

Senate Standing Committee on Foreign Affairs, Defence and Trade
Inquiry into the Indian Ocean region and Australia's Foreign, Trade and Defence Policy
Questions on Notice to Austrade

Question 1

The Department of Resources, Energy and Tourism noted that for Tourism Australia to meet the aims in the 2020 Tourism Paper, a large amount of foreign investment would be needed.

- What role does Austrade have in encouraging foreign investment in Australian tourism?
- How does Tourism Australia work with Austrade in promoting opportunities for investment in Australian tourism and in assisting Australia companies to take advantage of opportunities in the IOR?

Answer

Austrade has signed a five year Partnership Agreement with the Department of Resources, Energy and Tourism (DRET) and Tourism Australia (TA). Under this agreement, Austrade uses its offshore investment network to identify potential foreign investors and encourage new foreign investment, particularly in short-term accommodation, leisure attractions and experiences.

Austrade also assists Australian businesses to identify trade and investment opportunities in the tourism sectors within Indian Ocean markets, including, for example, exports of premium food and consumer goods.

Question 2

In evidence at the hearing on 5 December, Mr Landers mentioned that a key way of assisting Australian business to take advantage of opportunities in Africa would be to amplify current initiatives such as the Australian Trade and Industry Alliance.

- Could you provide more information about the Australian Trade and Industry Alliance? Does Austrade organise meetings of the Alliance? How frequent are the meetings? What organisations are involved in the Alliance?
- Could you provide information on other similar initiatives? How many such initiatives are organised by Austrade? What initiatives are organised by other governments, including states?

Answer

Austrade maintains close working relationships with many membership-based business organisations, such the AI Group and the Australian Chamber of Commerce and Industry, and business chambers in Indian Ocean markets and regularly collaborates with these organisations to promote enhanced Australia business engagement in international markets, including those in the Indian Ocean region. This cooperation includes support for business missions, international market briefings, and raising awareness of international business opportunities.

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Question 3

Telstra's submission notes in relation to the IOR-ARC that business would support, and sponsor, the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) but only if the organisation and its work is given greater promotion. Telstra suggests that Australia's forthcoming Chairing of the IOR-ARC, from 2013 to 2015, provides an opportunity to develop strategies together with the Australian business community and other sectors such as arts and education, to make the best of the forum provided by IOR-ARC. The Australian Coal Association also suggests that Australia work to encourage regional cooperation through organisations such as IOR-ARC.

- What is your view of Telstra's suggestion that the purpose and opportunities of IOR-ARC need to be more widely promoted with the Australian business community?
- Could the IOR-ARC be a forum for engaging Australian business in regards to Australia's trade, business and investment aims?

Answer

Since it was established in 1997, the Indian Ocean Rim Association for Region Cooperation (IOR-ARC) provides an opportunity for governments and business to enhance trade and investment links between member economies, as well as develop measures to reduce barriers to trade.

Australia will become Chair of IOR-ARC later this year and will host a range of IOR-ARC meetings, including the meeting of the Council of Ministers' (COM) meeting - which will be held in November 2013. Australia's Chairing of IOR-ARC provides an opportunity to promote stronger business, trade and investment links and to raise awareness of IOR-ARC among the broader Australian community.

Question 4

When asked if Australia has a plan in place for what we would like to achieve during our chairship of IOR-ARC, including how we might exploit the opportunities this will present and how we can develop closer links with countries around the rim, Mr Landers advised that he was not aware of a specific plan. He advised that DFAT was taking the lead on development of a plan and Austrade had attended some initial meetings.

- What input has Austrade had to DFAT's development of a plan?
- What trade specific priorities does Austrade have for Australia's time as chair of IOR-ARC?

Answer

Austrade has had discussions with the Department of Foreign Affairs and Trade (DFAT) on possible business and trade focussed initiatives during the period that Australia is Chair of IOR-ARC - including the IOR-ARC Business Forum and other events – and has indicated it can provide support for such initiatives.

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Question 5

In evidence at the hearing on 2 October, Professor Rumley referred to the structure of IOR-ARC, when it was set up—the academic group, the tourism group and the business group. In his assessment, the only group that has actually taken off a little bit has been the business group. The main reason for that is that it is driven very hard out of India. The Indian business community has a very strong view of India's role in the Indian Ocean.

- Would you like to comment on Professor Rumley's observation about the business group in IOR-ARC?
- In your view is it being driven by Indian business community?
- To what extent is the Australian business community engaged in IOR-ARC? Could you provide examples you are aware of where Australian businesses or Austrade have had input into the work of the IOR-ARC Business Group?

Answer

India is the current Chair of IOR-ARC and has taken an active role in the establishment and development of IOR-ARC. The Australian Chamber of Commerce and Industry (ACCI) has sent representatives to participate in IOR-ARC Business Forums. It has also expressed interest in using IOR-ARC to build greater business-to-business connections among member countries.

Question 6

In evidence at the hearing on 2 October, a representative of the WA Government noted that... West Perth is considered a 'little Africa'. She then noted that through those people-to-people contacts that you have you can deliver back into those countries. Our migrant population is an undervalued contributor to trade factors, not just in this discussion about the Indian Ocean rim countries ... That is my first port of call. You need to look at the industry networks that are associated with those countries and engage with them. They are very important, very valuable and underestimated.

