



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION  
COMMITTEE

ESTIMATES

**(Additional Estimates)**

THURSDAY, 24 FEBRUARY 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE****LEGISLATION COMMITTEE****Thursday, 24 February 2011**

**Members:** Senator Bishop (Chair), Senator Trood (Deputy Chair) and Senators Forshaw, Hutchins, Kroger and Ludlam

**Participating members:** Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Coonan, Cormann, Crossin, Eggleston, Faulkner, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Furner, Hanson-Young, Heffernan, Humphries, Hurley, Johnston, Joyce, Macdonald, McEwen, McGauran, Marshall, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Troeth, Williams, Wortley and Xenophon

**Senators in attendance:** Senators Abetz, Bishop, Brandis, Colbeck, Faulkner, Fielding, Forshaw, Hutchins, Johnston, Kroger, Ludlam, Macdonald, McEwen, O'Brien, Parry, Ronaldson, Sterle and Trood

**Committee met at 9.01 am**

**FOREIGN AFFAIRS AND TRADE PORTFOLIO****In Attendance**

Senator Conroy, Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity

**Department of Foreign Affairs and Trade****Portfolio overview**

Mr Dennis Richardson, Secretary

Mr Chris Moraitis, First Assistant Secretary, Corporate Management Division

Ms Ann Thorpe, Chief Finance Officer

Mr Bryce Hutchesson, Assistant Secretary, Executive Planning and Evaluation Branch

**Outcome 1—The advancement of Australia's international strategic, security and economic interests including through bilateral, regional and multilateral engagement on Australian Government foreign and trade policy priorities**

**Program 1.1 Foreign affairs and trade operations****North Asia**

Mr Peter Rowe, First Assistant Secretary

**South-East Asia**

Mr Hugh Borrowman, First Assistant Secretary

**Americas**

Mr Bill Tweddell, First Assistant Secretary

Ms Jane Hardy, Assistant Secretary, United States Branch

Ms Jane Duke, Assistant Secretary, Canada, Latin America Branch

**Africa**

Mr Bill Tweddell, First Assistant Secretary  
Ms Karen Lanyon, Assistant Secretary, Africa Branch

**Europe**

Mr Neil Hawkins, Acting First Assistant Secretary

**South and West Asia, Middle East**

Mr David Stuart, First Assistant Secretary  
Mr Jon Merrill, Assistant Secretary, Pakistan and Afghanistan Branch  
Ms Jenny Bloomfield, Assistant Secretary, Middle East Branch  
Mr Mark Pierce, Assistant Secretary, South and Central Asia Branch

**Pacific**

Ms Jennifer Rawson, First Assistant Secretary  
Mr Stephen Gee, Assistant Secretary, Pacific Islands Branch  
Mr Jeremy Bruer, Assistant Secretary, Papua New Guinea and Fiji Branch.

**International organisations and legal issues**

Ms Deborah Stokes, First Assistant Secretary  
Mr Richard Rowe, Senior Legal Adviser  
Ms Caroline Millar, Head, United Nations Security Council Task Force  
Mr James Larsen, Ambassador for People Smuggling Issues  
Ms Ruth Adler, Assistant Secretary, Environment Branch  
Mr Dominic Trindade, Assistant Secretary, Domestic Legal Branch  
Mr Greg French, Assistant Secretary, International Legal Branch

**National security, nuclear disarmament and nonproliferation**

Mr Allan McKinnon, First Assistant Secretary, International Security Division  
Dr Robert Floyd, Executive Director, Australian Safeguards and Non-Proliferation Office

**Services to other agencies**

Mr Jon Philp, Acting First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

**Services to diplomatic/consular representatives**

Ms Anne Plunkett, Assistant Secretary, Protocol Branch

**Bilateral, regional and multilateral trade negotiations**

Mr Bruce Gosper, Deputy Secretary  
Ms Jan Adams, First Assistant Secretary, Free Trade Agreement Division  
Mr Michael Mugliston, Special Negotiator, Free Trade Agreement Division  
Mr Hamish McCormick, First Assistant Secretary, Office of Trade Negotiations  
Mr James Baxter, Assistant Secretary, WTO Trade Law Branch  
Mr George Mina, Assistant Secretary, Services and Intellectual Property Branch

**Trade development/policy coordination and Asia-Pacific Economic Cooperation and Export Finance and Insurance Corporation**

Mr Bruce Gosper, Deputy Secretary  
Mr Paul Tighe, First Assistant Secretary, Trade and Economic Policy Division

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**Hosting 35th Antarctic Consultative Meeting Finance and Insurance Corporation****Program 1.2 Payments to international organisations (administered)****Program 1.3 Public information services and public diplomacy**

Mr Jon Philp, Acting First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

**Outcome 2—The protection and welfare of Australians abroad and access to secure international travel documentation through timely and responsive travel advice and consular and passport services in Australia and overseas****Program 2.1 Consular services**

Mr Jon Philp, Acting First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

**Program 2.2 Passport services**

Mr Bob Nash, Executive Director, Australian Passport Office

Ms Penny Williams, Executive Director Designate, Australian Passport Office

**Outcome 3—A secure Australian government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate****Program 3.1 Foreign affairs and trade operations**

Mr Tuan Dao, Chief Information Officer, Information Management and Technology Division

Mr Stuart Page, Assistant Secretary, Diplomatic Security Branch

**Program 3.2 Overseas property**

Mr Peter Davin, Executive Director, Overseas Property Office and Services

**Australian Trade Commission****Outcome 1—Advance Australia's trade and investment interests through information, advice and services to businesses, industry and governments****Program 1.1 Trade and investment development****Program 1.2 Trade development schemes (export market development grants)****Outcome 2—The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas****Program 2.1 Consular, passport services**

Mr Peter Grey, Chief Executive Officer

Mr Peter Yuile, Deputy Chief Executive Officer

Mr Ian Chesterfield, General Manager, Business Policy and Programs

Mr Michael Vickers, National Manager, EMDG Policy and Scheme Development

Mr Quentin Stevenson-Perks, National Education Manager

Mr David Crook, Corporate Secretary

Mr Brendan Jacomb, Group Manager, Business Effectiveness

Mr Peter Gunning, Chief Finance Officer

Ms Paula Barnett, Group Manager, Strategy, Systems and Services, Human Resources

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**Australian Agency for International Development****Outcome 1—To assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest****Program 1.1 Official development assistance—PNG and Pacific****Program 1.2 Official development assistance—East Asia****Program 1.3 Official development assistance—Africa, South and Central Asia, Middle East and other****Program 1.4 Official development assistance—Emergency, humanitarian and refugee program****Program 1.5 Official development assistance—Multilateral replenishments****Program 1.6 Official development assistance—UN, Commonwealth and other international organisations****Program 1.7 Official development assistance—NGO, volunteer and community programs****Departmental support****Outcome 2—Australia's national interest advanced by implementing a partnership between Australia and Indonesia for reconstruction and development****Program 2.1 East Asia****Departmental support**

Mr Peter Baxter, Director General

Mr Richard Moore, First Assistant Director General, Asia Division

Mr Laurie Dunn, First Assistant Director General, Program Effectiveness and Performance Division

Mr Murray Proctor, First Assistant Director General, Sectoral Policy Division

Ms Catherine Walker, First Assistant Director General, Africa, West Asia, Middle East and Humanitarian Division

Mr Robin Davies, First Assistant Director General, International Programs and Partnerships Division

Mr Blair Exell, First Assistant Director General, Corporate Enabling Division

Mr James Gilling, First Assistant Director, Pacific Division

Mr John Davidson, Assistant Director General, Office of Development Effectiveness

Ms Lisa Rauter, Assistant Director General, Africa and Middle East Branch

Mr Jamie Isbister, Assistant Director General

Ms Octavia Borthwick, Assistant Director General, Papua New Guinea and Solomon Islands Branch

**CHAIR (Senator Mark Bishop)**—I declare open this meeting of the Senate Foreign Affairs, Defence and Trade Legislation Committee. I welcome Senator Conroy, representing the Minister for Foreign Affairs and the Minister for Trade, Mr Dennis Richardson, Secretary, and officers of the Department of Foreign Affairs and Trade. Today the committee will examine the additional statements for the Foreign Affairs and Trade portfolio in the following order: Department of Foreign Affairs and Trade, general topics, will be until 5 pm today, followed by DFAT trade matters in conjunction with Austrade from 5 pm until 6.30 pm, and AusAID will be heard from 7.30 pm onwards this evening.

The date of 21 April 2011 has been set as the date by which answers to questions on notice are to be returned. Senators should provide their written questions on notice to the secretary by close of business on Thursday, 3 March 2011. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice.

Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretary has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate into *Hansard*. There are copies available on each table.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
  - (1) If:
    - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
    - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
  - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
  - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
  - (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
  - (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
  - (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

**CHAIR**—Minister, do you or an officer wish to make an opening statement?

**Senator Conroy**—The good news is that, no, I do not wish to make an opening statement.

**CHAIR**—Mr Richardson?

**Mr Richardson**—No.

[9.03 am]

#### **Department of Foreign Affairs and Trade**

**CHAIR**—Are there any questions for the portfolio overview? Senator Trood.

**Senator TROOD**—Thank you, Chair. Good morning, Secretary. Perhaps I can just begin by acknowledging the speed with which you provided answers to the committee's questions on notice in a timely way on this occasion. May I say on behalf of myself and the committee that we are very grateful to you. It is a much better performance than the Department of Defence, I would have to say. But can I also just take a minute to draw your attention to the committee's report on public diplomacy, which was tabled in August 2007, and to recommendation 18, which the government accepted. The recommendation was that your department would report back to the committee within two years of the report. I do not think we have heard from you in relation to that undertaking. I wonder if you could perhaps ask your department to look into whether or not you could do so.

**Mr Richardson**—Certainly.

**Senator TROOD**—I want to begin with the MYEFO budget cuts of \$45.5 million, as I understand it.

**Mr Richardson**—That is across the portfolio over three years.

**Senator TROOD**—Yes. You may be familiar with a report that appeared in the *Age* in January this year suggesting that 20 overseas officers are expected to be recalled and 24 Canberra positions might be scrapped in relation to this.

**Mr Richardson**—That is pure speculation and there is no foundation for that report whatsoever.

**Senator TROOD**—If that is the case then I would be grateful if you could explain to the committee where these savings will come from. I think I asked you about this on the last occasion and you had yet to determine precisely where those savings would come from.

**Mr Richardson**—At this point in time we are still working through that for the very good reason that those savings commence from 1 July this year and we will not make final decisions about where the savings will come from until we get further into this year's budget process, because we need to consider that as a whole rather than piecemeal. Of the \$45.5 million over three years, around \$31 million or \$32 million of that will be from the department. We do not propose to reduce or to cut into our global network to meet those savings.

**Senator TROOD**—Does the phrase 'global network' mean your A based representation overseas?

**Mr Richardson**—That is right.

**Senator TROOD**—Are you planning on the basis that this will be the only budget saving that you will have to deliver for the forthcoming budget?

**Mr Richardson**—I simply have an open mind on that. If the efficiency dividend is continued, as I assume it will be, then we will obviously need to find room for that. Also, our current agency agreement with unions and staff comes to an end in June. So between now and then we will need to negotiate a new agency agreement, and it would be unlikely that we would negotiate an agreement with a zero salary outcome.

**Senator TROOD**—If you are not proposing to cut any A based staff from overseas representation, where do you think you are going to get this money from the department?

**Mr Richardson**—We are still working through that. We have a range of options which we have been working through for some months. I do not believe I should comment on those possibilities until decisions have been made and properly communicated with staff.

**Senator TROOD**—You would be familiar, no doubt, with your remarks in the annual report where you made the observation that resource constraints continue to be a challenge to the department. That is a measure of candour which we are grateful to see. Perhaps you could explain to us precisely where these resource constraints are the greatest within the department.

**Mr Richardson**—I suppose different parts of the department would put their hand up to say that they have the greatest resource constraints. From where I sit, it is a general resource constraint in terms of the demands on the department both in Canberra and overseas. It particularly comes into sharp relief when we have crises.

We were responding initially to a situation in Tunisia, then in Egypt, now in Libya, Bahrain and the like and, of course, in Christchurch. We manage them and we manage them well, but we manage them very much by robbing Peter to pay Paul and the like. We do that simply by sharp prioritisation. But I think there is a general tightness in resources across the department, both in Canberra and overseas.

**Senator TROOD**—You agree, I think, with your minister's speech in November last year on the future of the Australian foreign service. That is a speech with which you are no doubt very familiar. He made the remark:

We must properly resource—

'we' of course being the Australian foreign service—

this great Australian foreign service for the great demands that will be placed on it for the future.

That is a sentiment I think many people would share. Do you think that particular aspiration is being achieved?

**Mr Richardson**—In that speech the minister also talked about the fiscal constraints that the government was understandably experiencing and he was talking about the longer term. He also spoke in that speech about his commitment to support the department in its resources over the longer term. He was careful not to make commitments or promises in the immediate short term, out of a recognition of the fact that there is a general need for tightness across government at the moment.

**Senator TROOD**—Have you given him advice as to a claim that he might make in relation to the budget process? Have you done work on what the department might need going into this budget process in relation to additional funding?

**Mr Richardson**—Yes.

**Senator TROOD**—What sort of figure are we talking about in relation to that?

**Mr Richardson**—That is still within a budget context and it would not be proper for me to talk about those sorts of discussions that I might have had with the minister at this point.

**Senator TROOD**—Perhaps we can revisit those in May. This may or may not be related to your parlous budgetary situation, but there has been a restructuring of the deputy secretary arrangements within the department since we last met. The numbers have been reduced from five to four. I think I am right in saying that.

**Mr Richardson**—Yes.

**Senator TROOD**—Why did you do that?

**Mr Richardson**—Historically, there have been no more than four. A fifth deputy secretary was added a few years back, I think in the context of APEC. When I came to the job there was a vacancy and there was a general view that continuing with a fifth would be worth while. In the year that I have been in the job, I have come to a view that five deputies are too many. It was very much my own decision to go from five to four. I do not believe the department needs five deputies. I think that money is probably better spent elsewhere in the department.

**Senator TROOD**—So the restructuring was a reflection of budgetary constraints?

**Mr Richardson**—No. I can assure you that if our budget was increased by 10 per cent tomorrow there would not be a reinstatement of the fifth deputy.

**Senator TROOD**—I see. But you do save some money by not having a fifth deputy, the deputy secretary position?

**Mr Richardson**—The person who was in that spot is going off to another job, so we are not saving money per se. However, if we were to fill that fifth deputy position then we would be spending more money, if you know what I mean.

**Senator TROOD**—I understand what you are saying. Mr Wells was the secretary who was removed?

**Mr Richardson**—No, he was not removed.

**Senator TROOD**—I do not mean that pejoratively. I realise it may sound that way. It was Mr Wells's deputy secretary position which was cut—perhaps that is a better way to put it—and he remains in the department; is that right?

**Mr Richardson**—Yes, he does. He is preparing for another assignment.

**Senator TROOD**—Is that locally or is that overseas?

**Mr Richardson**—That will be overseas.

**Senator TROOD**—As a consequence of the restructuring of the deputy secretary level, do you propose to make any further restructuring arrangements with regard to the rest of the department?

**Mr Richardson**—We have made some, Senator, over the past year. For instance, we restructured one division in particular. We replaced a division head with a chief information officer. The department did not have a chief information officer. I felt that the department should. I felt that the department should have IT expertise at the executive level of the department, which it had not had. Three to six months ago we did rearrange the responsibilities of one division and we had some minor restructuring around that. That has been the other key thing that we have done.

**Senator TROOD**—Is the information officer a person who engages with the media or the public on behalf of the department?

**Mr Richardson**—No, the chief information officer is really your person who has executive responsibility within the department in respect of your information management systems and infrastructure and the like.

**Senator TROOD**—How have you paid for that particular position?

**Mr Richardson**—He simply occupies a division level position that was previously occupied by someone else.

**Senator TROOD**—Without any additional resources?

**Mr Richardson**—That is right, and it is not costing us any more than if we had—

**Senator TROOD**—It is a rebadging, as it were?

**Mr Richardson**—It is a rebadging. But we brought into the department particular expertise to meet the job requirement.

**Senator TROOD**—Thank you. I want to follow up a matter in relation to a question on notice from October which relates to the staff in Mr Rudd's office. Just before I do that, I have a list of questions regarding Mr Rudd's travel. It would be tedious if I read out each of these questions. I think the best thing for me to do is ask you to respond to this list of questions on notice. I have a list here. I might give them perhaps to Ms Thorpe or yourself.

**Mr Richardson**—Sure.

**Senator TROOD**—But I ask that they be taken as questions on notice for response by the deadline which has been set by the committee, if that is satisfactory?

**Mr Richardson**—Understood, yes.

**Senator TROOD**—Your answer to question on notice No. 5 from October in relation to Mr Rudd's ministerial staff, and Dr Emerson's staff as well, was that he was entitled to 13 personal staff, of whom two were departmental liaison officers. There is one from DFAT and one from AusAID, as I understand it. You said that both Mr Rudd and Dr Emerson were still finalising staff arrangements in their offices within the terms of these entitlements. Can you confirm whether or not those arrangements have now been settled?

**Mr Richardson**—Yes, they have. Both ministers have finalised their staffing arrangements and both ministers have finalised them within the framework of what is allowed within government, set by the Prime Minister.

**Senator TROOD**—I wonder about that, Mr Richardson, because I have a list of Mr Rudd's staff. Your answer was that he is entitled to 13, but I count 14.

**Mr Richardson**—I think you will find Mr Rudd has two sets of entitlements. One is by virtue of him being a minister in the cabinet and he also has additional staff by virtue of being a former Prime Minister.

**Senator TROOD**—I see. Your reference in the answer to my question that he is entitled to 13 staff suggests that it includes the two that he is entitled to in relation to his former prime ministerial entitlements.

**Mr Richardson**—I will come back to you separately on that.

**Senator TROOD**—I would be grateful. You say in your answer to me that he is entitled to 13, including his entitlements as former Prime Minister. That is straightforward. However, I count 14 on his staff list and I would be grateful if you could explain why that is the case.

**Mr Richardson**—I will come back separately on that, Senator, so that I do not make a mistake.

**Senator TROOD**—Are you able to confirm that he in fact has two departmental liaison officers?

**Mr Richardson**—Yes, he does.

**Senator TROOD**—What areas of the department do they cover?

**Mr Richardson**—They do not necessarily—

**Senator TROOD**—Or do they not? On what basis are they there, if I can perhaps put it that way?

**Senator Conroy**—Every minister I think has two.

**Senator TROOD**—Senator, I understand that, but I am just wondering whether or not they have particular responsibilities in his office.

**Mr Richardson**—One of them has particular responsibilities relating to proliferation issues and others, and the other—

**Mr Moraitis**—The first officer, as Mr Richardson said, is in disarmament. The second relates to environment, North Asia, Pacific and Asia regional issues.

**Senator TROOD**—I see. Thank you.

**Senator HUTCHINS**—So the foreign minister has one officer purely dedicated to proliferation?

**Mr Richardson**—Not purely dedicated to that, no. He does other things in addition. He does North America, East Europe, South Asia including Afghanistan and Pakistan, and he does counterterrorism.

**Senator HUTCHINS**—That is a lot. What do the other 14 do, then?

**Mr Richardson**—Well, you have a chief of staff. I should say—

**Senator HUTCHINS**—I imagine he has media assistance as well.

**Mr Richardson**—Senator, Mr Rudd has some additional staff by virtue of being a former Prime Minister, but as a minister he is no more well endowed with staff than others. So I would not want to leave any impression—

**Senator HUTCHINS**—Do you define ‘well endowed’, Mr Richardson?

**Mr Richardson**—I am not defining it; I am simply making a statement of fact.

**Senator Conroy**—Can I just confirm that Mr Rudd has 11 personal staff, advisers and admin, two DFAT DLOs, one AusAID DLO and two former PM staff? So that is his endowment?

**Senator TROOD**—That is 16, I think.

**Mr Richardson**—Can I mention that you asked what his staff do, and you appear to have doubts about what his staff do.

**Senator HUTCHINS**—No.

**Mr Richardson**—I can go through it if you wish.

**Senator HUTCHINS**—No. You or Mr Moraitis said that one was dedicated to proliferation. I just asked what else he did.

**Mr Richardson**—Yes, and in terms of the others, you then asked what the others did. He has a chief of staff.

**Senator HUTCHINS**—No, hold on just a minute. Do not get testy with me. All I asked was what he did—whether there was one for proliferation—and then you or Mr Moraitis, I cannot recall, detailed that he or she went from North America to Central America to South America. That is a lot of the globe to cover for one person.

**Mr Richardson**—No, it is not.

**Senator HUTCHINS**—What did the other 14 do?

**Mr Richardson**—That is what I thought you asked. He has a chief of staff.

**Senator TROOD**—Mr Green, his chief of staff, is a former officer of the department. He is on secondment, I assume, from the Prime Minister’s office.

**Mr Richardson**—No, he is an officer of the department working in the minister’s office under the Members of Parliament (Staff) Act.

**Senator TROOD**—I see.

**Mr Richardson**—That is the usual arrangement, and it has gone on for over 20 years in respect of public servants working in ministerial offices.

**Senator TROOD**—But he is not included in the two officers who are DLOs, is he?

**Mr Richardson**—No, and normally he would not be. There are, of course, media people he employs—media advisers.

**Senator HUTCHINS**—How many does he have for media?

**Mr Richardson**—As do all ministers of all governments.

**Senator HUTCHINS**—So of that 14 he has just got one media person?

**Mr Richardson**—He has a senior media adviser and he has another person who also does some media work. The minister, of course, carries responsibility for AusAID, and that is effectively a separate agency. The minister also carries responsibility for the Australian secret intelligence organisation. Obviously that is something which all foreign ministers have carried a responsibility for in successive governments and, as per all foreign ministers in successive governments, he has arrangements relating to that responsibility. He has one staff member who does the Middle East, Africa and South-East Asia. He has another staff member who does environment, North Asia, the Pacific and Asia regional. He has another officer who also does development AusAID work. He has a couple of them. He has an office manager. He has an executive assistant. He has someone at the reception and the like. I can get the full details, Senator, and I could, if you wish—

**Senator HUTCHINS**—I would like them, yes.

**Mr Richardson**—do that for you in detail.

**Senator HUTCHINS**—Thank you. I am sorry, Senator Trood, to intervene there.

**Senator TROOD**—The question I asked after the last estimates also included a request for information about Dr Emerson's staff. I assume that his staff has also been settled by now; is that right?

**Mr Moraitis**—Yes. The total staff of Dr Emerson's office is 10.

**Senator TROOD**—How many DLOs does he have?

**Mr Moraitis**—He has one DFAT department liaison officer and one adviser.

**Senator TROOD**—What was the second?

**Mr Moraitis**—An adviser under MOPS—the members of parliament act.

**Senator TROOD**—I see.

**Senator Conroy**—He has exactly the entitlement that he is allowed.

**Senator TROOD**—And his overall entitlement is what?

**Senator Conroy**—I thought I actually listed that a minute ago.

**Senator TROOD**—I did not hear you.

**Senator Conroy**—He has 11 personal staff, which are advisers and admin, two DFAT DLOs—

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**Senator TROOD**—No, no. This is Dr Emerson.

**Mr Moraitis**—He currently has 10 staff with one position to be filled which is a receptionist position that has not been filled yet.

**Senator TROOD**—So he has an entitlement of 10, one of which is not filled.

**Senator Conroy**—No, 11.

**Mr Moraitis**—He has 10 currently filled and one to be filled.

**Senator TROOD**—How many media people does he have?

**Senator Conroy**—Whatever allocation he decides within the 11.

**Senator TROOD**—How many does he have?

**Mr Moraitis**—I understand at least one media adviser.

**Mr Richardson**—I think it is one.

**Senator TROOD**—While we are still on the subject of staff, Secretary, you mentioned the challenges of managing crises around the world—Tunisia, Egypt, and now Christchurch, sadly. Can you tell us whether or not you have moved any consular staff to Christchurch in recent days to deal with that situation?

**Mr Richardson**—Yes, we have. As of today, we will have 17 staff in Christchurch, 27 staff in Wellington and eight staff in Auckland. In addition to that, there will be four Centrelink staff in Christchurch and two each in Wellington and in Auckland.

**Senator TROOD**—You mentioned Centrelink staff, but are the others all from your department?

**Mr Richardson**—No. They are mainly from our department, but there are some others from elsewhere too.

**Senator TROOD**—That sounds like a considerable increase in the number of DFAT staff who would normally be in New Zealand. Is that correct?

**Mr Richardson**—Yes, that is right.

**Senator TROOD**—Where have they come from?

**Mr Richardson**—They come from Canberra.

**Senator TROOD**—So they have all been redeployed from Canberra.

**Mr Richardson**—Yes, I believe so.

**Senator TROOD**—How many of those have been sent to New Zealand as a result of the earthquake? In other words, how many more staff have you sent there who would not normally be in New Zealand?

**Mr Richardson**—We will get that information for you.

**Senator TROOD**—But they have all come from Canberra?

**Mr Richardson**—Yes.

**Mr Moraitis**—About 19.

**Senator TROOD**—You have sent 19 staff. Which parts of the department have they come from?

**Mr Richardson**—They come from different parts. In a situation like this quite obviously the needs of Australians overseas come first, and that is part of our responsibility. We do what any organisation does when there is an emergency of this kind: we reprioritise and you put your resources as the top priority. We have a consular emergency cadre within the department, which we formed about nine months ago, where we call for volunteers within the department who wish to be trained and wish to make themselves available in response to a situation like this. So they are the first port of call in terms of staffing the crisis centre in the department.

Then over and above that, when there is a need to supplement our resources overseas, we either send people from Canberra or send people to the place of need from other posts, or there are always a number of spouses overseas who are not working but who indicate before they go overseas that they would be happy to be called back on duty in the case of an emergency. So we get the additional resources from a range of sources.

**Senator TROOD**—When you redeploy people in this way—just take those people who have been sent from Canberra—have they been sent for as long as they are needed or have they been sent, for varying periods presumably, for a shorter period of time?

**Mr Richardson**—We send them for as long as needed and then we measure out the need as we go. If the need were to continue over an extended period then of course we would need to address the need for people to have a break and we would need to replace them. This morning I spoke to Paul O’Sullivan, the High Commissioner to New Zealand. He is currently in Christchurch. That was one of the issues that we did go to.

**Senator TROOD**—That is to say, how long people will remain and how long they are likely to be needed?

**Mr Richardson**—I do not know. We simply keep an open mind on that. In Egypt we were able to start to bring the numbers down after a couple of weeks. In Christchurch we will just have to wait and see.

**Senator TROOD**—How do you pay for these extra demands on your resources?

**Mr Richardson**—It is a marginal cost. You are paying their salaries anyway. If they are overseas they are getting allowances and the like. Of course you have the additional cost of airfares and you have the additional costs of accommodation and the like. We seek to meet that within our existing budget if at all possible. If we cannot, we then go to the Department of Finance and say, ‘We have this need and we need additional resources.’ The Department of Finance in a situation like this is normally fairly sensible.

**Senator TROOD**—You can do that independent of the budget process, can you?

**Mr Richardson**—There is a process whereby you can do that outside of budget. I think successive governments have normally been pretty sensible in the way they have done that.

**Senator TROOD**—Have you sought any additional funding in relation to this?

**Mr Richardson**—Not at this point.

**Senator TROOD**—You have had a series of crises to deal with.

**Mr Richardson**—Egypt cost us less than \$1 million. That included the charter of aircraft and the like. I do not think Christchurch will cost us as much as Egypt.

**Senator KROGER**—While we are on this subject, where are our consular offices in Christchurch? Are they in the ground zero area, where there was such destruction, or are they outside that area? Were they affected in any way?

**Mr Richardson**—We normally do not have consular staff in Christchurch. These are consular staff that we sent in in response to what happened.

**Senator KROGER**—So we do not have an office in Christchurch as such?

**Mr Richardson**—No.

**Senator KROGER**—What arrangements have you made in terms of locating these people?

**Mr Richardson**—I cannot tell you precisely where they are located, although I could come back to you before the end of the day and let you know precisely where they are.

**Mr Richardson**—The people we have sent to Christchurch were initially located just outside the CBD. The New Zealand authorities have evacuated the CBD for anybody who is not in the immediate rescue efforts. Our team has relocated and established an office at the Cophorne Hotel Commodore, which is close to the airport but in the downtown area.

**Senator KROGER**—Thank you very much.

**Mr Philp**—I might say what the staff are doing. They are at the airport assisting people depart. They are secondly visiting hospitals to ensure that there are not Australians there who are not known about. They are thirdly liaising with the search and rescue and emergency response areas of the New Zealand government. Finally, they are dealing with ad hoc consular matters that might arise in a situation like that.

**Senator KROGER**—Have there been any requests of assistance for people who are having difficulty financially in dealing with the crisis and having to get to another location and so on?

**Mr Philp**—I do not have the figures on that with me, Senator, but all consular officers are in a position to provide emergency travel loans and in a crisis such as this we also authorise them to extend those loans to ensure that any Australians who have the need for money have as much as they need to get back to Australia.

**Senator KROGER**—What is the process in accessing emergency money to facilitate a return to Australia?

**Mr Philp**—This is particularly DFAT funding and there are other arrangements with other agencies. What we have is the travellers' emergency loan which we can extend to any traveller overseas in difficulty. We will make that available to Australians in New Zealand. Normally I think it is about \$150, but where there are special circumstances—and these are clearly special circumstances—staff are authorised to give them extended loans. This is on the basis of a signed undertaking to repay—it is a piece of paper—and we follow through on that eventually but our first priority, of course, is to help Australians sort themselves out and get themselves, if possible, back to Australia.

**Senator KROGER**—We have seen news reports of estimates of how many Australians have been caught up in it. What is your view on how many Australians are caught up in it?

**Mr Richardson**—There are around 3,000 in Christchurch.

**Senator KROGER**—Gee, that many!

**Mr Richardson**—We have about 3,100 cases registered in Christchurch.

**Senator KROGER**—Just on that, they are all tourists?

**Mr Richardson**—No, some of them would live in Christchurch. So you have a mix of people. You have visitors for all sorts of different purposes, including tourists, and you have also people who live there.

**Senator KROGER**—You have been able to ascertain whether or not most of those people have been contactable or have been non-contactable?

**Mr Richardson**—No. We have about 1,581 Australians who are registered and we know they are okay. There is, I think, one confirmed death; is that right, Jon?

**Mr Philp**—That is correct, of a long-term resident rather than an Australian citizen.

**Mr Richardson**—That is an Australian resident. In a situation like this, Senator, most people find their own way out. I mean, commercial flights are operating in and out. We did take some people out on RAAF aircraft yesterday. There were a total of 96 people taken out on a C130 and a C17.

**Senator KROGER**—Why was it determined that those people would be taken out by aircraft? Was there any particular reason?

**Mr Richardson**—I think it was circumstance.

**Mr Philp**—We had used the aircraft to bring in material and equipment to use for the search and rescue and it was appropriate and efficient to fill the aeroplanes when they came back to Australia with whoever could be made available.

**Senator KROGER**—Terrific, thank you.

**CHAIR**—I want to interrupt, if I may. Senator Fielding has some questions about fraud in embassies overseas, so we will do that for five or 10 minutes.

**Senator FIELDING**—Thank you, Chair.

**CHAIR**—Alleged fraud, sorry.

**Senator FIELDING**—I was just wanting to refer back to some recent reports that claim that there has been a growing number of Australian diplomats and foreigners working in Australian embassies being investigated for fraud and corruption and criminal behaviour. I just want some general comments on whether those reports are true. I think it was claimed that there had been a 38 per cent increase in the number of formal investigations into suspected cases of misconduct and fraud.

**Mr Richardson**—Senator, the report is accurate up to a point, but the way we handled investigations changed in 2008. Prior to 2008, when there were complaints we would have an informal investigation before deciding whether to move to a formal investigation, and our

reporting only encompassed what moved on to formal investigation. In 2008, the department changed its practice so that all complaints were investigated formally from the beginning. So from 2008 on we have had an apparent big increase in the number of investigations, but if you put together the formal and informal complaints prior to 2008 and compare that with the formal since 2008, there has been a very small increase.

**Senator FIELDING**—Okay. I can see how you could explain the increase in what you are putting forward there. Does the department accept that the current controls it has in place are inadequate?

**Mr Richardson**—Are inadequate?

**Senator FIELDING**—Yes.

**Mr Richardson**—No.

**Senator FIELDING**—Then can you let me know how many of these investigations are related to cash fraud versus—

**Mr Richardson**—There is one in particular that I know of. I would have to take on notice—

**Senator FIELDING**—I would like to know the types. Is it cash and what are the types of the others?

**Mr Richardson**—Yes, I would need to take that on notice. One certainly does relate to cash, and that related to an investigation of a locally engaged staff member. That staff member was separated, and the relevant mission overseas is now considering whether and how it could formally seek the recovery of those funds. That is one particular case. Whether there are others relating to cash, Senator, I would need to take on notice.

**Senator FIELDING**—Could you take that definitely on notice and go back over the last four years in terms of what categories there have actually been on a year-by-year basis?

**Mr Richardson**—Yes.

**Senator FIELDING**—When was the last review done in the department on this sort of issue of fraud? Has there been any change in the processes at all?

**Mr Richardson**—I do not know. I would need to—

**Mr Moraitis**—There is regularly a review of our fraud plan. It is actually being reviewed at the moment. We have recently just completed a review of our Conduct and Ethics Unit—late last year or early this year—and we have also recently, in January this year or late last year, revised our conduct and ethics manual. So it is an ongoing process of improving—

**Senator FIELDING**—Excuse me?

**Mr Moraitis**—our conduct and ethics processes.

**Senator FIELDING**—So when was the last report on the issue of fraud or that type of issue done in relation to embassies? Was there one done? You say that it is ongoing. It sounds like it is generally ongoing.

**Mr Moraitis**—A general fraud plan, yes, but in general we keep a constant eye on it.

**Senator FIELDING**—Yes, I know that. But I am just asking: what have you done just recently? You have said that you actually—

**Mr Moraitis**—We have reviewed the relevant area of our department, which is a small unit that investigates all of these cases. All allegations come to that Conduct and Ethics Unit and that unit has been looked into by an outside person who prepared a report about its performance. And we also—

**Senator FIELDING**—So when was that report done?

**Mr Moraitis**—Late last year.

**Senator FIELDING**—Right.

**Mr Moraitis**—Also we have a conduct and ethics manual, which the unit prepares for all staff to have access to, which provides all the details about the gamut of conduct and ethics matters including, of course, fraud, which is a subset of conduct and ethics.

**Senator FIELDING**—Can that report be tabled?

**Mr Moraitis**—I will take that on notice.

**Senator FIELDING**—Thank you. Has there been something specifically requested recently in this regard for the last report that was done? I am just trying to get a handle—

**Mr Moraitis**—No. That is the most recent work that has been done. There is nothing in the last few weeks or anything like that.

**Senator FIELDING**—Is there nothing out of this recent newspaper report? There will be no change in the investigation at all.

**Mr Richardson**—No. That newspaper report told us nothing we did not know, and we are not doing anything within the department that we would not have ordinarily been doing as a result of that report.

**Senator FIELDING**—I am interested in the cases of fraud involving cash, because normally there should be a process of two staff being involved when cash is taken out. Is that the case? What are the procedures in relation to when cash is being handled within embassies?

**Ms Thorpe**—We have some very clearly defined rules on how cash is managed. There are clear controls. Only certain people have access to cash and it all has to be signed off properly. ANAO is very comfortable—it believes our internal controls and processes are probably better than most other agencies, because obviously we need to manage these things very carefully.

**Senator FIELDING**—You may need to take this question on notice. Can you outline what specific controls are in place when cash is handled—in other words, when cash is taken out of the safe? Normally, from a commercial background, it needs two people to be involved.

**Ms Thorpe**—We have a very similar arrangement in the Public Service. I come from a commercial background, too. We have a very similar arrangement. We have to obviously be very careful, because we are talking about public money, taxpayers' money. So we are particularly cautious. But I can take it on notice to give you some details.

**Senator FIELDING**—That was the reason I was asking about how many of these frauds have been about cash, because it is very hard for that to happen if you have the procedures in place with two people signing off on it.

**Ms Thorpe**—You would also be aware with your finance background that you can have the best controls in the world but unfortunately if people really want to commit fraud it is very, very hard to prevent it. At the end of the day, we can only do the best we can.

**Senator FIELDING**—I look forward to getting those answers on notice. Thanks, Chair.

**CHAIR**—We will return to the overview.

**Senator TROOD**—Just on this theme since it has been raised, I assume Senator Fielding is referring to the activities of the Conduct and Ethics Unit within the department. Is that right?

**Mr Moraitis**—Yes.

**Senator TROOD**—He may have asked for these statistics, but do you have statistics on the number of cases which were reported and investigated in relation to the unit?

**Mr Moraitis**—Yes.

**Senator TROOD**—Can you provide those?

**Mr Moraitis**—Yes.

**Senator TROOD**—How many cases were there in 2010?

**Mr Moraitis**—I have the statistics by financial year. In 2009-10 there were 39 allegations and investigations.

**Senator TROOD**—How many for the year to date?

**Mr Moraitis**—In 2010-11 there have been 24 allegations and investigations to date. That is up to 21 February.

**Senator TROOD**—So they are investigations undertaken by the unit. Is that right?

**Mr Moraitis**—Correct.

**Senator TROOD**—How many of those cases from 2009-10 and from 2010-11 have led to referral or dismissal?

**Mr Moraitis**—For 2009-10, of the 39, 19 were finalised without further action because the allegations were unsubstantiated—there was no evidence to substantiate the allegations. Nine were finalised because the subjects of the investigation resigned—they were mainly LE staff. Two of those were finalised with sufficient evidence to ensure that their contracts were cancelled. Nine were finalised as substantiated and there was counselling for some people and dismissal in some cases.

**Senator TROOD**—You have 24 cases so far for the current year.

**Mr Moraitis**—For the current year, 11 were finalised without further action because of lack of evidence or unsubstantiated evidence. Two cases involved LE, locally engaged, staff resigning before we could finalise the investigation. Five were finalised and substantiated, leading to counselling and dismissal of some staff. Six are ongoing, and obviously I cannot comment on the ongoing ones.

**Senator TROOD**—Are you concerned about this level of activity?

**Mr Richardson**—It is not higher than historically it has been if you go back some years. That is one thing I was interested in. However, one case of fraud is too many. So, yes, I am, and indeed I should be concerned.

**Senator TROOD**—Have you found it necessary to reconsider any of the procedures that you have in place which have been breached to bring about these charges?

**Mr Richardson**—Where you have a case of fraud or where you have any misconduct, you need to address the issue: does it arise from a systemic failure or does it arise from particular circumstances which do not reflect systemic failure? If it is systemic then you need to revisit whatever guidelines, whatever instructions et cetera. If, however, it relates to the individual circumstances of the case then, no, you do not.

**Senator TROOD**—Have you or have you not put in place any review of procedures in light of these numbers?

**Mr Richardson**—As Mr Moraitis said, we do keep them under review. Indeed, there is a review going on at the moment.

**Senator TROOD**—So there is a review of the procedures in relation to the management of cash or general procedures with regard to security or the issues that have given rise to these concerns? I am not sure precisely what you are reviewing.

**Mr Richardson**—We reviewed the work of the Conduct and Ethics Unit and the requirements there last year.

**Ms Thorpe**—In terms of the specifics, when there is an issue of fraud, particularly if it is to do with cash or something like that, obviously we make sure our procedures are clear. If it has happened at a post, we will liaise with the post to understand what happened. It is a lessons learned type thing. Fraud can happen even with the best controls. If we see that we need to share that information and tighten our controls, we do take action each time.

**Senator TROOD**—Where these charges relate to money having been stolen, what is the value of that money? Do you know?

**Ms Thorpe**—It is usually a very small amount. Most of the transactions are not large amounts, anyway.

**Senator TROOD**—That may be the case. Is that true in relation to all of these cases from 2009 to date?

**Mr Richardson**—The case that involved the biggest sum of money from memory was \$40,000. That was the case that I referred to in answering Senator Fielding's question.

**Senator TROOD**—Thank you for that. I was just following on from Senator Fielding, but I want to go back to where I was in relation to these consular concerns that you have been dealing with.

**CHAIR**—So we are still on the portfolio overview?

**Senator TROOD**—Yes.

**Mr Richardson**—Mr Chairman, could I possibly correct an answer that I gave earlier?

**CHAIR**—Yes, Mr Richardson.

**Mr Richardson**—I was asked a question about Dr Emerson's staff. I think there some inaccuracies in what I provided. Dr Emerson is entitled to 10 personal staff and two departmental liaison officers. He has one senior media adviser as part of that allocation of 10. He has an assistant adviser, who also undertakes some media duties. Of the 10 personal staff, two positions are currently vacant—that is an administrative assistant and an assistant adviser position. He has two DLOs: one is from DFAT and one is from Austrade. That is the complete answer to the question in relation to Dr Emerson.

**CHAIR**—Thank you, Mr Richardson.

**Senator TROOD**—You have given me some information about Christchurch. I would like to canvass the matters you have dealt with in the Middle East, first of all in Egypt. We have an embassy there, I think I am right in saying.

**Mr Richardson**—Yes.

**Senator TROOD**—When that emergency occurred, did you need to redeploy officers to Egypt to deal with it?

**Mr Richardson**—Yes, we did.

**Senator TROOD**—How many people did you redeploy?

**Mr Richardson**—The embassy in Egypt is normally staffed by nine people, including the head of mission. That is all staff that are A-based.

**Senator TROOD**—Nine A-based staff.

**Mr Richardson**—Nine A-based. At the time that the crisis broke there were six of the nine at the post. One of them was absent for medical reasons. At the height of our response there was a total, including the A-based at the post, of 46 A-based staff in Cairo. They included staff primarily from the Department of Foreign Affairs and Trade but also, and very helpfully, from Defence and from the Department of Immigration and Citizenship. I do not know whether there were others. Jon?

**Mr Philp**—I think that is it.

**Senator TROOD**—How many were from your department, Mr Richardson?

**Mr Richardson**—Of those 46, at its height, from memory, there were two DIAC. So that brings it down to four.

**Mr Philp**—There were four additional DIAC staff, a total of nine additional Defence staff. I am sorry, it is confusing because we are talking about the peaks. I am just trying to get at the number at the peak, as the secretary said.

**Senator TROOD**—Mr Richardson gave me a figure of 46.

**Mr Richardson**—Yes, in total.

**Senator TROOD**—I understand that. So how many of the 46 were from DFAT?

**Mr Richardson**—Around 32.

**Senator TROOD**—Thirty-two?

**Mr Richardson**—Around 32. It may be one or two either side.

**Senator TROOD**—Were they from here?

**Mr Richardson**—They were from both Canberra and from other posts.

**Senator TROOD**—How many came from here?

**Mr Moraitis**—I have a list here, Senator. In Canberra there were one or two—seven from Canberra.

**Senator TROOD**—How many?

**Mr Moraitis**—Seven.

**Senator TROOD**—So the balance came from other posts, what, in Europe? Is that speculation?

**Mr Richardson**—Some came from London, I know that.

**Mr Moraitis**—Abu Dhabi, London, Oman, Beirut, Rome.

**Senator TROOD**—I see. You will know, Secretary, that there has been some criticism of the speed with which the Australian government responded to the consular needs in Cairo.

**Mr Richardson**—Yes.

**Senator TROOD**—There were various complaints about the speed with which you responded. That is not only in relation to Australian interests but compared to other countries. In fact, there was quite vociferous criticism by some people—

**Mr Richardson**—By a couple of people.

**Senator TROOD**—By some people.

**Mr Richardson**—Not very many. Overwhelmingly, the response we got was extraordinarily positive and I would be happy to table all of that.

**Senator TROOD**—Let me just pursue this line of questioning, if I may. As I said, there were some people who were very dissatisfied with the department's performance in Cairo in the circumstances that they found themselves. Part of it was with the capacity of the embassy to provide for their needs, but there was also criticism about the speed with which the government provided transport out of the danger zone, I think I am right in saying. Am I not right in saying that the aircraft that was sent for Australians arrived several days later than that of other countries?

