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DEPUTY LEADER OF THE AUSTRALIAN LABOR PARTY  
SHADOW MINISTER FOR DEFENCE  
MEMBER FOR CORIO**

**ADDRESS TO THE PERTH USASIA CENTRE WA INDO-PACIFIC DEFENCE  
CONFERENCE**

**CROWN CASINO, PERTH**

**MONDAY, 12 AUGUST 2019**

*\*\*\* CHECK AGAINST DELIVERY \*\*\**

I wish to acknowledge the Traditional Owners of the land upon which we meet today and pay my respects to their Elders past, present and emerging.

I also wish to acknowledge the presence of the Governor of Western Australia – a dear friend and a mentor – the Honourable Kim Beazley AC.

I also note the presence of Premier McGowan and Minister Papalia, as well as Federal Parliamentary colleagues Senator Reynolds, Minister Price, and Labor’s Shadow Minister for Defence Industry Matt Keogh.

Whenever I fly across the country to visit Western Australia, what strikes me is how a change in geography can give rise to a change in perspective.

Because geography matters – it anchors one’s sense of place and field of view.

Sitting in Perth or in Fremantle, rather than in Geelong or in Sydney, gives you a different orientation to our place in the world.

As Australia's gateway to the Indian Ocean, it is only natural that the inclination here, in Western Australia, is to look west.

And so watching the sun set over the water focuses the mind on the challenges and opportunities for enhancing cooperation and defence partnerships in the Indian Ocean region.

Yet until relatively recently, the strategic importance of the Indian Ocean region went largely underappreciated – particularly by those of us domiciled on the eastern seaboard.

And this has been an opportunity lost because this is a truly remarkable region.

The Indian Ocean is the third largest body of water on our planet – and our Indian Ocean coastline is longer than that of either the Pacific or Southern Oceans.

The region is home to over two and half billion people – or about 40 per cent of the world's population.

And this population is incredibly diverse.

The countries of the region range from some of the world's largest and most populous – such as India, with over 1.3 billion people spread across 2.9 million square kilometres – to some of the smallest and least populated – like the Seychelles, with just 95,000 people living on a landmass of only 460 square kilometres.

It is also a region of immense economic and strategic importance.

Around half the world's container traffic and one-third of the world's bulk cargo traverses the Indian Ocean.

An estimated 40 per cent of the world's offshore oil production comes from the Indian Ocean.

And just two Indian Ocean passages – the Straits of Hormuz and the Straits of Malacca – carry in excess of half of all seaborne-traded crude oil.

It is also a region that encompasses five of Australia's top 15 trading partners – namely India, Indonesia, Malaysia, Singapore and Thailand.

If those of us in the east have been slow to grasp the full extent of the region's importance, the same cannot be said of Western Australia – due to its geography, and as the beating heart of our commodity-driven export industries.

Western Australia was the first Australian State to open a trade and investment office in India in 1996.

To put this relationship in context, last year Western Australia alone exported A\$3.4 billion worth of merchandise to India.

What seems obvious with 23 years of hindsight was, at the time, a pioneering and prescient initiative that has since been emulated by other Australian jurisdictions.

Western Australia has also led the way in building links with Africa, an area of the world in which, at a government level, our relationships continue to be significantly under-done.

Now, it is critical that the spirit of partnership be central to Australian global behaviour. To that end it is important to note that both Japan and India are currently pursuing African strategies in the context of their positioning within the Indian Ocean region. We should work with them and do the same.

In July 2012 and January 2013, I represented Australia at successive meetings of the African Union. In the process I met just about every African foreign minister of the time. From one meeting to the next, I was struck by a story which repeated itself of how an Australian led mining project was changing their country for the better. This private sector story in no small measure led to a highly favourable view of Australia which was critical to Africa voting en masse in support of Australia's successful bid to become a member of the UN Security Council in 2012.

But this is also principally a Western Australian story.

Western Australia is responsible for over 52 per cent of Australia's merchandise exports to Africa.

