



Australian Government

Australian Government response to the
Senate Foreign Affairs, Defence and Trade References Committee
report:

Opportunities for advancing Australia's strategic interests through existing regional architecture

October 2024

Introduction

The Australian Government welcomes the opportunity to respond to the Senate Foreign Affairs, Defence and Trade References Committee report, *Opportunities for advancing Australia's strategic interests through existing regional architecture*, released in October 2021.

The Australian Government's response to the committee's recommendations is provided below.

Response to recommendations

Recommendation 1

Recognising the centrality of ASEAN in existing regional architecture, the committee recommends that the Australian Government continue to remain fully engaged with ASEAN and ASEAN-led multilateral institutions as well as deepen cooperation with member states individually.

The Government **agrees with** the recommendation.

Consistent with long-standing policy, the Government remains fully engaged with the ASEAN-led regional architecture. The Government actively pursues opportunities to deepen our partnership with ASEAN and its Member States.

At the 3rd Annual ASEAN-Australia Summit on 8 September 2023, the Prime Minister stated, "Australia and Southeast Asia are deeply connected through our economies; our shared interest in a region that is stable, peaceful and prosperous; and our deep people-to-people connections. It is critical that we work with ASEAN to address shared challenges like climate change and food security, to shape the future and our region." At the National Press Club Address on 17 April 2023, the Foreign Minister stated that the "Government has made engagement with ASEAN and its members a core priority."

At the 2nd Annual ASEAN-Australia Summit on 12 November 2022, the Prime Minister and ASEAN Leaders adopted a Joint Statement on Cooperation on the ASEAN Outlook on the Indo-Pacific, reaffirming Australia's support for ASEAN's own vision for the region. The Prime Minister and ASEAN Leaders also highlighted progress in implementing the historic ASEAN-Australia Comprehensive Strategic Partnership (CSP), one year after its agreement.

The Prime Minister hosted a Special Summit to Commemorate the 50th Anniversary of ASEAN-Australia Dialogue Relations from 4-6 March 2024. Under the theme 'A Partnership for the Future', the Special Summit sought to realise our shared ambition of new, deeper and more diversified engagement under the ASEAN-Australia CSP.

The Special Summit Leaders' Vision Statement and Melbourne Declaration reflect the intent for the next 50 years of our partnership – safeguarding our region's security and stability;

ensuring a prosperous future; promoting sustainability; and deepening people-to-people links.

As part of the Special Summit, the Australian Government announced a package of over \$500 million for new and expanded initiatives across a range of themes, including business, socio-cultural, climate and clean energy and maritime cooperation. These initiatives included:

- The establishment of a \$2 billion financing facility, to catalyse Australian private sector investment in one of the world's fastest growing regions.
- A dedicated ASEAN-Australia Centre to serve as a focal point for driving greater Southeast Asia literacy within Australia and promoting greater investment, collaboration and cooperation.
- Seventy five new Aus4ASEAN Scholarships and 55 Fellowships to support the region's emerging leaders to study in areas that reinforce the ASEAN Outlook on the Indo-Pacific.
- Regional hub locations for investment Deal Teams in Singapore, Jakarta and Ho Chi Minh City to help identify pipelines for investment opportunities across Southeast Asia.
- The appointment of 10 senior, private sector Business Champions to facilitate greater commercial links between Australia and Southeast Asia.
- New regional technology Landing Pads in Jakarta and Ho Chi Minh City, bringing together startups, research institutions, and tech players to drive digital transformation.
- Improved visa access for Southeast Asia, including extending the validity of the Business Visitor visa and introducing the Frequent Traveller stream to strengthen mobility pathways and boost people-to-people links.
- The establishment of Australia-Southeast Asia Business Exchanges to give Australian exporters greater exposure to the region.
- An additional \$140 million through the Partnerships for Infrastructure program to support infrastructure development and attract diverse, quality infrastructure finance.
- An additional \$222.5 million to the Mekong-Australia Partnership to help partner countries in the Mekong subregion (Cambodia, Laos, Myanmar, Thailand, Vietnam) address shared challenges including water security and climate action.
- A \$6.9 million Energy Cooperation Package under the Aus4ASEAN Futures Initiative to support the ASEAN Centre for Energy and the establishment of the ASEAN Centre for Climate Change.
- A \$10 million Climate and Clean Energy Window as part of the Southeast Asia Government-to-Government program announced in 2023 to facilitate knowledge sharing and capacity building in addressing climate change.
- \$64 million for Australia's Southeast Asia Maritime Partnerships Initiative to enhance Australia's practical support for maritime capacity-building, peace and stability in the region.

Several initiatives fulfil recommendations made in *Invested: Australia's Southeast Asia Economic Strategy to 2040*, launched by the Prime Minister in 2023 and aimed at deepening Australia's economic engagement with the region and ensuring our shared prosperity.

Australia supports Timor-Leste to join ASEAN and announced English-language training for Timor-Leste to support its path to full ASEAN membership and more effective engagement in ASEAN activities. This complements previously committed funds.

The Government's international development policy is central to our commitment to deepening Australia's engagement with Southeast Asia, where the Government has increased total Official Development Assistance (ODA) to \$1.24 billion in 2023-24. Under the policy, we will work with partners across the region on pressing priorities such as climate change and the clean energy transition, gender equality, health, rapid digitalisation, knowledge and skills development, and infrastructure. We remain committed to working with ASEAN to advance the ASEAN Outlook on the Indo-Pacific, in support of ASEAN centrality and underpinned by our CSP. The Southeast Asia Regional Development Partnership Plan (DPP), expected to be released in April 2024, outlines how Australia will work with the region in the delivery of development assistance. Enhanced regional resilience, including stronger and more effective regional architecture, will be a central objective of the DPP.