**Mr Richardson**—No. It would be right to say that it arrived after some countries. It would be accurate also to say that it arrived before other countries and, indeed, some other countries, such as France, did not send any aircraft.

**Senator TROOD**—When did you decide to send an aircraft?

**Mr Richardson**—The crisis broke on or around 29 January. As I just said, Jon will have the details. We lifted the travel advisory to 'do not travel' on the Sunday. I forget what date it was.

**Mr Philp**—The 30th.

**Mr Richardson**—It was Sunday, the 30th, that we lifted it to ‘do not travel’. On Monday we took the decision to send in a charter. We took a deliberate decision to send in that charter to arrive on the Wednesday, and we did that because you might recall that the mobile phone system was down and it was difficult to in fact contact people. We were concerned that if the aircraft arrived on the Tuesday we would not be able to communicate with sufficient people to have a workable number on the charter. As it was, the charter that arrived on the Wednesday and left on the Wednesday was a 747 and it departed with a total of around 192 people. The second charter left with around 100 people.

**Senator TROOD**—Where was the charter deployed from?

**Mr Richardson**—The charter was a Qantas aircraft out of Frankfurt. It was the Qantas plane that was flying between Australia and Frankfurt, and they were able to send it to Cairo and back during the period in which it otherwise would have been on the ground in Frankfurt.

**Senator TROOD**—The costs of that charter are presumably borne by the department; is that right?

**Mr Richardson**—Yes.

**Senator TROOD**—One of the charges, if I can use that term, which has been made against the department and the way in which the Australian government responded to this situation was that it was difficult to communicate with the embassy and it was difficult to know precisely what arrangements were in place so that Australians who wished to take advantage of the opportunity could actually get to the aircraft and get on board.

**Mr Richardson**—That is quite right. I can understand people’s frustration in respect of that, because here you have people caught up in a situation of civil disturbance, they have great difficulty in getting access to accurate information and they are rightly concerned and worried. Their frustration was totally understandable. Do not forget: the mobile network was not working for a part of the time in Egypt. We cannot control that. We simply have to deal with life as it is. Also, at a critical point our PABX in the embassy in Cairo was overwhelmed with the sheer number of calls and the like. So we were trying to communicate with people out of Canberra. The frustration that you refer to is totally understandable.

**Senator Conroy**—Can I add, though, that in the House of Representatives on 10 February Ms Julie Bishop said:

I commend the efforts of our consular officials, who must have been overwhelmed by calls for assistance. Their work was further hampered by the decision of the regime to shut down communication networks in their attempts to prevent the growth and momentum of the protests. The Australian government responded to the crisis with increased staff. However, while the international airports remained operational, commercial flights were heavily disrupted.

She went on to say:

I know that members of our parliament were contacted by Australians in Egypt and, from my experience, both the office of the Minister for Foreign Affairs and the Department of Foreign Affairs and Trade did all they could to assist.

**Senator TROOD**—I do not disagree with those general observations, but that does not mean that—

**Senator Conroy**—So you agree with the shadow minister for foreign affairs?

**Senator TROOD**—I do not disagree with the general observations but, Mr Richardson, what did you do to try to deal with this problem with which you were confronted?

**Mr Richardson**—Well, we—

**Senator Conroy**—The phone system being closed down by the government.

**Senator TROOD**—Minister, it is not helpful for you to intervene. I have asked the secretary a question. It is within the purview of his capacity to answer and I would be pleased if you would allow him to do so.

**Mr Richardson**—We did the following—of course, the crisis centre was activated in Canberra on the Saturday, I think.

**Mr Philp**—We were running 24 hours from the Saturday, but the crisis centre was officially activated on the Sunday, the 30th.

**Mr Richardson**—We also had the people who come in on the telephone.

**Mr Philp**—The emergency call unit in DFAT was activated immediately and Centrelink's assistance was provided immediately.

**Mr Richardson**—That had how many people working in it?

**Mr Philp**—We had 24 people from the Sunday, I believe.

**Mr Richardson**—Working 24/7?

**Mr Philp**—That is correct.

**Mr Richardson**—So we had—just excuse me for a minute.

**CHAIR**—We would be interested in your response, Mr Richardson.

**Mr Richardson**—We had a team of people in the department 24/7 who were seeking to contact the Australians we were aware of in Egypt. We got their contact details through phone-ins from Australia and phone-ins from Egypt and also those who had registered previously with the embassy. That is one thing we did. The second thing we did was, of course, to put additional resources into Egypt as quickly as possible. We stationed people, as soon as we got those additional resources, at Cairo airport 24/7. We stationed them at the Novotel near the airport 24/7. We had the embassy working 24/7 and we had people working 24/7 at another hotel in downtown Cairo. We were advising people that the two points to go to if they could were the Novotel and the hotel downtown. Mr Philp may be able to give more detail.

**Senator FAULKNER**—Mr Richardson, when you talk about additional resources, can you outline to the committee what that means? When you say 'resources', are you effectively talking about personnel?

**Mr Richardson**—People, yes.

**Senator FAULKNER**—Can you indicate to us what that actually means in terms of the number of personnel? I also think it might be useful to know if there was any assistance that

was non-Australian as well that maybe DFAT used, just so we get the full picture as we work through this.

**Mr Richardson**—The additional resources at their peak were approximately 39 people. However, that built up. We were able to get people out of Egypt, firstly, through our own two charters and, secondly, through the charters of other countries—the US, Canada and Britain. However, far more Australians left on the two Australian charters than on the US, Canadian and British charters combined. The majority of Australians, however, we believe, left under their own steam because throughout the crisis, despite what was enormous chaos at the Cairo International Airport, commercial flights were operating in and out of Cairo the whole time. There was a curfew in place. There were periods at night when commercial aircraft could not land and take off, but throughout all the period there were civil aircraft moving in and out and the vast majority of Australians left Egypt under their own steam.

**Senator FAULKNER**—So in terms of our status precisely as of today, 24 February, are you able to say to the committee as we speak what the strength of our services is?

**Mr Richardson**—Just in respect of Egypt?

**Senator FAULKNER**—Yes.

**Mr Richardson**—I might mention just by way of introduction that we, of course, have moved on to Christchurch and we have moved on to Libya.

**Senator FAULKNER**—Yes.

**Mr Richardson**—Egypt is no longer—

**Senator FAULKNER**—No, I appreciate that. What you talked about was when the resources were at their height—at the height of the crisis, if you like. You talked about the maximum number of 39, I think. It might be useful just to reflect on where we find ourselves now.

**Mr Richardson**—We have the normal A-based staff plus three additional staff at the embassy at present and we are keeping those three additional staff. We are supplementing the resources in Cairo by an additional three people, at least until the presidential elections.

**Senator FAULKNER**—Your assessment at this stage is that that is adequate to meet the requirements of the post there?

**Mr Richardson**—Yes. That decision was taken in consultation with the head of the mission. It was not one that we imposed on the head of the mission. It takes into account the fact that the situation in Egypt, while it still has uncertainty surrounding it, has stabilised considerably. It also takes into account the fact that, of course, we do not have Australians visiting Egypt in the same numbers as we did prior to the crisis.

**Senator FAULKNER**—I appreciate that. Is it likely to be under continual review?

**Mr Richardson**—It is.

**Senator FAULKNER**—Ongoing review, I should say.

**Mr Richardson**—Yes. I think it would be fair to say that we have arrangements in place to put additional people back into Cairo should the need arise. That is monitored by Mr Philp

and his people virtually on a continuous basis. I would not even say on a day-by-day basis; I would say that it is just continuous. If the need arises at 2 am tomorrow, we will know about it and we will make the decision then.

**Senator FAULKNER**—Thanks for that. I just thought it might be useful to get a bit of a status report on that. I did not want to interrupt Senator Trood's flow of questioning too much, but I appreciate that information.

**Senator FORSHAW**—I have one question following on from that. Can you tell me, either in numbers or as a proportion, the number of Australians who would have been registered with the consulate in Egypt compared to what you assume to be the number in the country?

**Mr Richardson**—At the beginning of the crisis we had approximately 800 registered. After the crisis commenced that registration increased to approximately 1,200. Prior to the crisis, we believed that at any one time there were somewhere between 3,000 and 5,000 Australians in Egypt made up of, firstly, visitors; secondly, those working there temporarily; and, thirdly, dual citizens who were living long term in Egypt.

**Senator FORSHAW**—I appreciate that there would be degrees of difficulty in how the department or the officers in the country would be able to get information quickly about other Australians who are not registered, but can I assume that you could hopefully fairly quickly get details from other sources, for example passport departures from Australia? Can you just fill me in a little, because we are always encouraging people to register. Clearly, in certain countries as compared to others, it would be far more beneficial if people did, but what about those travelling on package tours and so on?

**Mr Richardson**—That goes to, I suppose, a real challenge that we face in a situation like this. We do not have secret ways or magical—

**Senator FORSHAW**—I was not suggesting secret ways.

**Mr Richardson**—I was meaning secret in the broader sense of the word. A better way to say it would be that we do not have special means of tying down the precise number of Australians in any country in the event of a crisis. We are highly reliant, firstly, on registration on the smarttraveller website before people leave Australia; and, secondly, registration by people in a country with the relevant Australian embassy or consulate. Also, after the event of a crisis, we are highly reliant on either people in the country contacting us or people in Australia contacting us and advising us that a member of their family or someone they know is in that particular country.

**Senator FORSHAW**—Would that include the travel industry and companies who specialise, for instance, in tours to Egypt or the Middle East?

**Mr Richardson**—We certainly encourage that and we have contact with them. That is why in the event of a crisis we advertise heavily. The media are very good in this. The media help us enormously in advertising the call number in Canberra and, where we have it, a call number overseas. But it is a very uncertain business and the numbers we give are rarely precise down to the last digit.

**Senator FORSHAW**—Sorry to drag this on. I suppose I was wondering whether or not you would be able to—and I am not sure about privacy considerations here—identify quickly

from departure records from Australia those who listed their destination as X country in that region at that point in time? They may be moving onto other places, as we know.

**Mr Philp**—There are two answers to that. One is that there are privacy considerations as between us and DIAC who have responsibility for those figures.

**Senator FORSHAW**—Sure.

**Mr Philp**—We can do some work in terms of overall figures, but we cannot do any work with them on individuals. That causes problems.

**Senator FORSHAW**—Okay.

**Mr Philp**—It is also a slightly blunt weapon in the sense that it does not give us any precision usually about when people are going to be there. One of our big problems is tracking people's entry and exit and actually framing when they are there and whether they are there during a crisis.

**Senator FORSHAW**—Sure.

**Senator KROGER**—Mr Richardson, I just wanted to seek clarification on the two Australian charter flights. I understand from what you have said that the first charter flight left on the Wednesday and you made that call because of the difficulty in contacting people to ensure a maximum number were able to get there. What I have heard from individuals who were trying to make their way to that charter flight—and I say this given that people would have very heightened emotions being there when civil unrest was unfolding—was that there were two evacuation points that people were advised to get themselves to, one being the Novotel near the airport. Is that right?

**Mr Richardson**—A hotel near the embassy. You might have the name of the hotel.

**Mr Philp**—The Conrad Hotel.

**Senator KROGER**—That was the second evacuation point?

**Mr Richardson**—Correct.

**Senator KROGER**—From what I have been advised—and, once again, I qualify this given that I appreciate people got very agitated when they had to work through this—there were many people who could not make their way to that second evacuation point because the city had been shut down. They questioned the reasoning for that being a second evacuation point and suggested that that was one of the reasons the first flight was only half full or whatever—that people had made their way to that evacuation point and they could not access it. And by the time they realised they could not get to that evacuation point they were then locked down and could not make their way to the Novotel near the airport.

**Mr Richardson**—That is very possible and it is totally understandable that they were frustrated. We put in extra people on the ground. However, we had the meeting point rather than evacuation point

**Senator KROGER**—Yes, meeting point.

**Mr Richardson**—We had the meeting point at the hotel near the embassy because the embassy was close by and we had—

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**Senator KROGER**—Close by to what—as in just to the meeting point?

**Mr Richardson**—Close by to the hotel. It was literally within walking distance, which meant we could handle it relatively comfortably. We had no way—

**Senator KROGER**—Because I am not familiar with the terrain, is the embassy close to the city centre?

**Mr Richardson**—Yes. Then the other was the Novotel near the airport. We believe they were the two sensible points for people to meet. We could not have had six or seven meeting points around Cairo.

**Senator KROGER**—No, I understand that.

**Mr Richardson**—We just could not manage that. I would simply note that the Australians who wanted to leave Cairo all left within a number of days. The second charter—the first charter had 192 on it—only had about 105. There were commercial aircraft flying in and out of Cairo on every single day of the crisis and on every day of the crisis there was excess capacity in the total number of seats. However, please do not misunderstand me: I think the people felt frustrated—and if I was in their position I would have felt frustrated, too. I would have found it very difficult getting from certain parts of Cairo to downtown Cairo. I might also have found it difficult, particularly on two or three days, to get to the Novotel. There was not a lot we could do about that, but I think the frustration is perfectly understandable.

**Senator KROGER**—Thanks very much.

**Senator TROOD**—Mr Richardson, the crisis has moved on, of course, and we are now in a not dissimilar situation in Libya. In fact, it may even be worse in terms of people's security. What are we doing to help Australians who may be in need there?

**Mr Richardson**—Okay. There is a single A-based person—

**Senator TROOD**—We do not have an embassy there, do we?

**Mr Richardson**—No, but we have an Austrade office with a single A-based officer, and that officer has been doing everything he humanly could do in the circumstances—and the circumstances, I think you would agree, are pretty tough. The communication in and out of Libya and within Libya is even more difficult than it was in Egypt.

**Senator KROGER**—Where is that officer located?

**Mr Philp**—He is in an office in the downtown area of Tripoli, just next to the Old Quarter.

**Mr Richardson**—As of this morning there are about 46 or 47 Australians in Libya of whom we are aware.

**Senator TROOD**—They have registered in some way?

**Mr Richardson**—Yes, we have been able to ascertain from family and from others who have phoned or from registration. That number has come down from over 100 at the beginning of the crisis. Of those 46 or 47 we have been unable to contact 10, and there can be all sorts of reasons for that.

**CHAIR**—Mr Richardson, I might ask you to stop there and we will take a break.

**Proceedings suspended from 10.30 am to 10.47 am**

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**Senator TROOD**—There are 100 Australians that you know about in Tripoli or in Libya, is that right?

**Mr Richardson**—Yes, that is right. As I mentioned just before the break, there were a little over 100 Australians whom we were aware of in Libya at the time at the beginning of the crisis or that we believed were there. We now believe there are around 46 or 47 Australians in Libya. Of those 46 or 47, there are 10 whom we have been unable to make contact with and there can be all sorts of reasons for that. Indeed, they might have left Libya.

Of the 36 to 37—that is, 46 to 47 minus the 10—as far as we are aware, those we have been able to contact and talk to, and we try to do that all the time from here, wish to leave Libya. In addition to those numbers I have just given you, there are 15 Australians on a ferry which is scheduled to depart Tripoli for Malta. The ferry, as of a few hours ago, had not yet port because of bad weather but Jon might have an update on that.

**Mr Philp**—I am just checking. I think we are still waiting for it to depart.

**Mr Richardson**—Okay. So we have got 15 Australians on a ferry hopefully in the process of departing. We have another 46 who we believe are in Libya—46 or 47. Of those, we have been unable to make contact with 10 and, of the remainder, they all apparently wish to leave.

There are two Australians in respect of whom we have some particular concern. One is a dual national who was arrested by the Libyan authorities about a month ago prior to this crisis starting. Up until now we have been unable to make contact with that person. The second person of concern is an Australian who we believe was taken from a hotel in Tripoli by the Libyan authorities during the crisis, along with a British national. Again, neither his company nor we have been able to make contact with him, nor have we been yet able to identify or ascertain his whereabouts.

**Senator TROOD**—Do you understand him to have been arrested or taken into custody?

**Mr Richardson**—I do not know. He was taken away by the authorities, we think. He was visited by the authorities apparently. But do not take all of this as gospel. Apparently taking photographs of demonstrators—

**Mr Philp**—No. As the secretary said, these are very sketchy reports. We believe that he might have had some SMS records on his phone suggesting that he was sending SMSs about the demonstrations, which would be of political concern to the authorities.

**Senator TROOD**—You said that there was an Austrade officer in Tripoli.

**Mr Richardson**—Yes.

**Senator TROOD**—Are you intending to send any more consular support staff?

**Mr Richardson**—Yes. We have been seeking to do that for some days. However, we have been unable to get visas for Australian officials to go in. We have arrangements with the Canadians, the British and the Americans, and also the Turkish have now made an offer this morning. So we have arrangements with the Turkish, British, Canadian and US authorities for them to take Australians out who turn up to their points of departure, where they have vacancies. And we have been endeavouring to communicate that information to the 36 or 37 Australians who I mentioned earlier.

**Senator TROOD**—Does this mean the Libyan government is refusing to allow Australia to put its consular staff into Tripoli or allow them to go to Libya to perform what obviously is their normal role?

**Mr Richardson**—We have been unable to get visas. Whether that is because they have outright refused or because their government is not effectively working, I do not know. But we have been approaching Libyan embassies, not just here in Canberra but in a number of capitals, seeking to get those visas and we have been unable to. I might stress that this is a situation where, regardless of whether we are able to get additional Australian officials into Libya or not, we will be reliant on our friends for the evacuation of Australians. We do have longstanding consular arrangements with other countries whereby we help them in certain countries and they help us in certain countries.

The difficulties will be twofold at least: firstly, contacting the people, because the communications are not working all the time. Secondly, in the event of being able to make contact, and in the event of being able to give them details of a point for departure, the situation on the ground in Tripoli in particular will determine whether they can in fact make that movement or not.

**Senator TROOD**—At this stage it is obviously very difficult if you cannot get additional officers into Tripoli to assist. Are you intending to try to get an aircraft in there to try to evacuate Australians? Are you contemplating that at this juncture or not?

**Mr Richardson**—No, we are not, because we believe that the quickest and most effective means are through our partners who can help us. Even if we got an Australian charter in, there is still the difficulty of communication and the difficulty of them getting to that point. We believe that if we are able to communicate, and if they are able to get to points of departure, then the Canadians, the British, the Americans and the Turkish combined will be able to effectively manage that.

**Senator TROOD**—Chair, I will stop there. I have some other questions in relation to the general overview, but I think Senator Ronaldson has some commitments and he wants to take up some issues.

**CHAIR**—We are still on the overview. Senator Ronaldson?

**Senator RONALDSON**—Thank you, and thank you, Senator Trood. Mr Richardson, I am sure that this information is readily available and I would be grateful if you could get it to me as soon as possible. In relation to Mr Rudd's trip to Washington DC and New York announced on 17 September last year, Mr Rudd's trip to Japan, Belgium and Italy announced on 12 October last year, Mr Rudd's trip to China and the Republic of Korea announced on 29 October last year, Mr Rudd's trip to the United Arab Emirates, Kazakhstan and Bahrain announced on 29 November last year, Mr Rudd's trip to Indonesia, the Middle East and South Africa announced on 7 December last year and Mr Rudd's trip to Africa and Europe announced on 24 January this year, could you get me—urgently, please—the total cost of the travel, accommodation and any other expenses associated with all those trips? Also in relation to all those trips, can you provide me with information as to who accompanied the minister and, for each of those people, the total cost of their travel, accommodation and any other expenses? I am sure that is readily available.

**Mr Richardson**—I would not be able to provide you with that speedily or readily because we are not responsible for it. Travel costs for ministers are the responsibility of the Department of Finance and Deregulation and you will need to direct that question to them.

**Senator RONALDSON**—You surely would be happy to ask that of Finance?

**Mr Richardson**—No, it is their responsibility. We are like any other department. That is an arrangement that has been in place under successive governments for a long time. It is not a new arrangement relating to Mr Rudd.

**Senator RONALDSON**—I appreciate what you are saying. But we are at Senate estimates and I have asked you to refer that request, if it is not your responsibility, to another department and you are refusing to do so.

**Mr Richardson**—No.

**Senator RONALDSON**—Okay. Well, will you do it for me?

**Mr Richardson**—If you wish me to refer it I will refer it.

**Senator RONALDSON**—That is what I just asked you.

**Mr Richardson**—I will refer it on your behalf.

**Senator RONALDSON**—Thank you.

**Mr Richardson**—However, they will not be giving the information back to me; they will give it back to you. Therefore, I am not in a position to give you an answer urgently or in any other way because I carry no responsibility for it.

**Senator RONALDSON**—So you are telling me there were no departmental expenses associated with these trips at all?

**Mr Richardson**—I am advising you that, in respect of whether there were departmental expenses involved—obviously there would be some at posts and the like, but they are accommodated within—you do not get special allocations for that. In terms of your question, the responsibility, as it always has, resides with the Department of Finance and Deregulation.

**Senator RONALDSON**—Will you provide me with details of any of those departmental expenses associated with those trips that I read out before?

**Mr Richardson**—Where we are able to get them quickly, I will do so.

**Senator RONALDSON**—The Prime Minister's trip to the United States is early next month. Are you accompanying the Prime Minister, Mr Richardson?

**Mr Richardson**—I believe so.

**Senator RONALDSON**—And I assume that Mr Rudd is also going on that trip?

**Mr Richardson**—It is very unusual for Australian foreign ministers to accompany Prime Ministers on travel abroad—very unusual.

**Senator RONALDSON**—Would you take on notice when that has happened for me, please?

**Mr Richardson**—I will take on notice whether he does or does not, yes.

**Senator Conroy**—I think he asked a more general question about whether that has happened.

**Mr Richardson**—Okay.

**Senator Conroy**—So did Mr Downer and Mr Howard travel together?

**Mr Richardson**—Okay. I would need to go back to the coalition government, because I am not aware of Mr Rudd having travelled abroad with the Prime Minister, so far.

**Senator RONALDSON**—Is Mr Rudd going to be in Australia over that period, do you know?

**Mr Richardson**—I am not—

**Senator Conroy**—If I can just make sure that I have this clear: you are not suggesting that the foreign minister should always accompany the Prime Minister? Is that your contention, Senator Ronaldson? I am just trying to understand the question.

**Senator RONALDSON**—Did I give any indication that that was the situation?

**Senator Conroy**—I just wanted to make sure that I did not misunderstand your question.

**Senator RONALDSON**—I will ask the questions and if you have some objection to them, I am sure you will take objection.

**Senator Conroy**—No objection; I was seeking clarification.

**Senator RONALDSON**—So do we know where Mr Rudd is going to be?

**Mr Richardson**—No, I am not sure. I cannot give you an answer off the cuff and guarantee its accuracy.

**Senator RONALDSON**—Is he going to be in Australia?

**Mr Richardson**—I cannot give you an absolute answer. Someone might send me something. I will find out for you before the end of the day.

**Senator RONALDSON**—Could it be that Mr Rudd is travelling?

**Mr Richardson**—Senator, you are speculating. I will give you the facts when I ascertain them.

**Senator RONALDSON**—Because he certainly does a lot of it.

**Senator Conroy**—Really? The foreign minister travels a lot!

**Senator RONALDSON**—Sorry?

**Senator Conroy**—A foreign minister travels a lot!

**Senator RONALDSON**—Yes, I think he does. I am glad you agree with me. We agree on something today. The foreign minister does travel a lot.

**Senator Conroy**—And is that a shot?

**Senator RONALDSON**—I thank you for that intervention, Minister. You are absolutely right: he does travel a lot, which was my very point. So thank you for your support.

**Senator Conroy**—Like every foreign minister. Like Alexander Downer and every foreign minister before him.

**Senator FAULKNER**—Doc Evatt.

**Senator Conroy**—I am not sure you are helping, Senator Faulkner.

**Senator RONALDSON**—In relation to this trip, what is the nature of the Prime Minister's trip? Is there a specific—

**Senator FAULKNER**—At least he does not have newspaper in his coat to keep out the cold.

**Mr Richardson**—Sorry, Senator—

**CHAIR**—Order!

**Senator RONALDSON**—There is some very silly talk across the table. I am not surprised that you cannot hear. The Prime Minister's trip is for some five days, from recollection. What is the purpose of the trip?

**Mr Richardson**—The United States is the most important ally we have, and the breadth and depth of that relationship is enormously significant. As you know, we have a formal alliance with the United States. The United States is our third largest trading partner after China and Japan.

**Senator RONALDSON**—So is it a trip to strengthen the alliance; is that what you are telling me?

**Mr Richardson**—It is a trip to strengthen the relationship of which the alliance forms one part. The Prime Minister will also go to New York, where the financial community is enormously important to Australian business.

**Senator RONALDSON**—This is the Prime Minister's first trip, is it not, to the United States?

**Mr Richardson**—Her first trip to the United States as Prime Minister.

**Senator RONALDSON**—I am sorry if I did not make that clear. As Prime Minister. So it is an important trip.

**Mr Richardson**—It is a very important trip.

**Senator RONALDSON**—Why in that situation would she not ask Mr Rudd to accompany her, given her—

**Senator Conroy**—Senator, you are asking the officer to speculate. We have already made the point that the foreign minister does not, on a regular basis, under your government or this government, travel with the Prime Minister. To ask the officer to speculate is outside the scope of what you can ask an officer.

**Senator RONALDSON**—Their personal animosities would not be driving the decision of whether he does or does not accompany her, would they?

**Mr Richardson**—Senator, I assume on that logic of speculation Mr Downer and Mr Howard must have had a very bad relationship—

**Senator Conroy**—Mr Downer hated Mr Howard?

**Mr Richardson**—if that is the conclusion you draw.

**Senator RONALDSON**—What a remarkable intervention from an independent officer!

**Mr Richardson**—No, no. I simply make that observation—

**Senator RONALDSON**—What an extraordinary comment for a secretary of a department to make.

**Senator Conroy**—He was responding to what you absolutely stated.

**Senator RONALDSON**—Mr Richardson, that is a very, very interesting intervention which I suspect you might regret at some stage.

**Mr Richardson**—I am very happy to have it on the public record.

**Senator RONALDSON**—So the matter of personal animosity is not driving the decision for both of them not to attend on this trip? Is that what you are telling me?

**Senator Conroy**—That is called verballing.

**Mr Richardson**—I will not speculate on any of that, as I would not speculate in respect of Mr Howard and Mr Downer. I was ambassador in Washington between June 2005 and December 2009. More often than not, foreign ministers do not accompany Australian prime ministers on visits to Washington. That is something that has occurred in successive governments. Some other governments have different protocols; we do not.

**Senator RONALDSON**—You have made your point, I think. Can I take you on to another matter. How would you describe the general morale within the department since Mr Rudd commenced as foreign minister?

**Mr Richardson**—I would describe the morale as unchanged.

**Senator RONALDSON**—Right. So is that good morale or bad morale?

**Mr Richardson**—Morale is nebulous and as a CEO I normally do not speculate about morale, but I am happy for other people to make their own comments.

**Senator RONALDSON**—As the CEO you must form a view about whether the morale is good in your department.

**Mr Richardson**—That is right, but—

**Senator RONALDSON**—Do you just not worry about it?

**Mr Richardson**—But, Senator, I am under no obligation to share it with you.

**Senator RONALDSON**—Well, why didn't you say that?

**Senator Conroy**—I thought he just did very succinctly.

**Senator RONALDSON**—How would you characterise your relationship with Mr Rudd?

**Senator CONROY**—My goodness!

**Mr Richardson**—A very good relationship.

**Senator RONALDSON**—Have there been any complaints or criticisms from members of the department about the way the new minister's office operates?

**Mr Richardson**—I have not received any.

**Senator RONALDSON**—So no commentary that it is high maintenance, difficult to get on with, demanding urgent briefs and then not actioning them? There is none of that?

**Senator Conroy**—These are not questions within the purview of Senate estimates, Senator Ronaldson. If you have a relevant question, please ask the officers.

**Senator FAULKNER**—To be fair, Minister, I think we have probably established that Senator Ronaldson does not like Mr Rudd.

**Senator Conroy**—That is true.

**Senator FAULKNER**—Hold the front page!

**Senator Conroy**—How is veterans affairs going, Senator Ronaldson?

**Senator RONALDSON**—But I do not go and leak outside the party about whether I do or do not like Mr Rudd.

**Senator Conroy**—You do not like Mr Abbott and he certainly does not like you.

**Senator RONALDSON**—Do you like Mr Rudd? Do you want me to go through those in your party room who do not like Mr Rudd and who are actually fingering him for leaking during the election campaign?

**Senator Conroy**—It is very obvious that Mr Abbott does not like you.

**CHAIR**—Order! We have had enough of this. Senator Ronaldson, you have the right to ask questions if you ask them in relation to Senate estimates—not speculation as to the nature of relationships with the foreign minister.

**Senator RONALDSON**—I have never been so rudely interrupted in Senate estimates.

**Senator Conroy**—I find that very hard to believe.

**Senator RONALDSON**—I will continue. Have there been examples of briefs being demanded urgently and then not being actioned, for example?

**Mr Richardson**—As far as I am aware, every minister I have worked for since 1969 has had urgent requirements from time to time.

**Senator RONALDSON**—There is a view that I am picking up that Mr Rudd has moved offices but not attitude and that the sort of things he did as Prime Minister—

**Senator Conroy**—Senator Ronaldson, no wonder Tony Abbott does not like you.

**Mr Richardson**—Senator, could I suggest that you are picking up pretty empty and pretty futile scuttlebutt. Mr Rudd enjoys a professional working relationship with the Department of Foreign Affairs and Trade. He has made a point of visiting the department on a number of occasions. He has walked around the department. Indeed, the other day he visited the Consular Emergency Centre. He is professional in his dealings with the department.

**Senator RONALDSON**—Mr Richardson, it might not concern you whether your staff time has been wasted, but I am obligated, as I have been told—

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**Senator Conroy**—You are certainly wasting Mr Richardson's time.

**Senator RONALDSON**—to pursue that at Senate estimates. How many briefings has the minister instigated and requested from the department since he commenced? How would this compare with his predecessors?

**Mr Richardson**—I would need to take that on notice. Clearly I do not carry around those details in my head.

**Senator RONALDSON**—As often happens, people take these things on notice.

**Mr Richardson**—And that is what I have done.

**Senator RONALDSON**—That is fine. I am quite happy about that. How many briefings or meetings has the minister instigated with the department only to cancel them at the last minute?

**Mr Richardson**—I would need to take that on notice.

**Senator RONALDSON**—On one final matter—and I am grateful for the committee's indulgence here—has the department any contracts with Hawker Britton?

**Mr Richardson**—I would need to take that on notice.

**Senator RONALDSON**—When you are doing that—and if you can get me this information as quickly as possible please—could you advise me if you have but, in a general sense, can you advise me of the total expenditure on conferences both in-house—that is, held within the department or associated agencies—and externally held by the department or agencies within the portfolio on a month by month basis since March 1996?

**Mr Richardson**—Since March 1996?

**Senator RONALDSON**—Yes. For conferences fully funded by the department and portfolio agencies and costing in excess of \$30,000: where was the venue? What was the reason for each conference? How many participants registered? Were the consultancy fees paid for the organisation of each conference and to whom were the consultancy fees paid? And what was the cost of each consultancy?

Finally, for conferences part sponsored or part funded by the department and portfolio agencies and costing the Commonwealth in excess of \$30,000: what was the cost to the department or agency? What was the proportion of Commonwealth funding as against the total cost of the conference? What was the rationale for the sponsorship or part funding? Where was the venue? How many participants registered? Did the Commonwealth contribute to any consultant organising the conference and, if so, who was the consultant? Finally, how much was the Commonwealth's consultation?

**Mr Richardson**—Senator, I would need to take those questions on notice and I will not be able to give you a quick answer. That will take a long time to put together given the detail of the question and the fact that it goes back to 1996. I would not want to leave you with an impression that we will be able to respond quickly.

**Senator RONALDSON**—If you could do that as quickly as possible. I thank you for your assistance this morning, Mr Richardson.

**Senator TROOD**—Mr Richardson, before that intervention we were discussing Libya and consular matters. I want to finalise that matter. In answer to a question from the October estimates—this was question No. 35 that I asked—you advised me that an independent review of the department's consular services and information had been undertaken.

**Mr Richardson**—Yes.

**Senator TROOD**—The report was initially provided to the government in June 2010, it cost \$19,000 approximately and it was to be resubmitted to the government in November 2010. Why was that report commissioned?

**Mr Philp**—I need to look at my notes on this issue. As you will appreciate, I have been preoccupied with other matters recently. The report was commissioned to better understand how we deliver consular services, to understand how we could find efficiencies to deliver better services to Australians, to work out whether we should be doing more or whether there were areas in which we would have to accept that we do less. Basically it was just to take a fresh look at the full suite of the consular services we provide Australians overseas and think about how we can improve them.

**Senator TROOD**—Who undertook the report?

**Mr Philp**—A former officer of the department, Pamela Fayle.

**Senator TROOD**—Your answer to the question, Mr Philp, was that it was to be resubmitted to the government. I am not quite sure—why would it be resubmitted? I do not understand what has happened here. Surely a report, having been undertaken, is then submitted. Why would you then be resubmitting it?

**Mr Philp**—Perhaps I should take this on notice rather than give you—

**Senator TROOD**—That is fine. I am happy for you to take it on notice. What I would like to do is have a copy of the report, please. Is there any reason why you cannot provide the committee with a copy of the report?

**Mr Richardson**—We would need to take that on notice. I am not sure offhand whether it is classified or not. I am just not sure. We would need to take that on notice.

**Senator TROOD**—I am happy for you to take that question on notice, Secretary. Can I ask: has the government responded to the report?

**Mr Philp**—No, it has not yet.

**Mr Richardson**—I think, Senator, it is a bit inaccurate in our response to you to have said 'submitted to government' because it was not commissioned by government as such, it was our own initiative. By 'government' I think what is meant there—but I will stand to be corrected—is 'to the minister'. It is submitted to the minister, not to government. 'Government' implies cabinet, a very formal, bigger process—

**Senator TROOD**—That is helpful, Mr Richardson.

**Mr Richardson**—and this is not.

**Senator TROOD**—Thank you. Have you heard from the minister on this subject?

**Mr Richardson**—We have had quite a few chats with him about consular arrangements and the like.

**Senator TROOD**—Has he—

**Mr Richardson**—We have talked with him about the report. He is fully engaged on the consular issues.

**Senator TROOD**—I see. I presume the report had some recommendations in it, suggestions et cetera?

**Mr Richardson**—Yes, it did.

**Mr Philp**—The report has not been formally passed to the minister yet.

**Mr Richardson**—No, it has not.

**Mr Philp**—We are still examining—

**Mr Richardson**—But we have talked to him about it—

**Mr Philp**—We have, yes.

**Mr Richardson**—because I have been involved with it.

**Senator TROOD**—I am a little bit confused. Is it an internal agency review—

**Mr Richardson**—It is an internal review, initiated by ourselves I believe. I believe it was initiated when Mr Smith was minister and it has carried over from there. Mr Rudd is aware of it and we have spoken to him about it. But as was stated, it has not been formally put to him.

**Mr Philp**—Senator, I have now found my notes. Perhaps I could give you some slightly more accurate detail on this. There were effectively two reviews. Mr Smith was originally involved in the first set of reviews. We then did an external independent review. That was the one undertaken by Ms Fayle. That was actually submitted to then Foreign Minister Smith in July 2010. We are currently in the process of going through all those issues—looking at them again—and we want to resubmit that to Mr Rudd to examine the totality of it.

**Senator TROOD**—Would it be fair to say that this report was commissioned because the consular part of the department is under quite severe pressure?

**Mr Richardson**—I think you will find, Senator, that it was not a report initiated from a resources perspective. I think it was a report initiated more in terms of how well we were doing and whether we could make improvements in what we were doing. Resources would come into that.

**Senator TROOD**—Mr Richardson, I think I am right in saying that you have said to the committee that the consular area is one of the areas in the department which is under great pressure.

**Mr Richardson**—Absolutely.

**Senator TROOD**—Is that not correct?

**Mr Richardson**—Absolutely.

**Senator TROOD**—And you still hold that view?

**Mr Richardson**—Yes.

**Senator TROOD**—It is not an unreasonable conclusion to draw, is it, that in light of that observation that the secretary has made, this particular report would be commissioned in light of that matter at least?

**Mr Richardson**—I think you will find that this report was initiated by Mr Smith, not me.

**Senator TROOD**—That may or may not be the case, but the point about it is that it reflects the reality that the department is under severe pressure—I think that is close to your words; I do not want to put words in your mouth but it is reflective of your position, I think—in relation to consular matters and you desperately need further resources in relation to consular activities, as we have heard from this morning's evidence. That is a reasonable observation, isn't it?

**Mr Richardson**—We could certainly do with more resources in the consular area.

**Senator TROOD**—And you have almost no capacity to be able to deliver those resources into the consular area under the present funding arrangements?

**Mr Richardson**—In crises we do by robbing Peter to pay Paul, but outside of that very little.

**Senator TROOD**—But it is a reflection of the parlous state of the department's finances, isn't it?

**Mr Richardson**—It reflects the tight fiscal environment in which we currently live.

**Senator TROOD**—Which is reflective of the department's particular parlous circumstances.

**Mr Richardson**—It reflects the tightness in the department's budget.

**Mr Philp**—If I may, it also reflects the growing expectations of the Australian public of increased consular services which we have seen over the last five or 10 years.

**Senator TROOD**—That is precisely the point, Mr Philp, I think. There is an increasing expectation of support from the Australian public and the Australian community. The number of passports that are being issued on an annual basis is increasing, the number of Australians travelling is increasing, particularly considering where the dollar is, and, increasingly, they are getting themselves into difficulty one way or another. So, overall, the demands which are being made on the consular section of the Department of Foreign Affairs and Trade are increasing.

**Mr Richardson**—Absolutely.

**Senator TROOD**—What is obvious to anybody who takes any interest in these things is that the department needs more resources, that many of those resources which are required need to be directed to the consular department and that this government has failed to deliver those resources into that part of the department. Is that a fair observation?

**Mr Richardson**—I would make a broader observation, but anyway.

**Senator TROOD**—Perhaps you would now.

**Mr Richardson**—The broader observation is one I have made before and it can be misunderstood. We do have an historical overhang from the very limited growth in the department's resources between 1995 and 2008. The Public Service as a whole increased over that time by around 12 per cent, DFAT went backwards by about five per cent and our resources overseas went backwards by 17 per cent. To rebuild from that in the current environment is not easy.

**Senator TROOD**—It is certainly not easy, but the situation has deteriorated over the last couple of years—hasn't it?—because you have been forced to withdraw people from posts overseas—I think earlier you said 25—and \$100 million has been taken out of the budget of the department over an estimates period and we have got \$45 million coming out in relation to the next budget. Far from addressing the particular challenge in relation to consular activities, the department is actually suffering under greater stringency than previously.

**Mr Richardson**—No, in fact we have actually grown our resources over the last few years overseas.

**Senator TROOD**—I do not want to pursue that right now. I am happy for that to stand on the record, but I think it is contrary to my understanding of the position.

**Mr Richardson**—I could give you the figures.

**Senator TROOD**—I am happy for you to take those on notice for me.

**Mr Richardson**—Okay. I simply say that as of 30 June 2010 there were 563 A-based staff overseas and as of 30 June 2009 there were 537. In June 1996 there were 684 A-based staff overseas. In June of 2005 it had been reduced to 508. It has since been rebuilt to 563.

**Senator BRANDIS**—We have closed posts during that period, haven't we?

**Mr Richardson**—I do not have the details, but I think that is right.

**Senator BRANDIS**—We have.

**Senator TROOD**—We have also reduced the number of A-based staff in some of those posts.

**Mr Richardson**—Yes.

**Senator TROOD**—I think the general proposition is that Australia's representation overseas is not as strong as it ought to be. In fact, the foreign minister, in his November speech, made the observation that our representation overseas is actually lower than all G20 countries, I think he said.

**Mr Richardson**—That is right.

**Senator TROOD**—That is an accurate statement?

**Mr Richardson**—We have a smaller diplomatic footprint than the other G20 countries.

**Senator TROOD**—Nothing has occurred to change that situation?

**Mr Richardson**—Except we are slowly increasing the number of staff we have overseas.

**Senator TROOD**—The pressure is still on consular, which is where I came from.

**Mr Richardson**—Absolutely.

**Senator TROOD**—That is a need that will grow in the future, is it not?

**Mr Richardson**—Yes, that is right.

**Senator TROOD**—So if we are going to do anything in relation to the requirements of meeting the needs of Australians, both here and abroad, some additional resources need to be put into consular activity?

**Mr Richardson**—Over the coming years, whether we like it or not, we will have to put more resources into consular.

**Senator TROOD**—I want to proceed onto another subject if I may.

**CHAIR**—Still on overview?

**Senator TROOD**—We are. At least I assume this is the only place it possibly goes. Mr Richardson, the department, I assume, was briefed by the United States at some point with regard to the release of the WikiLeaks cables; is that right?

**Mr Richardson**—Yes, that is right.

**Senator TROOD**—Was the department the first point of contact for the United States when it was known that the WikiLeaks material was going to become available; do you know?

**Mr Richardson**—Well, the precise order I am not sure. But certainly here in Canberra, ourselves and Prime Minister and Cabinet were advised.

**Senator TROOD**—Advised that the WikiLeaks material was to be released?

**Mr Richardson**—We were advised that a large number of documents had been compromised and over a certain period of time could be made public. But they did not know what would be made public or when it would be made public.

**Senator TROOD**—Did we receive, either in Washington or here in Canberra or anywhere else, a briefing about the likely content of those documents from the American authorities?

**Mr Richardson**—Not initially.

**Senator TROOD**—Did we seek advice on that subject?

**Mr Richardson**—Yes.

**Senator TROOD**—From whom did we seek advice?

**Mr Richardson**—We sought advice through the US Embassy here in Canberra and through our own embassy in Washington.

**Senator TROOD**—How much later—after the knowledge of these materials becoming available—was the advice responded to?

**Mr Richardson**—I cannot recall specifically. I think it was some weeks.

**Senator TROOD**—Why was that? Did we not think this was important enough to press with the Americans? Were they distracted?

**Mr Richardson**—We did press it. We thought it was very important.

**Senator TROOD**—So we thought it was very important, but it took two weeks before the Americans responded?

**Mr Richardson**—No, I said some weeks. I am just uncertain in my own mind, but I would put it in terms of some weeks. Whether it was two weeks or three weeks, I am just a little bit hazy on it.

**Senator TROOD**—Will you agree with me that it has got to be more than one week?

**Mr Richardson**—Yes.

**Senator TROOD**—So it is more than one. It could be 10. It is unlikely to be, obviously, but let us say several weeks. Is it fair to say that we had an urgent concern about this matter?

**Mr Richardson**—Along with the rest of the world.

**Senator TROOD**—I am sure we were no more or less exercised than many other countries about it, but we were, nevertheless, exercised and regarded it as a matter of urgency. Is that fair enough?

**Mr Richardson**—That is a fair summary.

**Senator TROOD**—So we pressed our friends in the United States, both here and in Washington—and perhaps elsewhere—to provide this information, but they were not immediately responsive. Is that a fair observation?

**Mr Richardson**—If you made that observation, I would not challenge it.

**Senator TROOD**—I see. Why do you think they were so tardy in responding to our request?

**Mr Richardson**—I think it was a result of the sheer dimension of the problem they were faced with. It was a dimension of a kind which I do not think any country has been faced with. I think they had multiple countries coming at them from different directions and I think they needed to work through, very carefully, a consistency of approach. That, combined with the sheer enormity of the challenge they faced, was probably the reason for the delay. I do not think it was anything more than that.

**Senator TROOD**—We have had a longstanding alliance with the United States. We would regard ourselves as among America's closest friends in the world. Is that a fair observation?

**Mr Richardson**—Yes, along with other countries.

**Senator TROOD**—Perhaps with a few others, but not many, of the 192 that are members of the United Nations.

**Mr Richardson**—Yes.

**Senator TROOD**—Is it not a reasonable expectation, having that close relationship with the United States, that we might have been able to get some access to the administration for a briefing on this matter?

