

Jump to 2012.

In 1994 we had agreed to align our celebrations and establish 26 January as the date for commemorating Australia Day – no matter which day of the week it fell.

By 2012 the flag debate had come and gone, several times.

The imperial honours system had been replaced by an Australian system. These days, we pick up our papers on 26 January to see which names we might recognise on the lists of new appointees in the Order of Australia.

The Australian of the Year Award had grown. We had added a Senior Australian – in 1999 – and a Local Hero –in 2003.

In 2012, all four awards were announced simultaneously, on Australia Day Eve, in Canberra.

Demographically, we were much changed.

We have grown to nearly 23 million, with 26 per cent overseas born, but only a fifth of those born in the UK[iii]. Four Asian nations are now in our Top 10 countries of origin. In 1980 there were none.

In 2012 almost one in 10 Australians claimed Asian ancestry and there were more speakers of Chinese than Italian or Greek.

We had a different national anthem – *Advance Australia Fair*.

And we didn't just have an Australian-born Governor-General. We had our first *female* Governor-General.

Some traditions remained.

Most jurisdictions still conducted a formal flag-raising ceremony.

But in 2012 the flag wasn't just flying from flagpoles. It flew from car aerials. It was fashioned into bikinis and beach towels, board shorts and thongs. It was – temporarily – on the cheeks and foreheads of small children.
Sport remained an important component of Australia Day, as did concerts and fireworks.

However, our preferred form of commemoration was probably the backyard barbecue, or a trip to the beach. But they were more often a conscious form of commemoration, not just a way of idling away another public holiday.

A survey conducted in 2011 showed that, while fewer than 20 per cent of Australians attended official Australia Day events and activities, almost half consciously marked the day in some way – often at home with friends and family. This compares a third doing 'something special' in the mid-1980s.

What's more, 93 per cent of respondents said they regarded Australia Day as of greater importance than any other national celebration.

Attitudes had indeed changed.

Australia Day had once been seemingly written off by the public and opinion makers.

Take newspaper editorials from 26 January 1969.

The Australian called 26 January "one of the 14 or 15 public holidays that most of us look forward to each year, and, for most of us, that is just about the extent of its significance."

The Age called it "a festival in search of a meaning".

The Canberra Times simply called it "the other day of the year".

Yet by 2012, *The Daily Telegraph,* so scathing in its 1980 editorial, said that Australia Day was a much more important day than it had once been. And that the day's importance was *not* measured by ceremonial formality.

"Australia Day [it said] has become a community day." "There are still formal ceremonies..... but 26 January has become much more for the average Australian ..."

Such approving commentary, along with measured shifts in community sentiment, suggests that 26 January is now more warmly embraced than it has been for a long time.

It is certainly no longer written off.

What Changed?

Why? What factors encouraged this growing fondness for our national day?

Perhaps the Bicentenary?

Some say that the decision to make 26 January the commencement date of Australia's first citizenship legislation may have helped long-term. It linked Australia Day with the concept of citizenship.

The decision to take citizenship ceremonies out of the courts and hand them to local governments strengthened the nexus. Citizenship ceremonies are now a standard feature of Australia Day commemorations.

On Australia Day 2012, nearly 14,000 people from 144 countries became Australian citizens. Today, thousands more will make the same commitment, and that will be shared with tens of thousands of family, friends and well-wishers.

Indeed, around two-thirds of the commemorative events people now attend on Australia Day involve citizenship ceremonies.

The inauguration of the Australian of the Year award in 1960 may also have helped shift public perceptions. Australia Day is no longer so much an occasion to ponder the past, but to recognise and celebrate who we are *right now*, and to hold up and acknowledge *contemporary* achievement by our sporting, scientific and cultural heroes.

In 2007 researchers[iv] assessed public views of the key themes relating to the meaning and impact of Australia Day. The commemoration of the Sydney Cove landing didn't rate any more. Instead, participants believed the day was an opportunity to celebrate diversity, achievement, community, multiculturalism, flora and fauna, traditional food, and that almost indefinable "Aussieness".

They also asked participants to rate Australia Day's meaning. Top of the list was, simply "To celebrate being Australian".

Particular factors may have played a role in changing Australia Day. However, more fundamentally I believe it was once written off because, while Australia had changed and changed dramatically, Australia Day as a concept, as a commemoration and a celebration was slower to adjust. Accordingly, it declined in relevance for contemporary Australians. And Australians – from Prime Ministers and Premiers to ordinary citizens – responded by changing it to make it more relevant for them.

And, as *The Age* said in 1980, they were able to do so, at least in part, because "they were not bound by age old traditions that forestalled change."

That, to my mind, is Australia.

Australia's Future

We know Australia will change again, and change dramatically over the coming decades, and I have no doubt that Australia Day will change with it.

A major driver will be the continuing economic, political and strategic rise of Asia, for we are living in the Asian Century and the weight of the world's economy and the world's power is shifting dramatically towards us.

Once we felt disadvantaged by the 'tyranny of distance'. Now we should be excited by the potential of proximity.

For the rise of Asia is unparalleled in size and speed. Take size. Between 1970 and 2010 Asia's share of world economic output nearly doubled – from around 20 per cent to 37 per cent.

Or speed. Japan, South Korea, Singapore, and, more recently, China and India have doubled their income per person within a decade.

Some have repeated this achievement two or three times.

In comparison, it took the United Kingdom more than 50 years to double its per capita income during the Industrial Revolution.

As a result of Asia's rapid growth, between just 2000 and 2006, around a million people were lifted out of poverty every week in East Asia alone. And there is no sign of the rapid growth coming to an end. By 2025, Asia will account for almost half of the world's output, with four of the ten largest economies being from the region.