Alongside the new international development policy, the Government has launched a Development Finance Review, which considered new forms of development finance, and has established Australian Development Investments, providing up to \$250 million as a catalyst for private impact investment in the Indo-Pacific. Australia actively engages in ASEAN-led forums at all levels. At the Leader level, Australia participates in the Annual ASEAN-Australia Summit and the East Asia Summit (EAS) – the region's premier leader-led forum for discussion of strategic issues. At the Ministerial level Australia participates in the EAS Foreign, Economic, Education, Energy and Environment Ministers' Meetings; ASEAN Regional Forum (ARF); ASEAN Post Ministerial Conference with Australia; ASEAN Economic Ministers – Closer Economic Relations; ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus); and ASEAN-Australia Informal Defence Ministers' Meeting. Australia also participates in Senior Officials' Meetings that contribute to the Leader and Ministerial level meetings.

Australia regularly sponsors EAS Leaders' Statements. Details can be found on the DFAT website at <https://www.dfat.gov.au/international-relations/regional-architecture/eas/east-asia-summit-eas>. Australia co-hosts workshops with ASEAN and regional partners in areas of practical cooperation. In the EAS, this includes workshops on mental health; combating maritime pollution; maritime security; and regional cyber capacity building. In the ARF, Australia co-chaired the 5th Workshop on Implementing the UN Convention on the Law of the Sea (UNCLOS) and plans to co-chair a further ARF workshop on law of the sea in 2023-24.

In 2024-25, Australia will work with ARF partners to develop new initiatives, particularly on nuclear non-proliferation and disarmament, and cyber security, among others. The Department of Defence participates in all seven of the ADMM-Plus Experts' Working Groups and is currently co-chairing the group on military medicine with Brunei Darussalam until 2024. Officials also participate in the ARF Security Policy Conference and ARF Defence Officials' Dialogue to bolster regional cooperation on core defence policy issues and support broader ARF efforts in areas such as transnational crime and disaster relief.

Australia has continued to support ASEAN's strategic economic and connectivity agendas, including by ratifying and implementing the Regional Comprehensive Economic Partnership

(RCEP) agreement, the world's largest free trade agreement by members' GDP; and upgrading the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA).

The Government supports Track 1.5 and Track 2 initiatives to deepen our relationships with ASEAN. The Government supports Australia's participation in the Council for Security Cooperation in the Asia Pacific (CSCAP), including through funding assistance, to supplement government engagement in the ARF. The Government is providing funding for the ASEAN-Australia Defence Postgraduate Scholarships Program, and the ASEAN-Australia Military Fellowship in Maritime Security, to support the next generation of leaders in ASEAN.

The Government is committed to deepening engagement with ASEAN members individually, including through strengthening our ongoing bilateral development partnerships and accelerating bilateral economic engagements to drive the economic recovery. In the sidelines of the ASEAN-Australia Special Summit, Australia upgraded its bilateral relationship with Vietnam to a Comprehensive Strategic Partnership and signed a Comprehensive Partnership with Laos. We also maintain high-level bilateral cooperation with ASEAN members, including: advancing an Enhanced Economic Engagement Strategy with Vietnam; implementing a \$40 million 'Katalis' program under the Indonesia-Australia Comprehensive Economic Partnership Agreement and complementary Blueprint for Trade and Investment with Indonesia; and advancing a Digital Economy Agreement and a Green Economy Agreement with Singapore. These programs provide opportunities to develop new supply chains, such as for battery electric mobility.

We are also implementing the \$200 million Climate and Infrastructure Partnership. This includes \$50 million to unlock private climate finance; \$50 million to de-risk private infrastructure projects, and \$100 million to support Indonesia's sustainable finance and just energy transition agenda. The Government will also launch a pilot Vietnamese language skills and competency program.

The Government established an Office of Southeast Asia in the Department of Foreign Affairs and Trade in 2022 to ensure whole-of-government coordination of Australian efforts in the region.

Recommendation 2

The committee recommends that the Australian Government continue its proactive engagement with the Quad in order to promote an open, inclusive and resilient Indo-Pacific region and work to address the region's most pressing challenges.

The Government **agrees with** the recommendation.

Participation in the Quad is a key pillar of the Government's foreign policy agenda. The Prime Minister's first act after being sworn in was to represent Australia at the third Quad Leaders' Summit in Tokyo on 24 May 2022, accompanied by the Minister for Foreign Affairs.

The Quad is a diplomatic partnership with a positive and practical agenda to respond to the region's most pressing challenges. We are implementing initiatives that increase maritime domain awareness, improve health outcomes, strengthen telecommunications infrastructure, improve undersea cable connectivity, accelerate the region's clean energy transition, counter disinformation and terrorism, strengthen climate early warning systems, and coordinate humanitarian assistance and disaster relief.

At the 2023 Quad Leaders' Summit hosted by Australia in Hiroshima on 20 May 2023, leaders reaffirmed their shared commitment to an open, stable and prosperous Indo-Pacific. Under Australia's leadership, leaders released – for the first time – a Vision Statement setting out our countries' commitment to make a positive and enduring contribution to the Indo-Pacific Quad. They also issued a Joint Statement, which highlighted their agreement to deepen cooperation on the Quad's positive and practical agenda in the region and affirmed the importance of Quad countries navigating a time of uncertainty and opportunity in the Indo-Pacific together.

