

Senate, Monday 6 April 1998

COMMITTEES: Foreign Affairs, Defence and Trade Committee: Joint: Report

Senator O'CHEE (Queensland)(4.06 p.m.) —On behalf of Senator MacGibbon and the Joint Committee on Foreign Affairs, Defence and Trade, I present a report entitled *Australia and ASEAN: Managing Change*, together with submissions, transcript of evidence and minutes of proceedings.

Ordered that the report be printed.

Senator O'CHEE —I seek leave to move a motion in relation to the report, to incorporate Senator MacGibbon's tabling statement in Hansard and to continue my remarks later.

Leave granted.

Senator O'CHEE —I move:

That the Senate take note of the report.

The statement read as follows—

This report of the joint committee on Foreign Affairs, Defence and Trade—*Australia and ASEAN: Managing Change*—is its first in this area since 1984. I thank Margaret Swieringa for her work in its preparation.

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

The crisis also has altered the strategic outlook for the region, with the strategic uncertainty inherent in the reorientation of great power politics at the end of the cold war exacerbated by the possible threat to internal political stability in some states. The decline in economic circumstances is likely to worsen the broader security threats of transborder crime, illegal movements of peoples, the outflow of refugees, disputes over environmental degradation and competition for resources. Many of these are issues of concern already on the agenda of the ASEAN regional forum—an undeveloped avenue for regional consultation, whose importance is recognised and supported by the committee.

The inquiry took a considerable body of evidence in the early part of 1997 which stressed the opportunities in the region for Australian trade. Australia's natural, geographically-based connection to the 'fastest growing region in the world' appeared to ensure the expansion of Australian export trade. The report deals in some detail with an analysis of the bilateral and sectoral trade relationship between Australia and the region and including regional trade liberalisation under AFTA and APEC.

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

The report remains optimistic about long term trends. It concludes that 'despite the recent economic difficulties in the region, which are likely to result in depressed demand for Australian exports in key ASEAN markets, the prospects for continued growth in two way trade in the long run remain solid.'

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

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

The committee believes that: ASIAN studies and student exchanges, both of ASIAN students coming to Australia and of Australians studying in Asia be enhanced and improved; and that literary, artistic and cultural exchanges with the region be increased.

To this end, the committee endorses the new international cultural council and hopes that it will be adequately funded and resourced to achieve real advances in regional understanding and appreciation.

Development assistance to the region will need to be reassessed in the light of the economic downturn. The crisis has focused particular attention on the need for institutional strengthening and the development of regulatory and accountable systems. Many of the recommendations of the report are directed to strengthening capacity and institutions in both the financial and political spheres.

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

I commend the report to the senate.

Debate adjourned.