I was asked to speak tonight about World Leadership and the Art of Diplomacy. It's quite a lot to cover in 20 minutes, even in such inspiring surroundings as this, with the shelves around us offering so much learning.

The topic immediately brought to mind an exchange from the second of the Cairo trilogy of novels, *Palace of Desire*, by Nobel Prize-winning author Naguib Mahfouz. In the midst of an idyllic weekend, in a gazebo in the middle of a beautiful garden on the estate of a wealthy turn of the century Egyptian Industrialist, the son of the Egyptian industrialist, Hussain Shedad in contemplating a diplomatic career, muses:

"The foreign service no doubt has extraordinary advantages. For the most part it's a ceremonial career. It would accommodate my desire to avoid the servitude of work. It's a form of tourism and provides free time. It would allow me to have my desired spiritual life dedicated to the pursuit of beauty."

Let me stress that the purported “advantages” perceived by Mahfouz’ character are not those I enjoyed in my diplomatic career – well, not entirely!

Tonight I’d like to address my remarks to our young ambassadors who will head off to Japan as part of the APEC youth delegation – and try to pass on some of the things I have learned as my career has curiously skirted both aspects of this topic. I am hopeful that my experiences may give them something to think about on their own journey.

So, I’m not going to speak about what it takes to be a global leader, but rather the qualities of leadership as I have observed them in the three areas of my own career – as a diplomat in uncertain times and in various locations during significant world change, as a person with leadership responsibilities in the business world and more recently in my work with APEC and the G20, working alongside world leaders on global policy issues.

Because in my experience, this journey is as much about you, your own attitudes and your leadership qualities, as it is about the world.

I was actually very surprised by the findings of some research conducted by The Lowy Institute for International Policy earlier this year on Australians’ attitude to the world. Speaking about this not so long ago, the institute’s executive director, Michael Wesley, sought to explain some of the findings, which showed that different age groups have different attitudes to how we relate to Australia’s role in the Asian region.

I would have expected that “young people” as defined would be more positively driven to revel in Australia’s integration with Asia and that they would be less driven by what Wesley described as “civilisational” values. Not so, apparently. The research found that our attitudes to the question of our relationship with Asia are formed by the era in which we achieve political maturity (civilizational values). For example, the early decades of the 20th century when we considered ourselves to be fundamentally British, post war when we lent American, during the new nationalism of the 70s when
we started to discover Asia, or the anxiety of the 80s and 90s as Australians absorbed the perceived threat of emerging Asian dominance in the Asia-Pacific and the fear of becoming irrelevant.

If I speak directly to our ambassadors, Wesley says your group – the 18-29 year olds - is surprisingly ambivalent towards the prospect of Australia as part of Asia. You are a group that came of age between 1995 and 2006 during the Howard era. I query the relevance of this finding. Perhaps the very “ambivalence” Wesley speaks of reveals your comfort in the notion of internationalism and a sense that it is no longer necessary to choose to define oneself in these ways as pro Asia or whatever. For you the question itself is irrelevant as you live in a borderless and open world. You represent a group of people passionately interested in the world, social and economic policy and what needs to be done to influence it. More importantly, you are about to take steps to do something about that.

Clearly over the last 10 years the idea of Asia and its importance has changed. The ascension of Asia as a global economic engine is undisputed and it’s making the Australian imperative very clear. Embrace our role in the region or the irrelevance so feared in the closing decades of last century will become very real.

What’s more, today Asia is understood as more than the Asia-Pacific. Indo-Pacific trade now dwarfs Asian-Pacific trade and we find ourselves enlarging our thinking yet again, as both India and China loom as world giants in place of Britain and Europe and possibly even emerging to challenge the United States pre-eminence in the region. A long way from our grandparents’ day.

This, of course, makes our work with APEC all the more important and the need to ensure APEC remains relevant. APEC was established by Prime Minister Hawke in 1989 with the aim of promoting freer trade and co-operation between nations on major economic issues through consensus and voluntary objectives (rather than prescriptive and binding international rules like the WTO). Today it comprises 21 of the world’s major economies around the Pacific Ocean. Economies not countries - otherwise China would not sit down at the table with Taiwan (or Chinese Taipei) or Hong Kong.

The issues we deal with at APEC are more relevant today than ever.

In fact as we march together towards Yokohama APEC the talk is of the new Bogor declaration, a new ambition for the region: a commitment to a fully integrated regional economy!

You may have read or heard some of the interviews with World Bank chief James Wolfensohn, who’s been touring Australia this week to promote his book. He quotes some revealing statistics. He claims that ten years ago 80 per cent of the world’s GDP resided in the US, Japan and Europe. And that by 2050, as much as 65 percent of global GDP could reside in Asia, largely China and India.

Not surprising then, that Wesley says we are on the brink of a second identity crisis. It took us generations to stop thinking we were British and then to realise we weren’t America but were in fact Asian. Now, once again, we are challenged to broaden the parameters.

And that exciting challenge is what you face as part of the APEC Australian Youth Delegation in Japan. You will be among 60 young people from 21 countries learning about international affairs, having the chance to interview world leaders and be part of an exciting world event.