- The new initiatives responded to regional priorities, and offer regional countries choices: A Statement of Principles on Clean Energy Supply Chains in the Indo-Pacific, implemented through a Clean Energy Supply Chains Diversification Program, supported by a \$50million contribution from the Australian Government, that will accelerate access to affordable, reliable and secure clean energy in the Indo-Pacific;
- a Quad Health Security Partnership – building on the successful Quad Vaccines Partnership – that will boost capability in the Indo-Pacific to respond to future disease outbreaks and other health emergencies;
- a Quad Partnership for Cable Connectivity and Resilience to help Indo-Pacific countries access resilient infrastructure that connects them to the world – in a way that is fit for purpose and meets their needs;
- a Quad Infrastructure Fellowships Program that will support the Indo-Pacific's next generation of engineers, consultants and government officials to deliver high-quality, sustainable, climate-resilient infrastructure; and
- an Open Radio Access Network (Open RAN) deployment in Palau – the first of its kind in the Pacific – that will help improve digital connectivity and access to advanced telecommunications technology.

These initiatives build on extensive cooperation driven by Quad Foreign Ministers. In 2023, Quad Foreign Ministers met twice – in New York and in New Delhi. Quad Foreign Ministers exchange views on regional strategic challenges and lead a program of practical cooperation

on core regional priorities, including maritime security, countering disinformation, counter-terrorism and humanitarian and disaster relief.

We work closely with Quad partners to ensure Quad efforts complement our deep bilateral engagement in the Indo-Pacific and our engagement through regional institutions. The four Quad countries are all long standing ASEAN Dialogue Partners and steadfast supporters of ASEAN Centrality, the ASEAN-led regional architecture and the ASEAN Outlook on the Indo-Pacific. We respect the leadership of the Pacific Islands Forum and align the Quad's work with Pacific priorities, including the 2050 Strategy for the Blue Pacific Continent. We welcome the work of the Indian Ocean Rim Association as the Indian Ocean region's premier forum for addressing the Indian Ocean region's challenges.

Recommendation 3

The committee recommends that the Australian Government continue to explore opportunities to deepen its bilateral relationship with India as well as through multilateral mechanisms, including the Quad.

The Government **agrees with** the recommendation.

India is a top-tier partner in the Indo-Pacific and Australia's bilateral relationship with India has never been stronger. Australia and India upgraded this relationship in 2020 to a CSP, which has deepened cooperation across our defence, maritime, science, cyber, critical technology and critical minerals interests.

There has been a high tempo of Ministerial engagement since 2022. This includes visits to Australia by several Indian Ministers, including four visits by India's External Affairs Minister Dr S. Jaishankar between February 2022 and May 2023. Prime Minister Modi visited Australia in May 2023 for a program of bilateral engagements. Australia's Prime Minister and Minister for Foreign Affairs will each visit India twice in 2023, alongside more than ten Australian ministerial visits in 2023 in support of India's G20 presidency, and to advance trade and investment, renewable energy and technology, and defence and security cooperation outcomes.

The Australia-India Economic Cooperation and Trade Agreement (ECTA), which entered into force in December 2022, further strengthens our relationship while making Australian exports to India cheaper and creating new opportunities for workers and businesses. Over 85 per cent of Australian goods exports by value to India are now tariff free, rising to 90 per cent by 1 January 2026, and high tariffs have been reduced on some additional agricultural products. India and Australia are now progressing an ambitious Comprehensive Economic Cooperation Agreement (CECA) to realise the full potential of the bilateral economic relationship. We are deepening our economic links in strategic sectors – including technology, space, critical minerals, clean energy, infrastructure and more.

In March 2023, Prime Minister Albanese and Prime Minister Modi agreed to work towards an elevated Renewable Energy Partnership including initiatives focusing on solar and hydrogen that will be informed by the work of the India-Australia Solar Taskforce and the India-Australia Green Hydrogen Taskforce.

Australia and India share a significant defence and security partnership, a core pillar of our CSP, and are increasingly cooperating in a range of defence related areas in support of our shared objectives in the Indo-Pacific. We are enhancing our cooperation on maritime issues, including through Maritime Patrol Aircraft (P-8) deployments. India deployed a P8I to Darwin in April 2022 and April 2023, Australia deployed a P8A to Goa and Tamil Nadu (INS Rajali), India, in June 2023. These deployments demonstrate India and Australia's commitment to enhancing our shared maritime domain awareness and military interoperability.

In August 2023, Australia hosted navies from India, Japan and the United States for Exercise MALABAR. Immediately following this, Australia hosted India for a bilateral naval exercise, AUSINDEX – an important opportunity to deepen the complexity of cooperation between

our forces. India also sent participants to observe Exercise TALISMAN SABRE. Australia and India have also maintained a high tempo of Defence senior leadership engagement in 2023. Most recently (May 2023) Deputy Prime Minister, Richard Marles, met India's National Security Advisor, Ajit Doval, to discuss strengthening defence and security cooperation.

Our cooperation with India is increasingly important to protect our shared interests in the multilateral system, underpinned by rules, norms, standards and institutions. India is stepping up its coordination efforts with Australia, including in multilateral standard-setting bodies. Through the Quad, Australia and India have committed to strengthening the US and international system – including through a comprehensive reform agenda – with the overall objective of making the UN Security Council more effective, representative, and credible. In 2022, the Minister for Foreign Affairs endorsed India's campaign for a permanent seat on the United Nations Security Council as part of a broader effort to increase geographical representation of the Council. India and Australia have also confirmed support for each other's candidacies for non-permanent seats on the UNSC – India for the term 2028-2029 and Australia for the term 2029-2030.

Australia is also partnering with India in minilateral fora to pursue our shared interests in the Indo-Pacific. Trilateral cooperation through the Australia-India-France and Australia-India-Indonesia groupings, reflect our shared regional interests, and leverages our respective capabilities, particularly in the Indian Ocean.