**Mr Richardson**—We did after a period of time.

**Senator TROOD**—But after at least a week.

**Mr Richardson**—Yes.

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**Senator TROOD**—You have said multiple weeks.

**Mr Richardson**—Some weeks.

**Senator TROOD**—You have also said that it was, from your perspective and the Australian government's perspective, a matter of urgency.

**Mr Richardson**—Yes.

**Senator TROOD**—But we could not break through. We could not find anybody who was prepared to talk to us.

**Mr Richardson**—We did in the end.

**Senator TROOD**—But it took a long while.

**Mr Richardson**—It took a frustrating amount of time.

**Senator TROOD**—Right. At what level did we seek to engage the Americans on this matter?

**Mr Richardson**—We sought to engage them at ambassadorial level here in Canberra and, at a minimum, assistant secretary level—that is in their system—in Washington. It may have been higher than that—I do not know for sure—but it was certainly at assistant secretary level.

**Mr Philp**—Also Secretary Clinton called Mr Rudd to discuss this matter on 25 November.

**Senator TROOD**—Thank you, Mr Philp. Was the ambassador in Washington engaged in this task?

**Mr Richardson**—Yes.

**Senator TROOD**—And he presumably tried to use his contacts.

**Mr Richardson**—Yes.

**Senator TROOD**—But not initially successfully, it would seem.

**Mr Richardson**—He worked hard at it. We worked hard at it. They were conscious of the difficulties it was causing, because they had approaches from the UK, their NATO allies and a range of others. I think their first priority was to ascertain information from that mass of material they had that might put lives at risk. I think they had very clear priorities, which I could certainly understand, so it was not that they were not seeking to be helpful but that they were faced with one hell of a challenge.

**Senator TROOD**—It is heroic of you to seek to defend them.

**Mr Richardson**—I am not defending them; I think that is the way it was for them.

**Senator TROOD**—It is heroic of you to seek to provide an explanation for their behaviour. Were they not even prepared to have a preliminary briefing on the matter and say, 'Look, we are not sure about the extent of this problem, but this is what we know; we will come back to you a few weeks time'?

**Mr Richardson**—On a couple of key matters they gave us a reasonably quick readout, but in relation to a readout of the material it took quite some time.

**Senator TROOD**—So you had no comprehension after the initial matters of the extent of the problem—I use that word carefully—or the issue that we might be confronting?

**Mr Richardson**—We had visibility of the number of documents relating to Australia which might have been compromised and we had an initial indication of one or two points of possible sensitivity, but we did not have a readout of the material per se.

**Senator TROOD**—And you struggled to get an understanding of that from the administration?

**Mr Richardson**—We were fairly robust about it; we did not struggle.

**Senator TROOD**—You pursued the matter robustly without initial success?

**Mr Richardson**—We accepted that initial advice relating to the sheer number of documents and some initial points of possible sensitivity. It did then take some weeks to get visibility of what we were dealing with.

**Senator TROOD**—Did the foreign minister become engaged in this exercise?

**Mr Richardson**—Yes. Secretary Clinton phoned the minister very early on, as she did a number of other countries, to express her own regret about what had happened. He certainly raised with her the interest that we had.

**Senator TROOD**—So Secretary Clinton rang to apologise for what had occurred, but she did not provide any information about the nature of the problem—I use the term loosely—that we might be confronting?

**Mr Richardson**—You would not have expected the Secretary of State to do that personally. She was dealing with an issue of global dimensions. I think it would be unreasonable to expect the Secretary of State to have personally been able to deliver that sort of advice to the minister. At that point the Department of State was still seeking to get its head around the dimensions and identify what the priority should be from their own perspective.

**Senator TROOD**—What was the date of this telephone conversation?

**Mr Philp**—It was 25 November.

**Senator TROOD**—Did the foreign minister press our concerns with the Secretary of State?

**Mr Richardson**—He certainly raised them. I know he raised them; I know he emphasised what our interests were. But, again, this is a classic case of having an individual country with individual concerns but many countries coming into a single point in Washington and Washington needing to deal with the whole—needing to get its head around the whole—and needing to determine what its priority should be from the different angles. I think it is important to appreciate that, while we are one of the US's closest allies, in terms of possible people at risk, in the real sense of the word, we did not fit into that category. It was not a case where the US was in a position whereby its priorities were from closest friend to enemy.

**Senator TROOD**—But you did not know that, did you? You did not know the risks to which we were exposed because you did not know the content of the documents?

**Mr Richardson**—We did not know the content of the documents, but the US does not need to take the same risks in Australia they need to take in some other countries.

**Senator TROOD**—That is not for the United States to decide, is it? It is for the Australian government to decide.

**Mr Richardson**—It is certainly for them to determine what their priority should be in that situation. Whatever frustrations I felt, and I felt a lot, and however robustly I pursued the matter, and I pursued it very robustly, I nonetheless did understand the sheer scale of their challenge and I had some sense of what their priorities would be.

**Senator TROOD**—But you were pursuing the matter robustly, as you say, and with all your frustrations on behalf of the Australian government.

**Mr Richardson**—That is right.

**Senator TROOD**—And on behalf of our national interest.

**Mr Richardson**—That is right.

**Senator TROOD**—And with a preoccupation of ensuring that any of the sensitivities that might be exposed in these documents might be sensitivities with which we would have to deal. So your concerns were very directly, as they ought to be, on Australia's position. As we know, foreign policy is often about detail. So the smallest sensitivity issue could be of some considerable importance.

**Mr Richardson**—Yes, absolutely. But again, sitting where they sat, they were at the other end of the periscope.

**Senator TROOD**—Of course, and that is their problem.

**Mr Richardson**—No.

**Senator TROOD**—But we had our problem.

**Mr Richardson**—Yes, it was our problem but also our reality. Unfortunately, we did not have the documents. They were not our documents. So, yes, we were pursuing our interests. Equally, we were pursuing our interests within a framework.

**Senator TROOD**—When did you eventually get the briefing that you had sought for so long?

**Mr Richardson**—I said I think that was a matter of some weeks. I cannot recall off the top of my head whether it was 10 days or 21 days—I am just not sure.

**Senator TROOD**—Was it some time after the foreign minister spoke to the secretary?

**Mr Richardson**—I think so.

**Senator TROOD**—That was 25 November, I think Mr Philp told us.

**Mr Richardson**—I think so. I would need to confirm it.

**Senator TROOD**—Do you have a note, Mr Philp, of when we finally got the briefing that we were seeking?

**Mr Philp**—I do not. I should note that Secretary Clinton called Mr Rudd on the 25th. The first public announcement of the WikiLeaks release was on 23 November. But I do not have a note of when the briefings began.

**Senator TROOD**—That was two days after the event?

**Mr Philp**—Correct.

**Senator TROOD**—So we already knew that we were potentially facing a problem, but we did not actually have notice of the problem we might have faced until after the event. Is that right?

**Mr Richardson**—No. We were aware before it became public.

**Senator TROOD**—I see.

**Mr Richardson**—And the Americans advised us.

**Senator TROOD**—So where was the briefing, which we had long sought but were frustrated in securing, provided? Was that in Canberra or Washington?

**Mr Richardson**—Canberra.

**Senator TROOD**—Somebody from the embassy came along to talk to us, did they?

**Mr Richardson**—The embassy was very cooperative and was able to provide a fair amount of assistance.

**Senator TROOD**—Was that briefing to your department secretary or was it to the Prime Minister's department?

**Mr Richardson**—From memory, it was to Prime Minister and Cabinet and us. Whether Defence was included, I am not sure. I am just a bit hazy on that.

**Senator TROOD**—A task force was created, I think I am right in saying.

**Mr Richardson**—Yes, chaired by PM&C. But it was not the totality of that task force that received the briefing per se.

**Senator TROOD**—The briefing the American embassy provided you with was a briefing to senior officials in DFAT and PM&C and Defence perhaps?

**Mr Richardson**—Yes, you can describe it as that.

**Senator TROOD**—It was to senior Australian officials.

**Mr Richardson**—Yes.

**Senator TROOD**—Once this briefing had been completed, you had an understanding or the Australian government had an understanding of the dimensions of the problem we might face or the dimensions of the release that was to take place. Is that right?

**Mr Richardson**—Up to a point but not entirely because we only saw the totality of each document at the time it became public.

**Senator TROOD**—I see.

**Mr Richardson**—We did not have public visibility prior to its public release on WikiLeaks of the totality of any document.

**Senator TROOD**—Having been given a comprehensive briefing on the nature of the problem or the issue—

**Mr Richardson**—Having been given a briefing.

**Senator TROOD**—Having been given a briefing, with presumably some understanding of the documents that were to be released, did you then try to secure those documents to see what sort of exposure we might face in relation to some of our international relationships?

**Mr Richardson**—Yes.

**Senator TROOD**—How successful were you in that enterprise?

**Mr Richardson**—Zero out of 10.

**Senator TROOD**—I see. Why were you so spectacularly unsuccessful?

**Mr Richardson**—We were as spectacularly unsuccessful as every other country.

**Senator TROOD**—Did you make representations to the United States to try to get some access to these documents?

**Mr Richardson**—We would love to have them today.

**Senator TROOD**—I see. You still do not have them?

**Mr Richardson**—No. Except via WikiLeaks.

**Senator TROOD**—Presumably you would have had relatively easy access to those documents that may have emanated from an Australian source.

**Mr Richardson**—Sorry?

**Senator TROOD**—Any documents that may have emanated from an Australian source—

**Mr Richardson**—No way, no.

**Senator TROOD**—But any document that was generated from Australia—obviously not from the American embassy—any document that might have been generated within the department might have borne on these things.

**Mr Richardson**—We—

**Senator TROOD**—You were satisfied that there were not any Australian documents involved in this? Is that what you are saying?

**Mr Richardson**—Well, we did not know. We were flying blind.

**Senator TROOD**—I see. So you found out that there were these documents. You found out the kinds of issues they may have traversed?

**Mr Richardson**—Some of them, yes.

**Senator TROOD**—You tried, as you said, spectacularly unsuccessfully to try to get access to the documents?

**Mr Richardson**—Yes.

**Senator TROOD**—Was that another forensic effort to try to winkle out of the American administration some of these details?

**Mr Richardson**—The US took an in-principle decision, rightly or wrongly. They were aware of the broad figure of the number of documents compromised and they were aware of the period which most of those documents covered, but they were not aware of which of those documents would, in fact, be released by WikiLeaks and they were not aware when they might be released by WikiLeaks. Therefore, the United States system took an in-principle decision that those documents remained classified until such point as they were, if you like, public. Even then, the Australian government has taken the position that it will not comment on the contents of any of the documents on WikiLeaks, and that is the decision that most governments have taken.

**Senator TROOD**—You had no idea about exposure?

**Mr Richardson**—We had an idea. When you say ‘we had no idea of our exposure’, that is not accurate.

**Senator TROOD**—We had some idea of the nature of our exposure?

**Mr Richardson**—Yes.

**Senator TROOD**—So we did not know the particular areas where we might be exposed and we did not know, therefore, what we might have to do to try to rectify any damage which might have been done to diplomatic relationships because of this exposure?

**Mr Richardson**—I have a couple of answers for that. We were aware of some of the areas of exposure. We were not aware of all areas of exposure for the simple reason that we were dependent upon the Americans identifying what they believed might be the areas of exposure, and of course their perception of what might be areas of exposure could be different to ours.

**Senator TROOD**—They probably had, as you said earlier, different priorities.

**Mr Richardson**—Yes, so we were reliant on them.

**Senator TROOD**—Did the foreign minister engage himself in this task to try to further identify the documents after we had had this briefing?

**Mr Richardson**—I believe that the foreign minister, in addition to his discussion with Secretary Clinton, certainly engaged very closely with the department and through the department with our embassy in Washington. Being the minister, we all shared the same interests.

**Senator TROOD**—As you know, one of the documents which was released made some, I think it is fair to say, unflattering observations about Mr Rudd.

**Mr Richardson**—As I said, we do not comment on the contents. We have done that and the government has done that consistently from day one, as most other governments have done. So any questions relating to the contents of documents I simply cannot comment on.

**Senator TROOD**—Perhaps you can agree with me that there were some unflattering observations.

**Mr Richardson**—I will not agree with anything because that would be commenting on the content of the documents.

**Senator TROOD**—I see. Can you tell me whether or not the foreign minister in particular was advised that he should prepare himself personally or that the Australian government should prepare itself corporately for the fact that there were some observations about the nature of our diplomacy in any of these documents?

**Mr Richardson**—I cannot say specifically.

**Senator TROOD**—So we were not alerted to the fact that there was something coming our way which we might not—

**Mr Richardson**—No, I said I cannot say specifically. It is just a bit unclear to me. The Americans endeavoured to flag broad areas of possible sensitivity as they saw it.

**Senator TROOD**—In the conversation that the foreign minister had with the secretary and that other Australian officials had with the Americans, nobody said, ‘You should prepare yourself because you’re going to be hit between the eyes with some unflattering observations’? No-one warned us that some of these things might discomfort us?

**Mr Richardson**—I have said what I can say on this matter.

**Senator TROOD**—The point is that we were not warned that there was some unpalatable, insensitive, discomforting material coming our way.

**Mr Richardson**—Senator, I have not said that. You are putting words into my mouth. I am not in a position to comment further.

**Senator TROOD**—I see. We can draw the inference, nevertheless, from your—

**Mr Richardson**—The inference of what?

**Senator TROOD**—In relation to the content of this material and in fact the advice we received about whether or not we should be prepared for that information.

**Mr Richardson**—In respect of the latter, I do not think you can draw any inference from what I have said.

**Senator TROOD**—I see. A task force was created in relation to these documents, as I understand it, with regard to when they were available to vet them in some way or to try to determine the content of the material; is that right?

**Mr Richardson**—That is right. Well, it was a task force created to deal with our handling of the total issue.

**Senator TROOD**—When you say that, do you mean that it was to vet the documents?

**Mr Richardson**—Well, it was that, but it was—

**Senator TROOD**—It was a kind of damage limitation task force, was it?

**Mr Richardson**—Well, it was: ‘What are our interests here?’, ‘What do we want to pursue?’, ‘How do we want to pursue it?’ It was a question of consistency across government. It was a question of ensuring that when documents were released on WikiLeaks there was a process whereby each and every one of them was, indeed, looked at to ask the obvious questions about sensitivities, national interest and the like and to take things from there.

**Senator TROOD**—That was headed by someone in PM&C, was it?

**Mr Richardson**—That's right.

**Senator TROOD**—Did the national security adviser chair that task force?

**Mr Richardson**—I think from memory, but, again, you would probably need to ask Prime Minister and Cabinet. I think it was the deputy national security adviser.

**Senator TROOD**—And DFAT was represented on that task force?

**Mr Richardson**—Yes.

**Senator TROOD**—At what level was that representation?

**Mr Philp**—It was my predecessor as first assistant secretary for consular, public diplomacy and parliamentary affairs.

**Senator TROOD**—So there was one person; is that correct?

**Mr Philp**—We had the equivalent of one person on the task force. At different times different people attended it.

**Senator TROOD**—Did you create any particular task forces or groups of people or organisations within your own department to deal with this independent of the whole-of-government task force?

**Mr Richardson**—I think—Jon might correct me—we managed it. Obviously there were many parts of the department involved. I cannot recall whether we created a group or not.

**Mr Philp**—There was no separate specific group, Senator. It was managed from within my division in consultation with the secretary.

**Mr Richardson**—That is what I thought.

**Senator TROOD**—I see, but you needed to deploy some resources to the task?

**Mr Richardson**—Yes, we did that.

**Senator TROOD**—Within the department?

**Mr Richardson**—Yes, we did, as indeed Defence did and others did.

**Senator TROOD**—So you had to take people off-line or take them out of their existing position to deal with the problem?

**Mr Richardson**—No, they were working within the framework of their own jobs.

**Senator TROOD**—So the group within DFAT was not physically constituted as a separate group within the department?

**Mr Richardson**—No.

**Senator TROOD**—I think someone explained to me in PM&C earlier in the week that it was a virtual group that they had formed somewhere or other.

**Mr Philp**—It has become a virtual group. The PM&C task force met for some time. Once the flood of cables stopped coming out it was, as you say, virtualised—I probably have the date here somewhere if you want it—and it is dealt with from within individual agencies. But of course we coordinate closely with Prime Minister and Cabinet.

**Senator TROOD**—Were any formal terms of reference created for this task force?

**Mr Richardson**—No.

**Senator TROOD**—Did anybody write down what it is to do?

**Mr Richardson**—The task force in PM&C?

**Senator TROOD**—Yes, the whole-of-government—

**Mr Richardson**—I am not aware. Normally when you create a task force like that you do not have formal terms of reference. You know what your job is but you do not have formal, written down terms of reference.

**Senator TROOD**—This was a group that was constituted to manage the issue within the Australian government. Do you know whether there was a request for advice in relation to the legality of the release of these documents?

**Mr Richardson**—I do not know. Foreign Affairs and Trade would not have been involved in that. I do not know.

**Senator TROOD**—Your department was never asked whether or not there were some legal dimensions to this issue that needed to be considered?

**Mr Richardson**—Well, we certainly were not asked by the Prime Minister's office. Whether we were asked by anyone else I do not know.

**Senator TROOD**—You have an international law section?

**Mr Richardson**—Yes, but I think most questions—well, I do not know. I think you would find that, if people had questions, they would have gone to AGs. If that found its way into the task force or whatever we would have had visibility of it, but I am not aware—certainly no-one came our way from the Prime Minister's office.

**Senator TROOD**—You dodged that particular bullet.

**Senator KROGER**—Are you aware whether there has been any advice in relation to whether any Australian laws have been broken?

**Mr Richardson**—I am not, no.

**Senator KROGER**—So there has been no advice through the task force? The task force has not come to that conclusion?

**Mr Richardson**—I have not been involved in anything. I am not aware of anything but I would not draw any inference from that one way or the other. I genuinely do not know.

**Senator TROOD**—In relation to the activities of the task force and the documents generally, did you give any instructions to your staff in relation to accessing the website on which this material was being released?

**Mr Richardson**—No, I did not.

**Senator TROOD**—There was a report, I think I am right in saying, that—

**Mr Richardson**—I said that I did not. I would be interested if you pursue it because if it is what I think it is, it was dumb, but anyway.

**Senator TROOD**—So there was a departmental directive of some kind?

**Mr Richardson**—I think there was.

**Mr Philp**—Yes, there was. I am just looking for the actual form of it but it was an advice to departmental officials reminding them of the departmental policy on the acceptable use of the internet.

**Mr Richardson**—In office hours.

**Mr Philp**—In office hours. And also stating quite specifically that it was appropriate for officers to access the WikiLeaks website where it was relevant to their duties in office hours.

**Senator TROOD**—Sorry, it was appropriate to refer to it?

**Mr Philp**—In office hours as part of their normal duties.

**Senator TROOD**—Who initiated that directive or reminder? Is it a directive that we are talking about?

**Mr Richardson**—No, it was a reminder because there is a standing instruction relating to the use of accessing the internet. I think there was an awareness within the department that there could be a lot of people with an understandable intellectual curiosity in respect of it, and it was a reminder that there was not a requirement for them to access it unless they had a need to for work purposes. In other words, they should not be using work time to sit there idly spending their day reading WikiLeaks, although they might learn something.

**Senator TROOD**—Was an email sent out? Was it a general circular email to staff?

**Mr Philp**—It was an all-staff email.

**Senator TROOD**—So that went overseas as well—is that right?

**Mr Philp**—Yes.

**Senator TROOD**—Who initiated that email?

**Mr Richardson**—I think it would have been your area, wouldn't it?

**Mr Philp**—No, it was issued by the Diplomatic Security Branch of the Corporate Management Division.

**Mr Richardson**—Okay.

**Senator TROOD**—Who is responsible for that?

**Mr Moraitis**—I am.

**Senator TROOD**—So you initiated this email—or it came from your—

**Mr Moraitis**—It came from the Diplomatic Security Branch, which was handing over to my division around that time.

**Senator TROOD**—Why did you think it was necessary to send this email, Mr Moraitis?

**Mr Moraitis**—There was a practical question—that is, if anyone printed a document and left it lying around, when our guards go around at night that would be a security breach so we do not want people being breached for printing something they then leave alone on their desk after hours. It just confuses things. If the guards see a document that is classified, they will breach someone, so it was for a very practical consideration such as that. Every night, guards

go to every office and check out if our clear desk policy is implemented, and if someone printed out something from the internet thinking it was unclassified, then the poor guard reads it in the bin and says, ‘This guy’s been breached.’

**Senator TROOD**—So it was your want of concern for the cleaning staff and the—

**Mr Moraitis**—No, there was want of concern for our statistics officers and—

**Mr Richardson**—It was a duty of care to staff generally.

**Senator TROOD**—I see. Was that your only reason for wishing to remind staff of this?

**Mr Moraitis**—Well, also because of the acceptable use of the internet. We do not want people spending all day reading the internet when it is not necessary.

**Senator TROOD**—Do you think that was a danger? Do you think foreign affairs staff would be tempted to do that?

**Mr Richardson**—I suppose we are human. I suppose we occasionally make the odd mistake.

**Senator TROOD**—But you thought it necessary to remind staff that this was—

**Mr Richardson**—That was a reasonable thing to remind staff of.

**Senator TROOD**—That this was unacceptable behaviour.

**Mr Richardson**—What Chris just said was that if you did print something off from the internet and it had ‘secret’ or ‘confidential’ on it and if it was left lying around a desk, then you would get security breached in our department. Obviously, where you know there is going to be a lot of people with a need to access WikiLeaks—leaving aside others without a need who might—then obviously the security area was doing their job by, in fact, essentially saying to people, ‘Don’t access it unless you need to.’

**Senator TROOD**—But your officers are very well informed about the need for confidentiality and maintaining security—are they not?

**Mr Richardson**—But people make mistakes all the time. We have security breaches in the department. Our record in security is very, very good but mistakes do happen.

**Senator TROOD**—So is it fair to say that this was a matter of damage control?

**Mr Richardson**—No.

**Senator TROOD**—Trying to prevent the possibility—

**Mr Richardson**—No, that is an inaccurate description.

**Senator TROOD**—Perhaps a pre-emptive exercise in damage control so that the security danger might not occur?

**Mr Richardson**—The unnecessary security breaching would not occur.

**Senator TROOD**—Right. Do you know of any instances where staff improperly accessed material?

**Mr Moraitis**—None that I am aware of.

**Senator TROOD**—Did you do anything to follow-up your email? Did you require anybody to report to you if they felt the need to do so? The secretary has said there were times—

**Mr Moraitis**—They were reminded of the acceptable use policy of the internet. We assume that a large majority of staff would be aware of that and do the right thing. We did not go around enforcing the—

**Senator TROOD**—You did not invite staff to advise you when they had the need to access the cables?

**Mr Moraitis**—No. If they need to access the cables, we do not get in the way of them doing their job.

**Senator TROOD**—And you do not know who might have done that?

**Mr Moraitis**—No.

**Senator TROOD**—Is that right?

**Mr Moraitis**—We cannot do that.

**Senator TROOD**—I see. Can you tell me at what point Mr Assange sought to engage the Australian government with regard to his consular rights?

**Mr Philp**—Mr Assange first called and then met Australia's ambassador to Sweden on 22 September 2010. That was before his detention in London.

**Senator TROOD**—He contacted our ambassador in Sweden?

**Mr Philp**—That is correct.

**Senator TROOD**—With a request for what?

**Mr Philp**—At that time, he was being investigated in relation to the allegations of sexual assault in Sweden. No charges had been laid and no warrant had been issued for his arrest. There was at the same time, as you know, a great deal of worldwide interest in his role in WikiLeaks. He met the Australian ambassador in the first place to seek—I am sorry, I am having to tread around the Privacy Act here, but I will give you as much information as I possibly can—some advice about the charges in Sweden. Mr Assange launched the discussion on the legal issues of the charges against him. The ambassador explained that we cannot, as part of our consular assistance, provide legal advice and that what Mr Assange was asking for amounted to legal advice. He offered Mr Assange a list of recommended lawyers, as we would do for any consular client.

Mr Assange also asked for advice from the ambassador on another issue not related to the sexual assault investigations and the ambassador said that he would have to refer that to us, which he did. After a few days we referred that response back to the ambassador. At that stage, however, the ambassador was unable to contact Mr Assange on either the mobile phone or the internet address details Mr Assange had given the ambassador. That was the first contact we had had.

**Senator TROOD**—That was the first contact we had had with Mr Assange—is that right?

**Mr Philp**—In a consular sense, yes.

**Senator TROOD**—Were there any other contacts?

**Mr Philp**—I am unaware of any other contacts.

**Senator TROOD**—When did he next contact the Australian embassy or officials about the situation?

**Mr Philp**—The next contact we had with Mr Assange was initiated by us. It was after his detention in London on 7 December.

**Senator TROOD**—Someone from our high commission contacted Mr Assange?

**Mr Philp**—That is correct. He was known to be in the UK. We did not have any details of his whereabouts and, as I said, we had not been able to contact him at the other addresses he had given us. On 7 December we became aware—I think all the world became aware—that he was being detained in a police station in the UK. So as soon as that report came in, consular officers were able to contact the prison and I believe they were actually in contact with him the same day.

**Senator TROOD**—So we initiated this contact? Is that right, Mr Philp?

**Mr Philp**—On that occasion, that is correct.

**Senator TROOD**—We did that because we became aware of the fact that he had been taken into custody?

**Mr Philp**—That is correct.

**Senator TROOD**—So we did that on our initiative? It was not as a result of Mr Assange's family contacting us or anything of that kind? Is that right?

**Mr Philp**—That is correct.

**Senator TROOD**—We were responding to the public knowledge of his arrest?

**Mr Philp**—That is correct.

**Senator TROOD**—I see.

**Mr Philp**—I can clarify that we did contact him on the telephone on that day.

**Senator TROOD**—So someone in the High Commission spoke to him on the telephone?

**Mr Philp**—On 7 December

**Senator TROOD**—Did we then go and see him?

**Mr Philp**—We then attended his first court hearing on the same day. He was at that time remanded in custody for 14 days. We contacted him by telephone again on 8 December to see if he wanted further consular assistance. He said he did and we visited him in prison for the first time on 9 December.

**Senator TROOD**—What did he ask of us, or of the Australian government, on the 7th?

**Mr Philp**—He asked for consular assistance, Senator. We were able to—

**Senator TROOD**—Did he ask for any specific assistance?

**Mr Philp**—Let me put it the other way around. We advised him on what Australian consular assistance consists of. It is very common that when somebody is first detained they

do not know what consular assistance we provide and what we do not provide. We gave him a copy of the consular charter, which I know he read very carefully. We advised him what we could do and what we could not do for him in those circumstances and, to the best of my knowledge, he accepted that.

**Senator TROOD**—So he did not make any specific requests of us?

**Mr Philp**—He and his lawyers made a number of requests, some of which we were able to accede to and some not. I think it is a matter of public record, for instance, that his lawyers wanted a laptop for him to help him prepare his defence and asked us to assist with that.

**Senator TROOD**—Did he request the laptop in that first conversation of the 7th?

**Mr Philp**—It was requested by his lawyers subsequently, Senator.

**Senator TROOD**—Subsequently? Is that on the 8th or the meeting in the prison on the 9th?

**Mr Philp**—I think not the 9th. I think subsequently.

**Senator TROOD**—Subsequent?

**Mr Philp**—I am not sure I have that information with me, Senator.

**Senator TROOD**—It may or may not have been the 7th, 8th or 9th or it may have been some other occasion; is that right?

**Mr Philp**—It is my recollection that it was within the first few days.

**Senator TROOD**—Right. But he asked us for a laptop, right?

**Mr Philp**—The lawyers asked us to intercede with the British authorities for a laptop.

**Senator TROOD**—Right. Mr Rudd said he would give him one, did he not?

**Mr Philp**—No, Mr Rudd said we would talk to the British authorities to see what could be done.

**Senator TROOD**—But he did undertake to provide him with a laptop, did he not?

**Mr Philp**—I do not have Mr Rudd's precise words with me, but our understanding of it was that Mr Assange was in prison. You cannot walk into a prison, even in the UK, and provide somebody with a laptop; you have to talk to the British authorities about it.

**Senator TROOD**—Leaving aside the mechanics and the capacity to accomplish this act, it was nevertheless the case that Mr Rudd promised to provide him with a laptop.

**Mr Philp**—I do not have those precise words with me, Senator, so I cannot confirm that. I can take it on notice if you would like.

**Senator TROOD**—Perhaps you would look into that, but it is widely reported that that is the promise he made, is it not? Would you agree with me that it is widely reported that that is the promise Mr Rudd made?

**Mr Richardson**—There might have been some reports suggesting that, but I think what Jon is saying is that we have not got the transcript in front of us. You are saying he promised it. I do not know whether he did or did not. The fact of the matter is that the British authorities did not allow him a laptop.

**Mr Philp**—We talked to the British authorities about the issue of a laptop. The British authorities said that it might be possible and there was of course a procedure to be followed. I believe it involved a form that Mr Assange would have to fill in. Mr Assange decided not to pursue the issue of obtaining a laptop. It was his decision.

**Senator TROOD**—I think we can take it that, notwithstanding, Secretary, your inability to be absolutely confident that this promise was made—

**Senator Conroy**—Like Mr Richardson, I do not have the transcript in front of me. I think it is fair to say that Mr Rudd indicated he was supportive.

**Senator KROGER**—I think his words were a little bit stronger than ‘supportive’.

**Senator Conroy**—I do not have it in front of me.

**Senator TROOD**—Let us accept that, even though there may be views about the extent to which he made the undertaking, it is clear that—

**Senator Conroy**—No-one is disagreeing; we just do not have the transcript in front of us.

**Senator TROOD**—Thank you, Minister. The question then is: does the department have a supply of laptops that it provides to people who make requests of this kind?

**Senator Conroy**—I do not think he was asking for a DFAT one, was he?

**Mr Philp**—What we provide to persons in prison is constrained by local law. It is common and entirely appropriate for us, if a prisoner or the prisoner’s lawyers ask for assistance on some specific matter—the specific matter might change from country to country—to go and ask the prison authorities whether such a product can be supplied either by us or by the local authorities or by their next of kin. That would very commonly be the case if it was some item that had to be purchased. We would ask the next of kin whether they would be prepared to pay for it or supply it themselves.

**Senator TROOD**—Did Mr Rudd seek a briefing from the department as to whether or not there was a laptop that he could provide to fulfil his promise?

**Mr Richardson**—No, I am not aware of him having promised that the department would provide him with a laptop from departmental resources. I have not seen the transcript, but I think you are making a few assumptions there.

**Senator TROOD**—I am not necessarily making an assumption that the department necessarily had to provide it, but I was seeking advice as to whether or not Mr Rudd sought advice from the department as to whether he could provide a laptop and if, in seeking that advice, he also sought advice as to whether or not a laptop was available.

**Mr Richardson**—I am not aware of him ever seeking advice as to whether a laptop was available. I am aware that we followed up, as Jon has indicated.

**Senator TROOD**—If this undertaking was given—and the minister has recognised that it was—

**Senator Conroy**—No, I said none of us were disagreeing; we just do not have the transcript in front of us. That is a slight verballing of me there, Senator Trood—very unusual for you!

**Senator KROGER**—He would never verbal you.

**Senator Conroy**—Very unusual for him! Senator Kroger, on the other hand, I am not so sure about!

**Senator TROOD**—It is very unlike me to do that, Minister. This idea seemed to spring creatively from the foreign minister's own mind; is that right?

**Mr Richardson**—I do not know.

**Mr Philp**—The request for a laptop came from Mr Assange's lawyers.

**Senator TROOD**—But his willingness apparently to respond to it was his own creative response to the situation?

**Mr Philp**—I think it is fair to say that it is in context of Mr Rudd's assurance that Mr Assange would get the same consular assistance as any other Australian in similar circumstances would get.

**Senator TROOD**—Do you get many requests for laptops from Australians who are in difficult circumstances?

**Mr Philp**—I have not come across a laptop in my experience, but I have come across a lot of other things that often cannot be provided by the Australian government or by relatives to prisoners.

**Senator TROOD**—But we are talking about a laptop in this situation. This undertaking, having been given, was never fulfilled, was it?

**Mr Philp**—What we did was establish that there was a process by which Mr Assange could ask for a laptop. He could avail himself of that process and he chose not to in the end. He chose not to pursue the process.

**Senator TROOD**—Are you saying to us, Mr Philp, that it was the frustration through the British authorities which prevented the delivery of this laptop?

**Mr Philp**—I cannot say what was in Mr Assange's mind, but I do note that he was granted bail on 14 December.

**Senator TROOD**—Thank you for that piece of information, but it is not what I asked for. What I asked for, and perhaps you would be good enough to respond—

**Senator Conroy**—It was a comprehensive answer.

**Senator TROOD**—It was an irrelevant answer in many ways. Mr Philp, do I take it that the laptop, notwithstanding Mr Rudd's intervention on the subject, was not provided?

**Mr Philp**—Correct.

**Senator TROOD**—Are you telling us it was not provided because the British authorities would not allow it to be provided?

**Mr Philp**—No. I am not saying that. I am saying that the British authorities said that there was a process by which Mr Assange could get access to a laptop. Mr Assange chose not to avail himself of that process. For privacy reasons, I cannot talk about why he might have chosen to do that, but I did note that he was bailed shortly thereafter on 14 December.

**Senator TROOD**—You have no doubt seen the widely circulated letter from Mr Assange's mother in which she refers to the incident over the laptop.

**Mr Philp**—Yes, I have.

**Senator TROOD**—She says:

Julian did not even get the laptop you had publicly promised him—  
this is in a letter to the foreign minister—  
which he needed to prepare for his case while he was in Wandsworth Prison.  
You have seen that letter?

**Mr Philp**—I have.

**Senator TROOD**—And you have seen that passage?

**Mr Philp**—I have.

**Senator TROOD**—What is your reaction to that passage?

**Mr Philp**—My reaction is that Mr Assange was able to initiate the process to acquire a laptop and chose not to do so.

**Senator TROOD**—It would seem that you are perhaps at odds then.

**Mr Philp**—It was within Mr Assange's gift to seek to have a laptop and he was the person who chose not to do it.

**Senator TROOD**—You are saying that he did not press the case. Is that right?

**Mr Philp**—That is correct.

**Senator TROOD**—That let the foreign minister off the hook really, didn't it?

**Mr Richardson**—He did not pursue the case. I do not think the minister was on the hook.

**Senator TROOD**—He gave a promise.

**Mr Richardson**—You say he gave a promise.

**Senator TROOD**—The minister has agreed with me.

**Senator Conroy**—Do not verbal me.

**Mr Richardson**—The minister did not. We have not seen the transcript and you continue to assert that we say things that we have not.

**Senator Conroy**—I am surprised at this point that you have not produced the transcript. I am assuming you have the transcript in front of you, Senator Trood. By now you must be willing to read it out. I am beginning to be suspicious that you are not necessarily accurately representing the transcript. You must have it given this line of questioning.

**Senator TROOD**—Minister, let me pursue the questions.

**Senator Conroy**—Do you have the transcript with you, Senator Trood?

**Senator TROOD**—Let me pursue the questions.

**Senator Conroy**—I thought not.

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**Senator KROGER**—Do you want to come back to this side?

**Senator Conroy**—No.

**Senator KROGER**—Do you want to come back and join us on this side?

**Senator Conroy**—Let me be very clear about that: no.

**Senator KROGER**—You're very welcome to come back and join us on this side.

**Senator Conroy**—Thank you for that kind offer, but I will pass.

**Senator TROOD**—Mr Assange was placed in Wandsworth prison. I think you said, Mr Philp, that an Australian official visited him on the ninth. Is that right?

**Mr Philp**—The first visit was on 9 December. That is correct.

**Senator TROOD**—He was released a few days later, wasn't he?

**Mr Philp**—I think I told you he was released on the 14th. Bail was granted on the 14th. I apologise. He was released on the 16th. Bail was granted on the 14th. There was an appeal and he was actually released on the 16th. Sorry, I have to correct my earlier advice.

**Mr Richardson**—But consular officials did visit him again in prison on 15 December.

**Mr Philp**—That is correct.

**Mr Richardson**—They attended the bail hearing on the 14th and they attended the bail hearing again on the 16th.

**Senator TROOD**—I see. So, apart from the visit on the ninth and the attendance at the bail hearings, did they have any other contact with Mr Assange?

**Mr Richardson**—Yes, they visited him again in prison on the 15th.

**Senator TROOD**—I beg your pardon. Did he make any requests of us at that stage in any of those meetings?

**Mr Philp**—Mr Assange and his lawyers have made a number of requests of us in relation to the allegations made against him in Sweden. Some of those are for what we would consider legal advice, and we explained very clearly to Mr Assange and/or his lawyers that we could not do that. He asked us to make a number of representations to the Swedish government. We have made it clear to the Swedish government—and I think this has been reported in the media recently—that we expected that Mr Assange would be subject to due process, given all his rights under due process, and that he will be treated in accordance with international humanitarian norms. That is something we quite often do in consular cases.

**Senator TROOD**—So you regarded it as an appropriate request from Mr Assange to intervene on his behalf with the Swedish government. Is that right?

**Mr Philp**—I think we need to be very clear about this. We do not intervene in legal processes.

**Senator TROOD**—I did not say that.

**Mr Philp**—We made clear our expectations to the Swedish government of due process for Mr Assange, and we do that quite commonly for consular cases and detainees.

**Senator TROOD**—So you made representations on his behalf to the Swedish government.

**Mr Philp**—On his behalf. We made clear our expectations to the Swedish government.

**Senator TROOD**—Yes, and you do that on occasions in relation to other Australians who find themselves in some difficulties, do you not?

**Mr Philp**—We do. That is correct.

**Senator TROOD**—So you are saying that was not inconsistent with the normal orthodox behaviour?

**Mr Philp**—All of our consular assistance to Mr Assange has been in accordance with our normal consular behaviour where we can provide it.

**Senator TROOD**—I see.

**Mr Philp**—We have high standards. We are not always able to meet them, unfortunately.

**Senator TROOD**—So he made the request that you make representations on his behalf and you said that he made some requests that you felt unable to fulfil—is that right?—because they were inconsistent with your obligations under consular procedures.

**Mr Philp**—That is correct.

**Senator TROOD**—I see. Was the request to make representations to the Swedish government the only request that you felt able to undertake or fulfil on his behalf?

**Mr Philp**—We have already discussed the laptop. I think there were a couple of matters in the United Kingdom which we discussed with the prison authorities and I believe there was one other matter with the Swedish authorities that we discussed. But we make a very clear distinction between his welfare, which we have an absolute expectation of providing, and interference in legal processes in other countries, which we do not do.

**Senator TROOD**—So the only matter that you felt obliged to action, as it were—

**Mr Philp**—Not ‘felt’. I did not say that. I cannot—

**Senator TROOD**—felt able to action was the representations to the Swedish government?

**Mr Philp**—No, I think that is probably not quite right. There were a number of matters. I cannot go into details because of privacy considerations. There had been a number of issues raised with us by the lawyers—and mostly by the lawyers, I should say; not directly by Mr Assange. But for these purposes I think we can treat them as one. We have explained that there are some things that we can do within our normal consular role and there are some things that we cannot do. As with any consular client, we have been very clear to them about what we can and will do and what we cannot do and there was a range of things on both sides of that line.

**Senator TROOD**—I see. What was Mr Assange’s state of mind during the time that he was—

**Mr Richardson**—It is not for us to comment on matters of that kind.

**Senator TROOD**—I am—

**Mr Richardson**—We will not go anywhere near there. It would be totally improper for us to make any comment whatsoever.

**Senator TROOD**—Secretary, when Australian consular officials visit Australians anywhere—

**Senator Conroy**—You cannot ask them to give us estimates like that publicly.

**Senator TROOD**—you presumably seek to determine their health—mentally and physically.

**Mr Richardson**—That is an entirely different matter.

**Senator Conroy**—That is a different issue.

**Mr Richardson**—We would never—

**Senator Conroy**—State of mind—

**Senator TROOD**—Minister, if you keep quiet I will be able to listen to the secretary, and that would be helpful.

**Mr Richardson**—We are not going to go there.

**Senator TROOD**—I am sorry, Secretary?

**Mr Richardson**—We cannot go to matters of state of mind and things of that nature.

**Senator TROOD**—I see. Once he was released on the 16th and went into the country, did you have any further contact with him then?

**Mr Philp**—We had further contact with his lawyers. He has not followed up with us himself that I am aware of.

**Senator TROOD**—Did his lawyers make any further requests of the Australian government?

**Mr Philp**—Yes, there were requests made of us both before and after his release.

**Senator TROOD**—I see.

**Mr Philp**—One of those, I should say, that is a matter of the public record was to attend his court hearings. We have attended every court hearing in the United Kingdom and we will be attending the court hearing later today.

**Senator TROOD**—I see. So the hearings were two weeks ago?

**Mr Philp**—The last hearing was two weeks ago; that is correct.

**Senator TROOD**—And today is the day on which the judgment is being given; is that right?

**Mr Philp**—I cannot speculate on what the judge will decide.

**Senator TROOD**—No, I did not ask you to advise us of the judge's decision, although if you have that capacity I am sure we would all be very interested.

**Mr Philp**—My point is that the judge may decide to continue the hearing.

**Senator TROOD**—Yes. He could decide on a range of matters, I imagine. But what I am interested in is the extent to which the Australian government had engagement with Mr Assange or his lawyers and the extent to which you were able to provide them things of which they were in need.

**CHAIR**—Before you answer—Senator Trood, are you coming to the end of this particular topic or do you want to return to it?

**Senator TROOD**—No, I have a bit more still.

**CHAIR**—We will break now.

**Proceedings suspended from 12.30 pm to 1.32 pm**

**CHAIR**—The committee will come to order. We continue with overview, and Senator Trood has the call.

**Senator TROOD**—I think Senator Kroger might want to intervene at this stage.

**Senator KROGER**—I wanted to follow up on the WikiLeaks, and in particular whether the department had had any contact with Mrs Assange, Julian Assange's mother?

**Mr Richardson**—Yes, I believe we have had contact.

**Mr Philp**—Yes, we have had quite a lot of contact with Mrs Assange. She visited him in London in December. At that time we had first contact with her when she was seeking to leave Australia. We offered assistance at that time. We then had contact with her on arrival in London and contact with her several times during the days that Mr Assange was detained. She asked, and we assisted her, to make an appointment to go and visit Mr Assange in prison. I think we made three appointments and for various reasons the first two fell through, and the third one happened.

**Senator KROGER**—Have you had any contact this year with Mrs Assange?

**Mr Philp**—Yes, we have. I do not actually have the date with me, but on the day that she issued the open letter to which Senator Trood referred recently, we rang her up on the morning of that day to discuss with her the consular assistance we had provided to Mr Assange. We offered to meet with her at Mr Rudd's electorate office where she had announced she would go, and we had a consular officer there at the time who offered to speak with Mrs Assange about the consular assistance we were and are providing to Mr Assange. Mrs Assange declined that offer at that time.

**Senator KROGER**—I think Senator Trood wants to continue on with WikiLeaks, but I understand that there is another site called OpenLeaks; have you heard of that site?

**Mr Philp**—Yes.

**Senator KROGER**—I understand that it is a rival site that has been set up that has prospects of becoming a competitive force in this area. Is the department monitoring this site?

**Mr Richardson**—I am not aware that we do.

**Senator KROGER**—Have you made any investigations into it to undertake whether it is something that would become a problem for us?

**Mr Richardson**—No. We have certainly not investigated it.

**Senator KROGER**—In relation to the security of our cables, and I understand and appreciate that Senator Trood earlier on asked whether there were any cables coming from Australians that were of concern, has the advent of WikiLeaks initiated us looking into the security and the processes and so on of our own confidential cables? Has it initiated an investigation to ensure that we have best possible practice?

**Mr Richardson**—Not an investigation, but each department did review its own security systems to satisfy themselves that they were up to scratch. In point of fact, what we believed happened in the WikiLeaks case could not happen in our system. That is not to say that you cannot have leaks in our system. Quite obviously you could have people walk out of a building with a lot of classified material. However, our systems have certain features which would make it extraordinarily difficult for someone to download the number of documents that appear to have been downloaded in this case without coming to pretty quick attention.

