I’d like to thank Dr. Shokhin, who of course is no stranger to the G20 as Russia’s B20 Sherpa, for that very kind introduction. Alexander Nikolaevich has made a great contribution to the work of the G20, as of course he has to Russia’s economic development more generally, so thank you again. I’d also like to thank HSE for having me here today and especially Dr Marina Larionova and the International Organisations Research Institute that she so competently heads up. She’s become a good friend of the Embassy and myself personally during my nearly two years here, so thanks very much for having me.

Well ladies and gentlemen, it seems like only 5 minutes that ago I was sharing a stage with Lana Lukash, Sergei Storchak and others at RIA Novosti reviewing Russia’s excellent 2013 Presidency and discussing what our 2014 Presidency would have in store for the world. It’s an understatement to say we’re now in a different world from what we were inhabiting then, but sadly as the Australian Ambassador to this great country, that is indeed the case.

But the world keeps turning and while the ruble keeps falling, European economies struggle to definitively emerge from the doldrums and fresh concerns are expressed about China’s ability to continue to deliver on its remarkable growth figures of recent years, the G20 continues its work of trying to bring a big and diverse membership together in pursuit of the common goal of better living standards for the world’s citizens.

The Leaders’ Summit is now only 10 days away, and while a lot of you probably want to hear about the discussions our Prime Minister Abbott plans to have with President Putin – and finally get a proper explanation of what a ‘shirt-front’ actually is! – I’m going to leave that to the Q&A.

So what’s going to happen in Brisbane, our third largest city and source of much of our own recent growth, including in the natural resources and energy sectors? The key highlight will be the presentation, by each of the Leaders attending, of their country’s official G20 Growth Strategy. Earlier in the year in Sydney, members including Russia agreed a target to achieve 2% growth additional to existing IMF and World Bank estimates over the next five years, by way of domestic reform measures that would contribute not only to national growth but ‘spill-over’ and contribute to global economic growth. It’s estimated achieving this target will create millions of jobs and represent a gain of more than US$2 trillion for the world as a whole.

Collectively, these reforms are to be formally presented via the Growth Strategy documents. Which, of course, were anticipated by last year’s St Petersburg Action Plan. Already, we know that members have together included over 900 individual measures. In essence, we see this work as the logical extension of the role played by the G20 during the global financial crisis in 2008 and 2009. But forward-looking and to that extent more positive, rather than being focused on putting out fires created by past actions.

Sherpa Lukash and her team at the Presidential Administration, Deputy Minister Storchak and his supporting officials at the Finance Ministry, Deputy Central Bank Governor Ksenia Yudaeva and all the others throughout the Russian bureaucracy whose hands have touched Russia’s Growth Strategy in the course of its development deserve a lot of credit. When it’s made public, you will see an impressive document. One that reinforces reform aspirations that we all held for Russia’s economy until recently. I am thankful that it has survived some of the recent reactionary and self-defeating policy turns in Moscow. I am heartened that President Putin, as this country’s leader, will put his name to such reform plans.

But the proof will be in the pudding – that is, in implementation. Those of us who study and follow Russia for a living know of the domestic, structural reforms this country needs to advance to the next stage of its modernization, increase living standards and ensure the national budget’s long-term viability. President Putin himself admitted as much in his Constitution Day address last year.

With the gloomy prospects the Russian economy now faces – entirely self-inflicted - these reforms become more important than ever. In times of crisis comes opportunity. This is an experience we Australians know from the low-growth years of the late 1970s, which forced political courage from our leaders in the early 1980s. As a result, since the early 1990s, we’ve had 23 years of growth without recession.

We didn’t just wake up lucky one morning or suddenly discover China one day. We worked for our opportunities, and I’d now suggest Russia will need to do the same.

Investing in young people – and people full-stop – is particularly important for creating a work force with the right mix of skills, and with the education market now truly global, Russia should think big, beyond its national boundaries where needed.

As we all so well learnt from Chinese Premier Li Keqiang at the Open Innovations Forum that I attended last month, it’s investment in and empowerment of individuals and their ideas that really advances a nation’s productive ability.

There’s little future in ‘state-led’ innovation and economic dynamism. I think the Soviet Union showed us that – it will be important to remember those lessons.

