

Number	Question
1	<p>Mr Pierce advised the committee in relation to the report by the Australian-India Institute:</p> <p><i>'You would have examined as well the statement made by the former Parliamentary Secretary for Foreign Affairs, Mr Marles, on Wednesday, 20 March, when he jointly launched the report by the Australia-India Institute on security, stability and sustainability in the Indian Ocean. I commend that report in itself to you. Of course, the report does not represent government policy, and I do not imply that it does in any way represent government policy.'</i>¹</p> <p>The report makes conclusions about the evolving security environment in the Indian Ocean Region. How do these conclusions effect consideration of the use of IOR-ARC as a forum to further relations with other countries of growing influence in the region, namely India and Indonesia?²</p> <p><i>DFAT response:</i></p> <p><i>The report does not represent government policy and is intended as a contribution to debate. We welcome debate about the future directions of Australian policy in the Indian Ocean region.</i></p> <p><i>Like other reports, analysis and judgments contained in the report may be drawn on in regional and bilateral discussions on Indian Ocean regional security.</i></p> <p><i>The report discusses soft security issues, including counter-piracy, disaster risk mitigation, humanitarian assistance, and fisheries surveillance. In November 2011, IOR-ARC member countries agreed to priority areas for IOR-ARC cooperation which included: maritime security and safety; fisheries management; disaster risk management and trade and investment facilitation; and science cooperation.</i></p> <p><i>Australia's approach to Indian Ocean issues is incremental but purposeful. We are trying not to over-reach, particularly in regional organisations, including IOR-ARC, but we are also taking care not to set our sights – or our ambitions – too low in furthering work in the priority areas.</i></p> <p><i>We plan to build on the foundations laid during India's term in the chair, and to continue the work which India has done to renovate and to rejuvenate IOR-ARC, focusing on IOR-ARC priority areas of cooperation.</i></p> <p><i>In November, Australia plans to host the next IOR-ARC Council of Ministers' meeting, where Australia will become Chair. At this meeting, Australia, India and Indonesia will also take on the role of IOR-ARC troika, of past, current and future chairs, and will use this mechanism to further the Organisation's work.</i></p>

¹ Committee Hansard, 22 March 2013, pp. 1-2.

² Comments by Mr Pierce raise this issue of partnership through IOR-ARC, Committee Hansard 22 March 2013, p. 6.

2	<p>Mr Namdarian noted:</p> <p><i>'...we hosted the trade officials trade policy workshop meeting in May last year. Further to that, we worked with customs in India on organising in Mumbai a customs trade facilitation workshop. We do not want to repeat that workshop, but we want to build on what was done at that workshop to finetune our engagement in practical areas of capacity development in the trade facilitation space. These are practical examples of where we are going. We want to build habits of cooperation to bring the regional experts and officials together on these DIO themes in this its priority areas.'</i>³</p> <p>Could you provide a practical example of how workshops are used to further capacity development? When planning workshops to be conducted through IOR-ARC, what are the long-term objectives for engagement with IOR-ARC membership countries? How does Australia plan to encourage capacity development without 'reinventing the workshop'⁴ once chair of IOR-ARC?</p> <p><i>DFAT response:</i></p> <p><i>One example includes the IOR-ARC Meeting of ocean forecasting officials to build capacity to progress, validate and apply Indian Ocean Forecasting Systems, which is scheduled for 27-31 May in Perth. The overarching goal of the workshop is the international coordination and sharing of resources to support national and international objectives in Indian Ocean data collection, analysis and its application for management and governance. More specifically, the workshop aims to initiate international multi-year capacity building activity in ocean modelling and associated forecasting.</i></p> <p><i>Workshops and meetings of IOR-ARC experts and thematic officials in key areas of cooperation will be used to enhance cooperation, collaboration and coordination among IOR-ARC member countries. Workshops and meetings – apart from training programs – generally focus on an outcome statement or a set of objectives and will be used to further cooperation or capacity development, as outlined in the example above.</i></p>
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³ Committee Hansard, 22 March 2013, p. 2.

⁴ Committee Hansard, 22 March 2013, p. 3.

