



Australian Government
**Department of Industry, Science,
Energy and Resources**

Senate Foreign Affairs, Defence and Trade References Committee Inquiry: Opportunities for advancing Australia's strategic interests through existing regional architecture

**Department of Industry, Science, Energy and Resources
Submission**

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Contents

Introduction	3
Suitability of existing regional architecture	3
Engagement with existing regional security groupings	4
1. APEC.....	4
2. ASEAN	5
3. Other Regional Architecture	6
Conclusion	7

Introduction

The Department of Industry, Science, Energy and Resources (DISER) supports economic growth and job creation for all Australians by supporting manufacturing, business capability, technology, science and innovation. It supports affordable, reliable and secure energy and Australia's transition to a lower emissions future, including by encouraging the commercialisation and uptake of clean technologies. It also backs Australia's strong resources sector, supporting the safe and sustainable development of Australia's mineral and energy resources for the benefit of the nation.

DISER welcomes the opportunity to make a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into the *opportunities for advancing Australia's strategic interests through existing regional architecture*.

DISER's submission incorporates input from portfolio agencies, namely IP Australia, Geoscience Australia, Australian Space Agency and National Measurement Institute. The Australian Nuclear Science and Technology Organisation has advised it intends to make a separate submission to this inquiry on its representations for Australia on regional nuclear-related forums.

This inquiry provides an opportunity to highlight DISER's activity in using regional architecture to support our domestic economic interests. DISER plays a role in ensuring the rules, laws and norms developed through regional institutions support Australia's economic competitiveness, growth and jobs.

In particular, the DISER portfolio has specific policy responsibility for advancing Australia's climate, energy, resources (including critical minerals), industry (including cyber, space and critical technology), science, metrology, intellectual property, and geoscience interests and is readily engaged with some regional institutions to advance these interests.

This submission focusses on DISER engagement with the following institutions in the Indo-Pacific, through which we advance Australia's security interests and support for a stable, resilient and inclusive Indo-Pacific:

- Asia-Pacific Economic Cooperation (APEC)
- the Association of Southeast Asian Nations (ASEAN) and the fora it encompasses; including the ASEAN Regional Forum (ARF) and ASEAN Plus Three
- the Quad (Australia, India, Japan and the United States), and
- the Pacific Islands Forum (PIF).

We note that the portfolio's engagement through these multilateral and plurilateral institutions complements our bilateral engagement, including that pursued through relevant agreements including:

- Comprehensive Strategic Partnerships with China (2014), Singapore (2015), Indonesia (2018), India (2020) and Malaysia (2021)
- Strategic Partnerships with ASEAN, Japan and Thailand, and Vietnam, and
- Comprehensive Partnership with Fiji, Papua New Guinea, the Philippines and the Republic of Korea.

Suitability of existing regional architecture

Complementing the Department of Foreign Affairs and Trade's (DFAT) functions, DISER contributes to Australia's strategic interests in the Indo-Pacific by bringing scientific, technical and industry specific expertise to the table.

Economic growth in Asia is reshaping our strategic landscape. Asia stands to deliver nearly two thirds of global growth to 2030, presenting opportunities for Australia's economy. Demand from the Indo-Pacific for minerals and energy will continue and Australia can supply regional economies with other goods and services, including science, research and development. To this end, Australia is developing a Global Resources Strategy, looking to the region to expand into new markets and work closely with our existing partners. This makes the regional architecture an important channel through which we can engage.

Engagement with and through APEC, ASEAN, the PIF and the Quad present opportunities for Australia to tackle and advance interests in our region that would be more complex or less effective to tackle on our own or bilaterally.

As Australia and the world emerges from the COVID-19 pandemic the potential to leverage regional architecture to pursue our trade diversification and supply chain resilience interests should not be overlooked. Indeed the Indo-Pacific as the most economically dynamic region in the world can contribute to Australia's long-term economic prosperity – both as trading as well as science and technology partners. DISER seeks to engage with established regional forums capable of protecting and promoting an open, inclusive, resilient and stable region capable of delivering mutually beneficial economic security outcomes.

Engagement with existing regional security groupings

1. APEC

APEC is the peak regional body for economic cooperation in the Asia Pacific. APEC partners are the destination for more than 70 per cent of Australia's total trade in goods and services. Closer regional economic integration contributes to Australian economic growth and prosperity.

Through DISER and its portfolio agencies, Australia is advancing its economic interests by engaging in a number of sub-groups within APEC, including on energy security, digital economy, science, technology and innovation, intellectual property, metrology and standards and conformance.

Human and Economic Security through Energy Certainty

DISER is investing in Australia's energy future through our engagement with the Energy Working Group (EWG) to promote environmentally sustainable regional energy security and economic growth. Key issues advanced through this working group include new and renewable energy technologies, energy efficiency, clean fossil energy, the development of low carbon model towns and energy infrastructure resilience. Currently the EWG is working to reduce regional energy intensity by 45 per cent by 2035 (using 2005 as a base year) and to double the uptake of renewable energy by 2030 from 2014 levels.