That’s why Australia’s G20 focus has been on empowering the private sector and making the global economy more resilient to future shocks.

All of the above needs to be underpinned by macroeconomic stability and of course, Russia is very well served by Central Bank Chair Nabiullina and Finance Minister Siluanov. The Bank’s independence – persistence even, I would say – in planning for the full float of the rouble next year, in the face of some domestic opposition, as well as continuing a vital focus on transiting to an inflation targeting regime for monetary policy is no less than impressive.

The full float of our Australian dollar – now the 5th most traded currency pair on global markets – is another area where we can provide a model for Russia. Over the years, it’s moved around a lot – as low as 60 cents to the US dollar six years ago, and having reached parity a year ago. It’s now trading at a little under 90 cents to the US dollar. Businesses adapt, life goes on and it’s a much better outcome for the economy as a whole when a currency is allowed to find to its ‘natural’ value through the market.

Of course, Russia made a huge contribution to the G20’s focus on macroeconomic stability and the resilience of the global economy last year and it’s a legacy we’ve been more than happy to inherit and advance under our stewardship. The areas of global tax laws, transparency, banking resilience and related issues have seen what simply has to be described as a revolution over the last few years and a lot of it comes back to the leadership role played by the G20. Organizations like the G20 often find it hard to get credit during non-crisis periods, but it’s really led the way on this front and in Brisbane we expect to see further progress on a range of initiatives in this area.

And a shift to implementing many of the reforms already agreed in previous years, as well as ongoing monitoring to identify new risks to ensure that the world never again balances on the precipice of global financial and economic calamity like we collectively did a little more than six years ago. A strong anti-corruption agenda, of course, forms part of this work.

An emphasis on infrastructure as a driver of economic growth, increased global trade and creator of new, quality jobs has been another key part of our Presidency which Russia has enthusiastically and constructively been involved in, as a continuation of its priorities as President last year. The problem in the world is not a lack of funds – it’s a lack of ability for investors to be able to quickly and reliably compare projects in jurisdictions with which they aren’t familiar, and make investment decisions accordingly. There’s currently a US$1 trillion infrastructure deficit annually, so this is more than just a nice-to-have – it’s imperative for the future development of the world economy that we get this right.

Australia’s desire to create a Global Infrastructure Hub, in complementarity to existing World Bank activity in this area and as part of a broader Global Infrastructure Initiative, will be of direct benefit to Russia given its need for a ‘next-generation’ upgrade to national infrastructure. More so given the deteriorating real-term fiscal position the country finds itself in – the contribution of outside investors will be needed. It’s worth noting that in this regard, the G20 membership was strongly influenced by recommendations on infrastructure advanced by the B20.

The aim is to better standardize project appraisal and terms around the world – a shared approach and common language if you will – so as to better unlock these funds that are hungry for reliable investment returns; including by creating a global database of infrastructure projects in order to match potential investors with projects – a dating service for infrastructure, if you like. I’m sure the passage of Russia’s long-awaited PPP law through the Duma will also assist the country in helping to attract this investment.

Of course, a lot of Russia’s planned pipeline of infrastructure investment relates to its energy industry, particularly its remote fields in the Arctic, East Siberia and the Far East. The 21st century is likely to be the ‘energy century’ – as much as it’s often discussed as being the ‘Asian century’ – and it’s against this setting the Australian Presidency has sought to start a conversation on the structure of energy markets and the institutions involved with energy issues at a global level. Energy is also the best area, we think, to talk about climate change issues given these are ultimately about how the powering of our economies affects the state of the global environment.

Energy demand is expected to increase by over one-third in the next 20 years. A lot of this will occur in the Indo-Pacific region that is Australia’s natural home and that we are starting to witness greater Russian engagement in. And a lot of it will occur in the great emerging economies that have seen explosive rates of growth, creating a newly-formed wave of middle class consumers and entrepreneurs, with accompanying demands for energy use.

Our aim is for the G20 to work together to make energy markets more competitive, stable and transparent – key facets of an open, market-based system. We want smooth and productive working relations between developed and emerging economies (although we don’t see the world divided into two such camps, in the way it seems that President Putin does), and so international energy institutions have to evolve in this direction. The link with climate change discussions is obvious, too, given the dynamics we’ve witnessed in global negotiations on the topic in recent years.