This is an experience to challenge not just the intellect, but our traditional attitudes, life and your world view. Unlike Mahfouz’ character, this is one of the things I found most rewarding about my diplomatic life – the widening of my horizons and the urgent need to stretch my capabilities to adapt to new, strange and sometimes confronting experiences.

I didn’t start my working life as a lawyer. I followed a dual Arts Hon/Law degree from the University of Melbourne with the Foreign Service Training Course run by the then Department of Foreign Affairs. I
did a crash course in Russian in Australia and London, before heading off to my first posting in Moscow as third secretary, with roles as diverse as political and human rights, cultural attaché, science counsellor (and briefly agricultural attaché) and private secretary to the ambassador.

Moscow was a small embassy with more titles than people, but it was in the centre of one of history’s great dramas – the beginning of the collapse of the USSR. I arrive with the death of Chernenko and left the country in the death throes of communism.

My last Foreign Affairs posting was in Iraq on the eve of the first Gulf Crisis.

It was the dying days prior to the ultimatum in ’91 after Saddam Hussein had invaded Kuwait. There were also a number of Australians who were held hostage in Baghdad and I was seconded from Corrs and sent to Iraq as Charge d’Affaires to work to liberate our hostages, close the Australian mission in Baghdad and get us all out of there!

There was also an ultimatum hanging over our head that unless Saddam Hussein withdrew troops from Kuwait by a certain date then operation Desert Storm would be launched.

It was an incredibly stressful time for a lot of people.

I was one of the last Australians out of Bagdad, having worked with my team to secure exit arrangements for all the Australian hostages and seen them safely out of the country.

We then closed down communications, destroyed classified material and drove the Ambassador’s car out of Iraq. The bombing then started, concluding this chapter of my life – and though it was the end of my diplomatic career internationally, it was just the start of another career – as an articled clerk at Corrs.

My years as a diplomat taught me some of life’s best lessons. After the initial excitement and shock of a foreign country, you quickly learn you must adapt to survive and prosper. Being in a foreign environment can confuse and disorientate you. It did me. But in the volatility you can learn and awaken. It helped teach me that if you want to prosper, five key skills stand out:

First, the ability to motivate and reinvent yourself. In Australia, many of us live a charmed and golden existence a bit like our friends in the gazebo in Cairo. But outside the “gilded cage” you need to have the motivation and strength to operate sometimes in some of the most brutal and physical environments imaginable. You have to be able to re-invent and re-align yourself with your new challenges and environment.

Second, throw your whole self into the culture and experience of anything you take on. Be genuine about your passion - you cannot fake it. Many things can get lost in translation, but what doesn’t is your enthusiasm and respect for others. We can always find time to do things but why bother unless you bring new energy and commitment to the table and you do it with others.

Third, find a good mentor. Relationships can cross any boundary and it is important that you have a tough and strong mentor to help keep you sane and grounded. We all need to be challenged and sometimes we need someone to say “... slow down, you are breaking too many eggs!!”

Fourth, be resilient, open and adaptable. The absolute speed with which change is confronting us in all its geo-political, economic and business dimensions means that your capacity to embrace change and uncertainty is really important.

And finally, be dedicated to life-long learning and improvement. Education gives you the opportunity to continue to grow, lays the framework for your future and helps you build different futures to those which many may expect of you. It gives you options which are really important, particularly at different
times of your life. And, of course, reinvention often results in innovation. The ability to innovate and to nurture innovation is a key to driving a competitive future.

Professor Greg Berns of Emory University in his new book “Iconoclast: A Neuroscientist Reveals How to Think Differently” says that if you are in the same environment with the same people every day, you’re unlikely to be having radical ideas.

“The easiest way to create new ideas and remix old ones is to put yourself in situations you have never been in before. Travel seems to be very effective…. Coming into contact with people and cultures that are very different forces you to think in ways that are different.”

Most new ideas come from outside your place of comfort – outside that gazebo.

You’ll find that the two things most valued in business are the ability to develop relationships of quality – the connectedness - and the multiplicity of experiences that help hone “judgement”. The experience you are about to have at APEC fosters both.

You are about to be pushed out of your comfort zone, just as Australia is being pushed out of hers.

Another staggering statistic related by James Wolfensohn this week: Right now there are 350,000 Indian graduate students studying in the US and another 350,000 from China. But there are only 13,000 US graduate students studying in China and 3,000 studying in India.

It’s up to the West to learn about the East, just as the East is learning about the West. In his thoughts about Australia’s place in the world, Michael Wesley puts forward the hypothesis that Australia is finding a new identity as the bridge between East and West.

You are part of that. I trust you will embrace it, enjoy it and use your experience not only to broaden your minds, but to help your country adapt to its new identity.

I started with a quote from Naguib Mafouz, so it is fitting that I end with one, too.

“You can tell whether a man is clever by his answers. You can tell whether a man is wise by his questions.”

So, I say to you, our travellers: Ask questions. Listen to others. Develop wisdom. And don’t forget to have fun along the way.