India assumed the G20 presidency for 2023 following the end of Indonesia's term on 30 November 2022. Australia strongly supports India's G20 presidency and welcomes India's ambitious, action-oriented G20 agenda, under the theme "One Earth, One Family, One Future", as well as its overarching focus on sustainable development.

Australia also works closely with India in regional forums. In the Indian Ocean Rim Association (IORA), we supported India's leadership to finalise the IORA Outlook on the Indo-Pacific, and worked together to strengthen IORA's leadership in priority areas, including maritime safety and security, fisheries management, disaster risk management and women's economic empowerment.

Recommendation 4

The committee recommends that the Australian Government continue to support its regional partners in areas of health security and health support, particularly in this challenging time as the world works through the COVID-19 pandemic. In doing so, Australia should utilise key regional mechanisms such as ASEAN, the Pacific Islands Forum, and the Quad to provide health assistance and support vaccine supply to its regional partners in Southeast Asia and the Pacific Islands. Australia should also emphasise in regional forums that assistance with vaccines should be provided without conditions.

The Government **agrees with** the recommendation.

Australia shared over 51 million COVID-19 vaccine doses with countries in Southeast Asia and the Pacific, making us among the top donors in these regions. Australia is also helping to bolster the ability of countries in the Pacific and Southeast Asia to prevent, detect and respond to future disease threats.

The Government is committed to transparency in our work and our vaccines are provided with no strings attached.

Australia allocated a total of \$838 million for regional and global vaccine access. This includes:

- \$523 million through the Regional Vaccine Access and Health Security Initiative, including a \$21 million investment in the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHEED);
- \$100 million for the Quad Vaccine Partnership; and
- \$215 million to the COVAX Advance Market Commitment to support equitable global access to safe and effective COVID-19 vaccines.

In 2021 and 2022, the Quad stepped up to help meet the region's pressing need for COVID-19 vaccines. Quad partners delivered more than 400 million doses to Indo-Pacific countries and almost 800 million doses globally. In addition, Quad countries have provided USD 5.6 billion to the COVAX Advance Market Commitment for vaccine supply. The Quad has also funded vaccine manufacturing and provided extensive 'last mile' delivery support to national vaccination programs. This support delivered tangible and substantive benefits to our region.

At the Quad Leaders' Summit in May 2023, leaders announced an evolution from the Quad Vaccine Partnership to a Quad Health Security Partnership. This supports a broader focus on regional health security and resilience, including pandemic preparedness and response. Australia will provide \$15 million towards an expansion in training offerings to Southeast Asian public health specialists to support quick and effective deployments to infectious disease outbreaks.

Australia will continue to be a strong advocate for global vaccine equity in relevant forums and will work with partners to coordinate support targeted at the needs of the Indo-Pacific region. In addition to providing the vaccines, Australia is providing comprehensive support to partner countries, strengthening local health systems to deliver vaccines safely and to those who need them most.

Australian Medical Assistance Teams (AUSMAT) have been deployed throughout the region during the pandemic to provide health emergency operations centre advice, clinical and public health support to COVID-19 responses in Fiji, Solomon Islands, Papua New Guinea, Kiribati, Timor-Leste and Vanuatu. AUSMAT has also assisted the National Critical Care and Trauma Response Centre's Regional Program, which has remotely supported Samoa and Tonga's response to COVID-19.

The Australian Government is investing in high-quality health programs across the Pacific and Southeast Asia as part of the Partnerships for a Healthy Region initiative - a new five-year program to improve health outcomes and promote regional prosperity and stability. The initiative will help to tackle infectious disease outbreaks, address non-communicable diseases, and support sexual and reproductive health and rights. It will also expand regional health assistance provided by key Australian Government agencies and extend partnerships with international and regional agencies supporting health systems in our region. This initiative seeks to support gender equality and women's empowerment, disability inclusion, and address the health impacts of climate change.

Australia will continue to work in close partnership with Pacific island countries and key regional partners such as the Pacific Community (SPC) and regional offices of UN agencies (WHO, UNICEF) to support quality essential health services and strengthen regional health security. The Western Pacific Regional Office of the WHO has country offices in most of the 37 countries and territories within its geographical zone. The relationships and technical expertise of the WHO can support key activities to help build capacity in our region. In the Pacific, SPC is an important lead regional organisation for health, supporting their 21 member Pacific Island Country and Territories to coordinate their public health strategies; use real-time information on epidemics and outbreaks; deliver high-quality clinical services to patients; and undertaking long-term work to address non communicable diseases. Australia remains the largest funder of SPC's Public Health Division.

The Government will continue to engage in key regional health governance and policy-setting mechanisms such as meetings of the Pacific Health Ministers, and Pacific Heads of Health, convened by WHO and SPC. In addition, Australia will continue to actively participate in the Health Quintilateral+Partners forum (Australia, New Zealand, the World Bank, WHO, SPC and the Asian Development Bank) to improve the quality and coordination of health development assistance in health in the Pacific region.

Recommendation 5

The committee recommends the Australian Government:

- invest in efforts to strengthen regional pandemic preparedness and resilience, and consider bilateral and multilateral programmes designed to assist Indo-Pacific countries enhance their preparedness for future health security challenges in areas of detecting, containing and controlling disease; and
- continue to support its regional partners in recovering from the health and other impacts of the COVID-19 pandemic.

The Government **agrees with** the recommendation.

The Government will continue to invest in pandemic preparedness and health security to protect lives and livelihoods, which relies on strengthening national, regional and global health systems. In parallel, Australia will continue to work with the region to strengthen health systems.

The Government is contributing \$50 million towards the new Pandemic Fund, a financial intermediary fund to improve pandemic prevention, preparedness and response. The Pandemic Fund is hosted by the World Bank and draws on the technical expertise of the WHO. It will provide a dedicated stream of additional, long-term financing to help strengthen national, regional and global pandemic preparedness and response.

