

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

TWENTIETH AUSTRALIAN DELEGATION TO JAPAN

3-9 MARCH 2012



DELEGATION

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Executive Summary

The twentieth delegation to Japan occurred from 3 to 9 March 2012. This visit was dominated by the forthcoming one year anniversary of the three disasters on 11 March 2011 that are now known as 3/11. The profound impact of 3/11, the earthquake and aftershocks, the devastating tsunami and the resulting nuclear incident on the Japanese people and economy, was at the forefront of our discussions, experiences and learning. Our delegation was deeply affected by the magnitude of the disasters and the triumph of the human spirit in the face of serious adversity. The disasters represent an unprecedented challenge for Japan and its people and our appreciation and understanding of this were completely changed by our experiences.

Arriving one year on from those events, the resilience, perseverance and forbearance of the Japanese people impressed us. Everywhere ordinary people, business leaders and political leaders were positive and forward looking even when describing the diabolical challenges that resulted from the force of the disasters. In each area or department, people told us of their challenge and how they were working to meet it, sometimes successfully and sometimes not. It is fair to say that optimism and 'having a go' dominated the thinking of most if not all.

The nature of the disaster cannot go without mention. The initial disaster, the earthquake magnitude 9.0, Japan was relatively well-prepared for. However, people may not understand that there were over 96 aftershocks at magnitude 6.0 and 7.0 and 580 aftershocks over magnitude 5.0. Of course, the original earthquake triggered a tsunami of a scale completely unimaginable to the human mind. Our experiences visiting the empty spaces such as Minamisanriku where towns and villages once were, or seeing the one surviving building on a plain of dust and debris, were worse than any expectation we had before leaving. Visiting Fukushima province allowed us insight into the rebuilding process and the reputational damage caused by the nuclear incident, however well contained, within a prefecture.

There were devastating consequences from 3/11. Over 15,700 people died, 4,500 were still missing at the time of writing and over 5,700 were injured. In addition to the immediate consequences of these awful disasters, over 124,000 people had to be evacuated and temporarily resettled. Some have to be permanently resettled. Japan is still wrestling with how to resettle those people unable to return and those who have nothing to return to from this immense devastation. Then the further consequences, including the powering down of all of Japan's nuclear energy plants, bar one, and the resulting impact on Japanese industry and the economy. The improvisation and innovation we encountered by Japanese industry was substantial. The ongoing question of energy generation in Japan was a key theme of our visit.

We had the opportunity to understand the gratitude the Japanese people feel towards Australia and our assistance following the disasters. The respect for our Prime Minister and her immediate response in being the first foreign leader to visit in the aftermath, contribute relief and organise a fundraising effort was profound and overwhelming. The genuine gratitude felt by Japan towards Australia was reflected in every interaction on our delegation and was a source of immense pride to each of us. Australia contributed a 72-person urban search and rescue team, a \$10 million donation and the use of C-17 aircraft for relief operations; Australia and the United States being the only two nations allowed to do this. There were so many individual, community and business donations by Australians all of which were deeply appreciated by the Japanese people.

Australia and Japan have been strong trading partners for some 50 years or more and our nations are firm friends. In difficult times friends are there to assist each other and Australia can be proud of its role in helping our friend through this unprecedented crisis. Our delegation found that out of the

terrible tragedies of 11 March 2011, the people of Japan are working hard to rebuild and are planning for a better future.

Summary of Meetings and Discussions

Visiting Tokyo

Our first day in Japan was spent in Tokyo visiting key sites within the city and gaining an appreciation of the Japanese culture. This included ancient sites such as the Nijubashi bridge at the Imperial Palace as well as the bustling central commercial districts and markets.

The delegation was impressed by the beautiful metropolitan park at Rikugien with its traditional Japanese gardens.

The delegation was then taken on a boat cruise around Tokyo Bay. This gave us the opportunity to understand the layout of the city and the locations of key infrastructure. Our helpful guides were able to explain the origins of the city and its key localities. Our day concluded with a cultural experience, the Kabuki at the Shimbashi Theatre.

Briefing at Ministry of Foreign Affairs (MOFA) with Deputy Director General, Mr Akiba

Mr Akiba briefed the delegation on the current Japanese foreign policy and the role of MOFA in the Japanese system. Discussions were held on the ongoing strength of the bilateral relationship between Australia and Japan. In particular our strong trade relationship was discussed, including recent developments in Japanese LNG investment in Australia. The importance of sea lanes and commercial shipping was emphasised as well as an increased reliance of the Japanese economy on imports during the post 3/11 difficulties.