This is another multi-year project, the success of which has to be judged accordingly, but we think it important enough that we’ve taken the initiative to start the conversation, and it will be up to Turkey, whoever follows it and indeed the G20 membership as a whole (including Australia), as regards what the final outcome will be. I should also foreshadow that it is likely energy efficiency will also form a part of all this – watch this space.

Russia, as a major energy exporter across a broad range of fuel types, delivery mechanisms and markets, has an opportunity to play a constructive role which contributes to global economic gains. Of course, this isn’t to somehow say that national interests have to be ignored or indeed that having such conversations at a G20 level somehow goes against national interests – if done correctly, both will be satisfied. The best forms of multilateralism suit local and global interests equally.

Speaking of multilateralism – trade. Obviously, this is another complex topic, with what everyone thought was an agreement achieved last year in Bali now in limbo, due to the membership’s collective inability to meet the implementation deadline for the Trade Facilitation Agreement. It’ll come as little surprise to anyone that Australia, as a country whose prosperity has largely been built on export and on connections to foreign markets, has sought to place emphasis on this theme during its Presidency.

We believe that open markets and an economically interdependent world is a fundamental public good. We believe that the more of these interdependent connections there are, the better – and we don’t believe in trade ‘blocs’ or dividing the world into ‘teams’, like in a school sports lesson.

Australia believes that trade drives growth and creates quality jobs. It makes businesses more efficient and innovative. G20 members are ensuring trade policies strengthen the global trading system and make it easier for business to trade in the real world – but we all have to do more: economists have forecast global trade volumes will now grow only at 3.1 per cent, down from 4.7 per cent predicted earlier in the year (and pre-GFC levels of annual 6 per cent growth). The ILO has said this dip from pre-crisis levels meant that in 2013, there were 62 million less jobs than would otherwise have been the case.

In the real world, products are generally no longer made in a single country: so called ‘global value chains’. No longer do economists look at the amount of goods traded between country A and country B and arrive at an overall picture of two partners’ trade relationship – increasingly, a product crosses national borders three, four, five, even six times before it reaches its final form. That is, the product is ‘made in the world’, rather than ‘made in Russia’ or ‘made in Australia’.

Incidentally, Russia has one of the lowest participation rates in global value chains amongst industrialised countries – this can be explained by Russia’s reliance on vast volumes of unrefined natural resources. But it says something about the vast potential for greater integration in the world economy – that still awaits Russia, the world’s newest ‘large’ member of the World Trade Organisation – should it choose that course.

Sadly, and to my great regret, we are hearing a near completely diametrically opposite message from the Kremlin and other senior economic decision-makers at present – import substitution is not only a doomed policy, economically (there’s not a single economy one can point to where it’s led to successful development) – but it’s fundamentally against the core principles of the WTO which Russia so only recently joined, to the great gladness of other G20 members.

The sort of rhetoric this is grabbing media headlines at present is more reminiscent of a bygone era than of the Russia which so successfully held its own G20 Presidency a mere matter of months ago.

The G20 represents roughly 85 percent of global GDP, 75 percent of world trade and two thirds of the world’s population. It’s the only forum that regularly brings together the leaders of the world’s major economies, and so it’s the grouping best placed to take strong action to address global economic challenges, only some of which I’ve been able to discuss in the time I’ve had available tonight.

It’s important that the G20 become an organisation focused on a multi-year work agenda, rather than devoted to fire-fighting or a particular year’s economic or financial fashion. Only that way can it properly fulfil the role for which it was rightly established – to introduce a greater stability and sense of common purpose and approach to continually growing the global economy, to the benefit of all citizens, whether from G20 countries or not.

Russia made big contributions in this direction last year, and so it’s been great to receive the baton, to use an athletics term, and keep running with it. We hope that Russian economic policy, particularly on important areas like trade, can revert to a productive normality, and that its external policy more generally takes account of the economic consequences of its pursuit of self-defined national objectives. Cooperation and comity will make the 21st century a better one for everyone. Russia can play a big part in this exciting journey ahead.

I’ll be happy to take your questions.