In the past five years, Australia contributed over \$300 million to health security with programs that reduce the impacts of infectious diseases such as malaria, HIV, tuberculosis, and dengue. In addition, Australia is contributing \$508 million over six years (\$242 million (2020-22) and \$266 million (2023-25) to the Global Fund to Fight AIDS, Tuberculosis and Malaria, \$300 million (2021-25) to Gavi, the Vaccine Alliance and \$215 million to the COVAX Advance Market Commitment (AMC). Australia has also committed \$100 million to the Coalition for Epidemic Preparedness Innovations (CEPI). These multilateral health funds protect Australia's health security interests by investing in the prevention, detection and control of threats such as extremely drug-resistant tuberculosis in Papua New Guinea, drug-resistant malaria in Southeast Asia and COVID-19 and other diseases of pandemic potential across the Indo-Pacific.

The COVID-19 pandemic has highlighted the critical importance of resilient national health systems that can provide quality care to people where and when they need it. Health remains a key focus for Australia's support to the Pacific region. In FY2021-22, Australia spent AUD305 million on bilateral, regional and global health programs to benefit health in the Pacific. Australia will continue supporting our partners in the Pacific to leverage our health investment into longer-term health system improvements as Pacific countries emerge from the acute phase of COVID-19. Australia also provides support to the region as one of 37 Member States of the Western Pacific Regional Office (WPRO) of the WHO. Australia participates in technical advisory groups within the region as a means to share best practices and lessons learned with other countries in the region.

The Government is providing support to Southeast Asia to enhance regional pandemic preparedness and resilience. This includes a \$21 million investment in the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHEED), and the \$5m (2020-2022)

ASEAN-Australia Health Security Program, which aims to reduce the risk of pandemics from zoonotic disease outbreaks by implementing One Health approaches (working at the nexus of human, animal and environmental health) in ASEAN and offering scholarships for ASEAN's health officials. The Government will continue to shape the contributions of regional defence organisations to regional health security by co-chairing the ADMM-Plus Experts' Working Group on Military Medicine with Brunei (2021-24).

Australia is also part of the Australia Indonesia Health Security Partnership (AIHSP), a flagship bilateral health security program. The partnership aims to strengthen both Indonesia and the region's capacity to prevent, detect and respond to public health threats at national level, provincial and district level and is funded for \$48 million prevention, detection and response to human and animal health threats at national, provincial and district level and is funded for AUD 31.5 million, between 2020 – 2025.

The partnership between the Australian Government, the Victorian Government and Moderna will provide Australia with the capability to produce up to 100 million doses of mRNA vaccines each year. Moderna has also committed to establish a *Regional Research Centre for Respiratory Medicine and Tropical Disease* and its regional headquarters for Southeast Asia, Australia and Oceania in Australia. This will position Australia as the regional hub for this emerging and high-potential technology, and help Australia support regional neighbours during future health challenges.

Recommendation 6

The committee recommends that the Australian Government continue to focus on improving human and labour rights in the Indo-Pacific region by looking for opportunities for increased engagement and cooperation while speaking out against human rights violations and abuses.

The Government **agrees with** the recommendation.

Australia is committed to advancing human rights globally. Australia's commitment to human rights reflects our national values and is an underlying principle of Australia's engagement with the international community. Human rights underpin peace and prosperity.

Australia recently announced the appointments of inaugural Ambassadors for Human Rights and for First Nations Peoples, and the new Ambassador for Gender Equality. The Ambassadors will contribute to Australia's global efforts to uphold human rights, including through increasing engagement and cooperation with partners in the Indo-Pacific region on human rights matters.

The Government promotes human rights through constructive bilateral dialogue and in regional and multilateral fora. Where appropriate, we work with countries to advance and protect human rights through development assistance and humanitarian support.

The Government continues investing in strengthening governance to develop transparent, accountable and responsive institutions that advance human rights for all. The Government will focus on helping to build institutions that promote stability, inclusive economic growth and poverty reduction, ensure disability inclusiveness, and strengthen gender equality, women's empowerment and equality for LGBTQIA+ people.

The Government's commitment to supporting equitable, inclusive and stable growth in the Indo-Pacific region, including through promoting human and labour rights, is demonstrated through a range of ongoing initiatives and engagement, including through trade agreements.

Negotiations on the Indo-Pacific Economy Framework (IPEF) Supply Chain Agreement substantially concluded in May 2023. This agreement represents a significant step forward in the promotion of high standards of labour rights in the Indo-Pacific. The establishment of an IPEF Labor Rights Advisory Board will support greater transparency of labour practices in the region's supply chains. Labour-related elements in other areas of IPEF will also contribute to stronger labour rights protections in the region.

The Government works with the Asia Pacific Forum of National Human Rights Institutions, the Global Alliance of National Human Rights Institutions (GANHRI), governments, civil society and regional actors (including the Pacific Islands Forum) to encourage the formation, and build capacity, of national human rights institutions in the region. Australia led on the biennial resolution on NHRIs at the Human Rights Council in September 2022, which passed by consensus.

The Government delivers several programs with ASEAN which contribute to improving human and labour rights in Southeast Asia. The *TRIANGLE in ASEAN* project (\$24m, 2015-2027) promotes safe and legal migration, ensuring the benefits of labour migration are equally realised by men and women migrant workers, employers and governments. The program targets Cambodia, Lao PDR, Malaysia, Thailand, Vietnam and Myanmar (noting no funding is provided to the Myanmar regime). During the pandemic, the program has supported migrant workers who lost jobs or were forced to return home by providing food, masks, information, counselling and legal assistance.