**Senator KROGER**—Without obviously sharing intelligence which would aid others who may have ulterior motives, can you share any of that? Why is it not possible for a disgruntled employee to—

**Mr Richardson**—To do what they did in this case, as opposed to walking out the door with whatever, the breach in the US system, it beggars belief how they even had the arrangement they had. It just beggars belief. I do not make the comment right across Australian government—I do not know enough about it—but certainly in terms of the way our classified systems are set up, it would be very difficult to copy what happened in the WikiLeaks case because certain features on their system which allowed it to happen do not appear on our system for the very reason that, if you had that feature, it would allow it to happen. Indeed, most of the US systems do not have the feature that allowed it to happen in this case. If what is in the media is true, then it appears to have been someone in the military, in Afghanistan or somewhere, being able to access and download just enormous volumes of material. Our classified systems simply are not set up in that way.

**Senator KROGER**—Clearly as you said, the system that they had established where somebody could access and share information across the board was instrumental ultimately in what happened.

**Mr Richardson**—Just being able to download volumes of material without a bell ringing was odd, to say the least.

**Senator KROGER**—So we should be assured that the systems that we have in place are of the absolute maximum or at the upper echelon in terms of securing sites?

**Mr Richardson**—You cannot say that. The technology develops all the time. When we replace our current system, when that time comes around and we replace it, it will be a better system than what we have now. You can never give an assurance that what you have is absolutely the very best.

**Senator KROGER**—Did any other foreign countries contact the department in relation to leaks that were publicly disclosed?

**Mr Richardson**—I do not know.

**Senator KROGER**—So the department of foreign affairs had no contacts from any other countries or agencies in relation to any of the leaks to ascertain if they were true or why or what was said?

**Mr Richardson**—I do not know. No-one has come to me, but they might have gone to other people in the department without me knowing of it.

**Senator KROGER**—It would be unusual for someone to not go to the head of the department, would it not, when it is an issue of national and international significance?

**Mr Richardson**—No. A deputy secretary, a division head or a branch head are very senior people. They do not have to come to me.

**Senator KROGER**—So, if concerns had been raised—whether it was in relation to the comment by the foreign minister that the contribution of Germany and France to Afghanistan was like ‘organising folk dancing festivals’—if another nation expressed concerns—

**Mr Richardson**—About that, I would think I would be aware.

**Senator KROGER**—You would not be aware of any countries that—

**Mr Richardson**—I am not aware of anything. Not universally, but by and large, governments around the world have, first, not commented on the contents of the WikiLeaks cables and, secondly, not used them as a basis to pursue things. I am not aware of any follow-up in relation to the precise quote that you mention.

**Senator KROGER**—In various circles, whilst they may not choose to pursue them vigorously, there would be no question that reading some of the cables would give a different dimension to a relationship between foreign ministers—if not prime ministers or nations.

**Mr Richardson**—I do not know. Personally, I think most governments and most people at both a private and a professional level would acknowledge, firstly, the right of people to have private discussions and, secondly, that in private discussions you might express yourself differently than you do publicly. If governments connected with each other simply through a set of talking points that could be made public the next day, you would not have much progress done on most of the tough issues around the world. You need to have confidentiality and you need to be able to sometimes express yourself in a particular way. I think in both a private and a professional sense, people understand that. I do not think what you quote would have the shock and awe value that some people pretend it would.

**Senator KROGER**—My private fear, for what it is worth, is that WikiLeaks actually demonstrates how democracy works so well. I think it has been a real vindication of democracy at its finest.

**Senator TROOD**—There is one final matter to deal with in relation to this subject, and that is whether or not the department ever received a request from the Prime Minister’s office or anywhere else to cancel Mr Assange’s passport.

**Mr Richardson**—No, I am not aware of any request from any quarter to the department to cancel Mr Assange’s passport.

**Senator TROOD**—Are you familiar with Mr McClelland’s observations about the—

**Mr Richardson**—Yes, but I do not believe anything he said would have suggested that anyone had made a request to us to cancel his passport.

**Mr Philp**—Mr Rudd has been very clear on this. He is the competent authority and he has said publicly he has received no request to cancel Mr Assange's passport.

**Senator TROOD**—I am aware of that statement by the foreign minister. I would like to know whether or not, before Mr McClelland made his intervention, he checked with your department as to whether or not that was a possibility—whether he sought any advice from you about the probity or the integrity of even contemplating such an act.

**Mr Richardson**—As you know, you can under legal authority cancel someone's passport. I think the Attorney-General was doing no more than expressing his thoughts. I do not think his observations carried an implication that he had either made a request or indeed pursued it. Whether or not he did so in his own portfolio, I do not know.

**Senator TROOD**—I do not ask you to address that question. So far as you are aware, he did not seek advice from the department as to the procedures which needed to be followed if the Australian government were to take that course?

**Mr Richardson**—He would be aware of the procedures that would need to be followed if the Australian government chose that course. As the Attorney-General he is involved in numerous matters which sometimes lead to agencies in his portfolio making requests to cancel passports.

**Senator TROOD**—But on this occasion there was not a request for information on that subject?

**Mr Richardson**—He would not have needed to make a request, because he would have known the processes to follow.

**Senator TROOD**—Are you aware of whether any representations were made from overseas—most notably, I suppose, Washington—saying, 'What can you do about this character'?

**Mr Richardson**—I am not aware of any request that was made to cancel his passport.

**Senator TROOD**—Did the Australian government receive any representations from the United States government which might encourage you to think that they would wish us to take steps to deal with Mr Assange in some way?

**Mr Richardson**—I am not aware of any.

**Mr Philp**—No, not to the best of my knowledge.

**Mr Richardson**—I am certainly not aware of any. People in the US system had a certain frustration which some of them expressed publicly in respect of WikiLeaks and Mr Assange, but I think one needs to distinguish between what individuals have said publicly and what the administration did formally.

**Senator KROGER**—Can I follow up an earlier discussion in relation to the floods. I understood from reports of statements that both the Prime Minister and Minister Smith said that we have received technical assistance from the US and the UK in relation to the floods. I am not sure if that was also in relation to Cyclone Yasi.

**Mr Richardson**—Both the United Kingdom, when Foreign Secretary Hague was here, and the United States made offers of assistance.

**Senator KROGER**—Did we take them up on those?

**Mr Richardson**—I believe, if they have not been taken up, both are going to be taken up.

**Senator KROGER**—Do you know what the nature of that assistance is?

**Mr Richardson**—No. I think it was going to be subject to further discussion, et cetera, and where those discussions have gone to, which involve the Queensland government, et cetera, I am not sure.

**Senator KROGER**—I will put that question on notice, as to whether that has been clarified, and if you have anything further on that, that would be great?

**Mr Richardson**—Sure.

**Senator TROOD**—As to the status of our ambassadors in Japan and China, I think I am right in saying that both the incumbents have stayed there much longer than would normally be their term, is that right?

**Mr Richardson**—In the case of Tokyo, it would be accurate to say much longer; in the case of Beijing, I would say longer rather than much longer.

**Senator TROOD**—But both are exceeding their normal terms?

**Mr Richardson**—Yes, but that is not unusual.

**Senator TROOD**—Has a decision been made about replacements for those two gentlemen?

**Mr Richardson**—Decisions have been made.

**Senator TROOD**—Can we expect an announcement on this subject in the near future?

**Mr Richardson**—That will depend upon the normal processes that relate to such appointments and announcements.

**Senator TROOD**—When you say a decision has been made, do you mean a decision has been made here in Canberra as to who should be going to replace them and approval has been secured from the foreign governments?

**Mr Richardson**—No, I am simply saying a decision, and I am leaving it undefined.

**Senator TROOD**—Are we still waiting for confirmation from foreign governments?

**Mr Richardson**—It would be improper for me to go beyond saying a decision has been made.

**Senator TROOD**—Do we look as though we will have some announcements, or at least will these matters be resolved in the next few months, do you think?

**Mr Richardson**—I think everything is proceeding pretty smoothly and ordinarily, and I would not get too fussed about what one might read elsewhere.

**Senator TROOD**—I see. I have asked questions in the past about the status of the department in relation to security clearances. I might put some questions on notice about the

progress of those. They seem to be taking a long time in some cases. The only other matter I wanted to raise at this point was in relation to question No. 21 on notice that I asked about the release of the incoming government brief, and the advice from the department was that you do not intend to release that document publicly. Does that remain your position?

**Mr Richardson**—Yes. I will be corrected if I am wrong, but I believe FOI requests have been made, and I think they are being processed. When I say they will not be released, we need to properly address the FOI requests, as we are doing, but we would not be proposing to release the documents in whole.

**Senator TROOD**—I do not think any department has. I note that the defence department has released its government briefs, but that they have been redacted in some way. Your response to my question did not give me any encouragement that that was something you were prepared to do as well.

**Mr Richardson**—We received an FOI request in relation to the brief that I was provided with when I started in January last year, and redacted elements of that were released publicly.

**Mr R Rowe**—As the secretary said, we have received FOI requests for the incoming government briefs. In fact, we initially received five requests, one of which was withdrawn. The four current requests are currently being considered by the decision makers in accordance with the FOI requirements, and the decision makers will, I understand, in fairly short course, conclude their deliberation as to making recommendations on the release of the reports, including of course which parts might need to be redacted in accordance with the FOI exemption provisions. So the matter is being actively pursued and the recommendations from those decision makers are expected in the very near future.

**Senator TROOD**—I think that is all I have on the overview.

[1.57 pm]

**CHAIR**—Further questions on portfolio overview? Okay, we will turn now to Outcome 1 and program 1.1, Foreign affairs and trade operations—north Asia.

**Senator TROOD**—I want to raise with you the Australia-China consular consultations which took place in October last year, at about the time of or just after our last discussion. You have answered question No. 9 that I put on notice on this subject and outlined at least the topics that have been discussed. What I need to know is whether we have made any progress on some of the issues that concern us about this subject?

**Mr Philp**—Progress is an interesting word to use in this context. We made clear, very firmly, our position on access to the kinds of trials that gave us so much concern in the Stern Hu case. Specifically we talked about timely notification of the arrest or detention of each other's nationals, so it was a Chinese issue on occasion; access to prisons and trials, including clarification on access to trials relating to commercial secrets, and as I think you are aware from previous discussions, we and the Chinese have quite clear disagreement on this issue and we reminded them of what our position is. We were able to press Chinese officials to take up our concerns with provincial authorities who have sometimes taken a slightly different view on some of these things than what the Chinese government in Beijing has told us would be its response.

We made it clear that we have an expectation that serious efforts would be made to expedite notification of arrest, court proceedings and other delays affecting Australian citizens caught up in court processes in China. The point of your question was what outcome we got out of it. They acknowledged our concern. They did make promises that they would try to raise this more clearly with provincial officials. I think the honest answer is that we are waiting to see the pudding proved.

**Senator TROOD**—You pressed our concerns on their willingness to provide us with consular access?

**Mr Philp**—Better consular access. They contend that they do attempt to provide it in the terms of the consular agreement.

**Senator TROOD**—Is the Chinese position here that the difficulties that exist from our perspective in implementing what we understand to be the terms of this agreement are essentially problems with the provincial authorities; is that the Chinese position?

**Mr Philp**—I am sorry if I gave that impression. We have a number of different concerns. With respect to particularly expeditious information about an Australian citizen being detained which, under the terms of the consular agreement, has to be done within a certain period, there have been a few times when we have been concerned that that has not happened in the way we expected it. They acknowledged our concerns and suggested that in some cases that was because provincial officials had not been fully cognisant of what was expected under the terms of the consular agreement, and that they would seek to better inform provincial officials of that. We continue to have different positions on the issue about the commercial secrets trial in the Stern Hu case.

**Senator TROOD**—The total of this is that there is no meeting of minds which might result in a revision of the agreement in ways that we would wish?

**Mr Philp**—In relation to what particular issue?

**Senator TROOD**—In relation to access to trials.

**Mr Philp**—That would be correct in relation to trials, yes. Let me say we are disappointed by that.

**Senator TROOD**—As we should be. In relation to anything that we raised, there does not seem to be any meeting of minds. They seem not to have agreed to change their position on anything that currently is their view about the way the agreement operates, is that right?

**Mr Philp**—In relation to informing us of detention of Australian citizens, they very clearly accept that they have obligations; they have taken on obligations in our bilateral consular agreement. They acknowledge that there may be times when provincial officials do not fully live up to those obligations that they have taken on, and they will seek to make sure that provincial officials do a better job in the future. I would consider that to be some progress. We still have to see it carried out fully, but the Chinese have undertaken to us that they will better implement the terms of the consular agreement in that regard.

**Senator TROOD**—But you do not intend to revise any of the conditions or terms of the consular agreement as a result of these discussion?

**Mr Philp**—That was not part of our discussions.

**Senator TROOD**—How is Stern Hu getting on? Have you seen him lately?

**Mr Philp**—Yes, we see him on a regular basis. Let me give you the details of that. Stern Hu is a successful businessman who is now in a Chinese prison for what appears likely to be a long time. I do not think that is a very happy transition for anybody. Given that basic kind of position, I think he is doing about as well as anybody could expect.

**Senator TROOD**—Do the Australian officials visit him on a regular basis?

**Mr Philp**—Yes, we visit him on a regular basis.

**Senator TROOD**—Have you been able to visit him as often as either he or we would like? Can you assure us that we have not been obstructed in that desire?

**Mr Philp**—I can assure you that we have not been obstructed. The Chinese have some principles, and they have stuck well within those. We visit him regularly. His wife and family are now able to visit him, which is a great improvement on the period when he was in detention under trial when, under Chinese law, he can only be visited by his lawyer and consular officers. His family is now able to visit him, which I think is a big improvement. We continue to visit him, and our last visit would have been a few days ago. We would expect to visit him again fairly shortly.

**Senator TROOD**—Has he made any requests?

**Mr Philp**—The last visit was on Tuesday, 18 January, in fact.

**Senator TROOD**—Has he made any requests of the Australian government?

**Mr Philp**—In fact, the last visit was on 15 February; that was the 22nd consular visit to Mr Hu that we have undertaken over the course of his detention. The next consular visit we have asked for, and we expect it will take place, will be in March. Has he made any requests? He makes occasional minor requests, as prisoners very often do, that we are able to help with or to pass across to his family. I would rather not go into too much of that for privacy reasons, but he makes occasional relatively minor requests and we do our best with them.

**Senator KROGER**—What is to be the term of his incarceration?

**Mr Philp**—The sentence?

**Mr Richardson**—Seven or nine years, I think, from memory.

**Senator KROGER**—You mentioned it last time, but I just could not recall.

**Mr Philp**—He was sentenced to 10 years in jail, and \$180,000 in financial penalties.

**Senator TROOD**—What about the case of Mr Sun? How long has he been in jail?

**Mr Philp**—Mr Sun was found guilty on 20 September 2007. He was first arrested in February 2006.

**Senator TROOD**—So he has been in jail for five years and some months?

**Mr Philp**—Yes; just on five years, in fact.

**Senator TROOD**—Did he engage the Australian government and his consular entitlements soon after his arrest?

**Mr Philp**—Our first visit to him was in February 2006. We were advised by the Beijing State Security Bureau that they had been investigating Mr Sun and had detained him. That was in February. We were not able to attend the trial.

**Senator TROOD**—Why was that?

**Mr Philp**—For exactly the same reason we were unable to attend part of Stern Hu's trial—that it was considered a matter of state secret and we were not allowed to attend. But we made strong representations to be allowed to do so.

**Mr Richardson**—He was charged with espionage. When someone is charged with an espionage offence in Australia it would be very possible for part of their trial to be closed to the public. In those circumstances, you would not necessarily allow access by a consular representative.

**Senator TROOD**—Was he charged with espionage on behalf of a foreign or the Australian government, or corporate espionage?

**Mr Richardson**—He was convicted of espionage from Taiwan.

**Senator TROOD**—Have you formed a view as to whether he might be guilty of that?

**Mr Richardson**—I do not have any view.

**Mr Philp**—We were not allowed to attend his trial, so we are not in a position to form a view.

**Mr Richardson**—We do not have a view on that anyway, even if we did attend the trial.

**Senator TROOD**—Presumably you have heard from him and what he thinks is his side of the story, as it were.

**Mr Philp**—As consular officials, we do not take a view on guilt or innocence. We provide consular welfare and support where we can.

**Senator TROOD**—Is he being held anywhere near Mr Hu, or is he in a different institution?

**Mr Philp**—No, he is held in Beijing at Beijing No. 2 prison, and Mr Hu, of course, is in Shanghai. But there are other Australian prisoners in the same prison as Mr Sun.

**Senator TROOD**—What are the conditions generally like in that prison?

**Mr Philp**—They are what conditions are like in Chinese prisons. They are not fantastic, but he is not mistreated to the best of our knowledge.

**Senator TROOD**—When did you last see him?

**Mr Philp**—Most recently we saw him on 16 February 2011.

**Senator TROOD**—Was that at his request or is that part of a general visit?

**Mr Philp**—That was part of our normal program of visits, roughly speaking. The intervals change slightly sometimes, but it was not at his request that we went to see him.

**Senator TROOD**—Is he, like Mr Hu, entitled to have his family visit him?

**Mr Philp**—His family does visit him, yes.

**Senator TROOD**—He is not on death row, is he?

**Mr Philp**—He was sentenced to death. There is a particular Chinese sentence which is a death sentence suspended for two years, and after that period, if the person is well behaved, commonly the death sentence is remitted. That is what has happened in Mr Sun's case, which is a development we warmly welcome.

**Senator TROOD**—So he has been taken off death row, as it were, and been given a life sentence as a consequence?

**Mr Philp**—That is correct.

**Senator TROOD**—Is that the consequence? If you behave and are taken off death row, are you then faced with the reality of essentially life imprisonment?

**Mr Philp**—His sentence is commuted to life imprisonment. Under the Chinese system, once commuted to life imprisonment, if you continue to be well behaved, there is the possibility of that being reduced to a sentence of years.

**Senator TROOD**—But at the moment he is faced with life imprisonment, is that right?

**Mr Philp**—Currently, yes. But I think it would be fair to say that he has the hope of having it reduced to a sentence of years.

**Senator TROOD**—I am sure he does. Has he asked the Australian government to make any representations on that theme, as to whether or not there can be a commutation of his life sentence?

**Mr Philp**—I think I do not know the answer to that question. I can take it on notice if you wish.

**Senator TROOD**—Please do. There is another Australian businessman, Matthew Ng?

**Mr Philp**—Yes.

**Senator TROOD**—What is his status?

**Mr Philp**—Mr Ng is currently under investigation. He has not come to trial yet. His situation is materially different in that he is being investigated for embezzlement. He was arrested on 30 November 2010 and, like Mr Sun and Mr Hu, we are providing him and his family with a high level of consular assistance.

**Senator TROOD**—So you have seen him on several occasions?

**Mr Philp**—Yes, four times so far.

**Senator TROOD**—When is he due to go to trial?

**Mr Philp**—It is up to the Chinese system. It is quite complex. In theory, they have a 30-day period to pursue a preliminary investigation, but they can then extend that by a number of occasions. It is quite complex. They have a number of periods of time in which to investigate him, and they can defer it if they need more information if they wish, under Chinese law.

**Senator TROOD**—Do you have any idea when he might come to trial in light of these contingencies, or not?

**Mr Philp**—We can map out the kinds of time frames, but I do not know when it would actually be likely to happen.

**Senator TROOD**—Is he now clear on the charges he is facing?

**Mr Philp**—It is still subject to investigation. He is facing a single charge currently of embezzlement, but it is open to the prosecution to make further charges if the prosecutor wishes. But we are waiting to see. Mr Ng, as you would expect, is fighting those charges and is trying to have his name cleared. He has legal representation.

**Senator TROOD**—If that were the only charge and if he were found guilty, what is the penalty for that charge?

**Mr Philp**—For that specific charge, I do not think I have that information. I have to say that because they have different terms for different amounts and a different way of looking at embezzlement, until they have actually decided on what the final charges and basis of the trial are going to be, it might be a bit premature to speculate. I can see if I have anything on that particular charge, but it might be misleading to say anything until we know more about how the investigation pans out.

**Senator TROOD**—These three examples obviously raise concern to us about Australian businessmen getting into trouble in China. Have you, in relation to these matters, formed a view as to whether or not Australian businessmen or any other people going to China need a higher level of detailed advice as to their need to be careful, in light of these three examples—and I am sure there are probably several others of people getting into trouble? Have you looked at this at a general level and said, ‘There are too many Australians getting into trouble here and we ought to try to do more for them’?

**Mr Philp**—I do not think any Australian businessperson in China would be under any illusions, and they should not be, that they are subject to Chinese law if they are operating in China.

**Senator TROOD**—I hope that is true as well, but I am wondering whether or not you have felt the need to perhaps increase the advice you are giving to Australian businessmen in China about that issue?

**Mr Richardson**—Not at this point. I suspect the publicity that a couple of these cases has received has probably given the business community more advice than what we could give them.

**Senator TROOD**—So you do not propose to do anything at this juncture in relation to any of this?

**Mr Richardson**—Not anything over and above what we currently do.

**Senator TROOD**—I have a couple of other general questions about China. How would you characterise the general state of the bilateral relationship?

**Mr Richardson**—I would characterise it as being in pretty good shape. We have a pretty broad and good relationship with China.

**Senator TROOD**—Have the foreign minister’s remarks caused any grief to those who have been exposed in the WikiLeaks material about China? I refer you to the observation from

the Americans that Mr Rudd regards himself as a brutal realist on China, that he argues for multilateral engagement with bilateral rigour and he thinks that we may need to respond to China's growing ability to project force.

**Mr Richardson**—Nothing that has appeared in WikiLeaks up until now relating to Australia has caused problems in the bilateral relationship.

**Senator TROOD**—Have these observations been the subject of representations by the Chinese government, either here or in Beijing?

**Mr Richardson**—Not that I am aware of.

**Senator TROOD**—They have not expressed any concern about those?

**Mr Richardson**—No. As it was said before—and I cannot vouch for it in every country—but as a general rule countries are not commenting on the content, and nor are they as a general rule following them up by way of representations and the like.

**Senator TROOD**—It is probably not the material that you would want in the public domain, is it, about another country?

**Mr Richardson**—We do not comment on the content of WikiLeaks.

**Senator TROOD**—Am I right in saying that Rebiya Kadeer is visiting Australia in March this year?

**Mr Richardson**—Maybe, yes.

**Mr P Rowe**—Yes, we have heard that she is, but as far as I know she has not applied for a visa.

**Senator TROOD**—Is the department doing anything in relation to her visit?

**Mr Richardson**—No, because she has not applied for a visa.

**Senator TROOD**—So you have not had any advice from Beijing that she intends to come to Australia?

**Mr P Rowe**—We are only aware that she has a private invitation to visit Australia, but as I say, she has not applied for a visa.

**Senator TROOD**—If that is the case, you know nothing of her program while she will be here—is that right?

**Mr P Rowe**—I have some idea, if I can find it. She has been invited to address a conference, as I understand, but that is as much as we know.

**Senator TROOD**—Do you know if any ministers in the Australian government will be meeting with her when she is here?

**Mr Richardson**—We keep saying that she has not applied for a visa. We do not know whether she is coming. We only know that she has been invited to come, so the question of all of that is hypothetical until she actually applies for a visa and is definitely coming.

**Senator TROOD**—All right.

**Senator KROGER**—Have you provided us with an update on the World Expo in Shanghai? Did we get that from you last time?

**Mr Richardson**—A public report has been prepared, which we could make available to you. It was considered highly successful, with 8.3 million visitors attending the Australian Expo. Austrade made enormous use of it with business delegations and the like. An impressive number of Chinese leaders visited the pavilion. Australian business leaders made good use of it. ANZ was a principal sponsor of the expo, and I do not believe he would mind my saying this, but the CEO of ANZ, Mr Smith, told me off his own bat that the ANZ board had thought long and hard as to whether it would sponsor it. It decided it would, and he said that he is absolutely delighted that it did, and it would do it again.

**Senator KROGER**—So clearly the bank was able to derive some business from the expo.

**Mr Richardson**—I think Australian business generally got a lot out of it because of the sheer number of visitors that attended, from both the broad Chinese community and their leadership, and the use our business community was able to make of it. It was a real credit to the people involved from the department and elsewhere that it went as well as it did.

**Senator KROGER**—What were our total costs for the expo in the end?

**Mr Richardson**—I would have to pull them out of my head. Mr Philp might have them.

**Mr Philp**—Yes. The Australian pavilion was \$83 million altogether. That is the biggest ever investment we have made in an expo but it was tremendously successful. To add to what the secretary has said, we received an average of 43,000 visitors a day, which is about 11 per cent of all the visitors to the expo each day. With 192 countries represented, we had eight million visitors altogether, and we were one of the top five most visited pavilions. There were also associated business events conducted around that.

**Senator KROGER**—With such a big exercise, those who were responsible for putting it on would probably think I have not expressed my questions in a way that recognises how much it took to put it on. But, given the significant size of the expo, the cost of it and the manpower resources involved, how do you determine whether an expo or an investment of that size is value for money? What parameters do you use, or do you go back and do an analysis on the basis of whether the investment is value for money? I understand that you have the report.

**Mr Richardson**—We do assess it and make a judgement. I do not believe that you can do it in a concrete way. To some extent, matters of judgement come into play and different people might have different views. It would essentially come down to whether we think we got \$83 million worth of exposure in China over and above what we otherwise would have—to the Chinese community at large, to the Chinese business leaders and to their political leadership. Do we think that our business community got value out of it? I think the general consensus would be that we did get \$83 million of value out of it. I do not know whether Austrade has done any follow-up in terms of how many direct inquiries and linkages and so on came from it. They often do that, and they might well have answers on that if you were to pursue it with them.

**Senator KROGER**—I will follow it up because it does beg the question. Clearly, Oprah was very successful. Many questioned the amount that was being spent on bringing her here, and that was hugely successful. I think it will take time for that to play out in terms of tourism numbers. As a nation, when government is choosing to invest such significant sums, I think it

is only right that we should put in place some accountability processes with which down the track we can judge whether those investments were worthwhile or whether the money could have been spent in another way to develop business and pursue ties between countries.

**Mr Philp**—We should add the point that \$83 million is not the Australian federal government's total spend; it is the total cost of the pavilion, including sponsorship and everything else.

**Senator KROGER**—The total spend, I appreciate that.

**Mr Richardson**—But \$72 million was taxpayers' money, so that is 72 out of 83. When was the decision made to participate in the Shanghai Expo, Jon?

**Mr Philp**—I do not have that information.

**Senator TROOD**—I meant to ask you something, Mr Philp. We are seeking to negotiate a prisoner exchange agreement with the Chinese, is that correct?

**Mr Philp**—That is correct. We would like to pursue that.

**Senator TROOD**—Was that the subject of discussion when we had these negotiations in October?

**Mr Philp**—It is a legal parallel process. I should ask for advice, but I believe the arrangement is before JSCOT at present.

**Senator TROOD**—So we have concluded an agreement and we are awaiting the formalities—is that right?

**Mr Richardson**—The prisoner transfer treaty was tabled in parliament on Thursday, 10 February for consideration by the Joint Standing Committee on Treaties. Should the committee approve the treaty, the government would enact regulations to implement it.

**Senator TROOD**—Do we have any individuals that we would seek to advantage under that treaty immediately?

**Mr Philp**—Application is up to the prisoners themselves.

**Senator TROOD**—Would Mr Hu, Mr Sun et cetera be able to apply?

**Mr Philp**—Yes. If they chose to apply, it would have to get the agreement of both the Chinese and the Australian authorities.

**Mr Richardson**—And the consent of the prisoner.

**Senator TROOD**—I assumed that would be the case. None of that has been discussed at the moment—you are waiting for the treaty to come into force?

**Mr Philp**—It would be premature.

**Senator TROOD**—I do not have any more questions about China. I have some questions about Japan. Could you give the committee a brief update on the progress of our whaling case in the International Court of Justice?

**Mr Richardson**—It is essentially in the International Court of Justice and the processes leading up to that.

**Mr R Rowe**—The situation is that Australia is preparing its written submission, its memorial, for submission by the date set by the court, which is 9 May this year. As I think I mentioned in a previous estimates hearing, Japan is then to file its counter-memorial by 9 March 2012. We are engaged at the moment in finalising the memorial for submission to the court.

**Senator TROOD**—So we have not advanced any further than where we were in October? That is to say we are finalising the memorial—is that right?

**Mr R Rowe**—I would not, frankly, say that we have not advanced any further. In fact, a lot of work has been undertaken. As you know, the Attorney-General's Department is the lead agency in relation to the case and the preparation of the memorial. So the work is going on to conclude, to ensure that the memorial is submitted by the deadline set by the court.

**Senator TROOD**—Can you give me a figure as to how much this case has cost us to date? Is that something that you have in your province, or is that a matter for the Attorney-General's Department?

**Mr R Rowe**—I do not have that information.

**Mr Richardson**—We did receive some moneys for it. In fact, in the 2010-11 estimates, we received \$4.2 million over four years to cover our costs in terms of our involvement.

**Senator TROOD**—Earlier this month the Japanese government summoned the ambassador, is that correct, to discuss the matter of whaling?

**Mr Richardson**—Yes, that is right, they called him in.

**Senator TROOD**—They called him in?

**Mr Richardson**—I think it was last Friday.

**Senator TROOD**—What was the substance of the concerns that the Japanese government was expressing on that subject?

**Mr P Rowe**—It was concern about safety at sea issues.

**Senator TROOD**—In relation to the whaling program in the Southern Ocean, is that right?

**Mr P Rowe**—Yes.

**Senator TROOD**—Does the Japanese government hold us responsible for what is going on there?

**Mr Richardson**—It does not hold us responsible, but it sometimes asks us to do some things which we could not do. They have, for instance, asked us at times to prevent the *Sea Shepherd* from leaving Australian ports, and we cannot legally do that. The Australian government's position is that a peaceful protest is something that is lawful. Obviously we have a concern that, at sea, people respect the relevant international laws that apply to vessels at sea. We believe that any protest action in that environment, or indeed onshore, should be peaceful.

**Senator TROOD**—Did we take the opportunity to press that view on the Japanese government, since we had been summoned to be there?

**Mr Richardson**—We have stated that to the Japanese on numerous occasions.

**Senator TROOD**—It would seem that the people responsible for the whaling activity have withdrawn for this season, as I understand it. What is your assessment of the state of Japanese policy in relation to whaling at the moment?

**Mr Richardson**—Others will know more, but I think there has been no indication that their policy in respect of whaling has changed.

**Senator TROOD**—Do you see the decision to terminate earlier than normally is the case, as an encouraging sign that they might be in the process of changing their policy on the matter?

**Mr Richardson**—In terms of the killing of whales, it is certainly encouraging in the sense that it means this year a lot fewer whales have been killed than otherwise would have been the case. But I think it would be premature to jump to a view that it reflects a change in policy.

**Senator TROOD**—Do you think that is something that is now actively being canvassed in the Japanese government?

**Mr Richardson**—I do not know.

**Mr P Rowe**—There is certainly public discussion in Japan about the future of whaling, but there is no decision that we know of in the Japanese government to modify it.

**Senator TROOD**—So we cannot hold out any hope that there will be a change in its position in any time in the near future?

**Mr Richardson**—I just would not make any assumptions.

**Senator TROOD**—There is nothing to give us much encouragement?

**Mr Richardson**—Well, it is good that they have stopped killing whales this year. They could have killed a lot more.

**Senator TROOD**—I do not have any more questions.

**CHAIR**—Any further questions on North Asia? Okay, we will turn now to South-East Asia.

[2.35 pm]

**Senator ABETZ**—I have a brief bracket of questions around the regional processing centre in East Timor. I note that about seven or eight months ago, with much fanfare, the Prime Minister announced her proposed East Timor processing centre in the context of an election. Given that all the media reports tell us that it attracted little support in the Labor cabinet, can you at least update us as to the support it might be receiving within the region in the seven months since it was announced?

**Mr Larsen**—The conversation being held with East Timor on the issue of a regional processing centre is continuing. As recently as 25 January, President Ramos-Horta indicated that he continued to be open to the idea of a processing centre, and we are working actively on the ground with the East Timorese through our embassy but also senior officials' visits as required to advance the idea. As you are aware, the East Timorese are currently considering a paper from Australia which sets out some of the possible elements of a processing centre. The

processing centre is part of a broader approach to addressing irregular migration issues as part of a—

**Senator ABETZ**—If I might say, I understand that. I just want to keep the focus at this stage on the proposal. If you have anything further to contextualise it, I would not wish to interrupt you but I do not want to canvass the issue of people-smuggling, generally.

**Mr Larsen**—Thank you, Senator. I wish simply to say that the centre is part of the broader policy of creating a framework within the region to deal with people-smuggling and irregular movement of people. To answer specifically your initial question, we are having a dialogue with key partners in the region—Indonesia, Malaysia, and source countries such as Sri Lanka, Pakistan, and Afghanistan. It is in that context, where we are talking about a regional framework, that we pursue the possibility of a processing centre.

**Senator ABETZ**—At the very beginning of that answer, you told us that East Timor remains open to the concept. That is what we were told seven months ago and—I say this with respect—it was put more strongly than that East Timor was just open to the concept. We were led to believe that there was a stronger commitment. In the seven months since that announcement on 7 July 2010, we have had this progress report to tell us that East Timor remains open to the concept.

**Mr Larsen**—I think the business of developing a processing centre in a country such as East Timor is a complex one. The paper which has been provided by Australia to East Timor goes into considerable detail as to what the constituent elements of a centre might be. We would reasonably expect that the East Timorese would take some time to reflect on all of the aspects of hosting such a centre. It has indeed taken time and I do not think that is surprising.

**Senator ABETZ**—I would happen to agree with all of that, especially your assessment that this is a complex issue—or ‘a complex one’, to quote your words. But, of course, that is not what we were told on 7 July 2010. We were not told that it was just something that was being floated; we were given a lot stronger indication. What is the Department of Foreign Affairs and Trade’s assessment in relation to a future vote of the East Timorese parliament in the event that a further vote was to be held in relation to this issue?

**Mr Richardson**—As we have said, we believe that the issue remains open. We have nothing further to add than that.

**Senator ABETZ**—So we have made real progress, have we not, in those seven months? With respect to dialogue with key partners, does the Malaysian Prime Minister now actually know about this proposal? As late as January 2011, he was still to be told about the proposal.

**Mr Richardson**—When you say ‘the proposal’, we have had talks for some time with the Malaysian government about a regional protection framework. They have been involved with the Bali process. As a government, they have been certainly aware of our thinking. I think you can be confident that they are very much aware of it all.

**Senator ABETZ**—With great respect, Mr Richardson, when the Prime Minister of Malaysia tells us courtesy of the *Weekend Australian* of 29-30 January 2011, ‘No, I have not been alerted about that proposal’, it does not fill me with confidence that this processing centre idea has bubbled to the top of Malaysian politics, and is at the forefront of their mind.

**Mr Richardson**—I have not said that. The Prime Minister did in fact visit Malaysia in October or November last year on her way back from the East Asia Summit in Hanoi.

**Senator ABETZ**—It must have been a very effective visit; having undertaken that visit, the Malaysian Prime Minister was to say, ‘I have not been alerted about that proposal.’

**Mr Richardson**—As is on the public record, matters relating to the regional protection framework were a matter of discussion between the Prime Minister and the Malaysian Deputy Prime Minister. It is on the public record that, at the time of Prime Minister Gillard’s visit to Malaysia, the Malaysian Prime Minister was ill. He came down with chicken pox and could see neither Prime Minister Gillard nor Secretary Clinton who was visiting at the same time. That is why I said earlier that you could be assured that the Malaysian government was very much aware of our thinking and has been for some time.

**Senator ABETZ**—The Malaysian government, the bureaucracy, even the Deputy Prime Minister, are so engaged and so excited about Ms Gillard’s visit and this concept that they did not even bother passing it on to the Prime Minister. That is what he has told us, is it not? ‘No, I have not been alerted’—

**Mr Richardson**—No, that is what is reported in a commentary piece written by Greg Sheridan.

**Senator ABETZ**—But it is in quotations.

**Mr Richardson**—I know it is in quotations.

**Senator ABETZ**—It is a direct quote from the Prime Minister of Malaysia.

**Mr Richardson**—I do not know the detail of the ins and outs or whatever, but the Malaysian Prime Minister will be here shortly, so I suppose it will be interesting to see whether he does know anything about it or not. I rather suspect he will.

**Senator ABETZ**—Chances are now that he has been alerted courtesy of an interview from the *Weekend Australian*. Having alerted him to the proposal, he undoubtedly will now know about it when he comes to us.

**Mr Richardson**—He would have known anyway because his government would have briefed him.

**Senator ABETZ**—So the Malaysian Prime Minister misled the *Weekend Australian*, Mr Richardson, when he said, ‘No, I have not been alerted’?

**Mr Richardson**—I will not be drawn into comments like that.

**Senator ABETZ**—You are making assertions about the Prime Minister of Malaysia’s knowledge which he has specifically denied.

**Mr Richardson**—I have made no assertions about his knowledge on any particular day. What I said was that I think you can be confident when he is in Australia very shortly that he will be very much aware of our thinking and the like, and also I have said that the Malaysian government has certainly been aware of it. What has transpired in terms of precise communication within the Malaysian government, I am in no position to comment on, and I am in no position to draw an inference from it.

**Senator ABETZ**—If we are to believe the quotation as being correct, as late as the end of January 2011 the Malaysian Prime Minister says, ‘No, I have not been alerted about that proposal.’ Clearly, now that he has been alerted, courtesy of the *Weekend Australian*, and the fact that his officials and even his deputy clearly had not briefed him about their meetings with Ms Gillard, it would suggest that at least at the end of January, seven months after the big announcement by Ms Gillard, that it was not front of mind within the Malaysian Prime Minister’s thinking. Does the department agree that Malaysia is one of the key countries that we need to partner with and discuss people smuggling with, if we are going to overcome this scourge?

**Mr Richardson**—I might say that Malaysia is a country with which we have had a very close working relationship on people smuggling for some time. Our agencies cooperate very well with their Malaysian counterparts, and have done for some time.

**Senator ABETZ**—I am sure all of that is right, but my concern is that all this good work—even the Prime Minister’s personal visit to Malaysia—has alerted the Prime Minister of Malaysia to all of this wonderful work that your departmental officials are undertaking, that Mr Larsen is undoubtedly undertaking, and even Ms Gillard’s visit to the country. So the fact that that had not bubbled up to the prime ministerial level is a matter of concern. Can we move on to other countries in the region?

**Mr Richardson**—I will just make a couple of points there. First of all, it is not DFAT officials to whom I was referring in terms of cooperation and work. They are only one part of it. It is DIAC officials; it is AFP officers, and it is officers of other agencies. Secondly, I would simply note—

**Senator ABETZ**—Who is the lead agency in our diplomatic negotiations when we have a people smuggling ambassador in Mr Larsen attached to the department of foreign affairs?

**Mr Richardson**—I am simply making the point that it was more than foreign affairs. It is AFP, DIAC and other agencies, and they have a very good relationship with their Malaysian counterparts.

**Senator ABETZ**—So who do we blame that the Malaysian Prime Minister does not know about it? Is it DIAC, the Australian Federal Police, the foreign affairs department or Ms Gillard herself?

**Mr Richardson**—You cannot assume from the quote you read out in the Greg Sheridan piece that the Malaysian Prime Minister was unaware of any cooperation between his agencies and Australian agencies in respect of people smuggling.

**Senator ABETZ**—That was not the question. It is not the issue, and with great respect you know that that is not the issue. I prefaced all my questions in relation to this issue about the East Timor processing centre, not people smuggling per se. So do not try to redefine my questions in this area that is clearly embarrassing for the government. I will move on. With which other major partners have we had dialogue in relation to this issue of the East Timor processing centre?

**Mr Richardson**—We have talked to Indonesia.

**Mr Larsen**—We talk with the countries we work with in the context of the Bali process.

**Senator ABETZ**—There are 42 or 43?

**Mr Larsen**—There are 43 countries.

**Senator ABETZ**—Have you spoken to each of them?

**Mr Larsen**—The most active component of the Bali process on these issues is the ad hoc group of the Bali process, and that comprises countries such as Indonesia, Malaysia, Sri Lanka and a number of other countries associated with the Indian region—Pakistan, Afghanistan. With all of those countries, in a variety of different contexts, we have raised the proposal for a regional framework. As part of that regional framework, we have raised the prospect of building processing centres in possible locations.

**Senator ABETZ**—In this ad hoc committee dealing with a regional framework, when was the idea of an East Timor processing centre first raised by Australia?

**Mr Larsen**—Right at the beginning. One of the key elements—

**Senator ABETZ**—Which is what date?

**Mr Larsen**—I do not have the date in front of me, but I can get it for you.

**Senator ABETZ**—When was the ad hoc committee formed?

**Mr Larsen**—A meeting of the steering group on 31 January in Indonesia.

**Senator ABETZ**—Of this year?

**Mr Larsen**—Of this year.

**Senator ABETZ**—Of this year, so it is quite clear, to truncate this, that the idea of the East Timor processing centre flagged on 7 July 2010 by the Prime Minister had not been flagged through the Bali process until on or about 31 January this year, some seven months after the election announcement?

**Mr Larsen**—That is not correct. The steering group meeting I referred to is the most recent meeting of some members of the Bali process. There was a UNHCR and Philippines government hosted discussion held, I think, in October in Manila where regional approaches to processing were fully canvassed, and the idea of a centre was raised in that context. There have been numerous bilateral discussions—

**Senator ABETZ**—Mr Larsen, thank you for all that about people smuggling and the concept of a processing centre. The issue is the—underline ‘the’—East Timor processing centre. With which members of the Bali process was it raised prior to 7 July 2010?

**Mr Richardson**—Prior to 7 July? Before James speaks, James’s reference to the meeting in the Philippines in October also encompasses the East Timor processing centre. He was not trying to cloud the East Timor processing centre in ‘people smuggling’.

**Senator ABETZ**—Was this October 2009 or October 2010?

**Mr Richardson**—October 2010.

**Senator ABETZ**—Right, some three months after the Prime Minister’s announcement. So my question remains: with which of the 42 other Bali process countries did Australia discuss the East Timor processing centre proposal prior to 7 July 2010?

**Mr Richardson**—It wasn't.

**Senator ABETZ**—It wasn't—thank you.

**Mr Richardson**—Not 'an East Timor processing centre'.

**Senator ABETZ**—Right, because that is what all the fanfare was about on 7 July, that border protection was a terrible issue for this government; they had completely failed on it. The boats were flooding in, and to deal with the issue, Ms Gillard made the big announcement that it was going to happen, and this was going to be the answer to all the problems of people smuggling. Seven months later, we know that East Timor at least remains open to the concept. What countries, if any, have actually agreed to the East Timor processing centre? We know that East Timor has not, but has any other country agreed to it?

**Mr Richardson**—Before James answers that, just by way of clarity, prior to 7 July last year I am not aware of any discussions with other countries in respect of a processing centre in East Timor. However, there were certainly discussions about regional processing centres.

**Senator ABETZ**—I have indicated, Mr Richardson, that is not what I am talking about.

**Mr Richardson**—No, I understand, but I was just trying to flag that.

**Senator ABETZ**—The Prime Minister made a very, very specific announcement on 7 July 2010 designed to convince the Australian people that she had already got her ducks in a line in relation to this and would fight and overcome the scourge of people smuggling after the debacle of the government's changed policy in this area. I only want to concentrate on the East Timor processing centre. We know East Timor is not signed up. It is only remaining open to the concept. Do we have any country signed up?

**Mr Richardson**—What do you mean by 'signed up'?

**Senator ABETZ**—Agreeing to the proposal. I would have thought it would be pretty clear.

**Mr Richardson**—I think it really needs to be taken forward further with East Timor.

**Senator ABETZ**—Has any country agreed to Ms Gillard's proposal for an East Timor processing centre?

**Mr Richardson**—I am not aware of any. I am not aware that we have actually put forward the East Timor processing centre as a proposal for individual countries to 'sign up to'. It is being discussed and talked about, but of course the central discussion there is with East Timor.