3	<p>Mr Namdarian advised the committee that there will be an economic and business conference planned to be held in Mauritius in July which will involve commerce and trade ministers and IOR-ARC business chambers.⁵</p> <p>Could you provide details regarding the IOR-ARC business chambers, membership of these groups and number of Australian businesses represented?</p> <p>Does DFAT liaise with other federal government departments in regards to a conference such as this? Which departments does DFAT liaise with? What level are the meetings conducted at?</p> <p><i>DFAT response:</i></p> <p><i>The first IOR-ARC Economic & Business Conference (EBC) will be co-hosted by India, Chair of the IOR-ARC and Mauritius, on 4-5 July 2013 in Mauritius.</i></p> <p><i>We are considering Australian participation at this event. Various contact points from bilateral business groups represented in Australia, including the Australian Chamber of Commerce and Industries (ACCI), the Australia Industry Group (AIG) and the Business Council of Australia (BCA), have been notified of the event and have been asked to consider their engagement.</i></p> <p><i>IOR-ARC matters are raised with relevant areas within relevant Departments as they arise – and through an interdepartmental committee (IDC) process that has been established to discuss Indian Ocean (including IOR-ARC) initiatives. Apart from DFAT, these have included: the Australian Maritime Safety Agency; Australian Agency for International Development; Australian Trade Commission; Commonwealth Scientific and Industrial Research Organisation; Australian Customs and Border Protection; Department of Agriculture, Fisheries and Forestry; Department of Defence, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education; Department of Resources, Energy and Tourism; Department of Sustainability, Environment, Water, Population and Communities; among others. These meetings are at Deputy Director and Director level.</i></p>
4	<p>Mr Pierce described the changes in membership to IOR-ARC - Comoros joined as a member and the US joined as a dialogue partner in 2012.⁶</p> <p>How will Australia, in its role as chair of IOR-ARC, encourage more countries in the Indian Ocean Region to join the association?</p> <p><i>DFAT response:</i></p> <p>Australia is open to further Indian Ocean rim countries joining IOR-ARC. Seychelles re-joined in 2011 and Comoros joined in 2012. As Chair, we will remain open to IOR-ARC becoming more fully representative and inclusive of the Indian Ocean rim.</p>

⁵ Committee Hansard, 22 March 2013, p. 2.

⁶ Committee Hansard, 22 March 2013, p. 3.

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Mr Pierce advised the committee:

*'The proposal to have a major business-to-business conference in Mauritius in the middle of the year is one example of that. Logically, we should be doing business-to-business work, but where best to focus? One area where we have wanted to focus is to see if there is any opportunity to extend into the Indian Ocean area the APEC Business Travel Card.'*⁷

The committee has received several submissions in relation to business-to-business connections in the Indian Ocean Region. In particular, submissions from Telstra and ACCI argue for a greater role for IOR-ARC as a forum for business collaboration. Has DFAT had discussions with Australia business about this issue? Which businesses/business groups? Are discussions held regularly? What form do discussions take?

Has DFAT worked with other federal government departments to conduct a consultation about how Australian business views IOR-ARC and what the best business-to-business area would be for Australia to focus on developing during its time as chair of IOR-ARC? Which other departments?

Has DFAT conducted consultation with business in regards to extension of the APEC Business Travel Card into the Indian Ocean area? How was the consultation conducted? Which departments/business groups were involved?

DFAT response:

IOR-ARC matters are raised with relevant areas within relevant Departments as they arise – and through an interdepartmental committee (IDC) process that has been established to discuss Indian Ocean (including IOR-ARC) initiatives.

The Australian Chamber of Commerce and Industries (ACCI), the Australia Industry Group (AIG) and the Business Council of Australia (BCA) were contacted in 2011 to seek their engagement in IOR-ARC affairs. ACCI, having been engaged in the past, decided to attend through a representative the IOR-ARC Business Forums in both 2011 and 2012. DFAT welcomed and appreciated this engagement. We continue to liaise with ACCI closely on IOR-ARC initiatives. In 2013, DFAT attended an internal ACCI international trade committee meeting to discuss IOR-ARC, and ACCI also spoke at an IOR-ARC IDC meeting about business priorities and views. This IDC also included Austrade. We work closely with ACCI on an ongoing basis to determine ACCI's views and positions in IOR-ARC.

Currently, preliminary discussions have taken place among IOR-ARC trade officials about a feasibility study on whether or not a Business Travel Card is a viable option for IOR-ARC member countries. Any future studies would require business consultation.

⁷ Committee Hansard, 22 March 2013, p. 3.

6	<p>Mr Namdarian advised the committee:</p> <p><i>'...we do host IDCs, interdepartmental committees, at DFAT, bringing together a range of other departments and agencies to talk our upcoming chair and our Indian Ocean work program. Through this, we talk about our efforts in the priority areas, which include maritime security, search and rescue, disaster risk reduction and the efforts that agencies can make working together to enhance this area of our engagement.'</i>⁸</p> <p>What other departments are included in these interdepartmental committees?</p> <p><i>DFAT response:</i></p> <p><i>IOR-ARC interdepartmental committees (IDC) have included Australian Departments and Agencies working in IOR-ARC priority areas of cooperation. Apart from DFAT, these have included: the Australian Maritime Safety Agency; Australian Agency for International Development; Australian Trade Commission; Commonwealth Scientific and Industrial Research Organisation; Australian Customs and Border Protection; Department of Agriculture, Fisheries and Forestry; Department of Defence, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education; Department of Resources, Energy and Tourism; Department of Sustainability, Environment, Water, Population and Communities; among others.</i></p>
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⁸ Committee Hansard, 22 March 2013, p. 5.

