

## Executive Summary

The committee's report has highlighted the diversity of the countries of the Indian Ocean rim and the multiple ways in which these states can be categorised. This diversity and the lack of a single agreed definition of the 'Indian Ocean rim' has created a significant challenge for the development of policy, both from an Australian and a regional perspective. 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 Australian Government departments and agencies that provided evidence to the inquiry, on the whole, approach the Indian Ocean rim countries separately or through single issue sub-regional groups. In its submission, the Department of Foreign Affairs and Trade stated that the diversity of the countries included in the Indian Ocean rim poses challenges—notable in the discussion of multilateral trade cooperation in the region. It noted:

The nations of the Indian Ocean Rim, home to 2.3 billion people, are a...vast array of cultural, political, religious and economic diversity...Some nations are modern, developed states while many are still in the process of development.

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, as Drs Bateman, Bergin and Trood argued, 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.

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. Representatives from the Department of State Development, Western Australian Government, expressed some frustration with regard to inquiries and reports conducted into infrastructure security in the North West of the state. They noted that while the Western Australian Government had provided

much input about security and infrastructure issues, it had received no response to its concerns.<sup>1</sup>

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.

With the aim of encouraging public and government dialogue concerning the Indian Ocean rim, and placing Australia in a position to capitalise on the opportunities in the region, the committee has made the following recommendations.

## **Recommendations**

### **Raising the profile of Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) within Australia—making connections in the Indian Ocean rim**

#### *Recommendation 1*

#### *Chapter 5*

The committee recommends that:

- the Australia Government lead by example and ensure that its representation at IOR-ARC Council of Ministers' Meetings is always at ministerial level;
- the Australian Government commit additional resources to the IOR-ARC Secretariat and encourage other member states to be more generous in the resources they make available;
- the Australian Government promote the profile of IOR-ARC by making reference to the activities of the organisation whenever appropriate;
- the Prime Minister of Australia open the 2013 IOR-ARC Council of Ministers' Meeting in Perth;

---

1 Mr Nunis, Department of State Development, WA Government, *Committee Hansard*, 2 October 2012, p. 27.

- the Australian Government advocate that the heads of government of the Indian Ocean rim countries hold periodic meetings to discuss matters affecting IOR-ARC; and
- the Australian Government should encourage countries with observer status at IOR-ARC to send high-ranking representatives to the meeting.

*Recommendation 5*

*Chapter 9*

The committee recommends that the Australian Government consider establishing an Institute for Indian Ocean Research in a Western Australian University.

*Recommendation 6*

*Chapter 9*

The committee recommends that the Department of Foreign Affairs and Trade work with other agencies to make an audit of research projects which already have country to country links. Further, the committee recommends that the Department of Foreign Affairs and Trade engage with Australian universities and the research community to find ways in which to link Australian institutions to Indian Ocean rim institutions.

*Recommendation 11*

*Chapter 11*

The committee recommends that the Department of Foreign Affairs and Trade work with other departments, including the Department of Resources, Energy and Tourism and the Department of Agriculture, Fisheries and Forestry, to prioritise progress on effective and consistent port state control measures in the Indian Ocean rim as part of Australia's plan for its upcoming chair of IOR-ARC.

*Recommendation 15*

*Chapter 13*

The committee notes the role played by the foundations, institutes and councils in promoting business-to-business and people-to-people links with countries in the Indian Ocean rim. The committee recommends that the Department of Foreign Affairs and Trade coordinate a roundtable of Indian Ocean rim country foundations, institutes and councils. The roundtable should focus on:

- ways to increase Australian community and business awareness of IOR-ARC and its activities; and
- any other relevant matters.

**Actions for Australia during its time as chair of IOR-ARC**

*Recommendation 2*

*Chapter 5*

The committee recommends that the Australian Government as chair of IOR-ARC:

- encourage IOR-ARC to strengthen its links with the business community in the Indian Ocean by considering establishing an Eminent Persons Group made up of leading business people throughout the region;
- use its influence to involve Trade Ministers as mainstream participants in IOR-ARC meetings;
- ensure that the contribution of the smaller countries to the work of IOR-ARC, such as Mauritius which houses the Secretariat, is given prominence; and
- pursue the notion mentioned in previous meetings of establishing 'nodes of excellence' (later recommendations expand on this recommendation).