**Senator ABETZ**—So we do not even actually have a proper framework for this East Timor processing centre which Ms Gillard promoted as the answer on 7 July 2010? This is interesting.

**Mr Richardson**—No, no, I am sorry, Senator. That is dead wrong. The framework is the regional protection framework which James has been talking about and which I have referred to before. A processing centre in East Timor does fit within that broader framework which we have been talking to other countries about. That is why to just separate out East Timor and carve it out and say it exists by itself is not quite right.

**Senator ABETZ**—Thank you for that. I might get a copy of that *Hansard* and send it to Ms Gillard to tell her that Mr Richardson's considered opinion on this is for her to have made the announcement on 7 July, not about a concept but the East Timor processing centre, was not the right thing to have done. The government cannot have it both ways.

**Senator Conroy**—Senator, you cannot verbal Mr Richardson in that way.

**Senator ABETZ**—You cannot have it both ways. This was the answer, Mr Richardson.

**Mr Richardson**—Senator, I would like you to send that *Hansard*, if you could also send the following: what you have interpreted me as saying is totally misleading.

**Senator ABETZ**—Well, in that case, just answer the questions.

**Mr Richardson**—I have.

**Senator ABETZ**—The East Timor proposal, as put forward to the Australian people by Ms Gillard on 7 July 2010, was that canvassed with any other of the 42 Bali process countries?

**Mr Richardson**—We have already answered that.

**Senator ABETZ**—Then if I am that slow, could you please assist me and repeat the answer?

**Mr Richardson**—We said it had not, and then we attempted to talk about the regional protection framework in which we said it was contextualised, and you said you were not interested in that.

**Senator ABETZ**—That is right, because a very specific proposal was put to the Australian people by the Prime Minister, Ms Gillard, about the East Timor processing centre, and that, in effect, she had sign-off from East Timor, but we will not go into that. How actively is your minister pursuing this proposal?

**Mr Richardson**—The minister has spoken, I believe, with the Indonesian foreign minister, and he and the Indonesian foreign minister I think will be co-chairing the next meeting of the Bali process. So yes, he has been involved, as has the Minister for Immigration and Citizenship.

**Senator ABETZ**—Since his appointment as Minister for Foreign Affairs he has not had dialogue with any of the other Bali process countries in relation to the East Timor processing centre?

**Mr Larsen**—The Minister for Foreign Affairs has in fact had dialogue with a number of Bali process counterpart ministers, and indeed he spoke at the time of the Bali democracy forum with a number of Bali process ministers. He also spoke with the Prime Minister of East Timor concerning the proposal.

**Senator ABETZ**—Concerning the East Timor processing centre proposal?

**Mr Larsen**—Concerning the regional framework, including the proposed proposal for a specific East Timor centre.

**Senator ABETZ**—Can you assure us that he raised that with every country that he met that you listed?

**Senator Conroy**—We would probably have to take that on notice, I would think.

**Mr Richardson**—With every relevant country. It would be with the relevant—

**Senator ABETZ**—It is either within Mr Larsen's knowledge or not.

**Senator Conroy**—We will take that on notice and make sure we give you an accurate answer.

**Senator ABETZ**—I would have thought the best—

**Senator Conroy**—It was actually a fairly detailed question, if you follow it through.

**Senator ABETZ**—I would have thought the person best suited would have been the ambassador dealing with these matters, but it is your right, Minister, to take that question on notice.

**Senator Conroy**—We certainly want to make sure we give you an accurate answer. That is a comprehensive question, even though it was very short.

**Senator ABETZ**—Why would you doubt that Mr Larsen does not have that information at his fingertips right now?

**Senator Conroy**—We just want to ensure that we give you a completely accurate answer.

**Senator ABETZ**—No, you want to; Mr Larsen did not seek to take it on notice for the purpose of getting accurate information. You have stopped him from answering because I dare say we will get one of these sanitised answers on notice which tells us nothing. But if need be, we can revisit that in the May estimates. Minister, can you confirm to us that your ministerial colleague, Mr Rudd, is fully signed up and thinks that this East Timor processing centre is a good idea?

**Senator Conroy**—Sorry, could you repeat that question?

**Senator ABETZ**—That is how closely you have been following it.

**Senator Conroy**—Could you repeat that question?

**Senator ABETZ**—Is your ministerial colleague, the Minister for Foreign Affairs, fully signed up to the East Timor process centre proposal?

**Senator Conroy**—I have no doubt that Mr Rudd fully supports government policy in this area, none at all.

**Senator ABETZ**—None at all?

**Senator Conroy**—None at all.

**Senator ABETZ**—And you say that with a smile, and I acknowledge the smile.

**Senator Conroy**—None at all. You always make me smile, Senator Abetz. You have this effect on me. You always make me smile.

**Senator ABETZ**—So we do not have any countries that have actually signed up. We have discussed with them in the past seven months since the announcement the concept, the proposal. Have we now finalised the concept?

**Mr Larsen**—The concept for an East Timor processing centre has been put to the East Timorese.

**Senator ABETZ**—When was that done?

**Mr Larsen**—That was done in early December. There were detailed discussions with the East Timorese very shortly after July. A concept paper was put to them in early December following those discussions. We will be having further detailed discussions with them.

**Senator ABETZ**—Have the details of this processing centre been made public?

**Mr Larsen**—There is a version of a paper which has appeared on, I think, an ABC website.

**Senator ABETZ**—Has it been made public through the normal channels, and you tell us ‘a version’; is it the version, is it an authorised version, and was it released via a media release?

**Mr Larsen**—The paper that was handed to the East Timorese government has not been made publicly available by either government.

**Senator ABETZ**—What is the status of this paper that is on the ABC website?

**Mr Larsen**—It is a document which purports to be the proposal put by the Australian government to East Timor.

**Senator ABETZ**—Does it accurately reflect—

**Mr Larsen**—I have not read it word for word.

**Senator ABETZ**—Those aspects of it that you have read, do they accurately reflect the proposal?

**Mr Larsen**—It substantively reflects the broad proposal put to East Timor, yes.

**Senator ABETZ**—Has this proposal, this paper, been forwarded to other countries of the Bali process?

**Mr Larsen**—It was a paper specifically addressed to East Timor and has not been forwarded to other countries, no.

**Senator ABETZ**—When is it anticipated that we will finalise these discussions with East Timor?

**Mr Larsen**—Those discussions are ongoing. There is no finalised date in contemplation at the present time.

**Senator ABETZ**—When will this meeting that Minister Rudd and his Indonesia counterpart will co-chair take place?

**Mr Richardson**—End of March, I think.

**Senator ABETZ**—It is highly unlikely that that meeting will be able to consider the proposal if the country where it is suggested it ought to be built has not signed off on it.

**Mr Richardson**—The meeting in March is a meeting which discusses the broader issue of a regional protection framework. It is not a meeting that has ever been envisaged that would ‘sign off’ on whatever. It is a broader set of issues than that.

**Senator ABETZ**—Right. So we will have to wait even longer in relation to this processing centre. When do you think we might actually have an operational processing centre in East Timor? Have we put a date on it as yet?

**Mr Richardson**—We are not in a position to comment on that.

**Senator ABETZ**—No. Minister, I dare say you aren't either?

**Senator Conroy**—I think I would agree with Mr Richardson.

**Senator ABETZ**—Which I think exposes the extreme hollowness and shabbiness—

**Senator Conroy**—Do you have any further questions?

**Senator ABETZ**—of the Prime Minister's announcement of 7 July 2010.

**Senator Conroy**—Do you have any further questions, or are you going to keep making speeches?

**Senator ABETZ**—No, I do not.

**CHAIR**—Further questions on South-East Asia? Are the officials still here from North Asia? They are? Might they return to the table? Senator Ludlum has some questions on China and human rights advocates. Welcome again, Mr Rowe.

[3.07 pm]

**Senator LUDLAM**—Welcome back, and I am sorry I missed you when you were in the chair earlier. Unless it has been covered extensively already and it is in the transcript, I want to ask about the Australian human rights dialogue. Did you address that in your earlier comments?

**Mr Richardson**—No.

**Senator LUDLAM**—No, I thought you might not have. I understand we have finally had one and that it actually occurred in December. Would you provide us with a progress report or an update as to what occurred?

**Mr P Rowe**—Certainly. As you say, it took place on 20 December. We raised a wide range of human rights concerns: civil and political rights; freedom of speech, assembly, the press, association, procession and demonstration; the use of the death penalty, the petition system and forced labour; legal reform and the rights of lawyers; economic, social and cultural rights; the rights of women, children and persons with disabilities; the rights of ethnic minorities, including in Tibet and Xinjiang; and freedom of religion. We called on China to ratify the International Covenant on Civil and Political Rights.

**Senator LUDLAM**—So a pretty substantive list.

**Mr P Rowe**—Yes. We also raised a number of individual cases of concern.

**Senator LUDLAM**—I might come to those in a moment. How long did these dialogues go for?

**Mr P Rowe**—This went for about a day.

**Senator LUDLAM**—Did their eyes just glaze over, or do you feel like you had a substantive discussion?

**Mr P Rowe**—We engaged, definitely engaged.

**Senator LUDLAM**—I am not sure if that was an either/or. So it was a substantive discussion?

**Mr P Rowe**—Yes.

**Senator LUDLAM**—I presume that minutes are not published from these meetings?

**Mr P Rowe**—No.

**Senator LUDLAM**—Is there a reason for that?

**Mr P Rowe**—We do not normally publish discussions between officials, and that follows the same guidelines.

**Senator LUDLAM**—What kind of progress can you report since the last round of dialogue, which I gather was well over a year ago?

**Mr P Rowe**—I do not know that we sort of measure this in terms of progress or in terms of progress over 12 or 18 months. It is a long process.

**Senator LUDLAM**—Tibetan autonomy within the constitution and the PRC I gather was on your list and discussed?

**Mr P Rowe**—Yes.

**Senator LUDLAM**—What kind of representations did Australia make on the issue of Tibet?

**Mr P Rowe**—We made the usual ones about the high degree of autonomy that is promised to Tibet and freedom of religion, the freedom to express one's religion.

**Senator LUDLAM**—Without breaking confidence, what kind of response was there? If you put up the standard arguments; did you get the standard responses back? Did you feel there was any traction?

**Mr P Rowe**—It was more or less standard.

**Senator LUDLAM**—Is that it? We have raised our concerns; we have been brushed off. Is that it as far as China human rights dialogue goes?

**Mr P Rowe**—I do not think that I would characterise it that way. I think that is a bit cynical.

**Senator LUDLAM**—Yes, I think that is probably true. I have become a little bit cynical on this one. What kind of issues did the Chinese delegates raise with Australia?

**Mr P Rowe**—I would have to refresh my memory on that. They did raise issues with us, but I would have to get back to you on that. Can I take that on notice and get back to you?

**Senator LUDLAM**—Yes, if you like. I will be here for a little while. Was there any new information or perspectives shared by the Chinese delegation or things that have not been present in these dialogues to date?

**Mr P Rowe**—No, not that was of a dramatic breakthrough kind, no.

**Senator LUDLAM**—How long is it since the last round of human rights dialogue?

**Mr P Rowe**—As you said, it is well over 12 months.

**Senator LUDLAM**—The original meeting cycle was meant to be much more rapid than that, was it not? We spoke before about a series of cancellations and delays that I think the Chinese government brought about?

**Mr P Rowe**—Yes. I think they have been almost every year.

**CHAIR**—Mr Rowe, you outlined a very impressive list of causes at the outset of discussions with Senator Ludlum. You said we have put standard arguments in respect of each of those, and they put a standard response. That is nice. I suspect we know each other's views on each of those topics that you mentioned. What is gained, apart from both sides acknowledging the standard arguments within the diplomatic community, about a range of human rights concerns?

**Mr P Rowe**—As I was saying, I do not think that this is the sort of thing where you are going to get dramatic change overnight on any of these issues. I think it is important for us to reiterate our standards and our concerns and what we regard as universal principles. To stop doing that would not be useful either. I think the point is that we need to be making our concerns about human rights felt on a regular basis.

**CHAIR**—I can buy that. So we keep expressing our concerns about a range of current and yet-to-be-identified human rights concerns; is that the purpose of the dialogue?

**Mr P Rowe**—Yes, that is part of the purpose of the dialogue.

**CHAIR**—What part am I missing, then?

**Mr P Rowe**—Well, it is an opportunity for us, a forum for us, to put our views on human rights in a way that is not bombastic or counterproductively public. I do not think we have succeeded in advancing human rights in places by making a loud noise about it.

**CHAIR**—No, it would never have occurred to me that anyone in your organisation would do it other than in a professional manner. But it is nice that you have affirmed that that is the way you do business. I am trying to get beyond identification of issues and putting forward the arguments and receiving a response. I am not hearing the way forward out of that. Am I mishearing you?

**Mr P Rowe**—Sorry, I did not hear what you said finally there.

**CHAIR**—I am trying to get you to say there is something else achieved apart from reiteration of issues and both sides putting the arguments that they hold dear to their own hearts. I am not hearing anything else apart from that.

**Mr P Rowe**—As I said, it is a regular opportunity for us to express our principles and the standards that we believe are universal concerning human rights. The fact that we are able to do it on a regular basis I think is very useful. I think that is the main purpose of our having this dialogue.

**CHAIR**—Thank you, Mr Rowe.

**Senator LUDLAM**—I will continue in that vein, because the chair is, I think, expressing a similar frustration to myself. Whenever in this forum or in other fora we ask, 'Within the range of our diplomatic effect on China—with a very important trading partner of ours—what are we doing to address very, very serious concerns about human rights? We are told we have

a human rights dialogue. We have a bilateral dialogue. We have an open door and an opportunity to exchange views. It happens every couple of years, and nothing ever comes of it. It can be seen as, not necessarily an excuse, but simply a forum in which, as the chair has kind of expressed, we nod, we hear each other, we leave and nothing changes. Your response is: it is better than nothing. My response is: Have we ever put any consequences on the table? For example, have we ever tiptoed into this area of linking trade—heaven forbid!—to serious systematic human rights violations in China? Have we ever introduced the idea that there might be consequences of our trading partner behaving in this way?

**Mr P Rowe**—The answer to that is no, because I think we would then be transgressing WTO rules.

**Senator LUDLAM**—Don't take me there!

**Mr P Rowe**—That is the reason we have not. I think you would get into a spiral, if you tried to do that, which would harm both sides and would not actually produce any benefits on the human rights side either.

**Senator LUDLAM**—So it is a safe way of saying we have these concerns—that we are representing the Australian population's legitimate concerns about these human rights violations, and we are completely fine if you just nod and nothing is ever done about them. We will not be taking any kind of measures or any retaliation, and no consequences will flow.

**Mr P Rowe**—We are not fine about it. We naturally want to see improvements in human rights in China.

**Senator LUDLAM**—So it kind of in the nature of our saying, 'Stop or we will say 'stop' again.' Is that perhaps why we are stuck in a holding pattern? These things roll around every 12 months, and we say the same stuff to each other and we leave. Then we start looking for a date for the next one?

**Mr P Rowe**—I do not know that it is a holding pattern. If you look at China over the length of time that I have been looking at China, which is since 1976, I can tell you now that there have been enormous changes in human rights, and a lot of them positive. If you are going to measure it in terms of 12 months, no, but if you are going to measure it over that longer period, I would say that there has been considerable change—and change for the better in the case of a lot of individuals. That is not to say that it is anything like ideal or good now, but it is very much different from what it was. If you measure it over that period of time, yes.

**Senator LUDLAM**—If at any time we seek to link trade issues with human rights violations, we will stray into the domain of the World Trade Organisation, so we do not ever go there.

**Mr P Rowe**—That is certainly the principal reason, yes. But as I said, I think you would find it would be counterproductive to try to link trade with human rights issues in the way that you suggest.

**Senator LUDLAM**—Well, you have been in this business longer than I, but I suspect I could find several examples that would contradict that approach.

You mentioned at the outset that you did raise the issue of particular individuals with the Chinese officials. I think that is a fairly regular practice. Is there anybody in particular that

you want to put on the record here? Has there been any progress? I am not quite sure how to frame this question. There have been individuals who have disappeared into labour camps and so on. Is there any good news out of that list that you read into the record last time in October?

**Mr P Rowe**—When you say ‘good news’, do you mean release?

**Senator LUDLAM**—For example, yes.

**Mr P Rowe**—Not that I can point to, no.

**Senator LUDLAM**—Rather than taking you through the list, would you be able to table—as I think you did last time—the list of individuals whose case you raised in the dialogue?

**Mr P Rowe**—If we did that before, I think we can.

**Senator LUDLAM**—It was not in the instance of the human rights dialogue; I think it was in relation to regular bilateral communications with Chinese officials, but it has been done before; I have a partial list here. Since the last time we spoke, Chinese human rights advocate Mr Gao Zhisheng, who was a Nobel Peace Prize nominee in 2008 and 2010, has been in the press because he was arrested in China in February 2009—he is formally an Australian citizen—and re-emerged in March 2010 and told journalists that he had endured torture. I think in April he disappeared again. Is that somebody whom you have raised with the Chinese government? I can provide a spelling if that is helpful.

**Mr P Rowe**—Could you say his name again, please?

**Senator LUDLAM**—Yes, it is Gao Zhisheng.

**Mr P Rowe**—We did raise his case. It was amongst those of concern to us. We sought clarification on where he was and the state of his health and the reasons for his detention. We asked that he be allowed to maintain contact with his family and legal representation. We also asked for his release. We have not had a response.

**Senator LUDLAM**—I am sure his family greatly appreciate that you have made those representations. Again, without breaching confidence, what is the response from the Chinese?

**Mr P Rowe**—As I said, we have not had a response yet.

**Senator LUDLAM**—Were they raised during that day of the dialogue?

**Mr P Rowe**—We raised it, yes.

**Senator LUDLAM**—So nobody is aware of the gentleman’s location or his condition?

**Mr P Rowe**—No.

**Senator LUDLAM**—Somebody who I have been trying to keep track of, Mr Sun Xiaodi, and his daughter, were in an RTL camp as their last known circumstance. Has there been any change in their circumstance?

**Mr P Rowe**—We did raise that case of both Mr Sun and his daughter, but we have not had a response.

**Senator LUDLAM**—Lastly, before I hand back to the chair, we might move to a different part of the world, and the question of Tibet. Can you provide an update on the situation in Tibet at the moment? Have any salient issues arisen since we were last here?

**Mr P Rowe**—I do not think there has been a substantial change that would merit my talking about Tibet.

**Senator LUDLAM**—Let us not get into that. I have no other questions, Mr Rowe. Thank you for your time.

**CHAIR**—Do you have questions on South-East Asia?

**Senator LUDLAM**—If we are calling Burma South-East Asia, yes.

**CHAIR**—We are. We only did North Asia then to suit you.

**Senator LUDLAM**—Yes, thank you very much.

[3.22 pm]

**CHAIR**—We will go to South-East Asia.

**Senator LUDLAM**—Mr Borrowman, since we last spoke, there has been an election in Burma and a parliament has allegedly convened. Can you provide an update as to the state of the department's understanding of the situation in Burma at the moment?

**Mr Borrowman**—Yes, as you say there was an election in Burma in November. As you know, before the election we had expressed very openly our concern about the electoral conditions. Those were in fact obviously borne out in the conduct of the election. In fact, two new parliaments and 16 regional assemblies have been formed. The electoral laws meant that there was a solid majority for the regime's proxy party. That now holds 76 per cent of the seats. Some 25 per cent of the seats are reserved for the military. The new parliament on 4 February chose former Prime Minister Thein Sein as the new president. A new government was named on 11 February which has 30 ministers. Some of those ministers retained their portfolios from the previous regime, and a number of new ministers have been appointed.

**Senator LUDLAM**—Since then, I suspect in any other circumstance if there had been a change like this and a parliament convening for the first time, the Australian government would make some kind of diplomatic representations. What is the official status of that parliament or the new situation in Burma as far as the Australian government is concerned?

**Mr Borrowman**—There were no diplomatic representatives invited by the Burmese to the actual opening of the parliament, so the question of attendance did not arise there. So far there has not been any formal communication between the Australian government and the new government of Burma, but, that said, it is very clear that that is the government of the state of Burma.

**Senator LUDLAM**—Australia has a policy of neither encouraging nor discouraging trade and investment in Burma. Austrade, however, and the embassy in Rangoon provide generic advice to Australian companies that are interested in Burma. Can you explain what the nature of this generic advice is that is given to companies or individuals interested in investment in Burma?

**Mr Borrowman**—I think Austrade would be better placed to answer that question.

**Senator LUDLAM**—That is a fair response. What about the department, because of separate advice from our consular staff? I think we have been told on a couple of occasions that embassy officials, quite aside from Austrade, provide generic advice as well?

**Mr Borrowman**—That is correct. I understood your question to be about Austrade.

**Senator LUDLAM**—I mentioned both.

**Mr Borrowman**—Okay, sorry. If companies request briefings from the Australian embassy, then they are given a briefing about the general situation in Burma, including the Australian sanctions regime and general international concerns about issues in Burma.

**Senator LUDLAM**—So it is not advice on the market conditions or commercial information or anything like that?

**Mr Borrowman**—That is correct.

**Senator LUDLAM**—Thank you very much for answering some of the Senate questions on notice that were lodged since we last spoke. In your answer to question on notice No. 330, you stated, ‘Austrade has not provided direct services to Australian companies.’ You are going to tell me to go talk to Austrade if I ask you this, I think, so I might come back a little later in the evening, unless you have it there. Assistance was provided to two companies; can you name them?

**Mr Borrowman**—I am not aware of those.

**Senator LUDLAM**—That is fine; I will put them to Austrade a little later. One answer that did not come back from a question on notice was the issue of Burma’s alleged nuclear weapons program. I say ‘alleged’ because I know information is somewhat sketchy. Apologies if you have answered that question and I do not have it here, but is there anything additional that you can tell us? I know there was additional information that came to light subsequent to the WikiLeaks document drop that shed a bit more light into collaboration with North Korea and Russia on the nuclear weapons program there. Is there anything further you can tell us? Has the Australian government actually done anything to corroborate or validate any of that information?

**Mr McKinnon**—I think the situation is unchanged since we last spoke. There are uncorroborated reports. There is no firm evidence of a nuclear program in Burma.

**Senator LUDLAM**—There is circumstantial evidence, though; I guess you would grant me that? I probably agree that there is no firm evidence, but there are some pretty disturbing pointers. Are we just waiting for somebody else to validate or disprove those rumours, or are we taking any action at all?

**Mr Richardson**—In cooperation with some other countries, we do pursue that matter. Our agencies do not just sit back and watch. I suppose the difficulty is moving from things that appear suspicious and moving from things that are circumstantial to something more, and like Mr McKinnon is referring to, we have not moved on to anything more. It is one of the issues that the Australian system actively looks at.

**Senator LUDLAM**—Who in the system?

**Mr Richardson**—Just the Australian system actively looks at it—relevant agencies and relevant parts of government.

**Senator LUDLAM**—Such as ASNO? If we speak to them a little bit later in the afternoon, is that who you mean?

**Mr Richardson**—Well, ASNO is relevant, yes.

**Senator LUDLAM**—I would like to pursue this further, but I know we are a bit short of time. Australia was the first country to formally sign up to move the debate around a UN Security Council commission of inquiry into war crimes and crimes against humanity in Burma. I gather there are now 14 signatories on that list. I am proud to say that we are at the top of the list. What are we doing to encourage more countries to sign up to that endeavour before the UN General Assembly session later this year?

**Mr Borrowman**—Is this the commission inquiry?

**Senator LUDLAM**—Yes.

**Mr Borrowman**—We had undertaken a number of consultations before the last estimates session, and there has been a Friends of Burma meeting I think since. As you say, this is an issue where we have supported the UN investigating possible options. As you are well aware, as we have discussed before, there is a wide range of views including a number of countries that are implacably opposed to such an outcome.

**Senator LUDLAM**—But we are on the list of supporters. I suppose what I am suggesting, proposing or inquiring about is: have we done anything at all diplomatically—this is word for word with what I asked you last time, I suppose—to encourage other countries to sign on, seeing that it actually seems to be gathering some momentum?

**Mr Borrowman**—I would say it is a routine part of our dialogue with other countries in respect of Burma, whether in the Friends of Burma or through bilateral contacts about Burma.

**Senator LUDLAM**—Is that right? I think that is new information. We would routinely bring up that issue, whether you call it advocacy or at least making sure that that is part of the dialogue with other countries?

**Mr Borrowman**—Yes.

**Senator LUDLAM**—The issue of a commission specifically?

**Mr Borrowman**—Yes.

**Senator LUDLAM**—Okay, that is good to know. Are there a particular number of nations that the Australian government would like to see on that list before the UNGA?

**Mr Borrowman**—No.

**Senator LUDLAM**—Finally, with the discretion of the chair, recent threats have been made by the Burmese regime relating to the safety of Aung Sun Suu Kyi and members of the NLD and their allies. Could I invite the Australian government or the Minister for Foreign Affairs, if he has not already done so, to very strongly condemn those threats that are being made in Burmese broadcast media at the moment? Has any consideration been made of that?

**Mr Borrowman**—We have already tasked the embassy to express our concern about those threats, and you have obviously made a different request in this context which I am sure has been heard.

**Senator LUDLAM**—Thank you very much. Thanks for your time.

**CHAIR**—Thank you. Further questions on South-East Asia?

**Senator KROGER**—I have one. Can you provide an update on the accident that happened in Ha Long Bay up in North Vietnam? I understand there was an incident with one of the tourist boats, and an Australian lost their life. Is that correct?

**Mr Philp**—That an Australian—

**Senator KROGER**—I thought I read reports of an incident in Ha Long Bay a week or so ago; is that right?

**Mr Philp**—Yes, there was. I do not have the precise details to hand, so I apologise if I am a little bit vague on it. Yes, last week, in fact, one of many tourist boats in Ha Long Bay sank at anchor in the middle of the night. A number of people were killed, one of them an Australian permanent resident, and an Australian citizen was a survivor.

**Senator KROGER**—Was it a boat at anchor?

**Mr Philp**—That is correct.

**Senator KROGER**—I have been up there, and I did not know that they had boats in the area that people actually slept on, which is what I presume you are saying?

**Mr Philp**—That is correct. It appears the tourist trade is developing very fast, and there are a great many operators in Ha Long Bay doing various kinds of experiences for tourists. It seems in that particular spot there were a number of boats at anchor with tourists on them who were asleep.

**Senator KROGER**—Do we have a consular office in Hanoi?

**Mr Philp**—Yes, we do. We have an embassy with consular officers in Hanoi. As soon as we heard the reports of this, we sent a consular officer straight down from Hanoi to Ha Long Bay to try to get some more details. Information was very confused and sketchy for some time because there were so many boats there. Of course, a lot of Australians visit there, and a number of Australians were on other boats, so there were a lot of very worried Australians phoning us at that time.

**Senator KROGER**—The reason I ask is that it is very busy but quite undeveloped, and the various controls, such as safety and health facilities in the area, are all fairly primitive, still developing I would suggest, to put it nicely. I wondered how we would actually deal with that incident—how we could ascertain how many Australians were on the boat. I do not even know that they would take records of that, would they?

**Mr Philp**—They did have records. The boat had records of it all and, after some confusion and some time, we were able to get accurate reports from the Vietnamese authorities. At the same time in a situation like that, you have a lot of families calling in. We were able to get some clarity from that. We were able to contact people. There will be some who were missing, and eventually we were able to track down I think all the Australians that we had real

concerns about who we knew were on the site and we had not heard from. We contacted all of them. So we are able in these kinds of situations—as we are in a crisis like Egypt, which is rather large scale—to eventually narrow it down to a few cases of concern. It is difficult. It is hard work to try to do that. The tourism industry there is still developing. I hope you will forgive me, Senator, if I use this opportunity to plug the department's travel advice, which goes into quite a lot of detail on Vietnam and about the dangers and the responsibility that people have to do some serious research before they go on some of these more adventurous holidays to understand what the risks are and to seek out safe operators.

**Senator KROGER**—In terms of your travel advice, and I know that we have discussed this previously, is it something that is strongly communicated through travel agents and so on?

**Mr Philp**—Travel advice? Yes, we advertise as much as we can to people generally. In fact, shortly we will be launching a new campaign that will focus on television, on internet sites, on radio and in print—pretty much any medium we can get out. We look at youth groups; we look at the aged; we look at travel agents. We would love to get our travel advices read by far more people than do read them at present.

**Senator KROGER**—I appreciate everything that you are doing in that regard. I think your travel advisory work is terrific. It is just a question of how we all can market it more, basically. The more people observed it, the better off we would all be.

**Mr Philp**—We are trying to come up with some new initiatives on that as we speak.

**Mr Richardson**—I think that is right, but you will always get a level of risk taking. We do try to inform, and there is probably more we could do. As Jon said, we will have a new campaign starting shortly. When people get passports, they get a little slip telling them about the Smartraveller website and so on, so we do a lot of things like that. We do encourage people to register online before they go overseas. We do all of that. The media are pretty good, particularly in times of crisis. They always give it a fair bit of coverage. But I have done a little bit of risk taking, I suppose, at different times in my travel, but back a bit. That is sort of part of the adventure.

**Senator KROGER**—Absolutely. I am not suggesting that we do not do exciting things. Having been in the area, and it is a beautiful area, but with the confusion that reigns in some of these areas, I wondered how you ascertain when there has been a disaster in an area like that.

**Mr Philp**—It is difficult, and on this occasion it took us some hours, which of course was distressing for the families involved.

**Senator KROGER**—Thanks, Chair.

**Proceedings suspended from 3.38 pm to 3.58 pm**

**CHAIR**—We are still dealing with South-East Asia. I think Senator Trood has one or two outstanding issues.

**Senator TROOD**—Just one. It may be less a matter that concerns Indonesia but more a consular matter. I wanted to seek an explanation as to the efforts the department may have undertaken on behalf of Mr Justin Hale to secure a visa in Indonesia.

**Mr Borrowman**—I am well aware of the issue that you are asking about. In general I can say that extensive assistance has been given from here and from the embassy in Jakarta, but it is not a matter on which I have a specific briefing. I would be happy to take any specific questions on notice.

**Senator TROOD**—Do you know whether or not Mr Hale's problems have been resolved?

**Mr Borrowman**—I can say, but we may need to check it, that he recently received a short-term visa, but the problem has not been resolved in the sense of having a long-term ability to stay and report in Indonesia. He is still there, but the problem has not gone away.

**Senator TROOD**—This raises questions about freedom of the press and things of that kind. Have you made representations to the Indonesian government about this matter?

**Mr Borrowman**—Yes. We have made numerous representations.

**Senator TROOD**—What is their response to our concerns?

**Mr Borrowman**—As you would expect, there are different views within the Indonesian bureaucracy. There are certainly some pockets of the bureaucracy that are concerned about what they would perceive as anti-Indonesian reporting and think that visas are an appropriate means to address that issue, which of course we do not.

**Senator TROOD**—Is this reflective of a systemic rising degree of opposition to Australian journalists reporting from Indonesia?

**Mr Borrowman**—I would say, no, if you look at the longer term. If you look at the last 10 years, clearly there has been a vast opening of Indonesian society in all respects. I think we have a particular problem that we are endeavouring to assist Mr Hale with in every way possible.

**Senator TROOD**—Does it reflect a change in policy or attitude on the part of the Indonesian government in relation to journalists?

**Mr Borrowman**—I would not say that it did. I think it reflects more specific issues within the bureaucracy, in relation to specific individuals.

**Senator TROOD**—I see. So, Mr Hale may have done something to offend them perhaps?

**Mr Borrowman**—That is a possible conclusion. That said, they have particular visa regulations about where people can reside as journalists in Indonesia. They are sometimes flexibly, and sometimes not flexibly, applied.

**Senator TROOD**—Has the Indonesian government made any particular observations about Mr Hale's unsuitability for a visa?

**Mr Borrowman**—That is an issue which I would like to take on notice or perhaps have a private discussion with you about.

**Senator TROOD**—I am happy for you to take this on notice. He has been given some kind of short-term access. Would that access allow him to practise as a journalist?

**Mr Borrowman**—Yes.

**Senator TROOD**—But the longer term situation has not been resolved?

**Mr Borrowman**—That is correct. He would have to leave at some point—I think it is a 30-day period in the future—whereas what he is after is a—

**Senator TROOD**—We might see where he has got to in May.

**Mr Borrowman**—Yes.

**Senator TROOD**—That is all I have.

**CHAIR**—There are no further questions on South-East Asia? We will go to the Americas. Are there any questions on the Americas?

**Senator TROOD**—I do not have any questions on the Americas. I think Senator Ronaldson covered that point earlier in the day.

[4.03 pm]

**CHAIR**—Questions on Africa?

**Senator TROOD**—There may be a couple there. Secretary, in relation to those questions that I was asking earlier in the day about the flights into and out of Cairo, do you have any figures on the costs of the hiring of the Qantas flight?

**Mr Richardson**—Yes. From memory, it was roughly \$170,000 per charter hire. I am sorry, I was just told \$260,000.

**Senator TROOD**—Is that \$260,000 all-up or \$260,000 each?

**Mr Richardson**—No, each.

**Mr Philp**—I believe it was a bit more than that. It was in that vicinity, but something more than that.

**Senator TROOD**—Like what?

**Mr Philp**—The figure in the back of my head is around \$279,000. It is very close.

**Senator TROOD**—I trust Ms Thorpe. She is very good on figures.

**Mr Philp**—I am sure she is more right than I am. Our understanding is that this was provided on a cost basis by Qantas.

**Senator TROOD**—Is that a cost that the Australian government has to bear? Do we try to recover the costs of these from the individuals concerned?

**Mr Richardson**—No. In this particular instance, given the circumstances of the case, a decision was taken not to charge or to seek cost recovery.

**Senator TROOD**—Is that opportunity open to the government, should it choose to do so?

**Mr Richardson**—That has been done at different points in the past.

**Senator TROOD**—Is there any part of the activity in which we were engaged, with regard to people in Egypt or now in Libya, where there is an expectation that whatever we do for them we will seek cost recovery?

**Mr Richardson**—Not full cost recovery. There may be instances, as Mr Philp said before, where consular officials in the field have the authority to provide loans, give money and the

like, and that is on a repayment basis. Where that happens we do that. It in part depends upon the individual circumstances. It is a judgment call that is made in the circumstances.

**Senator TROOD**—Have we become a bit more liberal on this matter?

**Mr Richardson**—I think it is fair to say that over the years successive governments have become more generous in what they are prepared to do.

**Senator TROOD**—You say it is a case-by-case assessment.

**Mr Richardson**—Quite objectively the trend line has been more towards being generous than the other way.

**Senator TROOD**—Has the boat left from Tripoli that Mr Philp mentioned earlier in the day?

**Mr Philp**—The latest information that I have is that it has been delayed because of very bad weather in the Mediterranean, and not because of conditions there. It is just past 7 o'clock in the morning in Tripoli and it was not to leave until it was full daylight. You would appreciate that it is still northern winter, so I expect it has not left, but we would be hopeful of it leaving soon.

**Senator TROOD**—That is not a boat that we organised, is it?

**Mr Richardson**—No.

**Senator TROOD**—There is no cost recovery there, is there?

**Mr Philp**—There are two boats. There is an American chartered vessel, on which we have this group of Australians that the secretary referred to earlier on. We will cover their costs, partly because for our consular partners that is a much easier way to do it. The other vessel is a private charter by a company that we understand has a small group of Australians on it and that would be a completely different arrangement.

**Senator TROOD**—So we are sharing the cost with the Americans in relation to the first vessel, but we are not doing anything in relation to the second?

**Mr Philp**—The first vessel is being chartered by the Americans.

**Senator TROOD**—But we are chipping in; is that right?

**Mr Philp**—They would in effect charge us for the Australians and we would pay for the Australians.

**Senator TROOD**—Do we know how much that is going to be?

**Mr Philp**—No.

**Mr Richardson**—They will have a charge per passenger and we will pay for our 15. I may be wrong, but I do not think it will be an enormous amount. It is a fairly close distance between Tripoli and Malta.

**Mr Philp**—They are going the long way round, but it will not be very much.

**Senator KROGER**—Mr Richardson, it is probably worth noting that with the Qantas charter flights I remember reading reports that a number of the personnel, if not all of the

personnel, who were involved in those flights actually volunteered their time. A lot of Qantas staff and even perhaps pilots may have volunteered their time. I remember reading that.

**Mr Richardson**—I am not aware of that, but if they did that would be enormously generous of them.

**Senator KROGER**—I remember reading reports at the time and I thought it would be appropriate to table that many Australians have volunteered as well in that regard.

**Mr Richardson**—Qantas was very cooperative. I think they pulled out all stops to be as helpful as possible. There was, in fact, a Qantas person in the crisis centre for the duration of the Egypt episode and our relationship with them was extraordinarily smooth. Their staff could well have done that.

**Senator KROGER**—I remember reading the reports that the staff volunteered their time.

**Senator TROOD**—I have finished with Africa.

[4.09 pm]

**CHAIR**—We will go Europe. Are there questions on Europe?

**Senator TROOD**—I have a couple.

**CHAIR**—Senator Trood.

**Senator TROOD**—Again, Mr Philp, you may like to stay there because this may be your problem. I want to raise some questions about the Australian embassy in Belgrade's website, which has a warning on it that says, 'Internet websites designed to look like official Australian government websites.' Are you familiar with that?

**Mr Philp**—I am not.

**Senator TROOD**—The Australian embassy website in Belgrade apparently has a warning on it that says, 'Internet sites designed to look like official Australian government websites ...' In other words, someone would seem to be rebadging themselves like the Australian government, at least in Belgrade. Is this a common problem?

**Mr Richardson**—It is not a common problem, but it does happen. For instance, when I was in Washington different people around the world got internet messages purportedly from me and they were not. That has happened a few times. We have also had instances where people have purportedly got messages from a minister. It is simply that you need to be extraordinarily careful of a message turning up from an official or a minister where the address is not the official address. Likewise, you have instances where people, groups or organisations attempt to recreate an official site, whether it be an embassy or some other site.

**Senator TROOD**—Can we do anything about this?

**Mr Richardson**—You can only address it as it occurs.

**Senator TROOD**—The instance in Belgrade seems to be a very particular one which has come to my attention. Has there been a need to do anything in relation to this particular example?

**Mr Richardson**—I would have to take that on notice. I am not aware of the specifics of the case.

**Senator TROOD**—Perhaps you could do that. Thank you. I have another matter in relation to Europe. It is one that some might consider rather arcane. It concerns our relationship with the United Kingdom and the Act of Settlement. Mr Hawkins, are you familiar with the Act of Settlement of 1701?

**Mr Hawkins**—Unfortunately I am not very familiar.

**Senator TROOD**—This of course is not an act of this parliament. Perhaps you could bear with me. Can you tell me whether or not the Australian government has ever received any representations from the British government regarding the status of the Act of Settlement 1701?

**Mr Hawkins**—Not that I am aware of, but there may be others in the department who are aware of it.

**Senator TROOD**—Where are all your historians?

**Mr Hawkins**—In the library.

**Senator TROOD**—So you do not know of anything?

**Mr Hawkins**—I am not aware of anything.

**Senator TROOD**—Do you have any knowledge of a representation made by former British Prime Minister Brown with regard to the British government's proposal to amend the Act of Settlement to end discrimination against females in the line of succession and also to end the provision that the monarch cannot be married to a Catholic?

**Mr Hawkins**—No. I am sorry, I cannot help you on that one either.

**Senator TROOD**—So you have no representation?

**Mr Richardson**—I am aware of the issue. I was involved in one conversation relating to it, but I was on the margins of it, so I am very hazy. When you mentioned it in those terms it switched on a light.

**Senator TROOD**—Can you tell us anything further about what you know of it?

**Mr Richardson**—No. Except for what you just said. I am not aware of whether representations were being made or whether there have been any discussions and so on.

**Senator TROOD**—Does it follow from that that we have undertaken no consideration of this matter?

**Mr Richardson**—I do not know. I think that would probably be a matter that would most likely be handled within Prime Minister and Cabinet. It is not a matter that would necessarily come to us, because it is a constitutional issue. It would be Prime Minister and Cabinet and A-G's if they involved someone.

**Senator TROOD**—I am told that the relatively newer Cameron government has also decided to take up this issue. Have we received any representations from the Cameron government on the subject?

**Mr Hawkins**—Not that I am aware of.

**Senator TROOD**—Secretary, your recollection does not extend to any representations on the part of the Cameron government either; is that right?

**Mr Richardson**—If there have been I am not aware of them.

**Senator TROOD**—Thank you.

**CHAIR**—Is that all on Europe?

**Senator TROOD**—Perhaps I should just ask you—and I think the answer is probably fairly predictable—insofar as you know, we have not undertaken any consideration of our view on this matter?

**Mr Richardson**—No. I simply do not know.

**Senator TROOD**—Thank you.

**CHAIR**—Senator Macdonald on Europe.

**Senator IAN MACDONALD**—Is the department looking at opening or closing any Australian posts in the countries that make up the European Union?

**Senator Conroy**—We had quite a conversation about reductions in posts earlier.

**Mr Richardson**—Not at present.

**Senator IAN MACDONALD**—I am particularly talking about Europe.

**Mr Richardson**—Not at present.

**Senator IAN MACDONALD**—So there is no chance of new ones being opened?

**Mr Richardson**—I am not aware of any proposal.

**Senator IAN MACDONALD**—Are the openings and closings a government decision or is it something from the department that comes as a recommendation to the government?

**Mr Richardson**—It can be either. The opening of a mission can either flow from a recommendation by the department or it can flow from a decision by government. It can be a top-down initiative or it can be a bottom-up initiative.

**Senator IAN MACDONALD**—Have we ever had a post in Switzerland?

**Mr Richardson**—We had an embassy in Berne.

**Mr Moraitis**—From memory, we had an embassy in Berne until the late eighties/early nineties.

**Senator IAN MACDONALD**—The Swiss have an embassy here, with Xstrata, as I understand it. It is a Swiss company and there is a lot of Swiss investment in Australia. Has there been any increase in consular activity with Switzerland in recent times?

**Mr Richardson**—Not consular.

**Senator IAN MACDONALD**—Or any diplomatic or investment as well as consulate activity?

**Mr Richardson**—I think you will find a lot of the business investment side proceeds, anyway, as it does.

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**Senator IAN MACDONALD**—Thank you.

[4.18 pm]

**CHAIR**—We will move on to South and West Asia and the Middle East. Senator Kroger.

**Senator KROGER**—Firstly, I turn to India. I understand there are still some moneys outstanding to companies that were contracted to provide goods and services for the Commonwealth Games. I am wondering whether any advice or assistance is being given to those companies that are seeking their payments.

**Mr Richardson**—That answer to that is, yes, because representations have certainly been made by our High Commissioner in New Delhi about that.

**Mr Stuart**—Yes. We are aware of the difficulties faced by a number of Australian companies. A large number of representations, over 100, have been made to the Indian government about those difficulties. Letters have been written by a number of government ministers and other representations made, for example, by the foreign minister when he met the Indian foreign minister in January in Melbourne. There has been some progress. We have, through the work of the high commission and the representations by ministers, helped to secure the release of some goods and there have been payments for some Australian companies but by no means all.

**Senator KROGER**—Is there a sense that there is a bit of a stalemate here in terms of relationships and just not seeking to fulfil payments for the contracts that were undertaken, or do you think that there is hope for some further progress on this matter? Clearly, there is quite a lot of money at stake and a lot of these people have their businesses at stake, so it is an important matter.

**Mr Richardson**—Yes. Our information is that they are withholding payments to 14 foreign suppliers, including five Australian companies. Australia, Britain, France, Belgium, Italy, Germany, the Netherlands and Switzerland have been working together because of the range of companies affected and the range of interests involved.

**Senator KROGER**—Do you believe that the officials you have been dealing with have been trying to effectively assist the process?

**Mr Richardson**—I think the Indian officials have attempted to be helpful, but it is a pretty slow and painful process.