And, remarkably, 92 of the 134 ASX-listed companies operating in Africa last year were based in Western Australia, developing 231 mining projects in 29 African countries.

In Madagascar, we have five Australian companies operating seven projects, the largest being Rio Tinto's QMM's mineral sands mining project, located near Fort-Dauphin on the

south-eastern tip of Madagascar. This project alone accounts for 600 direct jobs, 2,000 indirect permanent jobs and contributes more than \$22 million in taxes and royalties to the local economy.

In the Democratic Republic of Congo, there are 10 Australian companies operating 12 projects; in Mali, six companies operating 23 projects.

The Centre for Exploration Targeting (CET, a joint initiative of the University of Western Australia and Curtin University) in its 2016 report stated that: *'Australian companies collectively make up the largest mining investor group in Africa.'* And that *'Australia was the primary source of investment flows for African mining exploration between 2009 and 2013.'*

The Department of Foreign Affairs and Trade states that *'Australia's two-way goods and services trade with Africa was valued at \$10.7 billion in 2017-18.'*

And so it is not hyperbole to say that the mining operations capital of Africa is Perth.

This is a continent where Australian business over there is already leading to a significant contribution to our national income here. And that is only set to grow.

Too often there is a tendency to simply see Africa as a repository overseas aid and in the process miss the fact that Africa is emerging economically.

The International Monetary Fund reported that four of the top five countries with the highest annual growth in 2018 were in Africa and that between 2008 and 2018 four of the top ten highest compound annual growth rate economies were African nations.

When in office, Labor understood the huge opportunity that our nation's private sector being on the ground floor of the African economic emergence represented for the long term economic future of Australia. And as evidenced by the UN Security Council vote: Africa likes Australia. And so we also understood that with a comparatively small investment in our government to government relationships this opportunity could be greatly leveraged.

When the Rudd Labor Government came to office in 2007, Australia had formal relations with only 41 African states. In 2008 we started formal diplomatic relations with the African Union. By 2010 Australia had established formal diplomatic relations with 51 of 53 states. In 2011, Australia re-opened its embassy in Addis Ababa. In 2012 Australia provided 1,000 scholarships to African Students through Australian aid funding. In the same year we

announced plans to open a new embassy in Senegal, along with the expansion of Australia's diplomatic footprint in Egypt, Ethiopia and Zimbabwe.

Between 2007 and 2012 Australia's development assistance to Africa more than tripled. In 2012 – 2013 Australia's foreign aid spend across Africa and the Middle East was \$465 million or 9 per cent of our global aid budget.

But since the Abbott-Turnbull-Morrison Government came to power in 2013, the African story has been ignored and this opportunity is being missed.

In 2016/2017 Australia's aid spend across Africa and Middle East was only \$184 million or 4.8 per cent of our total aid budget.

Since 2013 there has been only one new embassy-level Australian post opened in Africa, that of Rabat in Morocco in 2017.

Ben Chifley, in 1949 inaugurated planning for a comprehensive international aid program for South and Southeast Asia, which came to fruition in 1950 as the Colombo Plan; one of Australia's most influential public and foreign policy achievements, focusing post war Australia on growing its ties with one of the fastest growing regions of the world.

Africa is to Australia now what the East Asian Time Zone was to Chifley in 1949. But a government which lacks the foreign policy imagination and vision to see this, such as the Morrison Government, will have our nation miss an historic opportunity.

In truth Australia's recognition of the importance of the Indian Ocean region has only been intermittent at best.

We may not have always felt connected to the countries of the Indian Ocean region, but they feel deeply connected to us.

Australia is home to the largest Mauritian and Seychellois diaspora in the world. We are the second most popular tertiary study destination for Sri Lankans. And India is our fifth largest export market and the source of a rapidly growing Indian Australian community.

I would contend that it was only under the last Federal Labor Government that we really started coming to grips with the importance of the Indian Ocean region.

