

House of Representatives, Monday 6 April 1998

COMMITTEES: Foreign Affairs, Defence and Trade Committee: Report

Mr TAYLOR (Groom)(12.38 p.m.) —On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee's report entitled *Australia and ASEAN: Managing change*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr TAYLOR —This report of the Joint Committee on Foreign Affairs, Defence and Trade—*Australia and ASEAN: Managing Change*—is its first in this area since 1984. I thank Margaret Swieringa, who is in the chamber today, for her work in its preparation.

As all members are aware, a profound change has occurred in the region. The optimism of the early part of this inquiry that ASEAN economies would continuously grow and prosper has been tempered by the currency crisis which began in Thailand in July last year and has since affected, in varying degrees, all of East Asia. The crisis has brought expectations of growth back to more standard levels, has highlighted the complexities of achieving sustainable development and has emphasised the importance of institutional development and good governance in that process. It has thrown down a challenge to ASEAN—its slow consensual style, its decisiveness and its cohesion.

The crisis also has altered the strategic outlook for the region, with the strategic uncertainty inherent in the reorientation of great power politics at the end of the Cold War exacerbated by the possible threat to internal political stability in some states. The decline in economic circumstances is likely to worsen the broader security threats of transborder crime, illegal movements of peoples, the outflow of refugees, disputes over environmental degradation and competition for resources. Many of these are issues of concern already on the agenda of the ASEAN regional forum, whose importance is recognised and supported by the committee. The inquiry took a considerable body of evidence in the early part of 1997 which stressed the opportunities in the region for Australian trade. Australia's natural, geographically based connection to the 'fastest growing region in the world' appeared to ensure the expansion of Australian export trade. The report deals in some detail with an analysis of the bilateral and sectoral trade relationship between Australia and the region, including regional trade liberalisation under both AFTA and APEC.

The committee does not underestimate the seriousness of the current problems or the challenges they pose. These are not simple or painless matters for countries to resolve. The committee was able to take some evidence on the possible causes of the problems and on the response of the IMF and regional governments. The committee endorses the Australian government's readiness to participate in the IMF packages offered to the Republic of Korea, Thailand and Indonesia. However, with such rapidly developing circumstances over recent weeks, our analysis is simply a snapshot. The seminar held in Parliament House on 19 March and the seminar report will elaborate on our preliminary findings, particularly in respect of Indonesia.

The report remains optimistic about long-term trends. It concludes:

Despite the recent economic difficulties in the region, which are likely to result in depressed demand for Australian exports in key ASEAN markets, the prospects for continued growth in two way trade in the long run remain solid.

However, in other spheres of our relationship with the region, some concerns were expressed. Many witnesses stressed the importance of paying more attention to the social, cultural and political relationships between Australia and regional countries. Areas of weakness were perceived in bilateral tensions over political style or the differences in values, particularly

human rights, declining cultural representation or the paucity of expenditure on regional cultural activity.

Strongly criticised was the withdrawal of our most natural communication with the region through the closure of Radio Australia. The committee strongly urges a reconsideration of the decision to close the Cox Peninsula transmitters.

The committee believes that Asian studies and student exchanges, both of Asian students coming to Australia and of Australians studying in Asia, should be enhanced and improved, and that literary, artistic and cultural exchanges with the region be increased. To this end, the committee endorses the new international cultural council and hopes that it will be adequately funded.

In its 30th anniversary year, which ASEAN began as a self-confident, independent and forceful regional voice, the economic crisis has provided a challenge to the association's ability to retain its cohesion and to act decisively in the interest of the whole region. This report lays down some of these challenges. I commend the report to the House.

Mr BARRY JONES (Lalor)(12.43 p.m.) —I am pleased to have the opportunity to support the report on *Australia and ASEAN* prepared by the Joint Standing Committee on Foreign Affairs, Defence and Trade. This was the particular responsibility of the Foreign Affairs Subcommittee, chaired by the honourable member for Groom (Mr Taylor).

The period between 1967 and 1997 was very much a success story for ASEAN. Its growth figures were extraordinarily high and it was not uncommon for some ASEAN countries to have figures of between six and eight per cent GDP growth annually. But since October 1997, not as a direct result of the holding of our inquiry but certainly as our inquiry developed, there was a tremendous change in what we were hearing from witnesses. After October 1997 things in ASEAN seemed to change rather dramatically. As we said in our conclusions, 'two ASEANS emerged in the course of this inquiry: one, at the beginning, prosperous, confident and exhibiting uninterrupted growth; the other, after October 1997, uncertain, demoralised, suffering sharp decline in economic indicators and intently seeking an understanding of the cause of the crisis and the nature of the solution'.

The Asian crisis that emerged at that time changed completely many of the assessments the committee had received in submissions and evidence to that date. I thank heaven that we did not produce the report about a year ago—it would not have had a very long shelf life. No doubt the committee would have shared in the ringing prophecies about what would happen as ASEAN went from strength to strength.

The report will make valuable reading—perhaps disconcerting in some embassies in the region. We drew attention to matters of considerable concern. For example, paragraph 13 of our conclusions states:

The crisis in the economies of the region demonstrates that corruption is a serious political and economic problem. Its cause rests in the political systems where there is little transparency, accountability and scrutiny; the lack of a free press, a viable opposition and an independent judiciary. These fundamental civil and political rights are the means by which corruption, while not eliminated, is kept at bay. There is commonly expressed, in Australia and in the region, the view that the political and economic systems can be compartmentalised, that human rights and trade are not connected, and that a country can adopt western economics and reject broader democratic accountability: this appears, in the light of current events, to be a fallacy. The experiences of the past months in Asia have had antecedents in capitalist economies on a number of occasions. Both this experience and the clamour for reform in Thailand, Indonesia and the Republic of Korea illustrate that, while the problems of greed and the abuse of power are not uniquely Asian problems, they are universal; the solutions of fairness and equity are not Western, they are universally understood to be valuable.

One subject in the report was the race debate affecting Australia's image in the region. We pointed to the irony that, at a time when the honourable member for Oxley (Ms Hanson) was receiving extensive media coverage in South-East Asia for her misinformation, the government chose this time as a budget economy, part of its campaign against the ABC, to pull back from its responsibilities to provide Radio Australia and Australia Television services for the region. I echo the remarks of the honourable member for Groom when he pointed to our recommendation that the government restore the Cox Peninsula transmitters to full operation for the use of Radio Australia.

If Australia is to engage in the region, and especially with ASEAN, we cannot give conflicting signals and say we are interested in ASEAN while at the same time we are pulling back as if we were not interested in informing the people of the region about the quality of life, the system of government that we have and the things about Australia that we are very proud of. If there is one consequence to come out of this which is aimed at the Australian government in particular, it is that it recognise its responsibility to restore and, indeed, enhance the way it communicates information to South-East Asia through both television and radio.

Mr SPEAKER —Does the member for Groom wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr TAYLOR (Groom) —I move:

That the House take note of the report.

Mr Speaker, may I say to the House that this is an important report at a critical time, and I hope that those who control the agenda in this House, and indeed in the Main Committee, will give it some priority. I think it engenders a lot of comment from a lot of members in this place. I seek leave to continue my remarks later.

Leave granted.

Mr SPEAKER —In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.