**Senator KROGER**—It would be even more painful for those waiting for their money.

**Mr Richardson**—Absolutely.

**Senator TROOD**—What opportunities are open to us to press these matters?

**Mr Stuart**—As the secretary has just said, we are working with some of the other countries whose companies are also in this situation. We are trying to work together. Our High Commissioner wrote a joint letter only a couple of days ago pressing for progress. The companies are quite different in character. The amounts owed are quite different. Obviously they are subject to contracts. Any resolution has to be in terms of the contracts. We have been pushing hard, will go on pushing and looking for whatever diplomatic leverage we have.

**Senator TROOD**—They are not inconsiderable amounts of money, are they? My understanding is one company is owed a balance of \$150,000 or something in that vicinity, and there may even be more involved.

**Mr Stuart**—You are correct. They are significant amounts of money.

**Senator TROOD**—From what the secretary said, this is a systemic problem. It is not just Australian companies, so it suggests that this is a wider problem relating to the Indian government's management of the Commonwealth Games. It is not a situation where we have an Australian company that has done a deal with a particular Indian company and, therefore, it is a matter that might be related to contractual obligations in the courts. It is a wider issue involving the Indian government, is it not?

**Mr Richardson**—It involves the organising committee, which is made up of whatever, and there are also some governmental authorities involved, so it is right for us to be raising it with the Indian government. The Indian government is involved.

**Senator TROOD**—Have we raised the matter with the High Commissioner here?

**Mr Richardson**—Yes. We have raised it with the High Commissioner here. It has been raised at ministerial level. It has been raised by the Australian Minister for Sport, the Australian Minister for Trade and the foreign minister.

**Senator TROOD**—What sort of reaction do we get when we raise this?

**Mr Richardson**—A couple of the ministers have undertaken to raise it.

**Senator TROOD**—The Indian ministers?

**Mr Richardson**—The Indian ministers have undertaken to raise it directly with their counterpart, the Indian Minister for Sport. A couple of the Indian ministers have said that they want early resolution. However, we do not yet have resolution of it.

**Senator TROOD**—Have we made it clear how important we regard the sanctity of the contracts and our capacity to be able to deal faithfully with organisations in India on this matter?

**Mr Richardson**—Yes. We have made a lot of representations on it and the point you make is right. India has an independent judicial system. They pride themselves on honouring the rule of law and so on—hence, the frustration in respect of this not being resolved.

**Senator TROOD**—Have the claims of any of those other countries been resolved more quickly than any others?

**Mr Richardson**—No.

**Senator TROOD**—So we are all in the same situation?

**Mr Richardson**—We are all in it together at the moment, which does not give you much consolation.

**Senator TROOD**—No. I have to say it gives me no consolation. I have had some consolation today—not a lot—but that is a matter which provides me with absolutely none.

**Mr Richardson**—In fact, the heads of mission of the countries that I mentioned, as recently as 16 February, jointly wrote to relevant Indian ministers.

**Senator TROOD**—It may take some time before we get a reply.

**Senator KROGER**—I would like to turn to Israel. I cannot express how horrified I was to read in the paper that the Marrickville Council in December 2010 moved a resolution calling on a blanket boycott on produce and services from Israel and virtually all contacts with any Israelis. I note that no other local councils have done that, but I think it is extraordinary that a council has entered the fray of foreign affairs and has taken such a position, and a very divisive one at that. Given our strong bipartisan relationship with Israel and the benefits of that strong relationship, I was wondering if any officials from Israel had sought meetings to discuss this and express their concern.

**Mr Richardson**—I will leave that to my colleagues. I can say that your expression of concern about it is shared here too. It is whacko stuff and it is something no Australian government would condone.

**CHAIR**—In fact, Minister Albanese had a lengthy op-ed piece in the *Australian* newspaper the following day. He is the local member for Marrickville. He effectively went through and, firstly, rebutted all of the decisions of the local council and then put out the position of the Australian government in respect of the state of Israel. I will just put that formally on the record.

**Senator Conroy**—I can certainly say, on behalf of the minister, we would endorse what Minister Albanese said and what Mr Richardson said a moment ago. ‘Whacko stuff’ were the words he used.

**Senator KROGER**—Minister, maybe you could provide me with an answer as to whether the minister has directly contacted the council and spoken to them about it?

**Senator Conroy**—I cannot imagine that we would even give it the credibility of a response, but he may have done so.

**Mr Stuart**—You asked if any Israeli officials had raised this with us. The ambassador, when he made an introductory call on me a couple of weeks ago—I have only just started in this position—raised this at the end of the meeting. He presented me with some arguments that this was against, for example, the WTO-GATT obligations, and of course I think he understood that it had no endorsement whatsoever by the Australian government. He understood the political context of it, but he left us with the technical arguments and we are looking at those at the moment.

**Senator KROGER**—What do you mean by the ‘technical arguments’?

**Mr Stuart**—The argument about whether this is WTO-GATT inconsistent. There are principles of trade law, on which I defer to colleagues in this room. I think our general policy on this, recalling from when I was in the UN, is that we do not support coercive economic measures that are not sanctioned by the United Nations or some other body whose legitimacy we would accept. This is a unilateral sanction, in this case by a non-sovereign entity. That is a lot of highfalutin words, as others have said. This is bizarre and not terribly relevant, and when we have our technical advice we will see. It may be there is an issue in law.

**Senator KROGER**—I am greatly encouraged. Thank you.

**Senator TROOD**—I have received representations, as I suspect other members of this parliament have, with regard to a suggestion that an individual may be nominated by the Sri Lankan government as the high commissioner, of whom some groups disapprove. In fact, the allegation is that this individual has been involved or participated in war crimes in a broad sense. Are you familiar with these allegations?

**Mr Richardson**—I am familiar with what I saw in the media, but Mr Stuart will be more familiar than I.

**Mr Stuart**—Yes. Our practice is that we do not discuss nominations of such positions. That is a longstanding practice of Australian governments.

**Senator TROOD**—My understanding is that the foreign minister has been contacted about this matter. Is that true?

**Mr Stuart**—There have been representations, especially by the Tamil community.

**Senator TROOD**—So you are familiar with those representations?

**Mr Stuart**—I am.

**Senator TROOD**—Do you know the individual concerned?

**Mr Stuart**—We do not discuss nominations.

**Senator TROOD**—Can you tell me: is the position of the Sri Lankan High Commissioner to Australia currently vacant?

**Mr Stuart**—I must say that I am still doing my introductory call, but I believe so.

**Mr Richardson**—Yes. I met the charge d'affaires yesterday.

**Mr Stuart**—I have been a bit distracted by things in the Middle East part of my vast kingdom!

**Senator TROOD**—Yes, it is a vast kingdom, but this is an issue of some moment. You have not had reason to consider an application from Colombo about this; is that right? Have you received a request to consider a future high commissioner to Australia?

**Mr Stuart**—It is not the government's practice to talk about nominations, whether they have been made or the substance of the nominations.

**Senator TROOD**—Presumably, at some point, there will be a request from the Sri Lankan government to invite us to decide whether or not we should receive a new high commissioner? Is that a fair proposition?

**Mr Stuart**—Yes.

**Mr Richardson**—It is, but unless the nominating country made the nomination public—and some countries do that; for instance, Indonesia very often makes a nomination public before a decision is taken. The Australian government does not comment publicly on who may or may not have been nominated.

**Senator TROOD**—You are obviously reticent to make any observations about it. Perhaps I can make the point that neither I nor any other member of parliament ever has much of an opportunity to make any observations on these matters as well, that I have received

considerable representation about this and it reflects a deep degree of concern within parts of the Sri Lankan and particularly the Tamil community, and that we should be very careful about any appointment that we consider in the light of those concerns. Thank you.

I have one other question in relation to Sri Lanka, which concerns a potential International Criminal Court action in relation to Tamil Tiger deaths. It relates to several Tamil organisations having made some allegations of war crimes to the International Criminal Court concerning an Australian citizen, Dr Kohona. Are you familiar with that matter?

**Mr R Rowe**—Yes. I am aware that two Tamil groups have sent a communication to the International Criminal Court asserting war crime claims against Dr Kohona, who is a dual Sri Lankan-Australian citizen.

**Senator TROOD**—Do you know whether the court has taken up this matter?

**Mr R Rowe**—The International Criminal Court will deal with this communication in the sense that it will consider whether there is sufficient information to warrant the opening of an investigation, which would be determined by the Office of the Prosecutor. The matter is in the hands of that office. I would comment that, of course, that office receives many hundreds of communications with assertions of various crimes having been committed by individuals, but the onus is on the office at the moment to make a determination whether or not the situation that has been referred warrants an investigation in terms of the statute.

**Senator TROOD**—So we are a long way from any consideration of a charge being propounded or a warrant or anything of that kind being issued for the arrest of this person?

**Mr R Rowe**—That is correct. As I said, there would be a decision and then an investigation.

**Senator TROOD**—Do you know if Dr Kohona is a resident of Australia?

**Mr R Rowe**—Dr Kohona currently occupies a position as Sri Lanka's permanent representative to the United Nations in New York.

**Senator TROOD**—And he is a dual Sri Lankan-Australian citizen?

**Mr R Rowe**—That is correct.

**Senator TROOD**—So, if there were to be a pressing of charges of some kind, we would have an interest in the matter?

**Mr R Rowe**—We would certainly monitor the matter. As I said, the onus is on the International Criminal Court prosecutor's office at the moment, and I think it would be fair to comment—and I cannot speculate too much obviously because much will depend on what decision the Office of the Prosecutor takes—but I would note that the assertions that have been referred to the Office of the Prosecutor relate to activities that allegedly occurred in Sri Lanka, and in the normal course the Sri Lankan government would be asked to comment or be involved in these investigations.

**Senator TROOD**—I do not have any further questions on that subject. Thank you.

**Senator KROGER**—I have one more question in this area. I refer to a matter that many people have come to me about. It is in relation to a gentleman in Afghanistan who has been incarcerated in Kabul and who is allegedly to be hanged within days because he converted to

Christianity. He allegedly was asked to convert back to Islam and, if he did not do so, he would be hung. Just for background: he is someone who has worked there for the Red Cross for 15 years. He lost a leg on a landmine back in the 1990s. It has received quite a bit of coverage, particularly in the United Kingdom. I understand that as a nation we do not seek to impose our views on other nations in relation to their judiciary systems, but I was wondering whether, in any instances, we actually pursue diplomatic channels expressing our concern. The delegations that I have received from people in relation to this particular gentleman are all strong supporters of our troops in Afghanistan and they find the whole thing very difficult to reconcile—that is, our strong support in one way and yet what we as a government are doing about such blatant human right abuses. Do you have any comments on that?

**Mr Richardson**—I stand to be corrected, but I believe we have, at different points, made representations not only on this case but about the application of the death penalty. I think we have made representations to countries generally that apply the death penalty.

**Mr Stuart**—Do you have the name of the individual?

**Senator KROGER**—Yes. The gentleman's name is Said Musa.

**Mr Stuart**—I can comment on that. Firstly, the issue of conversion is a very difficult issue in Islamic countries, as you no doubt know. The government's firm view is that the right to freedom of religion must be respected everywhere, in accordance with the basic international human rights instruments, and that is something we take up. As recently as 15 January our ambassador in Kabul made general representations to the deputy foreign minister in Kabul on religious freedom and conversion. It is a very difficult issue. However, we are aware of the case of Said Musa and that is one case we are in the process of making inquiries about in terms of the status of the case in Kabul.

**Senator KROGER**—Is it possible to advance those inquiries? The information that I have dates to last week. At that point in time he was meant to be three days off being executed. I do not believe that has happened, but notwithstanding that I think it is a fairly urgent matter and there are many Christians around the world that would applaud nations, including ours, in expressing their concern about the execution of this man for his conversion to Christianity.

**Mr Stuart**—I was not aware that he was facing imminent execution, and we can follow that up. We were aware of where he was imprisoned, that he had been moved last year basically, as we understood it, to be held in a separate cell for his own safety, because his conversion excites strong feelings amongst Muslim prisoners, and that he has been visited by US diplomats and by the Red Cross. That had suggested that there was some sense of protecting him, so we will follow up and see what the case is.

**Senator KROGER**—I would appreciate if you could get back to us on the status of that.

[4.43 pm]

**CHAIR**—We will turn to International organisations and legal issues.

**Senator IAN MACDONALD**—In passing by the Pacific, I notice on our sheet it has a list of countries, but it does not have Micronesia. Do we still have posts in Micronesia?

**Mr Richardson**—Yes.

**Senator IAN MACDONALD**—I was listening earlier on to Senator Trood asking questions about the court case against Japan for international whaling issues. It has always been of interest to me how Australia can become involved in court action about something that occurs on the high seas. Can someone briefly indicate the rationale? I do not want a legal treatise on this. I am not so much interested in the whaling, except because I want to follow this with some other questions, but what is the rationale for legal action in relation to the high seas in relation to whaling?

**Mr R Rowe**—In terms of whaling specifically, there is a commercial moratorium that has been adopted against whaling. It is that specifically that is the focus of widespread international controversy.

**Senator IAN MACDONALD**—Is the commercial moratorium a treaty?

**Mr R Rowe**—The commercial moratorium was decided in 1986 by the International Whaling Commission.

**Senator IAN MACDONALD**—The basis of the legal action is that it is a treaty that has been breached. Therefore, you can take legal action?

**Mr R Rowe**—I do not want to get too much into the merits of the specific whaling case because, as we indicated earlier, Australia's action against Japan, which has been launched in the International Court of Justice, is current. The basis of the case against Japan has been elaborated to a certain extent but will be further elaborated in the memorial that I referred to in earlier evidence.

**Senator IAN MACDONALD**—You are not going to tell me, the world at large and Japan some secret tactic you have in that case. I am just interested in the broad basis. Is it, as I say, because it is a treaty that has been breached that there might be a case in the international court?

**Mr R Rowe**—We support the commercial ban on whaling wherever it occurs, and in that context we consider that countries that breach that moratorium are acting contrary to the law.

**Senator IAN MACDONALD**—That is fine.

**Mr R Rowe**—That is the basis of our objection to that type of whaling.

**Senator IAN MACDONALD**—That is as I understood our case and as I understood the answers that Senator Trood had extracted from you earlier. My question is: why are we not doing the same against countries that are clearly flouting the CCAMLR treaty on preservation and conservation of the patagonian toothfish? Within Australian waters in the Southern Ocean around Heard and McDonald Islands we have cleaned out all the pirates, but as we heard in evidence from another estimates committee the other day there is still piracy on the high seas, and it has always been my understanding that because of long legal conventions dating back hundreds of years it is difficult to take action in relation to the high seas. I am encouraged by Australia's foray in the whaling issue in the courts to think then that Australia might also be able to take action in the courts on what is arguably a much more serious breach of international law and a much more serious conservation issue, and that is the rape on the high seas of the fairly rare and limited stocks of patagonian toothfish.

**Mr R Rowe**—I can comment that Australia is very strongly committed to the conservation and regulated activity of fishing of stocks and, as you mentioned, for example, one body in which that issue is addressed is the Commission for the Conservation of Antarctic Marine Living Resources. Every year, at the commission's annual meeting in Hobart, there is a very thorough consideration and debate on stocks and fishing.

**Senator IAN MACDONALD**—We are running out of time, so may I be rude and just stop you. Thank you for telling me that, but I was aware of all of that. My point is that if we can take Japan to the international court over whaling why do we not as a nation have the same enthusiasm to take some of the flags-of-convenience states to court over—as I say, it is arguably not as sexy as the radical conservation movements—illegal fishing of the patagonian toothfish on the high seas?

**Mr R Rowe**—I cannot give you a direct answer in terms of the patagonian toothfish, because I do not know whether that aspect has actually been considered in terms of legal—

**Senator IAN MACDONALD**—Considered by whom?

**Mr R Rowe**—Considered by the government.

**Senator IAN MACDONALD**—The government is interested in whaling, because the radical conservation movement has made a big fuss, sent ships down there and got international publicity, but on what I consider to be a far more serious conservation issue—that is, the patagonian toothfish, and its proper management—which CCAMLR is very involved in and concerned about, the Australian government does not seem to give two hoots about because it is not a sexy, radical Green-promoted issue. Perhaps on notice you could indicate to me if the case for taking action against rogue flag of convenience states in relation to the patagonian toothfish could be modelled upon the whaling case or if, as I suggest you might tell me, that it is not legally possible because you cannot do it, does that not then show that our case in relation to whaling is more about political rhetoric and face saving than about seriously thinking that the international court might be able to do something?

**Mr R Rowe**—There is no doubt that Australia, in different fora, has a very active and responsible approach to addressing the problem, which is worldwide, of illegal, unauthorised and unregulated fishing, which encompasses, of course, the patagonian toothfish, which is a species under threat. There is no doubt that Australia will take action under various regulations to prosecute illegal fishers.

**Senator IAN MACDONALD**—Where it has jurisdiction?

**Mr R Rowe**—Yes, where it has jurisdiction.

**Senator IAN MACDONALD**—The advice has always been that on the high seas it does not have jurisdiction, so I wonder how the advice is now being given to the Australian government that it does have jurisdiction on the high seas in relation to whales.

**Mr R Rowe**—In relation to the specific case of whales, as I said, there is a global moratorium.

**Senator IAN MACDONALD**—There is a global moratorium on other species of fish or mammals, but we do not seem to be prosecuting that moratorium with the same vigour. As I said, I suspect that it is because it is not sexy enough and the radical Green people are only

interested in the headline-grabbing issues. I know you cannot comment on that, but you can comment on this: if it is good for the whale/goose, it is good enough for the toothfish/gander, one would think. Perhaps it is a bit too harsh on you to ask you for that sort of opinion without any warning, but perhaps on notice you might be able to indicate to me where the differences are between enforcing Australia's and the world's obligations under treaties like CCAMLR in the international tribunals, as opposed to whaling. I would hope that the answer would come back that if we succeed on whaling we will succeed on these others, but I suspect you may not be able to give me that. Can you do that for me?

**Mr R Rowe**—Yes, absolutely. There are mechanisms and tribunals to take up the fisheries issues that you have alluded to. Let me just say that Australia is not shy at all in supporting very strong measures covering all fisheries.

**Senator IAN MACDONALD**—I am aware of ITLOS. Australia is almost a popular litigant in ITLOS. My understanding is that on the high seas the world is without power. I hope you can tell me that is not right.

**Mr R Rowe**—Absolutely.

**Senator IAN MACDONALD**—Thank you.

**CHAIR**—Do we have further questions on International Organisations and Legal Issues?

**Senator KROGER**—Yes.

**CHAIR**—Senator Kroger.

**Senator KROGER**—I am interested to know what international trade and treaty agreements may be affected by the government's proposed legislation on the introduction of plain packaging for tobacco products.

**Mr Richardson**—I cannot answer that. I do not know whether anyone from one of our trade divisions can.

**Mr Gosper**—Could you repeat the question?

**Senator KROGER**—As you are no doubt aware, the government is proposing to introduce legislation to introduce plain packaging of tobacco products. I was interested to know whether there were international trade and treaty agreements that would be affected by that legislation?

**Mr Gosper**—There are rights and obligations under the WTO agreements that are relevant here—obligations, for instance, to ensure that we appropriately protect intellectual property but, equally, rights to ensure that we can take exceptions, including in the context of protecting public health.

**Senator KROGER**—Have you been asked to consider and give advice as to the implications of that legislation?

**Mr Gosper**—Yes. We have, of course, given legal advice to the government on this.

**Senator KROGER**—What advice was that?

**Mr Gosper**—We have given advice in relation to this issue and how it relates to WTO provisions and we are confident that this action is consistent with WTO rights and obligations.

**Senator KROGER**—Who provided that advice?

**Mr Gosper**—The Department of Foreign Affairs and Trade provided that advice.

**Senator KROGER**—Who in particular provided that advice at the department?

**Mr Gosper**—Are you asking for an individual?

**Senator KROGER**—Yes. Who is the officer who provided that advice or was it a number of people?

**Mr Gosper**—It was provided from the relevant area of their department, which is the Trade Law Branch. This is the area of the Office of Trade Negotiations which is responsible for legal issues relating to trade, in particular the interpretation of provisions of WTO and other relevant trade agreements and how they relate to the rights and obligations of Australia.

**Senator KROGER**—It would be very helpful if you could table that advice.

**Mr Gosper**—Any such question I would have to refer to the minister.

**Senator KROGER**—I will put on notice a request for that advice to be tabled. Do you have a date of when you provided that advice?

**Mr Gosper**—No, I do not, off the top of my head.

**Senator KROGER**—Could you provide me with that date as well?

**Mr Gosper**—I can certainly provide you with the date.

**Senator KROGER**—Was the Minister for Health and Ageing briefed on that advice as well?

**Mr Gosper**—This was a decision considered by ministers through a normal ministerial process.

**Senator KROGER**—Who did you provide the advice to?

**Mr Gosper**—The advice was shared with other agencies involved in this issue and whose ministers had a relevant interest.

**Senator KROGER**—I hear you, but I do not think you are answering my question; either that or I might have been sitting here too long today. Who did you provide the advice to? What agencies and who were the ministers you provided the advice to?

**Mr Gosper**—I will have to take that on notice. I do not have the specific details on that front, but of course that advice was relevant to a decision that was taken by ministers through a normal ministerial process.

**Senator KROGER**—Was the Prime Minister one of those that the advice was shared with?

**Mr Gosper**—A normal process would ensure that all ministers and the Prime Minister were advised of relevant legal issues relating to that decision.

**Senator KROGER**—So the Prime Minister did receive the advice?

**Mr Gosper**—I cannot testify that a specific piece of paper advising on the issue was passed to any individual, but the advice on the legal issues was considered in the normal ministerial process.

**Senator KROGER**—If you could take that on notice, provide the advice and a list of those agencies and ministers that was provided, too, that would be very helpful. Thank you.

**CHAIR**—Thank you, Senator Kroger. This now concludes our discussion of matters relating to the Foreign Affairs and Trade portfolio. At the request of one of my colleagues we are going to take a short break for five minutes and then we will resume with Department of Foreign Affairs Trade programs and the Australian Trade Commission.

[5.05 pm]

**Department of Foreign Affairs and Trade**  
**Australian Trade Commission**

**CHAIR**—The committee will come to order. Could officers from the Department of Foreign Affairs and Trade in the relevant trade sections and officers of Austrade come forward. We will have both sets of officers at the table. We will work through this in the order of the program. The first agenda item is trade programs. Are there questions on bilateral, regional and multilateral trade negotiations? Senator Colbeck.

**Senator COLBECK**—I want to ask a few quick questions on trade in rock lobster between Australia and China. I just wanted to get a sense of what conversations have been held in the last two or three months with our trading partners in relation to fairly significant issues that the rock lobster industry is having with accessing the market. I want to put on the record that I know that there is no ban, so I do not want to go down that track; that is not the issue, but there are problems the industry has been having and I just want to get a sense of what conversations we have been having to try and resolve that.

**Mr Gosper**—Since of course the problems late last year there has been a long series of conversations, particularly, of course, in Hong Kong and Shanghai and also in Beijing, where we have raised the problems that we are experiencing and sought their advice and resolution of these particular issues. I do not have a list of such consultations, but there has been a series over quite a few months where we have engaged with the customs authorities, the trade authorities and other officials at each of the places I have mentioned about the problems we have been experiencing.

**Senator COLBECK**—Can you give us a sense of the advice that we have been given?

**Mr Gosper**—I will ask Mr Rowe to comment on that in more detail.

**Mr P Rowe**—The advice we have been given by the Chinese side is that there is no ban, as you said you know.

**Senator COLBECK**—I accept that.

**Mr P Rowe**—But that there is a tariff rate of 15 per cent, which China observes, and that there is a value-added tax as well.

**Senator COLBECK**—What about the issues in actually getting the product through their customs processes, particularly in Shanghai?

**Mr P Rowe**—There has not actually been a problem getting the lobsters through, but there was a drop-off in the trade.

**Senator COLBECK**—I think that is a symptom of the problem. Everyone wants to tell me that there is not a problem and they want to see evidence of the problem. I think the fact that there was a drop-off in the trade is an evidence of the problem.

**Mr P Rowe**—There was, and the trade has subsequently picked up.

**Senator COLBECK**—It did recover for a period over the Chinese new year and I am aware of that—that has been communicated to me—but in the lead-up to Christmas from, I think, probably mid to late November was the initial circumstance. There seems to have been some issue of bottlenecks in through Shanghai in particular, and I am just trying to get a sense of whether there has been any identification of anything that we need to do, what our people need to do to deal with that.

**Mr P Rowe**—We were unable to ascertain what this bottleneck in Shanghai was in any of our discussions in Shanghai. We did ask the industry for more details on the problem, and we have not been able to ascertain that.

**Senator COLBECK**—Is there an issue of licensing or permissions of receivers on the Chinese side and enough physical capacity in the market to accept that? Is that something that you have become aware of?

**Mr P Rowe**—No, I have not had evidence of that.

**Mr Gosper**—There were general concerns about delays in clearance of consignments through Shanghai and we had many engagements with the authorities there—in particular the customs authorities—to seek their clarification of whether indeed there were such delays in clearance of consignments and their willingness to expedite the clearance of consignments. Those sorts of assurances were expressed by the Shanghai authorities, depending of course on the provision of specific information on consignments that were so delayed.

**Senator COLBECK**—Was there any shortcoming in their information on consignments coming from Australia? Was there a shortage or an issue with information on those consignments?

**Mr Gosper**—We consulted with industry about information on particular consignments, but the information was not always forthcoming. Sometimes of course problems work themselves out and consignments are cleared, so I cannot refer to specific consignments, of course.

**Senator COLBECK**—Did the Chinese give us any information about specific shortcomings in the consignment information that we were providing?

**Mr Gosper**—No, I do not believe the Chinese responded other than to indicate that they would be willing to examine the details surrounding specific consignments.

**Senator COLBECK**—You have not heard any communication about any other commodities other than rock lobster suffering similar circumstances?

**Mr Gosper**—No, I have seen no other such communications.

**Senator COLBECK**—I might just put on the record that some abalone exporters are suffering exactly the same issues that the rock lobster people are reporting to me, particularly regarding the access at Shanghai. I am happy to have some conversations about that.

**Mr Gosper**—Of course, we welcome such information from you or from the industry.

**Senator COLBECK**—That may be pertinent at some point in time. There is no advice or direction that I can take back to the industry? I have been talking to fishermen at the moment who are sitting offshore with 1.8 tonnes of lobster in their holds that they cannot unload because the purchasers here in Australia cannot sell their lobsters. They have got full loads of lobsters at their sites, so they cannot then offload them to go out and catch the rest of their quota for the year. They have purchased quota at a fixed rate. There is a serious dislocation coming back through the industry in relation to a heap of financial issues, but there is no specific advice that you can give me as to how we might move this forward?

**Mr Gosper**—I think the most important thing is to have this information. I am not aware whether the industry or the company concerned has shared that information and its concerns with us. There have been a number of meetings with the industry—

**Senator COLBECK**—I am aware of that.

**Mr Gosper**—including involving the Minister for Trade's office, and we are in fact having a meeting soon, again, with the industry groups and individuals involved in this issue.

**Senator COLBECK**—I am aware of that process, too, and appreciative of that process that that is occurring. If there is nothing further that you can provide me on that, I think I will just leave that issue at that. Again, any further information you can provide would be very helpful.

**CHAIR**—Further issues under bilateral, regional and multilateral trade negotiations? Senator Trood.

**Senator TROOD**—While we are on China, can somebody give me a report on the progress of the bilateral Australia-China Free Trade Agreement?

**Mr Gosper**—In essence, there is nothing much of substance to report since the last time we appeared before you. The last full round of negotiations—that is, the 15th round—was held in June 2010. Since that time there have been a number of discussions, including involving Minister Emerson and his counterpart, Minister Chen Deming, and a number of discussions between senior officials involved in these negotiations, but at this point there is no further round scheduled. When the ministers spoke on the last occasion, which I recall was late last year, there was agreement that they would have a further detailed discussion on the FTA negotiation when they meet this year, which we hope will occur in the next month or two.

**Senator TROOD**—I thought you gave the committee on the last occasion we met some encouragement this matter would move forward?

**Mr Gosper**—I would still give you that encouragement.

**Senator TROOD**—Thank you for that, but I think my expectation, and perhaps that of other members of the committee, was that we would move rather more quickly than we seem to be doing.

**Mr Gosper**—These negotiations take some time, as you appreciate. It takes both sides, of course, to come to the table with the requisite political will. We hear indeed from the Chinese that they want to progress these FTA negotiations, but both sides are working hard on a number of other issues and we hope to return to a full negotiating round with China at an early point.

**Senator TROOD**—The next step and the progress to the next negotiating round depends on the meeting of the ministers; is that correct?

**Mr Gosper**—I would not say it depends on it, but that would be the next opportunity at a ministerial level for that detailed discussion.

**Senator TROOD**—Is the Chinese Trade Minister coming here or is Minister Emerson going there?

**Mr Gosper**—I cannot give you the precise arrangement, but we do expect there will be such a discussion.

**Senator TROOD**—But someone is going somewhere and the two ministers are going to meet in the next month or so; is that correct?

**Mr Gosper**—We would hope so, yes.

**Mr P Rowe**—The meeting should be here.

**Senator TROOD**—Sorry?

**Mr P Rowe**—The Chinese minister is due to come here.

**Senator TROOD**—Thank you for that. I am finished on China.

**CHAIR**—Further on this topic—either Korea or Japan?

**Senator TROOD**—Mr Gosper, perhaps you should tell us about the progress of the Japanese trade negotiations.

**Mr Gosper**—Thank you. Yes, the 12th round of negotiations was held in February in Tokyo. Two full negotiating teams—

**Senator TROOD**—That at least is more hopeful.

**Mr Gosper**—Indeed. There have been some quite important signals from the Japanese government at the end of last year, and they have renewed their commitment to this negotiation and want to push it forward. That commitment is very much expressed in the context of reform of the Japanese economy and their aspirations to be a member of the Trans-Pacific Partnership negotiations. So, we had the 12th round in February. We made good progress there, but we are still some way of course from resolution. We expect the next round in early April, and in the interim both sides are working hard on what we call intersessional work, which means of course communication, basically electronically, on individual subject areas to advance some of the work.

**Senator TROOD**—What do you take to be these encouraging signals?

**Mr Gosper**—The statement that was released by the Japanese Prime Minister immediately before the APEC and G20 meetings in Yokohama last year was very clear that the government of Japan saw that Japan was lagging in its economic reform—its engagement regionally and globally—and it had to seriously tackle this issue if it was to maintain Japan's pre-eminence and economic strength and vitality. In that same context, the Japanese Prime Minister expressed, as I put it, renewed commitment to advance the EPA, as they call the FTA, with Australia and to resolve to make a final decision to seek entry to the Trans-Pacific Partnership around the middle of 2011. It was a very strong political commitment and we have seen that political commitment reflected in the approach of relevant officials in the negotiations.

**Senator TROOD**—Do you take it that this reflection of the change in policy in Japan reflects a commitment or a determination on the part of the Japanese government to deal with an issue, which of course has been of longstanding concern to us, in relation to agricultural protectionism?

**Mr Gosper**—Yes, we do.

**Senator TROOD**—Have you seen any clear signs of movement in relation to that matter?

**Mr Gosper**—It has certainly been reflected—not yet as fully as we would like—in the negotiations. It is entirely accurate to say that we have a long way to go and perhaps further to go in agriculture than in other areas, but in all areas of the negotiations there is a much greater indication of commitment to concluding a negotiation that is comprehensive and high quality.

**Senator TROOD**—This is an important part of our concern, though, is it not? This is one of our core issues, along with services and things, I think.

**Mr Gosper**—Absolutely. There is a very strong constituency in Australia for greater access to Japan's agricultural market, and of course any FTA with any party, from an Australian perspective, needs to be comprehensive and high quality and that means that it includes all sectors of the economy.

**Senator TROOD**—Particularly in relation to Japan it means some progress on dealing with the agricultural issue, if I could put it that way?

**Mr Gosper**—There will be no FTA without the requisite agriculture contribution.

**Senator TROOD**—Do you see signs beyond the government that there is some sympathy for the government's position; in other words, amongst the very powerful lobby groups that exist, which have sustained this position over a long period?

**Mr Gosper**—Absolutely. When I was in Japan with the key negotiators in February, for instance, I met with the Japan Chamber of Commerce Chairman, Mr Okamura, who in common with many parts of Japan business have very much supported what the Prime Minister has been saying and the need for Japan to tackle the broad reform agenda. That was evident; it is evident in the activities of Keidanran, the chambers of commerce and other parts of business, and indeed many other parts of Japanese society.

**Senator TROOD**—That is heartening, Mr Gosper. Can I continue?

**CHAIR**—You can, yes.

**Senator TROOD**—Korea, I know, is presumably in your bailiwick as well, so tell us about their progress.

**Mr Gosper**—The fifth round was held in February. There have also been four intersessional rounds during the course of this time. This negotiation has made very good progress, albeit of course that the Korean side was preoccupied at the end of last year with the renegotiation of the settlement previously reached with the United States, the Korea-US agreement, or KORUS. We have resumed since then. We are continuing dialogue with the Koreans and expect soon to have another round of negotiations. We are making excellent progress and we hope that negotiation can come to some conclusion in the next few months.

**Senator TROOD**—You think we are looking at the next few months; is that right?

**Mr Gosper**—Yes, that is fairly precise.

**Senator TROOD**—You are cautious about making predictions, I am sure.

**Mr Gosper**—But we are well advanced in this negotiation and there is extremely strong political commitment from both sides.

**Senator TROOD**—Do we have any particular interests in ensuring this agreement is concluded before the Americans ratify their agreement? Does it matter one way or the other?

**Mr Gosper**—It may be best not to go into all such matters, but we would like to see tariff reductions for this agreement come into force as soon as possible.

**Mr Gosper**—We certainly do not want to see our industry disadvantaged.

**Senator TROOD**—Which is potentially going to happen, is it not?

**Mr Gosper**—Yes.

**Mr Richardson**—I think it will be difficult for our agreement to be signed, sealed, delivered, ratified and all of that, before the American-Korean one, simply because I think the indications are that the Koreans are fully seized with getting the American one right through their system. However, we hope to be very close to that.

**Senator TROOD**—How much of the beef market do we have there at the moment?

**Mr Gosper**—I cannot give you the exact percentage, but it is well over half at the moment and our industry is doing very well in that market.

**Senator TROOD**—Which we share with the Americans—they are our primary competitor there, are they not?

**Mr Gosper**—They have been traditionally, although access to the Korean market has been somewhat disrupted by health issues over recent years.

**Senator TROOD**—Indeed.

**CHAIR**—Senator Xenophon has some questions on WTO.

**Senator XENOPHON**—What involvement did Australia have in the development of the WTO Anti-dumping Agreement in 1994? I am happy for some of these questions to be taken on notice, given time constraints. Senator Conroy should not look so surprised that I am so obliging!

**Mr Gosper**—Of course we were involved with the negotiation of the anti-dumping agreement. The WTO, or of course, the GATT, when the Uruguay Round agreements were negotiated, is a consensus organisation where all members must support a text negotiated and agreed by members. So, we were certainly involved and closely involved in the drafting of such agreement.

**Senator XENOPHON**—Does the department review the agreement regularly and, if so, at what intervals in terms of how it applies to Australia? Or is it a case of, ‘Well, this is the agreement; we’re lumbered with it’?

**Mr Gosper**—It is the agreement. We do not review it as such. The task, of course, is to ensure that there is the appropriate information provided on the consistency of Australian policy and legislation with the anti-dumping agreement. As part of the Doha Round of negotiations which is currently underway, there is a negotiating mandate on aspects of trade remedies legislation, including the anti-dumping agreement, and in that context a number of proposals have been put forward by members essentially to amend the agreement in one fashion or another. This includes, for instance, the determination of a large number of members to amend the practice of the US of so-called zeroing in the calculation of dumping margins, but also proposals to address things like sunset reviews, public interest tests, lesser duty rules and so forth.

**Senator XENOPHON**—Is this part of the biennial review of dumping duties?

**Mr Gosper**—No. This was part of the Doha Round of trade negotiations, which looks at aspects of existing rules and whether they should be clarified, improved or renegotiated and, indeed, the negotiation in some other areas of new rules and disciplines.

**Senator XENOPHON**—Thank you. You are obviously aware of this recent campaign that was launched by the Australian Workers Union, AWU, in relation to dumping. Their concern is about Australian manufacturing jobs being at risk. Do you factor in, in terms of the negotiations and in your interaction with the WTO, the concerns about the way the dumping duties apply or the way the process applies, and the concerns that have been expressed by both unions and manufacturers and groups, such as the Australian Industry Group, that the rules are seen as unfair in the context of how they apply?

**Mr Gosper**—Of course our approach to the negotiations in all areas is guided by a mandate that is given us by the government of the day through the relevant approval process. This negotiation, which commenced in 2001, has been guided by a mandate given us by ministers in each of these individual areas.

**Senator XENOPHON**—Perhaps it is appropriate for me then to ask Senator Conroy, in terms of the mandate that Mr Gosper refers to given by governments in relation to WTO negotiations in relation to anti-dumping duties and the concerns of manufacturers and of unions in terms of job losses, to take on notice the extent to which those factors are put by government to the department to be raised at WTO meetings.

**Senator Conroy**—We will happily take that on notice for you.

**Senator XENOPHON**—I take it, Mr Gosper, that prior to the biennial meetings the department does not prepare a list of concerns raised by local manufacturers or unions in relation to concerns about the way that dumping duties or the dumping regime is applied?

**Mr Gosper**—Not as a routine process, but of course we always welcome industry views on any aspects of the WTO rules and disciplines. I should add, of course, that Australia's anti-dumping rules are fairly well regarded internationally and our system is generally seen as a quite—

**Senator XENOPHON**—Sorry, well regarded internationally?

**Mr Gosper**—Yes.

**Senator XENOPHON**—They are not too well regarded here, I can tell you. If you talk to the people in the south-east, where 200 jobs have just been lost, they do not regard them too highly.

**Mr Gosper**—I was not commenting on views within Australia. I am sure there are various views within Australia as there are internationally.

**Senator XENOPHON**—So, the department's view is that, if they are regarded highly overseas, that is the main criterion?

**Mr Gosper**—No, I was just passing on information that is relevant to the biennial review of the WTO anti-dumping agreement, not a review of Australian legislation.

**Senator XENOPHON**—For example, have you raised with the WTO how the current onus of proof requirement means that local manufacturers are at an immediate disadvantage because they face a very costly process to prove dumping before an investigation can take place, rather than the onus being on the alleged dumper to prove that they are not dumping? Is that a matter that would be within the province to be raised at these meetings?

**Mr Gosper**—I do not believe so, but I would have to take that on notice.

**Senator XENOPHON**—What independent assessment or consideration does the department give to trade issues, in this case dumping, outside of what the WTO has set down?

**Mr Gosper**—Of course, our specific responsibility is in relation to international rules and agreements in this area, principally the WTO agreement. Before we enter into any such agreement—which of course is on the basis of the guidance and direction given us by the government—we consult broadly with relevant industry and other groups for their views on the negotiating agenda. That is the process we went through with respect to the WTO round, and we regularly have engagement with industry and other groups, including unions and NGOs and the like, and the process we run through with such groups in the context of free trade agreement negotiations. So, that is the principal means by which such interests have an opportunity to express a view and inform the consideration that is given to these issues.

**Senator XENOPHON**—On notice, could you provide details of the nature of that consultation and the input that you get from groups and whether that also includes unions, for instance, as well as manufacturers?

**Mr Gosper**—It does, and I can give you that detail.

**Senator XENOPHON**—Yes, can you give me the details of the nature and extent of that consultation and how regularly it takes place?

**Mr Gosper**—Yes, we can give you that information.

**Senator XENOPHON**—Thank you.

**Senator TROOD**—Mr Gosper, is the thrust of the representations that you have received that the anti-dumping arrangements under which Australia operates needs to be strengthened in our interests?

**Mr Gosper**—Do you mean in the context of the Doha round of negotiations on trade remedies legislation and agreements?

**Senator TROOD**—Any representations you receive on this matter that are going to affect our negotiating position in relation to any of these international agreements.

**Mr Gosper**—If, indeed, you are talking about perspectives that are offered internationally of our regime, as I said before, as a general observation it is well regarded. It is seen as fair, WTO-consistent and robust. I am not aware of any particular complaints about our system from trading partners or other such interests. As has been said, domestically, of course, there is a range of views on these issues. Some of these issues are no doubt being expressed in the context of the Productivity Commission inquiry into these matters.

**Senator TROOD**—Are you making a representation to the Productivity Commission activities or not? I presume there is some means by which you engage with that inquiry. How is that done?

**Mr Gosper**—That is an independent review. I do not believe that the department, as such, is making a submission to the productivity review. We will, of course, provide, if requested, to the Productivity Commission, information that is relevant to our international obligations—the WTO Anti-dumping Agreement—and, subsequently, we will be providing advice to the government on the findings of the Productivity Commission report.

**Senator TROOD**—So, you will engage in that process on the basis of satisfying any requests that the commission makes for information relating to its inquiry, rather than making a formal submission which reflects a particularly departmental view—is that right?

**Mr Gosper**—At the moment, yes, that is our intention—that we will provide as requested information that is relevant to these issues and advice to the government, as requested.

**Senator COLBECK**—I have one question on the back of the question from Senator Xenophon and from Senator Trood, and your talk about the way our system is regarded internationally. Would there be benchmark mechanisms in various countries?

**Mr Gosper**—I do not believe there are benchmarks as such. Of course, there is a range of views.

**Senator COLBECK**—I will put it in the context where there is obviously a discussion going on about the system and how it works. What would be reasonable or obvious mechanisms in other jurisdictions for us to have a look at, as someone who is interested in the process and how other systems work, that would be equally regarded as highly as Australia's?

**Mr Gosper**—If you are interested in the views of other countries about Australia's trading regime as it relates to anti-dumping legislation, then every four years there is a trade policy review where other members have an opportunity to comment on Australia's trade regime in detail, on provisions they consider are not consistent or not good trade policy. We had one four years ago. We will have one later this year.

**Senator COLBECK**—So, to get a perspective of systems globally, you could go to that process and get a sense of various views on various mechanisms?

**Mr Gosper**—Indeed. There are reports that are made by the WTO from time to time on the use and initiation of anti-dumping and CVD measures. This simply records the flow of such measures rather than the significance or impact of these measures, but that certainly provides further information on these issues as they relate to the global trading situation.

**Senator COLBECK**—Is it possible for you to provide us on notice—I think that is reasonable—direction to where we might find some of that information?

**Mr Gosper**—We can provide you with such guidance.

**Senator COLBECK**—Thank you.

**CHAIR**—Are there further questions on WTO, trade law and so on?

**Senator TROOD**—I just have one, yes.

**CHAIR**—Senator Trood.

**Senator TROOD**—Just on the enthusiasm that Dr Emerson is now expressing for the likelihood that there may be a conclusion of the Doha Round—I say, 'near future' advisedly, given the time we have taken on this matter. Is that your province as well?

**Mr Gosper**—Of course, I always share the minister's views on such things.

**Senator TROOD**—Perhaps you can tell us why he is so enthusiastic—and your secretary's views, I am sure.

**Mr Gosper**—If I can go into what has happened over recent months and what it means for the negotiations. Most particularly, of course, there were discussions involving leaders in the Toronto and Seoul G20 meetings, led on each occasion by President Obama and involving other leaders. They have focused very much on the notion that Doha is something we should conclude, that we all need to bring a little bit more to the table to do it and that 2011 is an opportunity to do that. That has been a very positive political engagement and direction.

More recently, of course, there has been a very important discussion involving President Obama and President Hu Jintao of China in the context of the US-China bilateral summit. On that occasion there was by all accounts from both the Chinese and US sides a good discussion on Doha and what is required to complete the negotiation. We have also had a meeting of some 25 trade ministers in Davos on the occasion of the World Economic Forum, attended by Dr Emerson, and a meeting of G7 ministers— a small group of ministers—convened by the European Trade Commissioner, Karel de Gucht, together with his colleagues from the United States, Brazil, China, India, Japan and Australia, at the end of January to discuss these issues and how we can move the negotiations forward.

Over recent months, taking that political guidance and direction, it is true enough to say that in all of the negotiating groups we see a much better environment and some progress being made. It is also true to say, however, that on the key issues it remains to be seen whether the gaps that exist between the key players can indeed be bridged, but there are some quite concerted efforts to do that.