This is particularly apparent in the 2013 Defence White Paper, with its embrace of an 'Indo-Pacific' strategic arc. This was the first use by any government in the world of that

term. Yet this idea has now been embraced by many and varied governments from India to the United States.

That Defence White Paper was, of course, overseen by a West Australian Defence Minister, Stephen Smith.

It noted that Australia had a vital strategic interest in the security of the Indian Ocean, particularly its sea lanes.

The strategic significance of the Indian Ocean is not being lost on other nations.

It has been reported that China will have between six and eight naval ships stationed in the Indian Ocean at any given time, supported by its 2017 constructed PLA naval base in Djibouti. The United States, France, Japan and India also have a growing naval presence in the region.

And so it has never been more important for Australia to work with countries in the region to address threats such as piracy and to manage potential competition as major powers deploy growing naval capabilities to the region.

So the question turns to how best this can be achieved.

As a middle power, it is in our interests to not only enhance our bilateral relationships with the countries of the region, but also to ensure the region has fit-for-purpose architecture to manage collective interests and resolve disputes diplomatically.

Indeed, the most recent Defence White Paper released in 2016 notes the importance of developing the Indian Ocean region's security architecture to create stronger frameworks for stability and security.

A striking element of the region is just how young its architecture and institutions are, with the peak regional grouping – the Indian Ocean Rim Association (IORA) – only formally launched in 1997.

To put that in perspective, consider key elements of the regional architecture in the Asia-Pacific region: ASEAN was established in 1967 and APEC began in 1989.

Indeed, at the first Ministerial Meeting of IORA in March 1997, Sri Lankan Foreign Minister Lakshman Kadirgamar observed with respect of the region's architecture that:

“... it is indeed surprising that the Indian Ocean region which can boast of a combined GDP of US\$1 trillion and 31 per cent of the global population should have lagged so far behind.” Since its inception, IORA has received its fair share of criticism about its direction and achievements.

Undoubtedly, the diversity of the Indian Ocean region contributes to the challenge of sustained and deep collective cooperation across the full gamut of issues confronting the countries of the region.

Even so, there are important areas of shared interest where collective action is possible.

Indeed back in 2012 I spoke of the opportunities for IORA members to work together on issues like disaster management, climate variability, maritime security and safety, and ocean forecasting in an address to the 12th Meeting of the Council of Ministers of IORA in India.

None of those issues is any less pressing today than they were then – and none can be solved by countries acting in isolation.

For Australia, then, a key goal must be to continue to work constructively with other likeminded members within IORA to drive the organisation towards practical outcomes on issues of shared concern and, in so doing, strengthen its very *raison d'être*.

We must continue to invest in the Indian Ocean Naval Symposium, an initiative of India, which provides an important forum for the region's navies to increase cooperation and understanding through dialogue.

In turn we need to grow our defence engagement with India. Recently Australia and India completed exercise AUSINDEX 2019 which is a biennial bilateral exercise between our two navies. This year's AUSINDEX exercise was more complex than any of its previous iterations. While this is very encouraging, in time we need to see more visits from Indian navy ships to Fleet Base West. And this ambition should extend to future exercises, visits and cooperation with the Indonesian navy.

We should also look at what more we can do in cooperation with sub-regional groupings, including the Indian Ocean Commission.

In January 2013 I was the first and only member of an Australian Government to attend a meeting of the Indian Ocean Commission. Along with the Pacific Island Forum and

Caricom, the IOC is one of the world's three regional peak bodies of small island states. While there are naturally differences in the issues confronting each of these bodies, having attended all of them, what is striking to me is the extent of the similarities in their stories. Be it in the Caribbean, the Pacific or the Indian Ocean, small island states around the world share the same struggle of trying to create viable economies across small populations in geographically remote locations. What is also surprising is that through our extensive involvement in the Pacific, both in the Caribbean and the Indian Ocean, Australia is acknowledged as a First World country with pre-eminent expertise in working with small island states.