*Recommendation 3*

*Chapter 5*

The committee recommends that, respecting IOR-ARC's charter and the views of other member countries, the Australia Government work with member states to look at broadening the membership to include other key Indian Ocean countries, such as Pakistan and Saudi Arabia.

*Recommendation 4*

*Chapter 7*

The committee recommends that the Australian Government:

- increase its support for the smaller developing countries in the Indian Ocean rim to assist them develop the capacity to monitor, control and regulate fishing activities in their waters;
- provide greater assistance and increase efforts to help the smaller developing countries represent their interests in international fora such as the Indian Ocean Tuna Commission; and
- through the IOR-ARC Troika—India, Australia and Indonesia—encourage the larger and more developed countries to collaborate and collectively spearhead active engagement in promoting the health of marine life in the Ocean; to assist the smaller developing countries to protect their fish stocks from over exploitation; and to grow their fishing industry in a sustainable way.

*Recommendation 12*

*Chapter 12*

The committee recommends that ministers attending the Council of Ministers' Meeting in Perth or their representative be invited to visit the Pilbara as part of a delegation to see the work being done at Dampier Port and Port Hedland to improve the ports' productivity.

## **Australia's North West – security presence and community engagement**

### *Recommendation 7*

*Chapter 10*

The committee recommends that the Australian Federal Police consider greater community engagement in the North West region to increase the understanding of its role and reassure the community that the security of the region is a priority.

### *Recommendation 8*

*Chapter 10*

The committee recommends that Defence make it an urgent priority to focus on the defence of the North West. The committee encourages Defence to increase its cooperation with industry in order to find creative solutions to the challenges which currently prevent larger exercises and affect reserve recruitment.

### *Recommendation 9*

*Chapter 10*

The committee recommends that Defence examine the possibility of making the 2014 planned Defence exercise in the North West a larger, more visible exercise in the region—as a means of providing reassurance to industry and actively engaging the community. In particular, the committee encourages the Royal Australian Navy to examine ways in which it can increase visibility in the area and raise community and business awareness of its activities in the North West of Australia.

### *Recommendation 10*

*Chapter 10*

The committee recommends that in its work on the government response to the Office of Inspector of Transport Security Report, the Department of Infrastructure and Transport consider including strategies for community engagement. The committee strongly believes that local government and relevant state agencies have a role to play in educating community and industry about the role of various security agencies and can help to provide reassurance to the community that security of the North West is a priority for government.

## **Encouraging links between state, territory and federal government and business in order to make better policy approaches for the Indian Ocean rim region**

### *Recommendation 13*

*Chapter 12*

The committee recommends that the Department of Foreign Affairs and Trade work with other federal government departments, as well as state and territory governments, on strengthening government consultation with groups such as the Australia-Africa Mining Industry Group, the Australian Coal Association, and the Australia-Africa Business Council. The committee notes that while Africa Down Under has been successful in generating discussion, more concrete measures are needed to ensure that

the input of groups working with industry and African countries is captured in policy making.

*Recommendation 14*

*Chapter 13*

The committee recommends that the Department of Foreign Affairs and Trade establish a formal and regular consultation panel in relation to IOR-ARC for Australian businesses and industry, with a broad representation from all sectors. This consultation panel should focus initially on:

- increasing Australian business and industry awareness of IOR-ARC and its activities; and
- incorporating input from business and industry into Australia's planning for taking on chair of IOR-ARC.

In due time, the focus of the panel can be extended to broader discussion of issues in the Indian Ocean rim.

*Recommendation 16*

*Chapter 13*

The committee notes that currently there is no foundation, institute or council which covers the countries of Africa. The committee recommends that the Department of Foreign Affairs and Trade work with existing business and community groups to establish an appropriate organisation to enhance awareness and understanding between the peoples and institutions of Australia and the African countries.

*Recommendation 17*

*Chapter 13*

The committee sees significant benefit in improved coordination between the state and federal governments on the promotion of Australian business and trade in the Indian Ocean rim. The committee recommends that the Australian government create a Council of Australian Governments Select Council to facilitate consultation and cooperation on trade and investment initiatives for the Indian Ocean rim.

The Indian Ocean Rim Council of Australian Governments Select Council would continue for the duration of Australia's role as chair of IOR-ARC, with the potential to be made a Standing Council.

The committee believes that the Select Council would ensure that coordination of efforts promoting Australia business in this growing region is a priority for both state and federal government.