The *ASEAN-Australia Counter Trafficking Initiative (ASEAN-ACT)* (\$80m, 2018-2028), supports the strengthening of effective justice systems in ASEAN member states to effectively respond to trafficking in persons, especially women and children.

The Government also provides support under the initiative *Supporting Human Rights Dialogues and Events in ASEAN* (\$480,000, 2019-2023), partnering with the Australian Human Rights Commission to support the annual Human Rights Consultation between Australia and the ASEAN Intergovernmental Commission on Human Rights (AICHR) as well as human rights events that promote education, advocacy and policy in ASEAN member states and across the region.

There are ongoing programs to support bilateral Human Rights Dialogues in the region, including the Human Rights Technical Cooperation Programs with Laos and Vietnam and smaller human rights engagement and activities directly with ASEAN.

Invested: Australia's Southeast Asia Economic Strategy to 2040 also recommended to continue working with Southeast Asian partners to strengthen legal and policy frameworks on workplace health and safety, environmental standards and modern slavery (recommendation 16). In addition to the initial announcements, the Australian Government will consider the full suite of the strategy's recommendations through a process led by Australia's Foreign Minister, Treasurer and Minister for Trade and Tourism.

Recommendation 7

The committee recommends that the Australian Government increase its investment, engagement and cooperation in the region to address environment and climate change issues and build capacity for resilience in the region.

The Government **agrees with** the recommendation.

Australia has significantly increased the ambition of our climate action. The Government has committed to reducing greenhouse gas emissions by 43 per cent below 2005 levels by 2030 and achieving net zero emissions by 2050. These targets are enshrined in the Climate Change Act 2022, and in Australia's updated Nationally Determined Contribution submitted under the Paris Agreement. The Climate Change Act 2022 also provides for a new annual statement to Parliament on matters including climate policy, progress against national targets and international developments.

In October 2022, Australia committed to increasing Australia's Official Development Assistance (ODA) by more than \$1.4 billion over four years, including an additional \$900 million in the Pacific and \$470 million in Southeast Asia. Australia has strengthened its previous commitment of \$2 billion and is now on track to deliver \$3 billion towards the global climate finance goal over 2020-2025. The higher climate finance contribution results largely from previously announced Official Development Assistance commitments.

We are integrating climate and disaster resilience outcomes across all sectors of Australia's aid program and are ensuring climate change is embedded in our policy solutions. Australia's International Development Policy (2023) commits to ensuring that from 2024-25 at least half of all new bilateral and regional investments valued at more than \$3 million have a climate change objective, rising to 80 per cent in 2028-29.

The Government will support the transition to clean energy and climate resilient economies in the region through increased climate finance and new partnerships in the Pacific and Southeast Asia. The Government is working bilaterally with Timor-Leste to agree frameworks for the development of the Greater Sunrise gas fields; Greater Sunrise is critical to Timor-Leste's economic development and resilience. The Government's commitment to climate action is at the heart of the new international development policy. The new policy will underpin commitments to establish a new Pacific Climate Infrastructure Financing Partnership to support climate-related infrastructure and energy projects in Pacific countries, increase Official Development Assistance to address climate change adaptation and resilience in the Pacific, and growing our partnerships in Southeast Asia to help countries transition to net-zero, including the \$200 million Australia-Indonesia Climate and Infrastructure Partnership.

The Government is also committed to supporting climate change resilience in the Mekong subregion of Southeast Asia which is increasingly vulnerable to significant climate risks. Through the Mekong-Australia Partnership, Australia is supporting transboundary environmental resilience in the Mekong subregion, including through improved water resource management, regional water and climate cooperation and community climate change adaptation.

Australia has lodged a formal bid to host the UNFCCC Climate Conference (COP) jointly with Pacific Island countries in 2026. This will assist in raising the profile of the challenges facing Pacific Island countries who are among the most climate vulnerable in the world. In 2018 Australia, along with Pacific Island Forum partners, adopted the Boe Declaration on Regional Security, which recognises the importance of human and environmental security for a stable Pacific. Australia's work to strengthen climate and disaster resilience in the Pacific is a significant area in support of this.

Australia has been a strong advocate on ocean and biodiversity action, recognising the nexus with climate change. Australia was pleased to join the Pacific Islands Forum (PIF) Leaders Ocean Statement in February 2021, which welcomed the convening of the Ocean and Climate Change Dialogue agreed at COP25 and the PIF Leaders Communique in August 2021, which urged all Parties to the UNFCCC to ensure that COP26 advances the work on Oceans in the UNFCCC, recognising its centrality to the Blue Pacific Continent.

APEC's long-term economic cooperation policy agenda, the Putrajaya Vision 2040, promotes economic policies, cooperation and growth which supports global efforts to comprehensively address all environmental challenges, including climate change, extreme weather and natural disasters, for a sustainable planet. Also, APEC builds on its existing work to support trade in environmental goods.

Through the Quad, leaders have committed to strengthening cooperation on climate change, including through technology with a focus on the needs of the broader Indo-Pacific region. The working groups established under these lines of effort will contribute to efforts to tackle climate change. For example, Australia engages in the Quad Space Working Group to exchange and improve public access to Earth observation satellite data and applications, including for monitoring and adapting to climate change. Senior Quad experts, including from Australia, engage regularly across the breadth of the Quad's practical cooperation agenda. The Quad Climate Working Group is working on a range of initiatives – from developing and diversifying clean energy supply chains through to early warning systems and capacity building for countries in the Pacific – to address climate change and build for resilience in the region.

