



THE SENATE

14 June 2013

STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

MEDIA RELEASE

Inquiry into the importance of the Indian Ocean rim for Australia's foreign, defence and trade policy

Today, the Chair of the Senate Foreign Affairs, Defence and Trade References Committee, Senator Alan Eggleston, tabled a report on the importance of the Indian Ocean rim for Australia's foreign, defence and trade policy.

Summary of the committee's findings and main recommendations

The committee's report highlights the diversity of the countries of the Indian Ocean rim. This diversity is a significant challenge for the development of policy, both from an Australian and a regional perspective.

Despite the challenges posed by the diversity of the Indian Ocean rim countries, the committee sees significant benefit in Australia working at a strategic policy level to promote the concept of an Indian Ocean rim region. The committee feels that promoting the conceptualisation of the Indian Ocean as a distinct region will assist with the development of Australian policy and allow Australia to better coordinate efforts and connections already being made with sub-regional and issue specific groups.

Much of the interaction between Australia and other countries in the Indian Ocean rim occurs through specific activities—research, development assistance, trade, mining, fisheries or military. However, at a higher level, there is no clear strategic policy providing a clear direction for Australian engagement with the region. The committee suspects that this lack of broader policy is due to the fact that Australia as a nation only recognises the significance of the Indian Ocean rim intermittently.

Australia's approach to trade in the Indian Ocean rim is largely bilateral; defence and strategic relations are based on single issue groupings; and aid to the region is predominately provided under the auspices of the United Nations. Evidence gathered in relation to the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) demonstrates clearly that diversity in the region—both economic and political—has created inertia in the region's main organisation. The committee also identified the many opportunities available to Australia to capitalize on its already highly successful mining industry, including in the services sectors accompanying mining activity.

The committee heard from people in the North West region, particularly during its visit to the Pilbara, about concerns that Defence, and more broadly the Australian Government, was not paying sufficient attention to the security issues surrounding the resource sector and its critical infrastructure. The committee is encouraged that the

Defence White Paper 2013 contains more focus on the Indian Ocean as a strategically important region and looks to implement recommendations of the Defence Force Posture Review in relation to the security of the North West.

In the committee's view, the rise of Asia over the coming decades and the growth and development of the nations of the Indian Ocean rim will profoundly influence Australia's future. Australia needs to do more to engage with the Indian Ocean rim and in this context promote the nation's interests—security, economic and research.

Australia's upcoming role as chair of IOR-ARC will provide a valuable opportunity to focus domestic and international attention on the Indian Ocean rim. The Australian Government should maximise the potential benefits of this occasion to:

- invest in developing Australian understanding and awareness of the Indian Ocean rim;
- strengthen our security, trade, research and cultural links with our Indian Ocean rim neighbours; and
- establish and support institutional structures and mechanisms to support the common interests of Australian and Indian Ocean rim countries.

The committee hopes that its report will encourage public and government dialogue concerning the Indian Ocean rim so that Australia can be in a position to capitalise on the opportunities in the region.

Main recommendations go towards:

- Raising the profile of IOR-ARC within Australia—making connections in the Indian Ocean rim. This includes promoting IOR-ARC within the Australia business sector and making a roundtable of country institutes and councils.
- Actions for Australia during its time as chair of IOR-ARC.
- Australia's North West – focusing attention on the security presence and community engagement in this area.
- Encouraging links between state, territory and federal government and business in order to make better policy approaches for the Indian Ocean rim region. This includes a recommendation to establish a Council of Australian Governments Select Council to facilitate consultation and cooperation on trade and investment initiatives for the Indian Ocean rim.

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