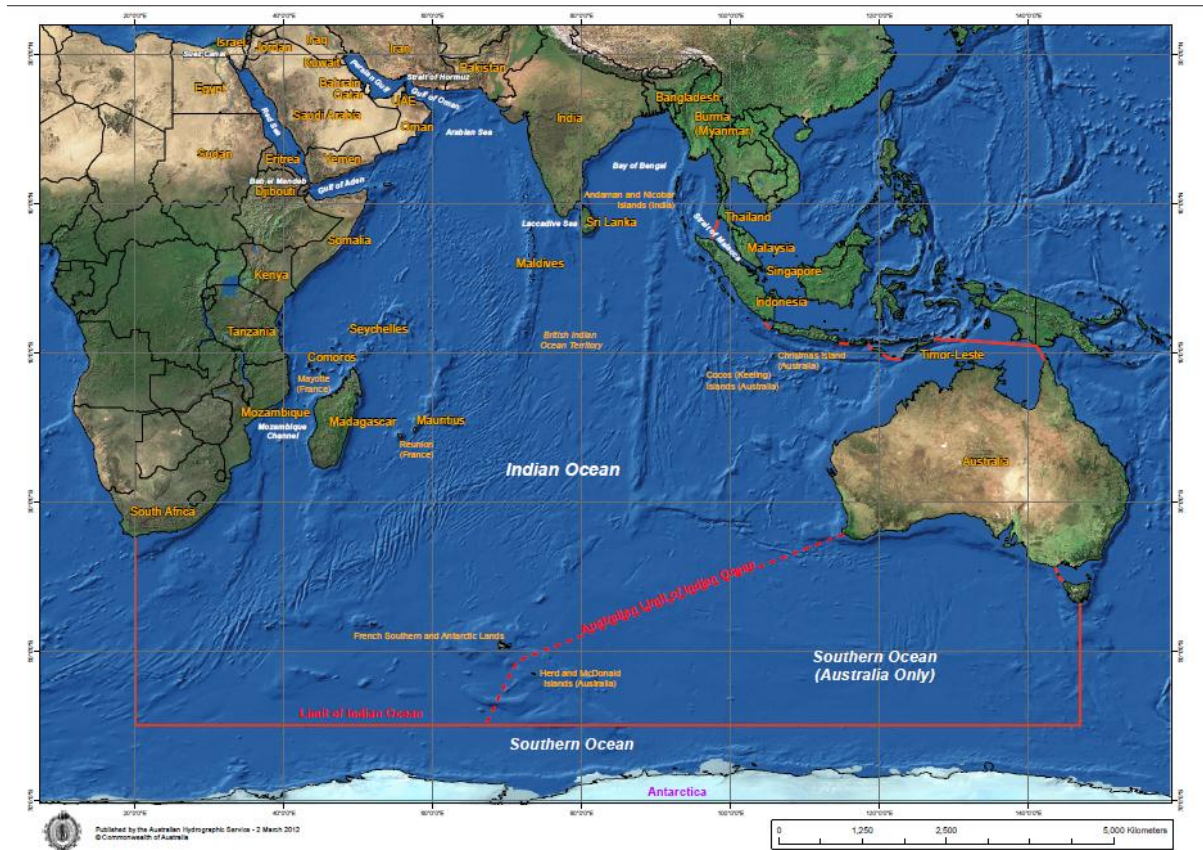


Chapter 14

Conclusions and Recommendations

We will often talk about Africa, we will talk about the Middle East and we will talk about South Asia or South-East Asia, but we will not talk about the Indian Ocean as a transnational partnership—a region that engages with each other.¹



Considering the Indian Ocean rim as a cohesive region

14.1 The committee has heard evidence on the lack of cohesive definition of the Indian Ocean rim as a region, as compared with the Asia-Pacific region. While some submitters saw the lack of regional definition as hampering attempts to structure Australia's approach to the region, others noted that the region can be divided into sub-region groups along geographic or interest lines. Australia may engage more effectively with these groups than creating policy for the wider region.

14.2 Several submitters described the difficulties in creating a cohesive definition of the Indian Ocean rim region. Dr Dennis Rumley noted in his submission that the number of countries counted as being part of the Indian Ocean region vary according

1 Mr DeSilva-Ranasinghe, *Committee Hansard*, 22 March 2013, p. 18.

to methodology used to consider the region.² DFAT too highlighted the difference between the terms 'region' and 'rim' in its submission, and this was noted in Chapter 2 of this report.³

14.3 Dr Howes argued that the Indian Ocean rim is in fact not a natural region—its countries share only 'modest levels of genuine economic interconnectivity.' He maintained that while Australia has trade and aid priorities in various disparate parts of the region, it cannot work effectively with the region as a whole.⁴