Lunch hosted by Parliamentary Vice Minister, Mr Joe Nakano

Vice Minister Nakano hosted a lunch with the delegation and MOFA officials. Vice Minister Nakano briefed the delegation on foreign affairs priorities of the Democratic Party of Japan (DPJ) Government and the policy changes the DPJ has sought to bring to Government in Japan. Vice Minister Nakano outlined the importance of bilateral relationships as well as ongoing developments in the multilateral architecture in the Pacific. The discussion on the Pacific, in particular, provided delegates with a good understanding of issues from a Japanese perspective in our region.

Development in Pacific islands was canvassed and developing policy attitudes of Japan towards the Government of Commodore Frank Bainimarama in Fiji was reinforced. Vice Minister Nakano engaged us in a useful dialogue about issues from Australia's point of view within the region.

Meeting with Chairman Mr Akio Mimura, Nippon Steel Corporation and Japan Australia Economic Committee Chairman

Mr Mimura briefed the delegation on the challenges for steel manufacturing in light of the 3/11 disasters. Mr Mimura also outlined energy issues and his views on the way forward for energy use in Japan. Other topics discussed included emerging markets, trade liberalisation debt, tax issues and the state of the world economy. Serious challenges face the steel industry in Japan including a strong yen, flat economy, increasing taxes and the uncertainty around energy options following the closure of the nuclear power plants. The energy issue is delicate but serious, nuclear is over 30 per cent of total generation. The alternatives being considered include LNG and a possible increase in coal. The uncertainty created by unreliable power is creating instability. Power prices are set to increase by 10 per cent for households and 17 per cent for business. Discussions were held about some similarities in the Australian steel industry with a high Australian dollar and increasing power costs. Concern was expressed at the long term trend for steel manufacturing to shift to lower cost, high growth economies such as China, India and Brazil.

Briefing at the Australian Embassy in Japan and Reception with the Diet's Japan Australia Parliamentary Friendship Group

The Australian delegation was received by His Excellency, Mr Bruce Miller, Ambassador to Japan, and his senior staff. A tour of the impressive Embassy facilities as well as briefings from staff was conducted. Following discussions on the state of Japan in the wake of the 3/11 disasters, a reception was held at the Embassy for approximately 30-40 members of the Diet, all members of the Japan-Australia Friendship Group. The reception allowed for interaction between Members of Parliament from both countries with substantial discussions around mutual interests and policy matters. Senior Diet members spoke as well as the Ambassador and the Delegation Leader on the strong relationship between Japan and Australia. It was a highly productive forum to engage with members of both the Government DPJ and the Opposition LDP.

LDP Delegates' Breakfast Meeting with Representative Mr Aizawa Ichiro

Delegates met with Representative Ichiro and fellow LDP Diet Members at the Diet for breakfast and policy discussions. A productive dialogue was held between the Australian delegation and the LDP Members of the Diet. Representative Ichiro provided the delegation with a briefing on matters in the Diet and the policy priorities of the LDP in opposition. A tour of the Diet and other meetings and discussions was conducted over lunch.

Meeting with Defence Security Specialists at the National Institute for Defence Studies of Japan at its Headquarters in Tokyo

It was a privilege to visit the National Institute and conduct roundtable discussions with the following people: Mr Yoshio Katayama (Head, Defence Policy Division, Policy Studies Department), Mr Hiroyasu Akutsu (Senior Fellow, Northeast Asia Division, Regional Studies Department), Mr Hiromu Arakaki (Research Fellow, America, Europe and Russia Division, regional Studies Department), Mr Tomohiko Satake (Fellow, Defence Policy Division, Policy Studies Department) and Mr Yusuke Ishihara (Fellow Policy Studies Department).

A broad-ranging discussion on Japanese security issues was held, including the importance of the United States relationship to both countries, regional security issues and a Japanese perspective on the region. It was agreed there is a key strategic role for both Australia and Japan in the region from a geographical perspective but also as balancing forces. Discussions were held about US Bases, including Okinawa and the recent announced deployment of US Marines to Darwin.