We will use the ASEAN-Australian CSP to set a framework underpinning practical cooperation, anchored by development cooperation that reinforces efforts to make Southeast Asia more safe, prosperous and resilient. Key development programs, such as *Partnership for Infrastructure* and the *Australian Climate Finance Partnership*, are increasingly being harnessed to support Southeast Asia's transition to a clean energy future. The Aus4ASEAN Futures Initiative will provide \$204 million to fund projects with ASEAN that address complex and emerging regional challenges, including climate change.

Invested: Australia's Southeast Asia Economic Strategy to 2040 also provides a series of recommendations for deepening Australia's investment, engagement and cooperation with Southeast Asia to address climate change and environmental challenges. Recommendations include: Treasury leading expanded work with Southeast Asian partners on high-quality and interoperable sustainable finance classifications and climate-related disclosure rules (recommendation 38); establishing standards and regulations to allow for a regional market in low-energy goods, including electricity and carbon, with interested Southeast Asian partners (recommendation 39); drawing upon regional clean energy supply chain initiatives to support strategic projects involving Australian and Southeast Asian partners in the

battery, electric vehicle and solar sectors (recommendation 40); developing a clean energy science and technology engagement strategy to work with regional counterparts on technical challenges to meet net zero (recommendation 41); and supporting industry and education and training providers to develop and promote green qualifications for the Southeast Asian market (recommendation 42). These, as well as the other recommendations in the strategy are being carefully considered by the Australian Government through a process led by Australia's Foreign Minister, Treasurer and Minister for Trade and Tourism.

Australia is helping to protect biodiversity and investing in ecosystem restoration, including by funding innovative research and climate science, globally and in our region. We share environmental expertise through international partnerships such as the International Coral Reef Initiative, the International Partnership for Blue Carbon and the Global Forest Observations Initiative. Our development program supports these partnerships with investments such as the Pacific Blue Carbon Program, the Coral Reef Innovation Program, and new nature-based solutions investments – contributing to building resilience and strengthening existing partnerships.

The Indo-Pacific Carbon Offsets Scheme will enhance partner country's capacity to report against their nationally determined contributions, and generate high-integrity carbon offsets that demonstrate environmental and social benefits. The first partnerships have been signed with Fiji and Papua New Guinea.

The Government is also rolling out virtual Australian Awards short courses on climate change adaptation, grid integration of renewable energy and water management throughout the region.

We are also working with countries in our region to address the issue of marine plastic pollution and are playing a leadership role in negotiations toward a new international legally binding instrument to end plastic pollution, including in the marine environment.

Australia is working with international partners in the region to accelerate the transition towards net zero, including developing clean energy technologies, industries and supply chains, and promoting green trade and investment. Cooperation on decarbonisation will help to reduce emissions, but also create new economic opportunities and strengthen resilience in the region. Australia is working bilaterally through its International Clean Energy Partnerships with the United States, Singapore, Japan, the Republic of Korea, India, the Netherlands and Germany to advance practical collaboration in these areas. The newly signed Singapore Green Economy Agreement will promote cooperation across seven key areas and is an innovative type of agreement which could serve as a model to inform international cooperation elsewhere, for example in the development of the Indo-Pacific Economic Framework.

Diverse and reliable regional clean energy supply chains will play a central role in both meeting decarbonisation goals and ensuring the Indo-Pacific's future economic security and prosperity. Australia hosted the Sydney Energy Forum: Securing Clean Energy Supply Chains for the Indo-Pacific (Sydney Energy Forum) on 12-13 July 2022. The Sydney Energy Forum brought together regional and global clean energy supply chain experts from science and technology, mining, manufacturing, and finance sectors to explore the challenges and

opportunities associated with the development of clean energy supply chains in the Indo-Pacific.

Recommendation 8

The committee recommends that the Australian Government consider seeking out opportunities to deepen cooperation between regional security partners in the area of critical minerals, which could include drawing upon the strengths of Australia's resources industry and professionals and facilitating additional investment opportunities, including in supporting skills development, networking and capacity building.

The Government **agrees with** the recommendation.

The Government actively pursues opportunities to develop our critical minerals industry, including through international cooperation. This is in recognition of the potential for Australia to make a significant contribution to efforts aimed at: strengthening and diversifying global critical minerals supply chains; reducing global emissions; and supporting technologies crucial to the global economy.

Australia is increasing its international cooperation on critical mineral supply chains with key regional and global partners, including the United States, Japan, the Republic of Korea, the United Kingdom, India, the European Commission and some EU member states, to secure strategic partnerships and facilitate commercial arrangements between industry.

Signed agreements include:

- in December 2021 Australia signed a Memorandum of Understanding (MOU) on Cooperation in Critical Minerals Supply Chains with the Republic of Korea;
- in March 2022, the Critical Minerals Office (Australia) and Khanij Bidesh India Ltd. (India) signed an MoU on co-investment in Australia Critical Minerals Projects;
- in October 2022, Australia and Japan signed a Critical Minerals Partnership ;
- in April 2023, Australia and the UK also signed a Joint Statement of Intent on collaboration on critical minerals, formalising commitment to work closely together to build diverse, resilient and sustainable supply chains;
- in April 2023, Australia and Germany signed a joint Declaration of Intent to support a joint critical minerals supply chains study;
- in May 2023, Australia and the US signed a Climate, Critical Minerals and Clean Energy Transformation Compact which included establishment of a Critical Minerals Taskforce; and
- in September 2023, Australia and France signed a bilateral agreement to cooperate on critical minerals supply chains.