That will lift more people out of poverty, raise income levels, enhance urbanisation, and further shift trade and investment to and from Asia.

Australia has already seen some of the benefits, and a few of the challenges, of Asian growth. But if this is the truly Asian Century, then there are a lot more challenges and opportunities to come.

We will have to change to take advantage of the opportunities, and we will have to change to meet the growing competition from Asia itself if we are to secure the greater prosperity Asia's growth offers.

We will need to look at the key capabilities that Australian governments, businesses, universities, and individuals, need and develop them.

We will need to consider – and in some instances change – the way we educate ourselves, the way we do business and the way we operate our institutions.

It is sometimes claimed that we won't take advantage of the opportunities Asia presents, or meet the challenges, because we're reluctant to change.

I believe our history tells otherwise, and – interestingly – the example of Australia Day shows that.

But let's take another example, that of our economic performance over the two decades since the early 1990s.

We have not experienced a recession since 1991-92, despite the 1997 Asian Financial Crisis, the Dot-Com bubble bursting in 2000 and the 'Great Recession' of the global financial crisis of 2008-09.

Not only has the Australia economy grown every year for the last 21 years, the growth has been robust, 3½ per cent per annum.

In contrast, the G7 advanced economies have experienced an annual growth rate of under 2 per cent.

Our GDP per capita has risen from 15th in the world in 1990 to 8th in 2012.

Productivity also grew strongly in the 1990s. While it has slowed in recent years, it remains high – in the OECD top 10 – and there are some signs that it is beginning to improve again.

Unemployment rates fell from above 10 per cent in the early 1990s, to 4 per cent in 2008, and remain low at 5.4 per cent.

Australia has been the best economic performer among major developed countries over the past 20 years and, despite popular misconceptions, it wasn't just luck, just China or just minerals.

It was, more importantly, the result of a national debate about the need for Australia to change that begun in the 1970s, and the economic reforms that followed in the 1980s and 1990s. These saw the reform of the foreign exchange markets, capital markets, product markets and labour markets, reform of the public sector, the higher education sector and the taxation system. The reforms dramatically enhanced our flexibility and our productivity.

Reform encouraged and facilitated by our national debate, initiated by governments and done, often in partnership with business, unions and the community sector. And done with the advice, the development and implementation expertise, and delivery skills of this country's Commonwealth, State and Territory and local public servants.

And this is the last point I wish to emphasise.

If Australia is to make the changes that it needs to meet the challenges and opportunities of the Asian Century, then our public services have an important role to play.

As Secretary of the Department of the Prime Minister and Cabinet I can tell that the Australian Public Service needs to change to properly fulfil its role, and change it will. Other public services will also need to change.

We must continue to develop public service capabilities to help 'get the best' out of the rise of Asia. Some are Asia-specific, many are generic.

Some of the work before the Australian Public Service is identified in the recent *Australia in the Asian Century* White Paper.

We'll need to ensure our governments are positioned to build stronger and more productive relationships with our counterparts in Asia.

Internally, we'll need to develop Asia-relevant capabilities to improve the quality of our policy advice – particularly as the lines between domestic and international policy become increasingly blurred.

We'll need to better understand how Australia's domestic policy objectives are affected by global and regional factors, and even how our domestic policy objectives can be furthered by looking beyond our shores.
As a service, we will need a better and more sophisticated understanding of the region and some of us will need greater proficiency in Asian languages. All of us will need a better understanding of the implications of Asia's rise to Australia and how we need to adapt.

The work on making the Australian Public Service more 'Asia-capable' is underway and we will see more of that in the next few months.

And Luck?

In his book *The Australian Moment*, George Megalogenis argued that, based on our performance over the past 20 years, "Australia is the West's last, best role model". You don't become a potential role model based just on luck.

A more measured observer, the OECD, acknowledges the importance of our reforms of recent decades, saying that Australia's "willingness to commission expert advice and to heed it, to try new solutions, and to patiently build constituencies that support further reforms is … something that other countries could learn from".[v]

That is why we have the potential to change to thrive in the Asian Century.

Yes, we have had our share of luck, and yes, we are blessed as a nation with many things, but often they are 'man-made' or 'man-shaped'. Fashioned and delivered by Australians, Australian hard work, Australian ideas, not just luck.

Just like our unique national day!

Conclusion: Australia Day 2025

No one can say with any precision what we will look like as a nation by 2025 – which of the opportunities before us we will have embraced, what opportunities and challenges are yet to be dealt with.

But we know that we will be different. We will have changed. And Australia Day will have changed with us. And one of the drivers of that change will have been the first quarter of the Asian Century.

Ladies and gentlemen, I suspect that on 26 January, 2025, we'll still be opening our morning papers or switching on our i-Pads or whatever, to see whose names are on the Honours list, and to check the weather forecast for our backyard barbecue.

I do not believe Australians will suddenly develop an appetite for a national day celebrated along the lines of the Fourth of July in the United States, or Bastille Day in France. Our history has not led us in that direction. Our sense of ourselves is undemonstrative, by world standards, but it has also helped us to adapt and shape our national day in our own changing image.

I suspect we will continue to do so – into the Asian Century, and beyond.

[i] National Australia Day Council Timeline: 1994 – Celebrating Australia Day on 26 January became established.
[ii] The Canberra Times. Thursday January 26, 1950.
[iii] ABS Media Release, 21 June 2013, http://www.abs.gov.au/websitedbs/censushome.nsf/home/CO-59?opendocument&navpos=620
[iv] Deery, Margaret; Jago, Leo; Freline, Liz (2007). "Celebrating a National Day: The Meaning and Impact of Australia Day Events". *Fourth International Event Research Conference.*
[v] OECD *Economic Survey of Australia*, 2004