The delegation also attended a high level discussion with Mr Nobushige Takamizawa, President of the National Institute for Defence Studies of Japan. Discussions included the role of the United States, Japanese-Australian relations, China's emergence in the region and the growing economic relationship between Japan and India. Emphasis was placed on the importance of continuing to strengthen our strong bilateral relationship with Japan.

Miyagi Prefecture visit to 3/11 disaster sites

Matsushima Visit

The delegation travelled by high speed train to the Miyagi prefecture and Matsushima. The delegation had its first opportunity to get an understanding of the damage 3/11 had on coastal communities, even in relatively distant areas. Matsushima has a screen of islands which helped prevent some damage but much was sustained. Worse were the longer-term effects being felt by the local seafood industry which was wiped out. Many fishing fleets were completely destroyed but also many of the oysters and other seafood life in the region were severely affected. Tourism has also completely dropped off in the area.

Minami Sanriku

All levels of briefings were provided throughout the tour of the Miyagi prefecture including at Minami Sanriku from government officials, to local business people to ordinary citizens. The delegation was shown the after-effects of the 3/11 on the prefecture but also the substantial efforts by the Government of the Miyagi Prefecture to attract tourists and other industry back to the area. Incentive based schemes have been put in place to ensure recovery is as rapid as possible.

Sendai

As stated previously, the tour of disaster-affected areas profoundly affected delegation members. Sendai was perhaps the most disturbing. Virtually nothing was left but the tales of death and destruction of these communities that bore the brunt of the tsunami. Delegation members paid their respects at the only surviving structure, the metal pylons of the disaster recovery centre in Sendai. Tales of the bravery of many individual citizens who stayed at their posts and saved others only to perish abounded.

Fukushima Prefecture

Spa Resort Hawaiians

The delegation was taken to the vast spa resort Hawaiians as an example of regional business far inland which had also been affected by 3/11. The Managing Director briefed the delegation on the damage onsite and the repairs that needed to be conducted. A vast spa resort with around one million visits each year, this business had fared better than some but had still sustained damage and loss.

Iwaki City Office

The delegation was briefed by Iwaki City office officials on the implications for the city of 3/11 and the progress of the rebuild. 300 people were killed here and 37 missing. Over 83,000 buildings were either destroyed or significantly damaged. Waste removal is a serious ongoing issue. There are 127 temporary shelters with 19,000 evacuees but most water services have been restored. There were significant impacts from the nuclear disaster including negative impacts on agriculture, forestry, fisheries and tourism. This has resulted in economic and employment impacts. Twenty thousand people have been evacuated from the nuclear impact area.

A media forum was conducted with the Mayor. The Mayor thanked Australia for its contribution and the Prime Minister for her visit. The delegation paid its respects and expressed its willingness to help in the future. Visits to temporary accommodation and to ruined high schools, ports and infrastructure occurred. The scale of the damage was unimaginable.

Keio University Exchange with Students and the Centre for Governance for Civil Society

Delegates were involved in a roundtable discussion with high achieving university students from the Keio University. This enabled a broad understanding of issues according to younger people in Japan. Topics of discussion included climate change, trade, privatisation, party politics and the electoral systems of both countries. There was strong interest in the features of the Australian political system and in greater security cooperation between Australia and Japan in relation to peacekeeping and deployment in United Nations operations. The students were a valuable snapshot of future attitudes of Japanese people.

Visit to Toyota International Headquarters Head Office, Tokyo

The delegation was briefed on the state of the car industry in Japan and Australia and internationally by senior executives. Mr Max Yasuda, Global CEO, met with the delegation to discuss features of Australian Government policy in relation to the car industry and the international marketplace. Productive discussions were conducted on the future of the car industries in both countries.

Emphasis was placed on innovation, green car initiatives and the need for greater efficiencies. This was an important opportunity to discuss macroeconomic policy and share ideas on international trade.

Conclusion

The recovery and reconstruction project is one of the greatest challenges facing Japan in the post-war era. The magnitude of this challenge should not be underestimated. The delegation valued the opportunity to see Japanese communities working to recover and reconstruct. Impressive organisational ability, self-belief and leadership fortitude were apparent in what is overwhelming circumstances. The twentieth delegation would like to thank all involved in the organisation and management of this visit. We would mostly like to thank the people of Japan for their kindness and willingness to discuss sensitive issues and for their ongoing and enduring friendship.