Science, Technology and Innovation

As Australia's representative to the APEC Policy Partnership on Science, Technology and Innovation (PPSTI), DISER promotes diversity in science, technology, engineering and mathematics (STEM) fields and inclusive economic growth through innovation. This includes championing the APEC Women in STEM Principles and Actions.

We are also delivering the Australian Government's Regional Collaborations Program with the Australian Academy of Science, which funds Australian researchers to collaborate with regional partners in the Asia-Pacific on solutions to shared challenges. As of 30 June 2020, 19 projects had received \$2,142,659 in funding, and leveraged \$5,405,040 in additional contributions. In addition, a one-off 'Digital Grants' round recently allocated \$250,000 to 26 Australian early and mid-career researchers using digital methods of collaboration to address shared challenges relating to the COVID-19 response.

In further showcasing Australia's scientific and technological capabilities in Earth and Marine Observing (EMO), DISER commissioned (on behalf of APEC nations) a report, launched at the November 2019 Group on Earth Observations (GEO) ministerial conference in Canberra, Australia. The report showed the economic benefits of collaborating and deepening technology cooperation in EMO technologies for various industries and sectors of the economy for each APEC nation. The report estimated that the potential value of EMO to APEC by the year 2030 could reach US\$1.35 trillion, with further collaboration across APEC nations generating an additional US\$126 billion in value. This report continued work led by Australia to develop an APEC EMO framework – endorsed by APEC ministers in 2018 – to encourage cooperation and

promotion of EMO capabilities in the region to safeguard coastal health and livelihoods, safeguard communities from coastal hazards, and safeguard food and water security.

Standards and Conformance

The OECD has estimated that standards, which set out minimum specifications, procedures, and guidelines for the development of products, services and systems, impact 80 per cent of global trade¹. DISER seeks to support Australia's export growth by exercising leadership on international standards development. We promote these objectives through forums such as the APEC Sub-Committee on Standards and Conformance (APEC SCSC). Greater harmonisation of standards helps contribute to a level playing field that supports Australian businesses to trade globally.

Metrology

The National Measurement Institute (NMI) is Australia's official representative to the Asia-Pacific Metrology Programme (APMP) as well as the Asia Pacific Legal Metrology Forum (APLMF), two of the four Specialist Regional Bodies (SRBs) identified by APEC to support the work programs of APEC SCSC. Representing APMP, NMI currently holds the position of SRB Forum Convenor. The SRBs' contributions to APEC SCSC support the objective of all APEC members (including Australia) of regional trade facilitation, sustainable economic growth and prosperity.

Noting the ubiquitous relevance to all economic sectors of metrology (measurement science), we see further opportunities to leverage APEC groupings both within and external to SCSC to advance Australia's interests in terms of regional trade liberalisation and facilitation. NMI has already contributed through APMP to activities of APEC's Food Safety Cooperation Forum (under SCSC) as well as PPSTI. NMI will be partnering in a US led project on "Nanoplastics in Marine Debris" under APEC's Oceans and Fisheries Working Group.

Digital Economy

DISER works closely with DFAT in leading Australia's engagement in APEC's Digital Economy Steering Group. In 2020, we finalised the APEC Internet and Digital Economy Roadmap (AIDER) Implementation Work Program. DISER will be involved in developing and implementing Australian projects and initiatives under the AIDER program. We will also be engaged in the development of the Implementation Plan for the APEC Putrajaya Vision 2040. We are also proactively shaping the online trade and cyber environment through our ASEAN Digital Trade Standards Initiative in partnership with DFAT and Standards Australia.

2. ASEAN

Australia's bilateral relationships with the countries of Southeast Asia is strengthened by our engagement with ASEAN. As a bloc, ASEAN countries constitute Australia's second largest trading partner and offer significant opportunity as we seek to expand markets, diversify our trade and investment in the region.

DISER's established relationship with ASEAN spans science and innovation, metrology, maritime, trade (AANZFTA and RCEP), climate change and cyber security; and to a lesser extent – energy and resources. With DFAT and ASEAN partners, DISER is working to build supply chain resilience in the region.

As ASEAN increases its focus on technology and digital trade issues, particularly in response to COVID-19, the portfolio has a role to play in proactively shaping ASEAN's agenda to ensure this supports a diverse, competitive, trusted, transparent technology ecosystem with secure protections for intellectual property. IP Australia engages closely with ASEAN counterparts on IP capability to provide a more certain trading environment for Australian businesses and innovators.

¹ OECD, 1999. *Regulatory Reform and International Standardisation*. Available at: <https://www.oecd.org/tad/benefitlib/1955309.pdf>

DISER sees opportunities to focus our engagement in areas of mutual interest, including:

- uplifting the digital capability of micro, small and medium enterprises (MSMEs);
- strengthening cyber security responses, and
- growing digital trade.

Trade

ASEAN-centred free trade agreements - notably the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) and the Regional Comprehensive Economic Partnership (RCEP) – facilitate trade in goods, promote greater certainty for Australian service suppliers and investors, and support regional economic integration. DISER supports ambitious trade agreements as they create jobs, underpin economic growth, and contribute to diversified and resilient supply chains.