In collaboration with Quad partners, Australia is bolstering supply chain security for critical technologies and materials across the Indo-Pacific, notably semiconductors which require critical mineral inputs. Australia has also joined the US-led Minerals Security Partnership, a multinational grouping launched on 14 June 2022, which aims to bolster critical minerals supply chains by catalysing investment from governments and the private sector for projects that adhere to the highest environmental, social and governance standards. Under the Minerals Security Partnership, Australia leads on two out of twelve project working groups. Critical minerals will also be an area of cooperation in the Indo-Pacific Economic Framework, which, amongst broader objectives, recognises the importance of resilient, sustainable, critical mineral supply chains and their contribution to economic growth.

Australia's diplomatic network showcases our strengths in this sector and is instrumental in the identification of opportunities with partner countries. Austrade has led business missions for critical minerals project proponents in target markets, connecting Australian companies with end-users, technologists, and midstream processors.

For example, in April 2023 Austrade led critical minerals business delegation to Japan (Tokyo and Osaka), and in October a mission to the United States which included a range of Australian companies seeking likeminded investment and identified by likeminded stakeholders as having 'projects of interest'.

The Government's investment expansion of the \$2 billion Critical Minerals Facility to a total of \$4 billion, administered by Export Finance Australia, to provide finance to advanced critical minerals projects and related infrastructure, or to businesses in the critical minerals export supply chain, where private sector finance is unavailable or inadequate. The Government has also committed to delivering a \$1 billion *Value-Adding in Resources Fund*, part of the National Reconstruction Fund, which will support domestic critical minerals processing. This positions Australia to be a significant supplier of processed critical minerals and reinforces the Government's commitment to the clean energy transition through the development of Australia's critical minerals industry.

Critical minerals cooperation with Southeast Asia was also identified in *Invested: Australia's Southeast Asia Economic Strategy to 2040* as an emerging area of opportunity for boosting two-way trade and investment with the region. The strategy provides a number of recommendations, including to: enhance Southeast Asia's technical capacity (recommendation 36); provide institutional capacity building through government-to-government engagement to promote the sustainable development of Southeast Asia's resources sector (37); and to offer two-way tertiary scholarships in the resources sector to address skills shortages and gender equality. These, as well as the other recommendations in the strategy are being carefully considered by the Australian Government through a process led by Australia's Foreign Minister, Treasurer and Minister for Trade and Tourism.

Recommendation 9

The committee recommends that the Australian Government:

- work with the Northern Territory government to explore opportunities to enhance Northern Territory's place as a strategic asset for Australia's security and defence capabilities in the Indo-Pacific; and
- consider how it can further develop the Northern Territory as an 'Alliance Hub' that supports not only the Australian Defence Force but also key allies such as the United States, United Kingdom and partners such as India, Japan, Singapore, Indonesia and the Republic of Korea. Opportunities could also be explored to include Timor-Leste in these arrangements given their proximity and existing cooperation with the Australian Defence Force. In light of recent announcements such as AUKUS, an Alliance Hub could also present opportunities.

The Government **agrees with** the recommendation.

Australia works with a broad range of regional and extra-regional partners to achieve our vision of an open, inclusive and resilient Indo-Pacific region. Meanwhile our domestic partnership with states and territories remains critical to national defence.

Defence presence in Northern Australia remains vital in support of our strategic defence interests. The Defence Strategic Review recognises that the network of bases, ports and barracks stretching across Australian territory from Cocos (Keeling) Islands in the northwest, through RAAF bases Learmonth and Curtin in Western Australia, RAAF bases Darwin and Tindal in the Northern Territory, and RAAF bases Scherger and Townsville in Queensland, is integral to sovereign Australian posture.

In response to the Defence Strategic Review, the Government has directed Defence to prioritise improving the ADF's ability to operate from Australia's northern bases. This is one of six priorities identified by Government for immediate action by the Department of Defence. Government is investing \$3.8 billion over the forward estimates to upgrade and develop our network of northern bases, including:

- \$2 billion for critical air bases stretching from RAAF Base Learmonth through Cocos (Keeling) Islands, as well as air bases in the Northern Territory and northern Queensland;
- \$1 billion for upgrades to land and joint estate capabilities;
- \$600 million in maritime estate investments including HMAS Coonawarra, HMAS Cairns and the Harold E Holt Naval Communications Station; and
- an additional \$200 million towards the acceleration of additional projects in the north.

Recognising the success and maturity of the United States (US) Force Posture Initiatives, Australia and the US have endorsed the following areas of increased force posture cooperation:

- enhanced air cooperation through the rotational deployment of US aircraft of all types in Australia and appropriate aircraft training and exercises;
- enhanced maritime cooperation by increasing logistics and sustainment capabilities of U.S. surface and subsurface vessels in Australia;

- enhanced land cooperation by conducting more complex and more integrated exercises and greater combined engagement with Allies and partners in the region; and
- establish a combined logistics, sustainment, and maintenance enterprise to support high-end warfighting and combined military operations in the region.

At AUSMIN 2023, Australia and the US affirmed their intention to continue to progress upgrades at key Australian bases in the north, including RAAF Bases Darwin and Tindal.

In October 2022 Australia and Japan signed the updated Joint Declaration on Security Cooperation and announced Japan Self-Defence Forces training and exercising with the ADF in Northern Australia.

The Government is also exploring ways to deepen collaboration on maritime security with Indonesia and Timor-Leste, and to achieve mutual economic and security benefits in our shared maritime space. As neighbours who share a maritime border, Indonesia is a critical defence and security partner. Indonesia also remains a key partner as we consider further development of Northern Australia to support our strategic and defence interests.

Investments in industry that contribute to Australia's security, defence resilience and connectivity with partners are also occurring in the Northern Territory. For example, a \$270 million fuel storage facility will be built in Darwin to support US defence operations; the Government is working with Timor-Leste on the delivery of a submarine fibre optic telecommunications cable linking Timor-Leste to Australia through the North West cable system (which connects Darwin to Port Hedland).