- Would you agree that Australia's migrant population is an undervalued contributor to trade development?
- Could you talk about the extent to which the Australian government and particularly Austrade work with migrant communities within Australia and business links within the communities to develop.

Answer

Immigrant communities have historically played an important role in growing Australia's international trade and business links, including with countries in the Indian Ocean region.

Businesses owned and operated by migrants are often at the forefront of international commercial engagement. Australian businesses actively recruit members of migrant communities to expand their international business capabilities; including knowledge of international markets, business practises, and language skills. Australia's highly-skilled, multicultural workforce is one of the many factors that make Australia an attractive destination for international investors.

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Austrade does not have a direct role in fostering start-up businesses or local entrepreneurship at the grassroots level. This role is undertaken by other agencies at the federal, state and territory, and local government levels. Austrade does, however, work cooperatively with these agencies.

Question 7

In evidence at the 5 December hearing, Mr Landers mentioned the Senior Officials Trade and Investment Group (SOTIG).

- Could you provide more information about the SOTIG? How frequently does SOTIG meet? What issues are discussed at the SOTIG meetings? Does discussion from SOTIG feedback into Austrade and DFAT?
- Mr Landers noted that SOTIG had been going for 6 months. How did Austrade interact with the states and territories prior to SOTIG? Why was SOTIG implemented? What has SOTIG achieved in the 6 months it has been active?

Answer

The Senior Officials Trade and Investment Group (SOTIG) aims to improve coordination between federal, state and territory government agencies working to support the growth of Australia's international trade and investment.

Austrade chairs SOTIG and provides the group's secretariat. Membership of the group includes senior officials from all states and territories. Austrade consults with DFAT on issues relevant to DFAT as required.

SOTIG discusses the full spectrum of trade promotion and investment attraction activities. This includes overseas networks, marketing, communication and how to work in partnership to realise trade and investment opportunities. It is also a forum for sharing insights about industry capabilities and market conditions.

The inaugural meeting of SOTIG was held on 12 April 2012 and meets face-to-face every six months and via videoconference when required.

Prior to the establishment of SOTIG, Austrade's primary interaction with states and territories (aside from their bilateral relationships) on investment and trade promotion was through the National Investment Advisory Board and National Trade Development Working Group. SOTIG now provides a mechanism to further strengthen coordination and collaboration between these working groups.

Since its first meeting, SOTIG has:

- Endorsed the four Commonwealth Government foreign investment priorities and agreed to three multi-state investment priorities,
- worked collaboratively to match trade opportunities with business capabilities,
- agreed for Austrade to employ state or territory specialist business development managers at its posts, and;
- initiated a project to identify priority areas for governments to collaborate on branding.

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Question 8

In evidence at the 5 December hearing, Mr Landers mentioned the CEO forum launched in India.

- Could you provide more information about this forum? Who is it organised by? How does Australia participate? Does Austrade encourage industry to participate? How does Austrade help to make industry aware of opportunities to engage in forums like this one?

Answer

The Australia-India Chief Executive Officers' (CEO) Forum is a business-led initiative that is supported by the Australian and Indian Governments. The Forum provides a mechanism for senior business people to engage directly with both governments.

The CEO Forum is co-chaired by Mr Lindsay Fox and Mr Naveen Jindal and has senior executive membership from Australia and India, across a range of sectors.

The second meeting of the Australia-India CEO Forum took place in New Delhi on 16 October 2012. This meeting produced a report on practical ways to enhance trade and investment cooperation, including specific proposals in the transport sector, on skills development and resource investment.

The Department of Foreign Affairs and Trade provides the secretariat for the Forum with support from Austrade. The Forum has announced the appointment of two Investment Champions, one each from Austrade and Invest India, to help prospective investors navigate the foreign investment systems in each country.

Question 9

In answer to a question from Senator Bishop, Mr Landers advised that a country approaching Australia for assistance, for example with exploitation of minerals, would have several avenues for assistance, but would not have a "one-stop shop" for advice and assistance.

- Is Austrade working with AusAID and DFAT to develop a simplified means of delivering assistance to countries or companies which are seeking help?
- Does Austrade work with DFAT's foundations and councils to find opportunities for Australia to share expertise, for example on strengthening regulation? Could you provide a few concrete examples?
- Does Austrade work with the state and territory governments on providing assistance to other countries, for example with WA on assistance to Africa?

Answer

Austrade works closely with AusAID and DFAT and state and territory governments in introducing both foreign governments and private sector entities to Australian businesses and educational institutions that can provide appropriate capabilities.

Through events such as Mining Indaba in South Africa and Africa Down Under in Perth, Austrade has helped to showcase Australian capabilities, in particular in area of sustainable mining practices. At Africa Down Under in 2012, Austrade launched a directory of Australian education and training providers in the mining sector. Austrade has also supported the Department of Resources, Energy and Tourism to distribute information on sustainable

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mining practices in international market as well as to present sustainable mining workshops overseas.

Austrade participates in a range of DFAT councils such as supporting the work and initiatives of the Council on Australian-Arab Relations.