Delivering new trade and investment opportunities will be even more important as Australia recovers from the global COVID-19 pandemic. The RCEP is a key platform for dialogue and cooperation on trade and investment between ASEAN and its regional partners.

Standards and Conformance

DISER is also leading Australia's involvement with the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Sub-Committee on Standards, Technical Regulations and Conformity Assessment Procedures (SC-STRACAP), which Australia co-chairs. DISER works in SC-STRACAP to promote alignment of standards between member countries, which helps facilitate trade.

Space Cooperation

Through the Asia-Pacific Regional Space Agencies Forum (APRSAF), Australia and Japan will play a larger role in influencing regional space industry collaboration and relationships, particularly with ASEAN countries. This is one of the largest regional space forums, with active participation from space agencies, government bodies, industry and academia. Australia is an important and influential voice in APRSAF, and can play a leading role in both demonstrating and promoting the responsible and peaceful use of outer space, and to engage at a national and commercial level.

3. Other Regional Architecture

The Asia Pacific Metrology Program (APMP)

The Asia Pacific Metrology Programme (APMP) is a grouping of national metrology institutes (NMIs) from the Asia-Pacific region engaged in improving regional metrological capability through the sharing of expertise and exchange of technical services among Member laboratories. APMP is also a Regional Metrology Organization (RMO) recognised by the International Committee for Weights and Measures (CIPM) for the purpose of worldwide mutual recognition of measurement standards and of calibration and measurement certificates.

As Australia's official representative on the APMP, NMI experts participate in a range of activities, including APMP's Focus Group on Climate Change and Clean Air (FGCCCA) which, inter alia, is working to establish national measurement standards and ensure international recognition of national measurement capabilities in this area. NMI also participates in APMP's Medical Metrology Focus Group, working similarly to develop and ensure international recognition of regional measurement capabilities in support of health security.

The Quad

The Quad provides an agile forum to discuss emerging issues of common interest and encourages cooperation of like-minded member states - Australia, India, Japan and the United States. This forum offers focus and opportunity for furthering Australia's critical and emerging technology interests. On 12 March

2021, the Quad Joint Leaders' statement announced a new Critical and Emerging Technology Working Group, which presents opportunities for collaboration with Quad members on AI, quantum computing and critical technology and minerals and supply chain security.

Given that the Australian Space Agency already has formal bilateral agreements with counterparts in all three Quad Partner countries there may also be scope to further civil space cooperation under the Quad to advance Australia's space sector ambition.

EU-US-Japan Trilateral Conference on Critical Minerals

This forum, in which Australia participates, facilitates information exchange on critical materials, including R&D and the development of technologies of materials, trends in renewable energy, issues relating to the supply of rare earths and promoting collaborative efforts for securing stable supply of critical materials.

Australia's bilateral engagement with a number of regional partners complements our work through regional forums to establish more diverse and sustainable global critical minerals supply chains. This includes work with Japan and the Republic of Korea and India

Pacific Islands Forum (PIF)

NMI is an implementation partner (together with Standards Australia) in a project coordinated through the PIF Secretariat to build standards and conformance/quality infrastructure in the Pacific. The Pacific QI Project supports the Australian Government's Pacific Step-Up initiative, linking to PACER Plus' capacity building agenda on technical regulations.

Additionally, Geoscience Australia is working to improve certainty and stability in maritime boundaries for Australia and the Pacific Region, including through the development of a program to resolve the maritime boundary delimitations in the Pacific, establish the limits of the Pacific Island countries national maritime zones, and build a level of regional maturity for states to engage on these issues independently.

Geoscience Australia is also supporting DFAT to implement its Regional Disaster Risk Reduction programs through the Pacific Step Program. Our support includes dedicated technical initiatives that build capacity in our counterpart organisations to strengthen community resilience, as well as a comprehensive efforts to integrate disaster resilience into Australia's Pacific development assistance program.

Asialink Business

The portfolio supports the Asialink Business program to advance objectives of the "Australia in the Asian Century White Paper" (2012) and build an 'Asia capable workforce'. Asialink Business fosters an inclusive Indo-Pacific through training programs, targeted research, and awareness raising of the importance of Asia capabilities for Australian business. The Australian Government has committed \$37.4 million to the program from 2012-13 to 2023-24.

Conclusion

DISER and several of its portfolio agencies consider regional institutions to be helpful in advancing a range of interests aimed at protecting and advancing Australia's economic security. Through technical leadership in key groups in ASEAN and APEC, DISER can seek to further COVID-19-related economic recovery and growth by supporting business capability, technology, science and innovation collaboration in the region.

Forums including APEC, ASEAN, the PIF, Quad and APMP provide DISER and its portfolio agencies with opportunities to participate directly in the region and reinforce bilateral relationships with key strategic partners.

DISER will continue to contribute to creating a more resilient and outward looking economy that benefits all Australians through a long-term vision of driving export growth, and strengthening and diversifying supply chains and markets; delivering on Australia's long-term emissions reduction targets; boosting energy security including through energy exports; and supporting growth and transformation in our most immediate region.