7	<p>In relation to ACCI, Mr Pierce noted that in ACCI's submission to the committee, ACCI suggested that:</p> <p><i>'...the committee consider a preferential trade agreement in the region. That is not on the government's agenda. That proposal also comes up regularly in IOR-ARC. There is a constituency of members who would actively support the ACCI proposal. The government does not.'</i>⁹</p> <p>DFAT works closely with ACCI on business interaction with the IOR-ARC. Has DFAT conducted any consultations with ACCI and Australian business about the idea of a preferential trade agreement in the Indian Ocean Region? How were the consultations conducted? Are consultations ongoing in the lead up to Australia becoming chair of IOR-ARC?</p> <p>Has any exploratory policy development work been conducted in relation to this idea, given the idea's popularity with ACCI and the other IOR-ARC members? What are the issues which have been considered?</p> <p><i>DFAT response:</i></p> <p><i>An IOR-ARC Preferential Trade Agreement (PTA) is currently not an Australian policy objective in IOR-ARC. We note that ACCI has provided its views to DFAT stating that it supports such a proposal.</i></p> <p><i>Australia's position is that an IOR-ARC PTA is not the most appropriate way to proceed with trade liberalisation within IOR-ARC. The heterogeneity of the membership of IOR-ARC is a challenge in this regard. Australia already has or is negotiating our own functional equivalent of preferential trading arrangements (that is, free trade agreements or existing Least Developed Countries preferential treatment) with around two-thirds of IOR-ARC countries (www.dfat.gov.au). Australia already provides preferential treatment (i.e. no duties or quotas) for all exports from Least Developed Countries (LDCs) which includes IOR-ARC countries such as Bangladesh, Comoros, Madagascar, Mozambique, Tanzania and Yemen.</i></p> <p><i>Australia values the importance of ongoing trade facilitation among IOR-ARC countries and has organised programs in 2012 to further this objective. It continues to be an Australian priority area of cooperation in IOR-ARC.</i></p>
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⁹ Committee Hansard, 22 March 2013, p. 5.

8	<p>In relation to the July IOR-ARC business conference, Mr Namdarian advised the committee that DFAT will</p> <p><i>'... work closely with ACCI to organise our Australian delegation to this meeting, for instance, and ACCI has its networks of business chambers in each state. Further to that, DFAT will also engage the bilateral business chambers to see if there is also interest there in attending this meeting in Mauritius. It is basically through the business chambers that we are seeking industry and business participation, working closely with the chambers, because they would know the best way to handle business and industry participation.'</i>¹⁰</p> <p>Which bilateral business chambers do DFAT believe are likely to have an interest in participating in the conference?</p> <p>Does DFAT work with industry groups like the Australian Industry Group on encouraging industry participation in an event like the IOR-ARC business conference? Which groups? How is consultation conducted so as to include state-based industry and state government trade and investment departments?</p> <p><i>DFAT response:</i></p> <p><i>Regarding the IOR-ARC Economic and Business Conference, apart from ACCI, AIG and BCA, DFAT approached contact points in bilateral business chambers with interests in IOR-ARC member countries. This included groups such as the Australia India Business Council and the Australia Arab Chamber of Commerce and Industry. So far ACCI, with its network of state and territory based business chambers, has indicated its interest in the Conference.</i></p>
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¹⁰ Committee Hansard, 22 March 2013, pp. 5-6.

9	<p>Mr Pierce described to the committee the two key jobs in Mauritius in relation to IOR-ARC.¹¹</p> <p>How will Australia work to encourage other business chambers to work with IOR-ARC and therefore 'broaden the base of active interest'¹²?</p> <p>What does Australia believe to be the sectors that are 'most interesting, most useful and productive'¹³ to focus on for the IOR-ARC agenda?</p> <p><i>DFAT response:</i></p> <p>The IOR-ARC Economic and Business Conference (EBC) planned for 4-5 July in Mauritius will be a forum for both IOR-ARC Commerce/Trade Ministers and delegations, and also for IOR-ARC Business Chamber (and Industry) representatives. We hope that the Conference will allow for greater exchanges among these IOR-ARC business chambers and hence broaden and develop the existing level of cooperation and collaboration in IOR-ARC.</p> <p>The IOR-ARC EBC agenda needs to cover areas that Australian businesses would have an interest in – and where IOR-ARC could also play a niche supportive role. DFAT has liaised with ACCI to confirm that both 'mining and resource/energy development' and 'infrastructure' be added to the Conference agenda.</p>
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¹¹ Committee Hansard, 22 March 2013, p. 6.

¹² Committee Hansard, 22 March 2013, p. 6.

¹³ Committee Hansard, 22 March 2013, p. 6.