And so the message to me from the IOC then was that they keenly wanted Australia to be more involved in their future. They wanted Australia to look west and take its place as an Indian Ocean nation.

The logic behind Australia pursuing this interest is as compelling today as it was then. And with it also comes an opportunity to seek to harness France's long history and presence in the Indian Ocean region, particularly in light of our increasingly close bilateral defence relationship with France.

Australia's defence relationships in the Indian Ocean region must be pursued with vigour both bilaterally and through multilateral exercises and engagement activities.

But perhaps there is more that we can do in terms of tangible defence cooperation.

Australia already has a very successful model for enhancing defence cooperation with small island states by helping them to more effectively respond to risks to their maritime security, their fisheries, and to address transnational criminal threats.

It just happens to be focussed in the Pacific, rather than the Indian Ocean.

In 1982, the UN Convention on the Law of the Sea introduced a 200 nautical mile exclusive economic zone around sovereign coastal states. For small nations in the Pacific, protecting these zones put considerable strain on their already limited resources.

In August 1983, Labor Defence Minister and a predecessor of mine as the Member for Corio, Gordon Scholes, announced that Australia proposed to develop a Pacific Patrol Boat to meet the needs of regional states to protect their exclusive economic zones.

In total, 22 Pacific Patrol Boats were constructed for 12 countries.

Those boats have provided an invaluable capability that has been used for everything from fisheries surveillance to search and rescue, humanitarian assistance, medical evacuation and even the transportation of ballot boxes. I have been on many of these boats in a number of different Pacific nations and the pride with which each of these countries operates their patrol boat is genuinely remarkable.

What is particularly special about this program is not just the provision of boats, but the advisors that Australia provided with those boats to assist with maintenance, operational advice, joint projects, exchanges and visits.

These advisors have been an incredible asset for enhancing ties with our Pacific neighbours. Indeed in some countries they have been Australia's effective diplomatic mission.

They have, in a very tangible way, contributed to Australia's defence capabilities through stronger partnerships with our neighbours.

Under the Pacific Patrol Boat replacement program, 21 Guardian-class patrol boats will be built here, at Austal's facility in Henderson, and be provided to 12 Pacific Island countries and Timor Leste. Already Papua New Guinea, Tuvalu and Tonga have received a new Guardian class vessel.

Given the success of this program in the Pacific, perhaps we should consider whether there might be value in extending the program to island nations in the Indian Ocean region: nations such as Mauritius, the Comoros, Sri Lanka, the Seychelles, Madagascar and the Maldives. Not all of these countries may want it. But for some our patrol boat program could make a real difference.

The Guardian class is a relatively cheap vessel to make. Such an idea would extend the existing run of 21 vessels to around 27 with the additional vessels being built in the mid 2020's. The advisors that would form part of the program in each country would dramatically deepen our engagement with the region. With some nations it would utterly transform our bilateral relationship.

It would be important to work the idea through with other regional neighbours particularly India. Their support for this would be vital.

For the small island state nations themselves the capability they would acquire would be

hugely beneficial in all the ways which makes the program so fundamental to our engagement in the Pacific.

Most of all this idea would be a powerful demonstration of a genuine Australian intent to look west in a constructive way. We would at last be strengthening our international partnerships in the Indian Ocean in a way that reflects the full extent of our national interests.

To be clear I offer this idea not as a concluded articulation of policy but as an example of the kind of thinking that Australia must pursue in order to better play our part to the west. Be it this idea or some other, what is critical is that Australia lifts its game in the Indian Ocean region.

Because from the Pacific to South East Asia, China and to India, the arc of our national interest extends to the west. We desperately need to understand that this interest goes beyond India and includes Africa. And it requires Australia to take its place as an Indian Ocean nation.

I truly believe that this is what the countries of the Indian Ocean region want of Australia. And playing this part, and developing the critical westerly perspective that comes from it, is essential to Australia properly orientating our national world view in line with what is our national interest.

***ENDS***

**Authorised by Paul Erickson, ALP, Canberra.**