For instance, as we speak the US and China are meeting over three days in Geneva to see if they can come to some greater convergence in the area of industrial tariff negotiations. So, there is a much more positive picture of the negotiations than there was a few months ago. People at the most senior levels are dealing with this in a much more direct and cooperative way, if I can say it that way—but it is true enough, as I have said, that we do not yet know whether the gaps that do exist, in particular between the US and those like us who would like to see a bit more market access on the table, and others can be bridged.

**Senator TROOD**—Is there discussion at this juncture of another possible negotiating round or not? Is that premature?

**Mr Gosper**—No. Most of us who have been involved in this negotiation for 11 years would like to finish this round before we begin thinking about the next tranche of trade liberalisation that we approach multilaterally, and I think we have a good prospect that we can indeed do that.

**Senator TROOD**—Most of us would like to complete it before we die, which seems to be an unlikely possibility at the moment.

**Senator TROOD**—Let us hope. Thank you, Mr Gosper.

**Mr Gosper**—Thank you.

**CHAIR**—Have we finished under bilateral, regional and multilateral trade negotiations? If so, we will head to—

**Senator XENOPHON**—Chairman?

**CHAIR**—No, we have not.

**Senator TROOD**—I do not have any more.

**CHAIR**—Senator Xenophon does.

**Mr Gosper**—Can I just add one point of clarification to something I said before, where I talked about the prospect of engagement between Dr Emerson and the Chinese trade minister, which I said would be in the next couple of months? I can be more precise. It will occur in either April or May, in Canberra, in Australia or China.

**Senator TROOD**—Thank you, Mr Gosper.

**CHAIR**—Senator Xenophon.

**Senator XENOPHON**—Just to finalise in relation to questions raised by Senator Trood: with these trade negotiations, what impact is considered, both in terms of the positive impacts of trade liberalisation but also the impact on manufacturing jobs and local industry? How do you balance it? Is there an assessment undertaken or is that something that is not within your remit to look at?

**Mr Gosper**—That balance ultimately is one for the government to make, both in the sense of the liberalisation that we undertake ourselves and the liberalisation we seek of others. It has certainly been my experience—and it has very much been the advice of the department—over many years that trade liberalisation and economic reform is a very important contributor to economic growth. That is not to say, of course, that there are not issues that arise and that need to be addressed, including, for instance, dealing with issues of structural adjustment, concern about unfair trading practices such as dumping, and many other social issues. So, those issues are all part of the balance that is reflected, in my experience, in the approach of various governments and in the advice given by the Public Service.

**Senator XENOPHON**—Further to that, is there an assessment that looks at the impact on jobs and local industry and the structural impacts and the social impacts of any liberalisation? In other words, you need to know what the potential impact is so that you can prepare for structural adjustment, on the basis of what you have just said.

**Mr Gosper**—My experience has been, again, that where, for instance, reductions to protection in Australia or our agreement to new trading rules are considered there is a quite detailed process of consideration, for instance, involving within government the various agencies that are involved and deal most directly with particular industry or other groups. That process collects advice, which is then considered by ministers in the normal way of considering what is the best approach for Australia to take.

**Senator XENOPHON**—I am not saying this in any way in a pejorative way, but basically you have your job to do in terms of trade liberalisation, and the policy impacts are for other parts of government to consider. I am not saying it in a pejorative sense. It is not really your remit to look at the structural impacts of trade liberalisation in the way that—

**Mr Gosper**—You have captured it to some extent, in that it is not our remit to specifically advise on the impact of particular measures in particular parts of the economy, but it is certainly our remit to advise on what goes to make good, sustainable trade policy, and that includes acknowledgement that such factors are relevant considerations in the development of positions and policy.

**Senator XENOPHON**—When you acknowledge those factors, do you do it in concert with other departments? Do you specifically look at this and model what the impacts will be, or do you say, ‘This is a potential issue’, so it is referred to another department for modelling or for assessment in the context of the potential impact of any structural adjustment that needs to be considered?

**Mr Gosper**—We do not really undertake modelling or rely on modelling ourselves, but we certainly consult with all the other parts of the bureaucracy and those other departments and agencies that have responsibility for advice on those parts of the economy.

**Senator XENOPHON**—Perhaps on notice, given time constraints, you could give an indication of the sorts of departments you would contact if you are looking at the issue of any potential job losses or impact on local industry.

**Mr Gosper**—This is part of the normal process of advice to government on trade issues, but typically it involves every agency of government, because in the global environment we deal with trade agreements reach beyond the border, across the border, into many areas of our

economy and our society. Typically it would be hard to find, in a big negotiation such as Doha, any agency that does not have an interest in the negotiations.

**Senator XENOPHON**—I want to wrap up on this. Is there a systemic way that you look at the social impacts—the impacts on jobs—as well as the benefits of liberalisation?

**Mr Gosper**—The department itself, no. Government looks at it through a whole-of-government process.

**Senator XENOPHON**—Perhaps on notice, Minister Conroy: in relation to the whole issue of trade liberalisation, when trade agreements are being entered into, to what extent does government consider the potential impact on jobs and the issues of structural adjustment? In other words, is there a systemic approach to look at these things, given the response from Mr Gosper?

**Senator Conroy**—I will take that on notice and get you the information.

**Senator XENOPHON**—Thank you, Minister.

**CHAIR**—Thank you, Senator.

**Senator TROOD**—Mr Grey, can you tell us whether you have had any further contacts with the Federal Police regarding the Securrency investigations?

**Mr Grey**—I think our legal advisers have had some contact with the AFP in terms of assisting with their investigations.

**Senator TROOD**—Can you confirm that?

**Mr Jacomb**—I can confirm that we have had further contact with the police in relation to that investigation.

**Senator TROOD**—Was that recently?

**Mr Jacomb**—Yes.

**Senator TROOD**—Do you understand whether the AFP investigation on this subject is complete?

**Mr Jacomb**—My understanding is that Austrade's activities are not currently under investigation. We are continuing to assist, but beyond that I cannot comment on the ongoing investigation.

**Senator TROOD**—I understand that, but do you understand whether any former Austrade officers or agents are under investigation on the subject?

**CHAIR**—We had a lengthy discussion on this last time and we did establish some guidelines. I am not going to direct the officers not to answer that question, but it is understood that active, operational matters of the Australian Federal Police—the detail—is not discussed in this forum, so I will just allow the question and just offer that guidance.

**Mr Grey**—If I could add to that, the AFP has made it very clear to us that they do not want us to discuss any aspects—potentially, details—of the investigation in a public context. We are happy to take any questions on notice, but commenting on who may or may not be investigated is clearly an operational issue and something we prefer not to answer in a public context, or the AFP has requested that we not answer in a public context.

**Senator TROOD**—Can you tell me whether the AFP has given you any indication as to whether this investigation is near to finalisation?

**Mr Grey**—No, I do not think we have had that discussion with them. It is an operational issue and a question for the AFP.

**Senator TROOD**—Do you know whether or not they are contemplating any charges in relation to the—

**Mr Grey**—No, I do not.

**Senator TROOD**—Do I take it that you do not know whether any of your former employees or agents are under investigation?

**Mr Grey**—Again, it is a question which should be put really to the AFP.

**CHAIR**—Senator Xenophon.

**Senator XENOPHON**—Mr Gosper, it would be remiss of me not to ask about issues relating to environmental considerations. I have a complaint from workers in the paper industry in Australia. They say that they use plantation timber, renewable timber, particularly in the southeast of South Australia for their paper products; they do not know whether the same can be said for some of the imported products we get, and there are concerns that rainforest timber may be used in some cases. To what extent can consideration be taken to environmental factors and to what extent can that be looked into in the context of any trade negotiations? In other words, that people are playing unfairly in terms of their environmental and indeed occupational health and safety practices?

**Mr Gosper**—As you understand, it is a vexed issue, because there is much concern when such issues are discussed that they will be misused for protectionist purposes. It is an area where people can, of course, seek to fulfil particular environmental objectives, but the rules make very clear it cannot be done in a way where it is a disguised protection on trade, where it is done in a way that unfairly discriminates or the like. There is a set of WTO disciplines that relate to that.

**Senator XENOPHON**—Perhaps on notice, Mr Gosper, if you could indicate to what extent are international treaties and environmental obligations taken into account in the consideration of trade agreements. For instance, the rainforest timber issue is just one example, but if there are, say, breaches of ILO obligations in terms of child labour in relation to manufactured goods from overseas, are they factors that can be taken into account in the context of either dumping or requirements of countries before this trade liberalisation in terms of environmental and other factors?

**Mr Gosper**—Are you asking for advice on government policy in these areas or you are asking for technical or legal advice on such issues?

**Senator XENOPHON**—I am asking: how do you deal with these issues currently? I am not asking you a policy question. In other words, are these factors that are taken into account? I hope you are not taking exception to that question. It is simply—

**Mr Gosper**—No, I do not take exception at any question.

**Senator XENOPHON**—It was just that the tone of it was that you are saying that it seems to be an unreasonable question.

**Mr Gosper**—The question as you phrased it, or perhaps as I understood it, was a very wide question, so I am seeking to ensure that we are meeting the requirements that you have set.

**Senator XENOPHON**—I will narrow down the question. Do you take into account environmental issues and labour issues, in the context of international obligations that Australia has signed up to, in the context of considering trade liberalisation and trade agreements? Is that too wide or do you want me to narrow it down further?

**Mr Gosper**—Firstly, can I say in the context of WTO negotiations that there were no particular provisions that relate to trade and labour other than those under article 20, which relate to trade in prison labour. It is a vexed issue in the negotiations. You might recall that in the Seattle ministerial meeting in 1999—

**Senator XENOPHON**—No, I do not—but please tell me; I am interested.

**Mr Gosper**—The United States sought to inject into the negotiations the negotiation of a trade and a labour clause. That was one of the causes of the collapse of that meeting, because there is a view held by many countries, and in particular many developing countries, that such clauses are simply a mask for developed country protectionist instincts. Whether that is true or not, that is certainly the approach that is taken by many countries. In essence, although such issues are discussed in the WTO and the WTO has a program of work with the ILO on trade and labour issues—a quite elaborate body of work—there is no negotiation on such issues, nor is there any prospect, I would say, immediately of negotiation of WTO rules relating to trade and labour.

**Senator XENOPHON**—If, for instance, you were given evidence that rainforest timber was being used for products being brought into the Australian market in breach of international environmental agreements, would that be something that would trigger a discussion at the WTO level? Would it have any ramifications in the context of trade with that particular country?

**Mr Gosper**—In the context of any dispute that might have been brought by a member against a measure applied by another member, it would be a subject for discussion, yes.

**Senator XENOPHON**—But it would not be determinative in any way; it would just be subject to discussion?

**Mr Gosper**—The outcome of the dispute would be determinative. But, again, if I can just say that there are no particular provisions in the WTO agreements relating to trade and labour. There are certainly provisions relating to trade and environment. There are two different issues that you have suggested here.

**Senator XENOPHON**—Even child labour laws, if children have been producing goods?

**Mr Gosper**—There are no particular WTO rules on child labour.

**Senator XENOPHON**—So, if we are getting stuff brought in here that is being made by 10-year-olds and eight-year-olds, that is not an issue of concern in terms of any trade agreement?

**Mr Gosper**—Sorry, could you just restate the question?

**Senator XENOPHON**—If goods are being brought into this country that are incredibly cheap because they are being made by kids—by eight- and 10-year-olds—as happens in too many parts of the world, that is not a factor that would be taken into account in terms of any trade agreement?

**Mr Gosper**—If the government were to decide to take a measure in that context, that measure would be one that would need to be examined in the context of WTO rules as they stand.

**Senator XENOPHON**—Which means?

**Mr Gosper**—We would have to make a case that those things were not a disguised restriction on trade or any such thing.

**Senator XENOPHON**—But the rules, as they stand, do not have—

**Mr Gosper**—There are no explicit rules on trade and labour.

**Senator XENOPHON**—Basically, it does not matter if it is child labour or not, under current rules?

**Mr Gosper**—Any member can take a measure—any measure it likes. The question of whether it is in contravention of the WTO rules as they exist would then be examined if another member wanted to take a complaint. In that examination, issues such as whether this met particular objectives or whether it contravened WTO rules by simply being a protectionist measure would no doubt come to the fore.

**Senator XENOPHON**—Please understand, I do not pretend to have a scintilla of the technical expertise you do in these matters, but does that mean that if Australia took action against goods produced by child labour and stopped those goods coming into the country, we could be in breach of our current obligations and we could face sanctions as a result of that?

**Mr Gosper**—We may have to demonstrate that such measures were consistent with our rights and obligations.

**Senator XENOPHON**—Our rights and obligations here in Australia or our rights and obligations in the context of the WTO?

**Mr Gosper**—Our rights and obligations that exist courtesy of the treaty we have entered into as a result of our agreement in the WTO to various agreements.

**Senator XENOPHON**—Given your considerable expertise in this area, are you saying that we may face sanctions if we stopped goods coming to this country that were clearly produced by child labour?

**Mr Gosper**—It would depend on the nature of measure that we put in place and—

**Senator XENOPHON**—If we just said, ‘No, we are not letting goods in being produced by eight-year-olds’?

**Mr Gosper**—Again, it may or may not be challenged by another member, and if it were challenged we would have to defend it in the context of the rules and disciplines that exist.

**Senator XENOPHON**—And we could lose that case and face sanctions ourselves?

**Mr Gosper**—Without knowing the details, I can only respond that, of course, in any dispute you either win or lose.

**Senator XENOPHON**—Have there been any cases such as this, to your knowledge, in any other jurisdictions?

**Mr Gosper**—Not that I am aware of, but I can look into that if you like.

**Senator XENOPHON**—I would be grateful for that. Thank you, Mr Gosper.

**CHAIR**—Thank you, Senator Xenophon. I think we now turn to APEC and EFIC, and I will turn to Senator Ludlam to lead the discussion there on EFIC. Senator Ludlam.

**Senator LUDLAM**—Thank you very much, Chair. Have we got the right folk at the table for EFIC, specifically? Thank you for joining us. I might just kick off with something that is going to seem a bit administrative. I have put a whole stack of questions on notice, because I think the schedule got a bit out of whack at the last session and I was not able to put these questions to you. I put them on notice on 13 December. Can you confirm that you have not replied to any of them or have they just gone missing in the system?

**Mr Tighe**—Thank you, Senator. I can confirm that we have received those questions and that we are in the final stages of clearing them.

**Senator LUDLAM**—That is two months ago. I am going to put some of the highlights to you now. Is there a reason why they are a month or so overdue?

**Mr Tighe**—The main reason, I think, is because we have to refer the bulk of them, obviously, to EFIC itself and it just takes a little bit of extra time, that is all. Also, I might say—and forgive me for saying it to you—some of the questions were actually addressed to the wrong minister, so that slowed us down a little bit.

**Senator LUDLAM**—You are referring to sending questions off to EFIC itself. Do you want to maybe just introduce yourself and where you sit within the department?

**Mr Tighe**—My name is Paul Tighe, First Assistant Secretary for the Trade and Economic Policy Division. That is the division of the department which is the interface between EFIC and the minister.

**Senator LUDLAM**—Is there a reason we do not get EFIC in here directly so that they are not having to report through you?

**Mr Tighe**—There is some history to that, if you will bear with me. For many years, EFIC did turn up at these hearings and were very often not asked any questions at all. The judgment was made that a more efficient way of going about it was to have the department representatives attempt to take questions on their behalf. We followed that process for quite some time. We were aware at the last set of these hearings that there were going to be some questions on EFIC, so we actually arranged for EFIC to participate. They attended the meetings. In the end the questions were not asked, so they left frustrated.

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**Senator LUDLAM**—As did I.

**Mr Tighe**—As I said, I am not from EFIC. I will do my best to answer your questions. If I cannot, I can take them on notice or refer them to EFIC after the hearings, or if you prefer and if it is certain that there will be some questions on EFIC at the next set of hearings we can invite them along to that set.

**Senator LUDLAM**—Thank you very much for the indulgence to the chair. I might put that invitation to you and I shall promise to be here and hopefully we will run to time, but I will just put a couple to you now while we have you at the table and I will look for the rest of them to turn up. Let us start with coal. Can you tell us whether EFIC has provided any services or assistance, funding or insurance to Australian coal companies or coal projects operating overseas? If you are planning on tabling a list, if it is a detailed list I will just take that as an answer.

**Mr Tighe**—I can say that I am aware of at least one example of EFIC having provided assistance to a coal company. That was their support of a transaction of a purchaser for Australian coking coal by ArcelorMittal, which is a Luxembourg registered company.

**Senator LUDLAM**—I forget exactly what the language is. I have just been trawling around on your website a bit. You do acknowledge addressing climate change is an issue that you are aware to, and you are aware of and you are closely monitoring developments. Is there anything in your guidelines that would prevent you from financing coal developments into the future or is it something that you are planning on addressing?

**Mr Tighe**—There would be nothing in the legislation that would prevent EFIC from supporting any legitimate Australian export.

**Senator LUDLAM**—Presumably, though, you could choose not to finance coal, as it looks here as though you take a very cautionary approach to nuclear as well. You are not required by law to fund coal or to not fund coal? Presumably EFIC is making judgment calls on these issues.

**Mr Tighe**—EFIC is an independent statutory authority, it has an independent board and they make decisions on whether or not to support a transaction on a commercial basis.

**Senator LUDLAM**—It says on their website that they are making some very non-commercial decisions, or they are at least telling us that they are. There is some stuff here on community engagement, renewable energy, climate change and nuclear. There are all sorts of non-commercial factors they are taking into account. There is even a cute little pie chart. Obviously it does not have to spell it out in the act to prevent EFIC from making investment decisions.

**Mr Tighe**—I am sorry, I am not quite sure what you mean by noncommercial. I am defining 'commercial' in fairly broad terms. EFIC, of course, has an environmental and social policy, so it makes its decisions in accordance with those policies and in accordance with its commercial judgments about the value to Australia or otherwise under the terms of the EFIC Act as to whether a transaction warrants EFIC support.

**Senator LUDLAM**—I have a few questions. I do not want to labour the point. I am not sure whether I am making myself clear. Does EFIC consider the issue of climate change to be an issue of enough import that it would prevent it from funding coal initiatives in the future?

**Mr Tighe**—No, I do not think so. The trade in coal is a legitimate trade.

**Senator LUDLAM**—I respectfully request that they take that bit off their website, then, because I think that is deceptive.

**Mr Tighe**—Okay.

**Senator LUDLAM**—Again, this is on a fairly cursory look at their website. Does EFIC look for a particular return on the dollar invested annually? Is there a specific target return on investment that they are looking for?

**Mr Tighe**—As I say, they operate essentially on a commercial basis. I am not that familiar with the actual guidelines that the independent board uses in terms of whether they have a target. I know they have a target for the amount of exports that they support in a given year, but I am not sure that that target extends to a return on their capital.

**Senator LUDLAM**—Yes, I found that. I am just wondering whether you are able to provide us with anything further on notice; that would be appreciated.

**Mr Tighe**—On notice, I am happy to do that.

**Senator LUDLAM**—Yes. Thank you. Again, there is some stuff here on renewables. Has EFIC ever funded a major renewable energy project or renewable energy investment anywhere in the world?

**Mr Tighe**—I would have to check that with EFIC. I am sorry, I could not tell you off the top of my head.

**Senator LUDLAM**—I do not know that that was in the questions that I put on notice, but I am really interested to know how the stuff from the website and in the annual report is being translated into reality. I am hoping this will be a quick one. In relation to EFIC finance to companies seeking to invest in Burma, have any investments ever been made in that regard?

**Mr Tighe**—The information I have from EFIC is that they have not provided finance or insurance to support any Australian involvement in Burma over the last decade at least. I do not know whether there is anything prior to that, but in the last 10 years, no.

**Senator LUDLAM**—There may be, but that is fair enough. That was the kind of nice and quick answer that I was hoping for. I have spoken before about this, and maybe I have just cut to the chase. I wanted to ask about PNG LNG. I gather we have about \$300 million worth of skin in that project and that is troubled. This is something I asked about a while ago. Can you tell us whether EFIC or any other Commonwealth government agency that might be attached to EFIC or reporting to EFIC has any monitoring and/or advisory role over that project?

**Mr Tighe**—I can tell you that EFIC receive reports on the implementation of that project. There are two sources, actually. One is a report it receives from the lenders, which it gets on a quarterly basis, and the project sponsors themselves have engaged an independent environmental and social consultant, which conducts site visits and publishes reports on their findings from those site visits.

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**Senator LUDLAM**—Who is the consultant?

**Mr Tighe**—It is D'Appolonia.

**Senator LUDLAM**—Thank you very much for that. Are the reports that they provide to EFIC made public or are they strictly internal?

**Mr Tighe**—They are made public. My understanding is that D'Appolonia has conducted two site visits thus far and produced one report. The second report is not yet available, but that report I believe is published on the project's website.

**Senator LUDLAM**—Thank you very much. Within the past six months, and certainly since I have spoken to the department on this project, there has been more conflict in PNG in relation to this project. The most recent one I am aware of are reported attacks involving high-powered weapons on Friday, 24 September 2010 at the site of an Australian contractor. Are you able to comment on reports that were made, subsequent to that event, in the PNG daily newspaper the *National* as well as by local civil society groups, who have advised that the violence, which has increased, is the result of an uprising of leaders from landowner groups within that project area who believe they have been excluded from the benefit sharing agreements? Is there anything you are able to tell us about that event or the lead-up to that?

**Mr Tighe**—On that event specifically, no. Sorry, I cannot give you any more detail on it. What I can say is that the assessments and reports that are done by D'Appolonia cover conflict issues as well as other issues. The D'Appolonia reports would include some sort of summary of what they may assess to be areas of nonconformance in terms of the project's implementation of its environmental and social plans. So, if there were concerns along those lines they should be picked up in the D'Appolonia reports.

**Senator LUDLAM**—In July 2010, in the same area, a dispute between warring factions in the southern highlands where part of the project is located erupted in a gun battle at PNG's main airport, where gunmen and a number of bystanders were wounded. Would you consider that to be a noncompliance? I forget exactly the language you used—nonconforming?

**Mr Tighe**—'Nonconformance' was the word I used.

**Senator LUDLAM**—Would a gun battle constitute a nonconformance as far as EFIC is concerned?

**Mr Tighe**—I guess it would depend on the source of the conflict. Again, I am no expert in PNG or necessarily the consequences of this particular project, but my understanding is that landowner disputes are a fairly common thing in—

**Senator LUDLAM**—These are landowner disputes over this project that we are investing \$300 million in.

**Mr Tighe**—And which have a history even before the project. As I understand it, there can be instances of disputes over any of the assets that are in those areas. They are quite complicated—again, I do not pretend to understand it—and whether they amount to nonconformance with the environmental and social plan is a matter that would be assessed by D'Appolonia as the independent consultant.

**Senator LUDLAM**—I am a bit worried this is drifting into satire. Can we just assume for the sake of the record that the gun battles involving high-powered weapons would constitute a nonconformance with the social objectives surrounding the project?

**Mr Tighe**—Clearly it is an undesirable event.

**Senator LUDLAM**—Okay.

**Mr Tighe**—Whether it is due to the project is a bit of a leap of—

**Senator LUDLAM**—There is open source reporting and you have civil society groups telling EFIC that this is very much directly relevant to the project, that it is displacing people and it is creating violence. I put these to EFIC the time before last or maybe even the one before that—it may be a year ago now—asking how much we care and how much we have done to validate some of the reporting that says your project, which you are investing in, is causing this violence, and what we had done to validate that. I recognise you are not here with all the facts at the table, which is why it would be good to have EFIC here. What I am mainly seeking is to find out what we have done to verify.

**Mr Tighe**—I would be happy to take that on notice. The one thing I can tell you is that EFIC would receive a notice of breach of any obligation in terms of its financial transaction relating to the project, were there thought to be on behalf of the lenders a breach of the contracts they have entered into. EFIC has not received any such notification of a breach, so from their perspective I assume they would respond that there has been no instance of nonconformance.

**Senator LUDLAM**—I understand the security assessment for this project was completed by Control Risks-Asia Pacific, and they concluded—presumably this is before EFIC made its investment on behalf of all of us—that security risks would be manageable if their recommendations were implemented. Can you maybe table what their recommendations were together with advice as to whether these recommendations have been implemented to date?

**Mr Tighe**—I will take that on notice.

**Senator LUDLAM**—Are you aware of that security assessment? Is the department?

**Mr Tighe**—No, not in any detail.

**Senator LUDLAM**—I figure it is probably just normal practice that those are done, and they said that it would be all right as long as their recommendations were accorded to. Can you confirm for us whether the government or EFIC has gone back and taken a look at that security assessment?

**Mr Tighe**—What I can confirm is that EFIC, before it would have entered into the project, would have assured itself that the project meets EFIC's environmental and social standards, including in relation to security issues.

**Senator LUDLAM**—What happens if that ends up not being the case? What can we do now that we have made this investment and we are potentially stoking conflict in that area between rival groups of landholders, apparently? What do we do?

**Mr Tighe**—There would be a number of remedies available to EFIC under the terms of its contract. I imagine what would happen in the first instance is that EFIC and the other lenders

to the project would have consultations with the project sponsors and other affected groups and seek to find some sort of solution to any problems that were identified. Ultimately the remedy is that the loan could be withdrawn.

**Senator LUDLAM**—I guess I asked you a hypothetical question and so you gave me a hypothetical answer. You are not aware that those sorts of mediation processes are afoot at the moment as a result of 12- to 24-months worth of rumours and reports of violence around the project?

**Mr Tighe**—To the best of my knowledge, there has been no report of a breach of any obligation in terms of the financial transaction.

**Senator LUDLAM**—That is really interesting. I will move on. Again, the PNG daily papers reported that Australia is assisting the PNG government with the establishment and administration of the PNG LNG sovereign wealth fund. Is that something that you are responsible for or should I be asking somebody else?

**Mr Tighe**—It is actually handled by the Pacific division of the department, but I know that there has been a considerable amount of advice given to the PNG government in terms of how to set up a sovereign wealth fund. One of the offshoots of EFIC involvement in the process was the negotiation of a joint understanding between PNG and Australia, which set up a consultative mechanism so that we could give the PNG government advice on how they could handle the revenues that would be generated from the project, including through potentially establishing sovereign wealth funds.

**Senator LUDLAM**—As a representative of the party that is hoping Australia would establish its own sovereign wealth fund, I am interested in the assistance that we are providing other countries in the absence of one for ourselves. Recognising this is not your primary area of responsibility, I might put a couple on notice. In fact, some of these you have probably already got, so you might undertake to respond to the ones we have put to you already. Still in PNG but moving to a different project—is the Porgera goldmine one that you are familiar with? The investment that EFIC made is some time ago now. I believe we are in it to the tune of about \$200 million. There are more reports of escalating violence around the project sites and confirmed rapes and tortures by a private security squad at the goldmine. This is an investment that we made some time ago. What kind of responsibility do we carry when things go seriously amiss at a project that we helped enable?

**Mr Tighe**—I am sorry, could you repeat just the final part of the question?

**Senator LUDLAM**—I have been asking you about real and present impacts of PNG LNG. This is an investment we made in the 1990s. Do we carry any kind of long-term responsibility if we have enabled a project when things go seriously wrong as they have at this one?

**Mr Tighe**—Again, I probably should take this on notice. I do not know exactly the response, but I would imagine that if the loan that was provided many years ago has been fully repaid, there would not be any ongoing commitment towards the project. I do not know whether or not that loan has been repaid. I perhaps should just take it on notice.

**Senator LUDLAM**—Yes, if you could, that would be appreciated. It sounds a little bit scarily like you just said that once we have got our money back we wash our hands of

responsibility for the project. That is not your words, but that sounds an awful lot like how it would work.

**Mr Tighe**—No, it is not my words, and EFIC is not the only agency of the Australian government, I might add, too.

**Senator LUDLAM**—What do you mean by that?

**Mr Tighe**—I mean that we also have significant bilateral development cooperation programs with Papua New Guinea and a strong ongoing relationship with them.

**Senator LUDLAM**—Yes, we do. This is using taxpayers' funds to help multinationals build goldmines and then, once we have got our money back, if there are shootings you are probably going to tell me there is not much we can do about it.

**Mr Tighe**—I do not think I said that at all.

**Senator LUDLAM**—I will very much look forward to anything that you can provide us on notice about that one. EFIC has undergone a five-year environment and social policy review. Can you tell us what steps were taken by EFIC to promote that review and what its status is?

**Mr Tighe**—The review is close to being concluded, as I understand it. EFIC did go to some lengths to publicise the fact that it was doing the review and to consult with interested parties. To the best of my knowledge, they had at least three or four mechanisms for doing that. One was to publish on its website a draft of the possible revised environmental policy and procedures and then request submissions from interested parties responding to that draft. According to the information I have from EFIC, the consultation period on that was open for several months in 2010, and indeed at the request of some civil society organisations that consultation period was extended at least twice. EFIC distributed to some of its clients a questionnaire so that they could make input into the review. They also held a number of one-on-one discussions with clients—and I know held a workshop with three civil society organisations, from which they had received submissions on the draft of the policy.

**Senator LUDLAM**—Can you let us know who those three were?

**Mr Tighe**—Oxfam Australia, Jubilee Australia and the Minerals Policy Institute.

**Senator LUDLAM**—Again, I am cherry-picking out of some of the stuff that we have already submitted in writing, so I will wait to receive the rest of those. Just coming back very briefly to the LNG thing: that is a loan valued, I understand, at about half a billion dollars for ExxonMobil and other proponents. Why are we loaning money to one of the largest oil majors in the world? I am not sure how this is meant to benefit Australia exactly.

**Mr Tighe**—The loan was to the project sponsors collectively, and I think you would find the equity in that project is around about 43 per cent Australian. There are also up to I think about a billion and a half dollars worth of potential Australian procurement going into the project. It was in our interests to see that the project was properly financed and went ahead.

**Senator LUDLAM**—In terms of due process around that investment, I do not know whether a national interest statement was undertaken and not published or whether it was not undertaken. Can you just clarify that for me?

**Mr Tighe**—The national interest process is a cabinet process. There is no such thing as a national interest statement. What there is is a submission to cabinet put together on a whole-of-government basis, which cabinet then considers and then takes a decision on whether or not to proceed with a national interest transaction proposal.

**Senator LUDLAM**—Have you just handballed responsibility for answering that question to the government; that is a political question?

**Mr Tighe**—No, I think I have told you what the process is.

**Senator LUDLAM**—I am just trying to follow your chain of logic. You put a submission up to government and government makes a call on whether to subject it to a national interest test or not.

**Mr Tighe**—I think the question you asked me, or just the way I interpreted it—and if I had it wrong I apologise—was, ‘Is there a national interest statement and can it be published?’ My response to you is that the national interest process consists of cabinet considering a national interest proposal. The documentation that goes into that is a cabinet submission.

**Senator LUDLAM**—So, you cannot give it to me because it is cabinet-in-confidence?

**Mr Tighe**—No.

**Senator LUDLAM**—Thank you very much. That is very interesting. How long has it been since the department has done a review of EFIC and whether one is on its way, and how do you know whether or not EFIC is complying with its environment and social policy?

**Mr Tighe**—The last review of EFIC was done in 2006 and another one is due shortly.

**Senator LUDLAM**—That is great, thank you. What kind of form does that review take and who does it?

**Mr Tighe**—There is no set pattern for it. The previous one was essentially an internal review, but it is conceivable that the next one could be done by an independent expert or another agency.

**Senator LUDLAM**—Was the one that was done in 2006 made public?

**Mr Tighe**—I honestly cannot remember. I do not know. I would have to take that on notice, I am sorry.

**Senator LUDLAM**—Shrugs all around. Again, this one is probably not caught in the questions on notice. Could I invite you to provide us with a bit more detail about the review you have just foreshadowed—who will conduct it and what the possibilities would be of that being put into the public realm once it is done?

**Mr Tighe**—Sure.

**Senator LUDLAM**—Thank you very much. I will probably leave it there and wait with interest to see what you provide us with on the record. Thank you for your time.

**Senator COLBECK**—I would like to ask a couple of quick questions on a meeting between EFIC, Gunns and the Department of Agriculture, Fisheries and Forestry and to get a characterisation of that meeting. Could you give me a sense of the discussions that were conducted at that meeting? I sense that might be difficult since you are not specifically from

EFIC. It was, I think, conducted between the CEO, the chair of Gunns and the Department of Agriculture, Fisheries and Forestry.

**Mr Tighe**—Yes, I am aware there was a meeting. I was not there so I have no firsthand experience of it or knowledge of it. We did ask EFIC about it and it was characterised as a preliminary discussion with Gunns.

**Senator COLBECK**—So, there were no specific requests made, as far as you are aware, but it was a sense of what EFIC can offer and whether this potential project, being the pulp mill in Bell Bay, fit the guidelines for a relationship?

**Mr Tighe**—I expect that it was a discussion along those lines. I am not sure.

**Senator COLBECK**—Do you know when the meeting was actually held?

**Mr Tighe**—I saw a reference to it on Google. I understand the meeting was held on 9 January this year, but I do not know that for sure. I am getting that off the web. So, that is a media speculation—

**Mr Richardson**—We will take that question on notice.

**Senator COLBECK**—That is fine. You are going to have to take this on notice, too. I would like to get a sense of the parties present as part of that meeting or if it was confined to the group that I have mentioned, being those three, and any discussions with potential joint venture partners as part of that process.

**Mr Tighe**—I will take it on notice..

**CHAIR**—I would like to thank the officers. Mr Gosper?

**Mr Gosper**—Can I provide some additional information?

**CHAIR**—Yes, you may.

**Mr Gosper**—Senator Xenophon asked a question in relation to whether a departmental submission had been made to the Productivity Commission inquiry on anti-dumping. I may have misunderstood whether he was talking about the consideration of the response or the initial inquiry, but can I clarify that the department did make a submission to that original inquiry, which I understand reported in late 2009, and that submission is available on our website.

**CHAIR**—Thank you, Mr Gosper. I thank Mr Richardson, officers from the Department of Foreign Affairs and Trade, and officers from Austrade for attending this evening. Thank you very much for your assistance during the day.

**Proceedings suspended from 6.29 pm to 7.33 pm**

**Australian Agency for International Development**

**CHAIR**—I welcome Mr Baxter and the officials from AusAID.

**Senator McEWEN**—I want to ask some questions about the Islamic schools in Indonesia. Is that outcome 2? First of all, I would like to ask a few questions about UN Women and the role of AusAID in the establishment of UN Women. UN Women, as we know, was established last year and is now operational. I understand that there is an executive board of 41 persons representing different regions, but when I look at those regions I see that there is no

representation from the Pacific. Can somebody explain to me if they know why that happened and what role AusAID had in that?

**Mr P Baxter**—We have been very active in working with UN Women to support them through the establishment of an important new organisation of the United Nations network. Australia is part of the Western European and Others group on the UN Women executive , just as we are in other UN arrangements. We will have a seat on the board in the third year—that is, 2013. There have been 11 seats that have been allocated to the Western European and Others group. Canada, Australia and New Zealand work together as the CANZ group and will have at least one seat on the UN Women board in between years three and five of the first six years of the board.

In terms of Pacific representation, Pacific ministries responsible for women's issues were advised at the triennial conference of Pacific Women in Noumea in August last year of the process for determining board membership. That was of course well in advance of UN Women's board elections, which were held on 10 November last year. The Pacific island countries were eligible to nominate for board positions as part of the Asia region. Ten seats were allocated for this region and the nominations for those 10 seats had to be submitted by governments. No Pacific government nominated for a seat on the UN Women board. Being a board member can of course take a lot of resources and needs a lot of capacity, and there were no Pacific missions in New York able or willing to take on that additional workload. For that reason, more generally Pacific island countries very rarely nominate for any UN executive boards.

It is certainly open for Pacific governments to nominate for representation on the UN Women executive board for the next term. Pacific governments can also advocate for their interests at the UN Women executive board as non-members through making statements, suggesting decision text, negotiating decisions and facilitating negotiations on decisions and so on.

In practice, Pacific island countries, as with Australia and New Zealand, can participate fully in the UN Women board. The established practice remains that all decisions, even the most controversial and difficult to negotiate, are decided by consensus, so no votes are required. Australia and New Zealand will of course aim to represent the views of Pacific island countries on the UN Women executive board in any given year regardless of whether or not we are formally a board member.

**Senator McEWEN**—That throws up two issues for me. One is: why is Australia considered to be Western European? But I am more interested in the issue of what Australia did to assist our Pacific neighbours to nominate women for the executive committee, or did we do anything to try to establish the Pacific as a separate area so that Pacific women from nations other than Australia would not get lost in the Asian mix, if you like?

**Mr P Baxter**—Those groupings in terms of the allocation of seats have been around since the establishment of the United Nations system, so they are not ones that are within our remit to change. Yes, we are in the Western Europe and Others group not in the Asia group. That has traditionally been the place that Australia has worked within the UN system. There would not have been any broad support for establishing a specific category for Pacific islands just as

there would not have been for Caribbean islands or other areas where there are significant small countries.

We take our responsibility very seriously in terms of representing the views of Pacific island countries in the UN, in the G20 and in other groups and we will certainly do that with UN Women.

**Senator McEWEN**—Are we doing anything now to assist our Pacific neighbours to gear up to nominate women for the next executive?

**Mr P Baxter**—Not specifically. As I said, no Pacific island country has actually expressed interest in putting themselves forward. If they do then obviously we would be very happy to provide assistance. As you would imagine, most of the Pacific island countries UN missions are particularly small, literally one or two people, so that capacity to manage the workload associated with being an executive board member of a major new UN body would be quite significant.

**Senator McEWEN**—But Australia could provide some assistance if asked?

**Mr P Baxter**—We could. We do provide assistance for Pacific states that are represented in the UN and more recently we have agreed to provide some assistance to allow small island states to open a representative office of the UN in Geneva as well, working with our friends in the Commonwealth and elsewhere. So we do provide practical support for Pacific island countries to have their voice heard in the UN.

**Ms Moore**—There is also an emphasis on women's leadership and decision making in some of our Pacific programs. In particular we have a program with UN Women in the Pacific to more broadly strengthen participation in formal and informal processes, so there is a pre-existing avenue that we can use. As Mr Baxter says, we will certainly be endeavouring to make sure that the voice of Pacific women is heard in the councils of UN Women in New York.

**Senator McEWEN**—On that issue of the Australian assistance to our Pacific neighbours to encourage more women's representations, particularly in parliaments, what can you update me about there?

**Ms Moore**—As you know, representation, particularly in the formal systems of governance, is extremely low amongst the world's lowest. So we are working with UN Women and organisations like femLINK to assist women to build their capacity to raise their voices not only in those formal structures but also at community meetings and the like. We are also using instruments like our scholarships program to make sure that we are training and equipping a new generation of young women to ensure that their voices are heard.

**Mr P Baxter**—I met with the head of UN Women, Michelle Bachelet, with Foreign Minister Rudd last September and I met with her separately last December. In those meetings we briefed her on some of the issues facing women in the Pacific region and of course pushed very hard for UN Women to take a particular interest given the extremely low level of representation of women in political office in the region and the extremely high levels of gender violence in some of the Pacific island states. We are hopeful that she will be able to make an early visit here to Australia. She is obviously busy now getting the organisation up

and running, but we have offered her a standing invitation through the foreign minister to visit Australia.

We have also funded a senior officer from the Australian Public Service to work directly with Ms Bachelet on the organisation of UN Women. A very experienced Australian officer, Mr Brian Gleeson, has been provided by FaCHSIA to do a lot of that organisation work for her to set up the systems and of course to merge four quite separate organisations into one, which is quite an administrative task.

**Senator McEWEN**—Can somebody give me an update on how the SPRINT program is panning out? Am I right that the funding for that ended in 2010?

**Mr Proctor**—It was a three-year program—and I am just getting the details—but it has been a very good program. In the program of expanding access to family planning, which the government is committed to, I would anticipate that there would be further support for the program. I cannot give you much data on recent progress but I can give you a report on notice if that is desirable.

**Senator McEWEN**—In terms of continued funding support for the program, what do we know about that?

**Mr Proctor**—I think we need to review the program. As I said, anecdotally it has been well regarded, particularly increasing access for women in crisis situations. It is certainly something we will need to review soon and reconsider the further funding of it.

**Senator McEWEN**—Does that mean that where the SPRINT program is currently operating it will come to a conclusion, or are we still continuing to support it where it is running at the moment?

**Mr Proctor**—I do not think it will come to conclusion immediately. It would be reviewed and consideration taken of further funding before it would end.

**Senator McEWEN**—On a related but different matter, can you provide me an update on any developments since the October Senate estimates regarding Australia's participation in the International Alliance for Reproductive, Maternal, and Newborn Health and in particular the alliance's plans to expand family planning skilled birth attendance and the quality of post-natal care by the target date of 2015?

**Mr Proctor**—As you said, Australia joined the alliance at the September meeting. The alliance works as partnerships. Where two or more members are present in the one country they will coordinate their activities. There have been a number of working level meetings subsequently. I believe there is a meeting in the next few months at a high level but it has certainly been pursued at our adviser level inside AusAID.

**Mr P Baxter**—It is likely that there will be a meeting of senior officials of the members of the alliance to coincide with the spring meetings of the World Bank and the IMF in April in the United States. The alliance will focus on working to reduce maternal and child deaths and improving maternal and child health initially in about 10 countries. It will work on the basis that at least two of the members of the alliance are present in that country and delivering programs. In our own region, Indonesia is one of those countries, but it also includes countries like Pakistan and a number of African countries as well.

**Senator McEWEN**—Will the rollout in those countries be the model for what happens elsewhere? Is that the intention?

**Mr P Baxter**—That is right, and the lessons that we learn from working together will then effectively apply as we continue the program on a rolling basis into a broader range of countries. It is of course quite an interesting model in that you have got governments from the United States, the United Kingdom and Australia working with the private foundation, the Gates Foundation. Foreign Minister Rudd attended the launch of the alliance in New York in September last year and in fact spoke at that launch.

**Senator McEWEN**—You said there is a high-level meeting in April, so we might be able to have an update at the May estimates?

**Mr Baxter**—Yes, and I would assume that I will probably attend that meeting myself.

**Mr Proctor**—Just in that list of countries, there is already quite substantial progress being made by donors working jointly in Ethiopia and Nepal. Nepal for instance has had a skilled birth attendance increase from 19 per cent to 33 per cent in the course of three years, so in our region that is a particularly good example of coordinated donor action on maternal and child health.

**Senator McEWEN**—In that vein, can you tell me what is happening in PNG, where I understand maternal mortality is not tracking too well?

**Mr P Baxter**—One of the focuses of course of Australia's bilateral aid program in Papua New Guinea is to work with the Papua New Guinea government to reduce the really very high levels of maternal deaths. You will recall that last year there was a review completed of our Development Cooperation Treaty with Papua New Guinea. To paraphrase one of the key recommendations, which was to narrow the focus of our program down to a smaller number of key sectors, health is certainly one of those key sectors and maternal and child health within that sector is a particular focus. We are doing a lot of work at the moment to redesign our program to be more effectively place a particular focus on the delivery of services, particularly skilled birth attendance, at the subnational level, shifting some of our focus away from the central government in Port Moresby into the provinces and also working with a very wide range of partners, particularly the churches and other non-government organisations to deliver those improved services.

We have a Pacific partnership for development with Papua New Guinea and under that partnership health is one of the core elements. We will revise that health schedule under the partnership as part of the revamping of our program to make it more effective.

**Senator McEWEN**—You said the objective was to move the funding out of the central Port Moresby bureaucracy, if you like, into the regional areas, but really the infrastructure is not in those regional areas to provide the kind of services we need. How are we dealing with that?

**Mr P Baxter**—As you know, most of the population does not live in Port Moresby either so, with the difficulties of transportation in Papua New Guinea, if we are really going to make the kind of progress we want to see, we have to do both. We have to focus certainly on the main population centre in Port Moresby but as the vast bulk of the population are outside of

the Port Moresby metropolitan area, we are working, as I said, with the non-government sector in particular directly with provincial governments to try to make improvements across the board in health care but with a particular focus on maternal and child health.

