

**NEW VOICES CONFERENCE  
“INTERNATIONAL LEADERSHIP”**

**Friday, 25 May 2007**

**Address by Steven Lowy**

Welcome to the fourth annual New Voices Conference.

Setting up the New Voices series was one of our first actions as an Institute, and it is one of the most important events on our calendar. We value the series very highly because of the people who come – young, bright, dynamic future leaders of this country.

In four years, the Institute has come a long way. At the first New Voices conference in 2004 we were known to only a few, but three years later many of you had heard of us before you received your invitation.

This series helps us to bring fresh voices into the discussion about international issues in Australia, which is one of the Institute’s important aims.

Last year, the conference looked at the relationship between technology and international relations. In previous years we’ve looked at the changing nature of state sovereignty itself and some of the more practical aspects of globalisation.

In this complex, fast-moving environment, strong leadership can make an enormous difference to practical outcomes, and that is why Allan, Ivan and the organisers of today’s conference have chosen international leadership as the theme.

Looking at the agenda for today I can see you will be traversing a wide horizon of issues.

But I’d like to open the conference with a few words about just two organisations I know intimately that I think are very good examples of International Leadership. And, both are Australian – Westfield, and the Lowy Institute.

I think they both hold very good lessons, not the only lessons, but good ones, about how International Leadership can be exercised from Australia.

You might not be familiar with the history of how Westfield went from a small, Sydney-based firm nearly 50 years ago to become a global leader in our industry today.

It all began when my father identified a need, or at least a gap in the market here. The suburbs were growing, consumer demand for greater choice in shopping was growing, but the retail sector hadn't changed much in decades. Most shopping was still in the CBDs. The corner store or small shops simply couldn't offer the range of goods and services the public wanted.

Westfield started here, but almost from day one we drew lessons from the wider world, especially the US.

My father literally walked the floor of malls all over America. And he didn't just ask the manager how things worked. He asked the security guy a question, he asked the janitor something else. He soaked up all the information he could, knowing that this accumulated knowledge would become the lifeblood of his own business.

The example he set was followed by me and my brothers, and other executives. All of us learned the business from the ground up, walking the floor, collecting the rent, spending time on the construction site. Later, given the importance of capital markets and financial management to our business we spent time working for investment banks in New York and London.

It took 17 years from its founding before Westfield entered the US market. By that time, in 1977, the business here in Australia was already imbued with international experience. Experience that we would translate into global leadership.

The teams building and managing the Australian shopping centres were already "internationalists". They were applying the principals of "globalisation" two or three decades before that buzzword came into common usage.

Hiring the best and the brightest executives in the business was a priority from day one.

So was trying to see opportunities that others didn't see, or had dismissed as "undoable", at least for an Australian company.

Our people, together with a capacity to see what others couldn't or wouldn't see, has been a key ingredient in Westfield's success. It gave us, still gives us, a real competitive advantage.

As we grew in the US, and later in New Zealand and then the United Kingdom, we had a team of highly adaptable and knowledgeable executives who could readily transfer their skills to new markets.

These executives would form the nucleus around which we would build a local team, and in turn that local team would become imbued with the Westfield knowledge and culture.

This flexibility and capacity to mix and match our people around the world is more important than ever.

We operate daily in the global capital markets; we deal with incredibly complex governance regimes across multiple jurisdictions.

That's why our challenge today is not how to get access to capital, or find new growth opportunities.

Getting the right people is our biggest challenge. Retaining and recruiting executives who can actually deliver on the promise of growth.

You can see from what I'm saying that I regard people, and in particular Australian executives, as critical.

My first-hand experience over more than 20 years in a global business tells me Australian executives are uniquely placed to succeed internationally.

Without getting too deep about this, I think part of it must have something to do with the makeup of this country. Many of us are first or second generation migrants.

We're all proud Australians, but most of us are from somewhere else, at least emotionally or culturally.

We're not hung up about going out into the world and we're relaxed about learning lessons from other countries and other people.

If someone's got a better way of doing things, we'll take it on board. There is no arrogance about us in that sense. We're happy to learn. I think that's true about Westfield and it's true about Australians generally.

We hope that in a different sector, and in different ways, the Lowy Institute can mirror what Westfield's been able to achieve.

We started small with the Institute, but we had big ambitions.

After just four short years it's fair to say that this institute is the pre-eminent foreign policy think tank in Australia.

As with Westfield, we saw a need. There was a gap in the market. Just a few years ago there was no think tank in Australia doing what we're doing.

We saw an opportunity to offer a special angle of view on the world – as people from a European heritage and culture, but physically in the Asian region.

We don't confine ourselves to the region, but it's where we can offer a point of difference with US/European think tanks. We have a point of view that people want to hear about.

We assembled good people. The best. Our board and staff are world-class and any of them would be at home in any think tank in the world.

Just as with Westfield our ambition is to immerse our people in the world, and not wait for the world to come to us.

Having now built a solid foundation for the Institute, we hope to spread our wings a little over next year or so establish scholar exchanges with other think tanks and universities.

We want to take Lowy Institute people and ideas into the world.

I'd urge you today to think that "International Leadership" is something that we are more than capable of exercising from Australia. Leadership is not the exclusive domain of the US, or Europe, or China.

To exercise International Leadership we need to be continually looking to new people and new ideas to solve new problems.

That's the spirit that inspired us to begin the New Voices program and why we've invited you here today as the best and brightest in your fields.

Your agenda today is an ambitious one.

You'll be looking at how we can deal creatively with the enormous problems thrown up by different rates of economic and political development around the world; how important individuals can be in finding solutions and how we can best reform and adapt the institutions of the 20<sup>th</sup> century to provide structures for the 21<sup>st</sup>.

It can be easy to fall into the trap of discussing these big questions in the abstract.

Your challenge is to look at them practically, and to imagine a role for yourselves, and for Australia, in solving some of these problems.

I hope you enjoy the day and that the connections you make today will grow and strengthen into the future, and that you'll stay involved with the Institute.

I'm very pleased to now formally open the conference.