14.4 Dr Rumley⁵ and the Asia Research Centre,⁶ argued that regions are 'constructions and are definite or delimited by governments, geographers, strategic analysts, historians, economists and others based on a particular common formal or functional criterion or set of criteria'.⁷

14.5 Dr Andrew Phillips commented that the Asia-Pacific is a normalised concept in our world view. This concept however gained traction only from the late 1960s onward.⁸ He was persuaded that Australia needs to consider how useful it may be to Australia's short to medium term objectives to encourage development of a concept of Indian Ocean rim region.⁹

14.6 In speculating why individuals companies and businesses had not responded to invitations to make submissions to the inquiry, Mr Clark, ACCI, noted that members he had spoken to had a strong interest in the inquiry. Mr Clark felt that business did not see the Indian Ocean rim as a region—he thought perhaps that the government had not promoted it in that light. As quoted in chapter 4:

'The Asia-Pacific' is a commonly spoken of term. We have APEC, the East Asia Summit and a lot of institutional arrangements which give a media profile to our general relationships in Asia, but the same sort of dialogue does not go on with the Indian Ocean.¹⁰

14.7 Dr Howes contended that Australia should use sub-regional groups as 'the Indian Ocean rim, as such, is not an appropriate target for sustained policy initiatives'.¹¹ The diversity of the countries in the Indian Ocean means that it is easier

2 Indian Ocean Research Group, *Submission 6*, pp. 5–6.

3 *Submission 30*, pp. 7–8.

4 ANU College of Asia and the Pacific, *Submission 29*, p. 12.

5 Indian Ocean Research Group, *Submission 6*, p. 2.

6 Asia Research Centre, Murdoch University, *Submission 36*, p. 1.

7 Indian Ocean Research Group, *Submission 6*, p. 2.

8 *Committee Hansard*, 17 August 2012, p. 27.

9 *Committee Hansard*, 17 August 2012, p. 27.

10 *Committee Hansard*, 5 December 2012, p. 30.

11 ANU College of Asia and the Pacific, *Submission 29*, p. 3.

to categorise sub-regional groups based on single issues¹² than it is to define the region as a whole in the same way as the Asia-Pacific region.

14.8 As discussion in Part Two and Three shows, Australia engages sub-regional groups in relation to areas covered by fisheries management agreements; maritime security initiatives; mining and oceanography—with great success in building people-to-people links and facilitating the sharing of knowledge and expertise. The Tsunami Warning System is an excellent example of this coordination.

14.9 However there is reason to have the broader public discussion about the Indian Ocean rim as a region. For example, the committee noted in Chapter 10 of this report the conceptualisation in the Defence White Paper 2013 of the 'Indo-Pacific' as a 'single strategic arc'¹³—a recognition of the importance of considering the Indian Ocean and its significance to Australia and to the stability and security of the region overall.

14.10 Mr Clark suggested that, following the example of the discussion generated by the development of the Asian Century White Paper, public and business attention may be directed to the Indian Ocean rim through government encouraging wider discussion. He felt that the current emphasis was around single countries rather than starting to look at the region as a united whole.¹⁴

Committee view

14.11 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' have 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 through individual country programs or multilateral partnerships through the auspices of the UN. Evidence gathered in relation to IOR-ARC demonstrates clearly that diversity in the region—both economic and political—has created inertia in the region's main organisation.

14.12 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, DFAT 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.¹⁵ It noted:

12 *Submission 6*, p.6.

13 Department of Defence, *Defence White Paper 2013*, paragraph 1.12, p. 2.

14 *Committee Hansard*, 5 December 2012, p. 30.

15 *Submission 30*, p. 56.

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.¹⁶

14.13 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. The committee feels that promoting the conceptualisation of the Indian Ocean rim 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.

14.14 The committee has articulated in its report that much of the interaction between Australia and other countries in the Indian Ocean rim occurs through specific activities—research, 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 argue, 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.¹⁷

14.15 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.¹⁸

14.16 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.

14.17 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:

16 *Submission 30*, p.27.

17 *Submission 21*, p. 2.

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

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- 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.

14.18 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.

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;**
- **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 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 IOTC; and
- through the 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 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 DFAT work with other agencies to make an audit of research projects which already have country to country links. Further, the committee recommends that DFAT engage with Australian universities and

the research community to find ways in which to link Australian institutions to Indian Ocean rim institutions.

Recommendation 7 (Chapter 10)

The committee recommends that the AFP 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 OITS 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.

Recommendation 11 (Chapter 11)

The committee recommends that DFAT work with other departments, including DRET and DAFF, 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 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.

Recommendation 13 (Chapter 12)

The committee recommends that DFAT work with other federal government departments, as well as state and territory governments, on strengthening government consultation with groups such as AAMIG, 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 DFAT 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 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 DFAT 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.

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 DFAT 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 (COAG) Select Council to facilitate consultation and cooperation on trade and investment initiatives for the Indian Ocean rim.

The Indian Ocean Rim COAG 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.