**Mr Proctor**—They are under the organic constitution of PNG which is charged with primary responsibility for the delivery of health care and education, so it is a pretty logical level to actually focus our assistance on.

**Mr Gilling**—As the director general has been stating, the nature of the challenge in PNG is huge. One of the major challenges is around the level of attendance at birth. In fact PNG's figures are around 35 out of 100 births are attended. The next closest in the Pacific is up around 75, 80, so it really is a major laggard. One of the consequences therefore for our program is to focus on training up midwives. We have built up midwifery schools. We have refurbished four and built an extra one. That is one of the major areas—

**Senator McEWEN**—In regional areas—in non Port Moresby areas?

**Mr Gilling**—Absolutely, yes. We have also helped with the deployment of obstetricians. In the highlands there are some provinces that simply do not have obstetricians. We have introduced the first two obstetricians in the highlands area. We have helped the government to develop an audit of maternal mortality because the nature of the challenge in PNG will vary according to the different provinces where you are working. The differences in the islands region, in the coastal regions and the highlands regions will all be very different. So the audit will help us understand some of the drivers behind that.

We have also been involved in distributing emergency delivery equipment directly to hospitals and to health centres, so this is the targeted focus on specific maternal mortality issues but, as the director general was emphasising, that is half of the challenge. The other half of the challenge is building up the health system itself so that it can respond to maternal mortality.

In respect of the health system, in 2010-11 we have a program worth around \$43 million which in fact is around 20 per cent of Papua New Guinea's health budget. It is a very complicated problem. There are all sorts of issues around cultural practices; there are issues around availability of clean water, so we have a comprehensive response to it with that funding. If I may just give you an example of a couple of the impacts of our work, in Bougainville we have seen a 33 per cent increase in supervised deliveries and reduced maternal mortality from 235 to 123 per 100,000 deliveries. In Kokoda, where we have a particular focused program, we have seen a 43 per cent increase in supervised deliveries over the last couple of years.

**Senator BOSWELL**—From the World Wildlife Fund Australian annual report under grants, AusAID has given, according to them, \$150,000 in 2010 and \$418,648 in 2009. Can you provide detailed information on what purpose they sought the \$150,000 for and how the World Wildlife Fund applies for these grants?

**Mr Davin**—I might have to take that on notice. We do support a number of environmental non-government organisations to conduct a range of programs. Often they have received grants as a result of competitive allocation processes, for example, under climate change, adaptation programs or under country specific programs.

**Senator BOSWELL**—Are these in Australia or overseas?

**Mr Davin**—I simply do not know what the programs are that you are referring to. I can assist you if you are able to provide some further information or I can take it on notice.

**Senator BOSWELL**—Are you saying that AusAID provides green groups within Australia?

**Mr P Baxter**—We fund a range of non-government organisations to undertake programs overseas as part of the delivery of the Australian aid program.

**Senator BOSWELL**—I am asking was this money allocated for overseas use or was it—

**Mr P Baxter**—Without having further details of what the programs were it is difficult to say, so we would like to take it on notice and give you an accurate answer.

**Senator BOSWELL**—That is very good but some of these times you ask for things on notice you get them about five months later. I will ask you to be a bit speedy with your reply. I will just put the rest of this on notice, too. Could you also provide further detailed information on the amount shown in the World Wildlife Fund annual report as ‘other Australians’, being \$1,048,639? What were these funds for? Were these funds provided to the World Wildlife Fund sourced from more than one department? If so, which departments and what was the purpose of providing the funds?

**Mr P Baxter**—I am happy to take that on notice and to give you as speedy an answer as we can.

**Senator BOSWELL**—What World Wildlife Funds projects were these funds used for? The fourth part of the question is: has the World Wildlife Fund provided an acquittal for these funds? Can you take that on notice?

**Mr P Baxter**—Certainly.

**Senator BOSWELL**—It says, ‘Other government grants came to \$4,358,858 in 2009.’ Could you inform me what those grants were used for and where they were used; whether they were used in Australia or overseas; how they were applied for; what projects they were used to fund and how the funds were acquitted? But primarily on that one I would like to know what other departments provided that \$4,358,858.

**Mr P Baxter**—We will certainly take that on notice.

**Senator BOSWELL**—Last year I asked a question about Marie Stopes International in Mongolia and International Planned Parenthood Federation. I was informed they were providing abortions. Is AusAID providing funding for abortion service or training to any other countries apart from those countries of the Planned Parenthood Federation?

**Mr P Baxter**—Could you just repeat the last part of the question?

**Senator BOSWELL**—Yes. Is AusAID providing funding for abortion services or training to any other countries apart from those in Mongolia and the ones of the International Planned Parenthood Federation?

**Mr P Baxter**—The answer to that question is no.

**Senator BOSWELL**—There is a website I would like you to investigate because the allegations are pretty serious. You can be misled by websites, so I am not making the allegation that this is accurate but I think you should investigate it. The allegations go against the Planned Parenthood Federation centres in the United States. It says on those websites—it is exposed on a video—that they are offering to arrange abortions for underage illegally trafficked women. I will give you the connection to the site. It is <http://liveaction.org>. If the website is accurate, AusAID has given \$9 million to International Planned Parenthood Federation. That is alleged to have happened in America. But if that is accurate I think we would need some explanation of where that \$9 million of International Planned Parenthood Federation grants will be extended, whether it will be looked into or what action AusAID will take in funding this organisation.

**Mr P Baxter**—I can assure you that we do not provide any development assistance funding to the United States or to organisations—

**Senator BOSWELL**—I did not suggest that. What I suggested is that according to this website of the Planned Parenthood Federation, which is the same identity that you provided \$9 million to—and there would be a connection; one is International Planned Parenthood, the other one is just Planned Parenthood Federation, but I would imagine that they are the same identities. If that is true and if that is happening in America, it is a very serious claim and I would suggest that if those two organisations are linked AusAID should not be funding an organisation that is involved with such circumstances. I am not making the allegation. I am asking you to check to see whether the two identities are connected.

**Mr P Baxter**—The International Planned Parenthood Federation is a federation of national organisations. It is not a monolithic, multilateral organisation. We fund the IPPF under the Australian government's family planning guidelines. One of the conditions of our funding is that all of the organisations we fund must comply with those guidelines and all funding agreements include a clause requiring compliance with the principles that were issued by the government in August 2009. We monitor compliance by assessing the activity proposals and reports, undertaking accreditation and performance reviews of the agencies and contractors we work through and with other quality assurance processes. AusAID as an organisation does not have the capacity or the remit to investigate things that are happening in the United States.

**Senator BOSWELL**—If these allegations are accurate and Planned Parenthood Federation are undertaking these arrangements, would it concern AusAID that they are giving money to an organisation that is affiliated with them?

**Mr P Baxter**—The United States organisation is not the same organisations that we fund in developing countries. They are national organisations that are part of a broader federation, so the policies in one do not necessarily pertain to the policies in others. We will have a look at it and see what we make of it. We were obviously not aware of it until you drew it to our attention, but I wanted to emphasise that we have a very clear process for dealing with organisations that we fund to undertake family planning activities and we are confident that all of our processes and procedures are followed. We do ensure that we monitor compliance with the family planning guiding principles that the government has issued.

**Senator BOSWELL**—I am sure you do, but my concern is that if there are two organisations that are affiliated, one in America and one somewhere else, would it concern you if what is alleged in the website is true? Would it concern you that you were funding a group that was, however loosely, tied to the Americans?

**Mr P Baxter**—When people undertake illegal activity anywhere that is a concern, but as I have tried to explain the United States is a very different set of circumstances than where we are operating. We will have a look at the website. We will see what the allegations are and we will see if they have any implications whatsoever for our funding, but I am very confident in saying they would not.

**Senator BOSWELL**—Would you give me an answer to my questions?

**Mr P Baxter**—We will have a look at the website.

**Senator BOSWELL**—Have a look at the website and report back as a question on notice.

**Mr P Baxter**—We will have a look at the website as a question on notice.

**Senator KROGER**—I firstly wanted to commend you on the Joint Adviser Review report. As you know, I have taken a reasonable interest in this area and it was welcoming to see a document address many of the issues that have been raised in estimates over the last 12 months. Could you take me through it?

**Mr P Baxter**—Yes.

**Senator KROGER**—Having read the report I note that there is a 25 per cent reduction in the number of advisory positions and other elements of it, but could you take me through the reasoning behind how you came to this position; why 25 per cent and so on?

**Mr P Baxter**—Thank you for your kind remarks on the outcome of the adviser review. As you know from the discussions we have had in this forum over the past year-and-a-half now, the proportion of the aid program that was attributed to funding adviser positions has been very high over really the last 15 to 20 years. On taking up the position of director general last year the government decided to implement a review jointly with our partner governments to ensure that where we used advisers they were not only the most effective mechanism for addressing a development issue but also provided the best value for money and the most effective and efficient way of dealing with the issue.

When we conducted the review there were really two elements to it. The first was to sit down with all of our partner governments and all of our bilateral programs where we fund advisers and to go through each of the positions individually with those governments and rate those positions according to the priority that the partner government attached to them—so high, medium or low. If they were low, we agreed that we would cease the funding. If they were medium, we would look at what the relative priority was, and of course high priority positions stayed in place. The whole review in terms of any decisions made on the numbers, and particularly the reduction in the numbers, was a joint decision between Australia and the partner governments.

You would have seen last year the minister announce the reductions in Papua New Guinea, a third of advisers, and in East Timor, 25 per cent of the advisers. We obtained the agreement of both of those governments prior to making those announcements. It was not a unilateral

decision of our own. We made it clear at the time that any savings that we would make from reducing those positions we would reinvest in those country programs in more efficient and effective ways of delivering our aid program.

Of course, the review is much broader than Papua New Guinea and East Timor. Indeed, it encompassed about 20 countries. I would be very happy to table the outcomes for each of those countries in terms of the number of positions reviewed and the number of positions retained after that review. But in addition to East Timor and Papua New Guinea, which were the highest in terms of the reductions, other country programs where reductions were very significant were Tonga, Vietnam, Cambodia and the Philippines.

That was one element of the review. The second element was developing an adviser remuneration framework. Over the last couple of decades there has been no overarching remuneration framework that has guided decisions by successive Australian governments to hire advisers and the rates at which they would be paid. My colleague Mr Dunn conducted a very thorough review of the practice of other donors as to both bilateral and multilateral institutions like the Asian Development Bank, UN agencies, the World Bank, comparable donors to Australia. We also conducted a labour market survey in Australia to ensure that we pitched our rates at what we thought was value for money for both the taxpayer and for our partner governments but which also kept us in the market in terms of the skills that we would need to access to deliver our program.

As we have discussed before, one of the reasons why we use advisers is that Australia amongst all donors spends a higher proportion of our aid on fragile states than others and, by definition, fragile states often lack some of the specific expertise that is required to deal with development issues. Our multilateral spend, our regional spend and our bilateral spend together is getting pretty close to 70 per cent of our program spent in fragile states, so it is a very high proportion.

We undertook the remuneration review and we developed a framework which we have tested with others. We think that it is an appropriate framework and it has already started to drive down the costs of engaging advisers. We think we will make considerable savings from the cuts and we will make considerable savings from the framework itself. Over the next two years as current contracts phase out we think we will save about \$62 million a year from cutting the 257 adviser positions. We think the framework will allow us—

**Senator KROGER**—In saying that, over what period?

**Mr P Baxter**—The positions that were rated as low priority will be phased out between now and the end of the financial year next year, so that is by 30 June next year. We think that when the framework is in operation for a full year under our reduced adviser numbers we will save something like \$30 million a year so, all up, this review will free up over time about \$90 million which we can then reinvest in basic service delivery, in school feeding programs and in other areas where we think we will make more impact.

**Senator KROGER**—Thank you very much and it is really refreshing, I have to say, to see that there has been a real will to revisit the way in which this is looked at structurally in all sorts of ways. I really do want to commend you on that.

There are a couple of things I want to pick up on in relation to essentially the two points that you raise, the first being the number of advisory positions cut from each nation state. I do not intend to be here for five hours going through each one, one-by-one, so you can rest assured. But in the summary of positions assessed in table 1 on page 10, you list all the adviser positions reviewed, how many are to be cut and what the percentage reduction will be. With these positions what I would like to see are the levels that have been culled from them. For instance, in Papua New Guinea, which you raised as being the one that has the biggest number of cuts, it would be good to actually have a comparative analysis of the positions that have been determined where moneys could be utilised in another way and that were deemed to be superfluous—‘superfluous’ may not be the right word—better invested, put it that way. I do not need them now but can you provide me with a breakdown by nation state, if you can, in that way?

**Mr P Baxter**—Would you like us to do that by the various sectors where those people work? Obviously we do not want to put individual details there because whether a position was viewed as high or low priority does not necessarily reflect on the performance of the individual in that position, but we are happy to tell you what sector and what the broad salary range would have been.

**Senator KROGER**—Yes, that would be good. Does it disclose the individual by putting the actual salary or remuneration package? For instance, if somebody was on \$100,000 total remuneration package and that was one that was going to be removed, could you identify that it was a \$100,000 package that was removed or are you saying you would need to do it in a band?

**Mr P Baxter**—I think we could do that. Obviously in the case of Papua New Guinea we are talking about 181 separate positions, so there will be a lot of data but we would be happy to give it to you—

**Senator KROGER**—But I presume that you have clearly—

**Mr P Baxter**—We have that data.

**Senator KROGER**—tabulated all of this and you have it.

**Mr P Baxter**—We have it and we are very happy to pass it on.

**Senator KROGER**—That would be most helpful. You also raised in your statement about putting together a remuneration framework, something that we had discussed at previous estimates. Can you provide some detail as to how you determine that remuneration framework, if it was in consultation with other nations as to how they do theirs, such as the US, and how you determined what best practice was in putting together that framework?

**Mr P Baxter**—We looked at the practices of a broad range of other governments who deliver bilateral aid programs, so, the United States, United Kingdom and others. We looked at multilateral organisations who hire advisers, be it the World Bank, the ADB or others and we tried to benchmark ourselves, not at the top of that pack, but within the broader donor community that is operating internationally. So there was an international benchmarking exercise that we undertook. We also need to take account of the fact that we do source quite a

lot of our advisers from Australia, so we needed to look at the Australian labour market and what the going rates were for people with particular skills.

I will get my colleague Mr Dunn to talk in more detail but we determined that we needed to have very clear criteria for how we would place people within that remuneration framework. If you were a world-renowned expert in a particular field with 20 years of high performance record then obviously the case for placing that person higher in the remuneration framework would be justified. But we wanted to make sure that people could not negotiate with us on salary rates in a way that was not connected with their skills, experience and demonstrated performance. I think it is probably reasonable to say that would have occurred in the past, that people would have tried to maximise their salary and allowance packages and we would not have had as rigorous and well-developed framework for actually assessing what we should pay and what is a reasonable amount.

**Senator KROGER**—Do you have a policy that you have put together that is used as a guideline for recruitment?

**Mr Dunn**—Yes, we do. We have published the remuneration framework online and we have provided guidance to staff on how to use and apply that framework. As the director general mentioned, the key elements of that are, first, to identify the particular job family or discipline that a particular job needs to be done in. The second aspect is then to identify the complexity of the task being asked for. In the remuneration framework we have set out four broad job levels of increasing complexity of the role and task that are being asked. The third element then is in terms of an assessment of the level of expertise, if you like, that is required for the task to be undertaken. Then the fourth and final part is indeed tracking the particular adviser into that framework. I think the big change in terms of the guidance for staff has been about ensuring that there is the up-front design and development jointly with partner governments about what the task is that is to be addressed, what the TORs are that would attach to that and what the sorts of skills and abilities are that are needed. It is only after those processes have gone through that we actually look to map and negotiate a particular adviser into the framework.

**Senator KROGER**—Can I access that online myself?

**Mr Dunn**—Yes.

**Senator KROGER**—That is terrific.

**Senator TROOD**—I wanted to ask some questions about what I understand to be the case with regard to AusAID money going to GunPolicy.org to fund a website. Can someone provide me with information about that? Does anybody know anything about that?

**Mr P Baxter**—That is not something that I am familiar with at all.

**Senator TROOD**—I suppose that is encouraging because I had some questions I wanted to ask. I understand that some AusAID funds had been granted to this website, perhaps in the vicinity of about \$50,000. That does not ring any bells?

**Mr P Baxter**—No, not at all.

**Senator TROOD**—I was informed that the time at which this funding was provided was in 2009 or early 2010. That does not provide any assistance?

**Mr P Baxter**—No. I mean, I am happy to look into it for you but I cannot recall any funding to an organisation like that.

**Senator TROOD**—Perhaps you would do that for me so you can determine whether or not AusAID money goes to this organisation? It is called GunPolicy.org Pty Ltd and then of course part of the question is whether or not it might be an AusAID NGO or an organisation through which some AusAID money passes. If you could investigate that for me—

**Mr P Baxter**—I doubt it. I do not want to be definitive in giving you an answer but it would stick in my head if we were doing something like that.

**Senator TROOD**—It sounds unlikely from my perspective but because this suggestion has been made I wanted to explore the rectitude of this representation I received. If you would take it on notice I would be very grateful.

**Mr P Baxter**—Certainly.

**Senator KROGER**—At the last estimates I was asking you about advisers in PNG and in particular in relation to three current positions. In fact it was question No. 29 that I asked on notice, which was: were there any contracts over \$400,000? You advised that there were three that were marked to be phased out over the next two years. I gather from what I have seen that those three positions will not be affected by the current analysis?

**Mr P Baxter**—No, they will be.

**Senator KROGER**—They will be affected?

**Mr P Baxter**—Yes. I think one of the positions, which was the principal law and justice adviser position, expired on 31 December and is currently being renegotiated. Obviously we will seek to apply the new framework in those negotiations. Another one of the contracts is for an adviser under the PNG-Australia Law and Justice Framework and that will expire in April of this year. I am not sure whether that is going to be renewed but if it is it will be renewed under the new framework rather than the original one. Two other positions that were in that category of remuneration were rated as low priority and they will be phased out by June 2012.

**Senator KROGER**—In your assessment of the renegotiation of these contracts, what effect do you believe they will have on the remuneration packages?

**Mr P Baxter**—That will depend on the individual skills and how they apply to some of the criteria that Mr Dunn mentioned but probably the best—

**Senator KROGER**—If you would take the example of even one of those that we discussed last time.

**Mr P Baxter**—I will give you an example. The average remuneration for the top five highest-paid advisers at the end of 2010 was \$36,928 a month. Under the new framework that will drop by well over \$10,000 to \$25,227 a month, so it is a significant saving. That is at the highest level that we can pay under the new framework and we expect to be generally pitching our packages halfway towards that, so around the \$13,000 level. But there are occasions when we will employ very highly skilled people. As you know, previous

governments have hired people on salaries up to \$99,000 a month. We now have a framework that eliminates the possibility of that happening in the future.

**Senator KROGER**—It begs a few questions but it does beg the question as to how we ended up in a situation—I have asked on numerous occasions, as have others, about these and responses given were usually that it was the market rate; that is what we had to pay to get them. What I am hearing is that we were probably paying above the market rate.

**Mr P Baxter**—I think that is undoubtedly true. There is no question that that was true. I have gone back and I have looked at the practices of the payment of advisers going back a decade and I can tell you that in 2003-04 the government was paying \$99,000 a month for some advisers. In 2004-05 it was \$45,000 a month and in 2005-06 it was \$116,000 a month, so this is not a practice that is unique to any particular government. It was an area that needed to be fixed and since I have been appointed I have implemented the government's direction to me to fix this. That is why we undertook the remuneration review and the adviser review more broadly. We are confident now that we have these robust mechanisms in place that we will not go back to that situation because, as you know, the most important priority that we have in AusAID is having an effective and efficient program that demonstrates that we implement our activities with value for money.

**Senator KROGER**—That is a term that we in coalition like to hear, 'value for money', so I am very pleased to hear you say it many times tonight. I hear what you say that it is something that has happened over the last decade or so. How do you think that it has come to this? How did it come to that? Was it lack of appropriate practices within AusAID that did not manage this properly?

**Mr P Baxter**—I do not want to comment on times previous to taking up my own position but I think it is clearly the case that AusAID needs to ensure that it can demonstrate value for money in its activities, and quite rightly so because we are entrusted with a very large amount of taxpayers' funds and we take that seriously, so we have moved to fix the problem. I imagine that one of the reasons may have been that the discipline that now applies to the aid program in terms of the scrutiny that this committee and others place us under as our budget increases and our activities expand probably was not at the same level in previous years. That is not an excuse, of course, but all I can say is that we are confident that under the new system we will avoid any return to that in the future.

**Senator KROGER**—Do you believe that some of the same people may well tender for the positions that will be remunerated at a different rate?

**Mr P Baxter**—I am sure that will happen, yes. I am sure that we will be able to negotiate more reasonable rates with some people who have already been in our employment previously as contracted advisers.

**Senator KROGER**—I want to come to what I consider to be another troubling matter, which is some reports that I have heard from PNG in relation to the safety and security of aid workers in PNG. It has clearly received quite a bit of coverage.

**Mr P Baxter**—Yes.

**Senator KROGER**—I understand that there have been two or three instances that were particularly disturbing. In Port Moresby itself there was one instance of a very aggressive car-jacking, and I am sure you are aware of the instances that I am referring to. One of them included a male aid adviser working in the National AIDS Council secretariat who suffered serious injuries in an attack and had to be flown to Brisbane for treatment. I understand that there are other attacks that in fact have precipitated people leaving because they were concerned about their safety. The suggestion is that these were not random attacks and that they were linked to the work that they are doing in trying to improve the transparency and effectiveness of the National AIDS Council. Do you have any observations on this as to whether you think that this is not a matter of coincidence, that there is some link here?

**Mr P Baxter**—The first thing I would like to say is that AusAID takes very seriously its responsibility to maintain appropriate security measures for its staff overseas. Papua New Guinea provides a particular challenge in that regard. There is no doubt that Papua New Guinea continues to experience serious law and order problems. There have been a number of very nasty incidents over the past few months.

The particular incident that you refer to with the employee of the National AIDS Council I think was really a Papua New Guinea citizen, the secretary to the National AIDS Committee, and he was beaten very badly in his home. But we have had AusAID staff and AusAID funded volunteers caught up in some very ugly assaults. We do not have any evidence to suggest that this is part of a targeted pattern of events because of the kind of work that our people are doing, but we are certainly keeping a very close eye out to see if there is any such evidence. Our high commissioner in Port Moresby takes this very seriously and has raised our concerns about the general security situation with the Papua New Guinea government at senior levels. But as I said, it is a reality that the law and order situation in Papua New Guinea continues to be serious.

I think late last year, in November, there were articles about some of the Australian Youth Ambassadors for Development who were caught up near Madang in a very nasty incident in which one of the partners of one of our volunteers was sexually assaulted. I spoke personally to all of the people who were involved in that incident and to most of their parents as well. We made sure we put in place appropriate arrangements for their return to Australia and ongoing physical and psychological care when they returned. But it is a reality of the circumstances in which our officers work in Papua New Guinea.

**Senator KROGER**—Papua New Guinea is incredibly complex. It is a complex situation and has been so for some time. Representations that have been made to me from people on the ground in Papua New Guinea suggest that there is a real sense that the significant aid that is invested there is just not reaching the right quarters and that perhaps it is being diverted in ways in which it is not effectively making a difference in maternal health and education and all sorts of things. I see in the review here that there is a slight return to what some would call the ‘colonial approach’, as in us being more hands on in managing the aid on the ground. Would I be right in suggesting that?

**Mr P Baxter**—There are two things. Firstly, as to the comments you made about the effectiveness of our program, the government accepted the outcomes of the review of the Development Cooperation Treaty and its key findings that business as usual in Papua New

Guinea was not an option for us. We had to change the program to make it more effective, and we are doing that. We will work with whomever we can find in terms of reliable partners as long as we can together produce outcomes and real results. We of course focus a lot of our aid, the majority of it, in partnership with the Papua New Guinea government, but last year the government announced a \$60 million multiyear funding program for the churches in PNG because in many areas—as you would know, in education and health—the churches are the only organisations who have the networks that can actually get medicines, education materials and teachers into the remote areas and improve the lives of people.

It is a similar story in HIV and AIDS, where again we work very extensively with the non-government sector because of our concerns about corruption in those areas of the Papua New Guinea government that deal with HIV and AIDS. We think that is changing for the better, but the recent incident where the secretary of the National AIDS Committee was viciously bashed gives us pause for thought about how that organisation might continue in the future to get itself back into a situation where we can make funding.

**Senator KROGER**—You would have to acknowledge that there are real question marks about that organisation.

**Mr P Baxter**—Absolutely. We also need to be very careful in ensuring that we manage the risks involved in working in that environment appropriately. We do spend a lot of time assessing the risks and then deciding what partners and what methods we will use to deliver our assistance.

**Mr Gilling**—I would just like to add that in Papua New Guinea we have appointed a security officer with the explicit role of ensuring that the risks that the director general explained are properly factored into what we do. In response to some of the concerns that are raised on the ground and that you raise with respect to the National AIDS Council, we have taken measures to improve security there, with the precaution that there may be some foundation to some of these allegations. But as we say, we have no evidence that there is.

**Senator KROGER**—It is such a tragedy because HIV-AIDS is the No. 1 one big issue there and it is the one that, of all things, you have got to fix, and that is where there is a problem with the council.

In relation to the savings that you have referred to, have you earmarked those savings to be spent in any specific area or is what is being saved in PNG going to a specifically ‘contained’ PNG fund and then you will be determining where that will be allocated? Have you given any thought to that?

**Mr P Baxter**—The savings will be realised progressively as the contracts of particular advisers expire and are not renewed. It will take between now and June 2012 for all of those contracts to expire. So the full-year figure is as I explained to you. We will not take that money out of the PNG program. It will be reinvested and we will negotiate with Papua New Guinea as to what the highest priorities for that funding will be. We will not be using it to hire more advisers, you can be assured of that. The four areas that we want to concentrate our program in PNG on are health, education, road maintenance, law and justice. They are the four areas where we think we can make the most difference by having a stronger

concentration of effort. That funding will be applied in those sectors, the specifics of which we will negotiate with Papua New Guinea in the lead-up to the next ministerial forum.

**Senator KROGER**—With the 25 per cent reduction of positions, does that mean that the number of positions is not up in the mix again in 12 months time or in two years time and that that is a framework for a period of time?

**Mr P Baxter**—Certainly with the new criteria and the new guidelines for staff that we have developed people within AusAID have to think much more carefully as to when it is appropriate to use an adviser to deal with a particular problem and about the circumstances under which those advisers would be remunerated. We want to keep the numbers roughly where they will be after the decline. As our aid program overall increases in volume the percentages hopefully will stay fairly constant; but the numbers of course might go up just because the volume of aid goes up. I am not going to say to you that there will never be another adviser position created, because that depends on need and the particular circumstances at the time, but when we do so we will have much more rigorous processes and procedures both in the selection of the individual and the remuneration that applies to them.

**Mr Dunn**—Part of the guidance that we are developing for AusAID staff, which we mentioned earlier, also takes them through what our other options are to use in broader capacity building. It actually takes them through a process of looking at whether there are other ways of achieving that through scholarships or volunteers or through twinning arrangements. It actually lays out a broader range of mechanisms that AusAID staff can consider when they are looking at broader capacity.

**Senator TROOD**—I want to ask some questions of you in relation to our education funding to Indonesia.

**Senator Conroy**—You wanted it cut back?

**Senator KROGER**—Have you woken up?

**Senator Conroy**—To be fair, you probably did not want to.

**Senator KROGER**—You have woken up, Minister.

**Senator Conroy**—To be fair, you probably did not want to.

**Senator TROOD**—This aid is in the vicinity of \$500 million; is that about right?

**Mr P Baxter**—The program that was announced by the Prime Minister during her visit to Indonesia last year was \$500 million over five years.

**Senator TROOD**—Has aid begun to flow under that program?

**Mr P Baxter**—I would have to ask the minister. Have we started to spend that money yet or are we still in the preparatory phase of the program, the second phase of the program?

**Mr Moore**—I cannot give you a definitive answer on that, but I would be surprised if we were not already expending money, because we have undergone a long process of preparatory work for it. We have a number of contracts associated with that work which are still in train, but there are other measures that we are conducting with the government of Indonesia which I think would have incurred expenditure already.

**Senator TROOD**—Does this build on an existing education program to Indonesia or is it a separate and completely different one?

**Mr P Baxter**—It does build on our existing program. It is really a continuation of a program that was started in 2005. It was a \$387 million program which focused on the construction of 2,075 junior secondary schools.

**Senator TROOD**—Is it much the same kind of program?

**Mr P Baxter**—It is a similar kind of program. It has some other elements to it. I am very happy to go through with you all of the elements of the program.

**Senator TROOD**—I may not ask you to do that just at the moment. Could you let me just establish where we are in relation to the overall program? Perhaps you could just tell me whether or not, and in which way, this new program is different from the original program. Can you easily do that, or not?

**Mr P Baxter**—I can easily do that. One of the things that is different in this new program, and which we think is a very interesting and worthwhile new element, is that we are going to support the accreditation of around 1,500 moderate private Islamic schools against the national quality education standards, which gives them access to government of Indonesia funds so they can operate more as professional schools. This element of the program will form a model at provincial levels for the government of Indonesia to accredit the remaining 29,000 private Islamic schools with their own funds.

**Senator TROOD**—What is the value of that component of the package?

**Mr P Baxter**—That is just under \$50 million. We are also increasing our assistance to Indonesia to undertake evidence based education policy research and analysis, and that will assist the government of Indonesia to implement its national education policy using high-quality analytical advice to improve the efficiency and effectiveness of the education sector. That is worth \$25 million.

The other element of the new phase of the program which we think is very welcome is that we will be working with Indonesia to establish and make operational a system for strengthening the management and the capacity of all 293,000 school principals, school supervisors and district government officials. That part of the program will be \$182 million.

**Senator TROOD**—Before this funding was allocated did you undertake, or had you in light of the previous program undertaken, any sort of broad reviews of the education sector in Indonesia to alert you to some of the dangers that might exist in the way in which we might deliver aid? For example there have been allegations, as I understand it, that parts of the education system are rather corrupt and that some funding that is provided by other countries, if not necessarily Australia, has been diverted into other areas. That is obviously a matter of some concern to us and I am sure it would be to you. Are you aware of those allegations and have you investigated them at all?

**Mr P Baxter**—I guess you are asking whether we have undertaken, in effect, due diligence for the program.

**Senator TROOD**—Yes.

**Mr P Baxter**—Part of our due diligence was five years experience working with the ministry of education building 2,075 schools. We not only work with the ministry of education; we also worked with the ministry for religious affairs in Indonesia in relation to the construction of Islamic schools. I think there were over 500 of those. We put in place very rigorous monitoring procedures and contracted people to work with us and for us in ensuring that the money in the first phase of the program actually ended up where we wanted it to go—that is, in communities so they could build schools.

In the second phase of the program there is a \$12 million component which is focused on performance, audit and oversight. We are ensuring that the next investment we make in education in Indonesia, again, has appropriate provisions in the program to ensure that we can track program outputs, assess the impact of all of the components and ensure that our investment does actually contribute to Indonesia's development and does not get siphoned off in any way. So we are very confident that we have got the right approach to this.

**Senator TROOD**—Were those elements features of the original program?

**Mr P Baxter**—They were, yes. We did have, again, a rigorous process of tracking and monitoring our funding.

**Senator TROOD**—I wonder whether you are familiar with an article that was published by Robert Cannon; it was early in Jan, I think, in the *Australian*.

**Mr P Baxter**—Yes.

**Senator TROOD**—In that article, he made a range of observations, if not criticisms, about the risks or the dangers of delivering or trying to deliver aid into the education sector in Indonesia. Are you or your officers familiar with that article?

**Mr P Baxter**—I am familiar with it.

**Senator TROOD**—Do you regard the points there as having any merit?

**Mr P Baxter**—No.

**Senator TROOD**—None at all?

**Mr P Baxter**—No.

**Senator TROOD**—So there is nothing in this article that you think warrants closer attention.

**Mr P Baxter**—This issue was raised at a previous hearing, you might recall, by Senator Ferguson, if I am not wrong; he raised these same issues a couple of estimates ago, and we put our answers on the record at that time.

**Senator TROOD**—I am sorry; this is an article that Mr Cannon published in the *Australian* in January this year.

**Mr P Baxter**—That is right.

**Senator TROOD**—You are saying that he is sort of recycling his ideas; is that right?

**Mr P Baxter**—Indeed.

**Senator Conroy**—'Recycling his ideas'. This is all work for Alexander Downer.

**Senator TROOD**—Minister, please keep quiet. So this is familiar stuff to you; is that what you are saying?

**Mr P Baxter**—Yes, it is.

**Senator TROOD**—In your view, is there anything new in this article?

**Mr P Baxter**—No. The article is really—

**Senator Conroy**—You can say ‘a rehash of old ones’; it is okay.

**Mr P Baxter**—a summary of what was given to a senator who asked questions in this committee previously.

**Senator TROOD**—I see. I will not detain you by going through each of the details, but perhaps I could ask you to take this article on notice and provide me with a response to it, as part of a question on notice, as to what your refutation of these points in the article is, since you seem to have done this before.

**Mr P Baxter**—I am happy to do that.

**Senator TROOD**—It seems to me that, even if the criticisms are not necessarily persuasive, he does, in fact, raise some important issues which I think go to the integrity of our aid program in Indonesia and in relation to this matter in particular. I would be interested to know why you think his articles are completely without merit.

**Mr P Baxter**—Everyone is entitled to their opinion—

**Senator TROOD**—Indeed, they are.

**Mr P Baxter**—and Mr Cannon is entitled to his. I could read you out three or four different opinions from academics who have a very positive view of the program, the way it has been designed and the way in which it is being delivered. I am not in any way saying that Mr Cannon should not have his own opinion—

**Senator TROOD**—I should hope not.

**Mr P Baxter**—we just do not agree with it.

**Senator TROOD**—I should hope not. I would be surprised; given your excellent education, that would not be the case.

**Senator KROGER**—You are being complimented tonight, Mr Baxter.

**Senator TROOD**—Perhaps you could take on notice to give me a response to the article—that is the article of January this year—and deal with the points in it, please.

**Mr P Baxter**—I am happy to do that.

**Senator Conroy**—Perhaps I could give you some further information on this, seeing that you are seeking more information. It was Alexander Downer who said of education aid in Indonesia, when he was foreign minister, that it is a ‘low-profile but incredibly important way we contribute to the counterterrorism effort’; and: ‘Unfortunately, unlike today’s coalition, I believe this was a worthwhile program when Prime Minister Howard introduced it and it remains a worthwhile program today. Indonesia is after all Australia’s closest neighbour. It is a growing trade partner with a population of 240 million, a partner we cooperate with to

combat terrorism.’ So I think, if you take a step back and move away from some of the silliness in recent weeks, this is a very valuable program, Senator Trood, and I am glad to see that you support it.

**Senator TROOD**—I think former Minister Downer’s observations probably have a great deal of merit.

**Senator Conroy**—I got that sense.

**CHAIR**—Do you any questions on this issue?

**Senator McEWEN**—Yes, I have a couple of questions on the same issue; thank you. I wonder whether somebody could give us the details of the number of places that have been created for students under the existing program and under the proposed extension of the program.

**Mr Moore**—In the basic education program that has gone, we constructed a total of more than 2,000 schools; indeed, under the new program, we aim to construct a similar number. Each one will generate more than 300,000 new school places. This will help Indonesia to close the gap. It still has a problem in getting young people to complete nine full years of basic education. The problem is most concentrated in remote areas and amongst poor people, particularly girls. So this is a big push on Indonesia’s part to extend education to all and to make sure that there is equal opportunity throughout the country.

**Senator McEWEN**—What are the implications for Indonesia and, indeed, its relationship with Australia, if we do not assist Indonesia to improve the educational level of its young people?

**Mr Moore**—Indonesia has been keen for us to work with it on this program. We are helping to accelerate the achievement of its goals. I think it follows from what I have said that, if we do not do that, the pace of creation of new opportunities for young people will be reduced and we will not make as much progress against the MDGs and poverty reduction more broadly. One of the things I would stress is that this is one element through which we have built an extremely strong and productive partnership not only with the Indonesian government but also with communities around the country. In each one of these schools, it is a partnership between Australia, the government of Indonesia and the local communities who build the schools with local materials—they have been touched in many ways by the generosity and the neighbourliness of Australia—and that has very strong reputational benefit to us. Obviously we would be very keen to continue that program and not to see that benefit diminished.

**Senator McEWEN**—The about 4,000 schools are not all so-called ‘Islamic’ schools, are they?

**Mr Moore**—No, and I should make a very strong point here. In the first program about a quarter of the 2,000 schools were Islamic schools, but these are schools that teach the national curriculum. So we are assisting them to improve their teaching of maths, science and the English language. They are often the only schools in remote areas open to disaffected young people, to women. So there is a really important role in extending the inclusiveness of the education system. In the new program, all of the schools will be secular schools. But, as Mr

Baxter has explained, we are working to build an accreditation system and design a model so that 1,500 Islamic schools can be accredited and the model can be used across 29,000 schools, each one of which, we would hope, would adopt the national curriculum—because that is what accreditation is all about. These Islamic schools play exactly the same role in the education system as our religious schools do here, so it is about making sure that they are able to deliver quality as well as a range of places in the system.

**Senator McEWEN**—Are some of those schools in what we know as ‘Christian’ areas of Indonesia?

**Mr Moore**—Certainly. Our first program targeted 20 of the poorest provinces. Quite a few of those were in the eastern part of Indonesia, which, as you would be aware, in many cases has Christian populations.

**Senator McEWEN**—If, as has been proposed by some in the opposition, the around-about \$400 million on this program was not spent or deferred, we would be disadvantaging poor students—in particular, female students—in secular schools, including in Christian areas of Indonesia?

**Mr Moore**—Clearly the envisaged pace of improvement in the number of school places, particularly for those disadvantaged groups, would be set back; that is the consequence.

**Senator Conroy**—There has been a fair bit of debate in the community about this, and perhaps I could add to the discussions by pointing out a few other quotes from people who have some experience and interest in this area. Again I turn to the former Foreign minister, Alexander Downer. He stated in the *Age* on 9 February:

I wouldn’t like to see the program I established cut.

Jamie Briggs stated:

I would be cautious about proceeding down the line of getting rid of it, because it actually is a very important program in terms of Australia’s domestic security

That was on ABC Radio, Adelaide, on 9 February. In addition, Chris Kenny said:

The worst decision of Abbott’s leadership, proposing cuts in aid to Indonesia....

That was a Tweet that he put out on 8 February. Greg Sheridan—

**Senator KROGER**—Minister, are you starting to do a little bit of cutting and editing in reading this?

**Senator Conroy**—foreign affairs editor of, the *Australian* said:

Building schools in Indonesia is about the best possible use Australian aid money could be put to.

Professor Yasmeen from the University of Western Australia said, ‘In the long term it would only help Australian foreign policy in countering radicalism and extremism and can’t be put on hold.’ I would accept that that could not necessarily be described as a cross-section of Australian society, but it is certainly a well-informed group on this particular issue.

**Senator TROOD**—What kind of group?

**Senator Conroy**—I did say ‘well informed’, and I would suspect that I could add your name to that, Senator Trood.

**Senator McEWEN**—Thank you, Minister. I had some of those quotes myself, but I appreciate that you have put them into the atmosphere.

**Senator Conroy**—I could not resist.

**Senator McEWEN**—I have a final question. Australia has a commitment to achieving 0.5 per cent of GNI as our contribution to overseas development aid, and I understand that is a position that has bipartisan support. What would be the implications for our achievement of that, if this amount of money were withdrawn from the overseas development aid budget?

**Mr P Baxter**—If it were cut entirely, obviously we would not achieve that target. The government committed in 2008 to spending \$2.5 billion in Indonesia over five years; obviously that is a key element of the increase in the overall program to get to that 0.5 target.

**Senator McEWEN**—So, for our bipartisan commitment to achieve the Millennium Development Goals by 2015, to take \$440 million out of these projects would have a serious effect on being able to do that?

**Mr P Baxter**—Yes, a significant impact. The Indonesia education program that we have been discussing is the largest single aid program that Australia has ever undertaken.

**Senator McEWEN**—Thank you very much.

**CHAIR**—Senator Trood, do you have one or two questions on this issue?

**Senator TROOD**—Not on this issue; it is a previous issue that I have questions on. In relation to the gun policy matter that I raised earlier, I have been advised that there is a banner on the website that says that it is supported by AusAID. If this is not the case, you may need to investigate that rather closely, because someone is parading as having been in receipt of funds from your organisation, Mr Baxter.

**Mr P Baxter**—I am very happy to take that on notice. As you would understand, a \$50,000 program out of a \$4.3 billion ODA spend is something that I do not have in my head, but I am very happy to look at it for you. I have here some preliminary information that I can give you. My understanding is that gunpolicy.org supports global efforts to reduce armed violence. So it is an anti-armed violence group and the site is hosted pro bono by the University of Sydney.

I understand—but do not have details—that AusAID funded \$50,000 worth of research that provided country-by-country information on small arms policy and armed violence prevention, and that the site is seen as providing reliable, evidence-based and accessible information for government and civil society on international armed violence prevention and small arms policy information. The research that we funded targeted research in the Pacific and in Asia. The information that has been developed through the research is helping developing countries meet reporting requirements under the United Nations program of action to prevent, combat and eradicate the illicit trade in small arms and light weapons.

**Senator KROGER**—It sounds like a Green's movement.

**Mr P Baxter**—Several other donors support this program; the United Nations Development Programme, the Netherlands and the Swiss government. I am told that it is particularly highly valued by Pacific island governments and partners. That is the information

I have. I think that is probably a fairly comprehensive account of what the site is about and what our funding is for.

**Senator TROOD**—So obviously it is known to you, but it fell below—

**Mr P Baxter**—It was not until you raised it, but we know about it now.

**Senator TROOD**—What program does the funding fall under? Can you explain that to me?

**Mr P Baxter**—I am not sure, but I would be pretty sure that it is under our broader humanitarian program—that element of the humanitarian program that we devote to the adherence to particular UN conventions that relate to human rights and humanitarian issues, because clearly small arms control and the prevention and combat of armed violence is along those lines.

**Senator TROOD**—Do you have information as to when this grant was first made?

**Mr Baxter**—I do not have the date, so I can give you that on notice.

**Senator TROOD**—You do not know how long it has been in place, obviously.

**Mr P Baxter**—It is a one-off, I would say. ‘A \$50,000 grant’ is the information I have in front of me, but I will check and see if there has been a multiyear funding agreement.

**Senator TROOD**—Now I know at least that your organisation—if not you, personally—is aware of the matter. I have some questions, which you may not be able to answer this evening; I will put those questions on notice and I would be grateful if you could provide answers to them.

**Mr P Baxter**—We will be very happy to.

**Senator TROOD**—Answers to some of the questions that I was going to ask have been provided in the information that you have given us. But there is more information that I would like and I suspect that you probably do not have that information here.

**Mr P Baxter**—No, I probably do not.

**Senator TROOD**—So I will seek it, and perhaps seek to explore a little further in May.

**Mr P Baxter**—Yes.

**Senator KROGER**—I have a question in relation to AusAID tender CN357357 that was published on 6 January in relation to ‘HK Logistics Pty Ltd distributed secondary school textbooks throughout PNG for \$1,948,244.48’. I will put all these questions on notice: can you provide a breakdown of that? With that one in particular, I am interested in knowing whether those books have been distributed and at what levels they were. If you have that with you now and it is a quick one, that would be great.

**Mr P Baxter**—We certainly have a major program distributing textbooks throughout Papua New Guinea. Off the top of my head, I think we have distributed over the last year or so over half a million textbooks and we do that using a variety of methods.

**Senator KROGER**—So this would not just be for this teaching year?

**Mr P Baxter**—I would have to look at it before I could make an assessment.

**Senator KROGER**—That is fine. I am happy for you to do that. The rest I will put on notice. But there is one other that I would ask you to comment on, and once again it is one for the PNG and Pacific. It is tender notice CN336131. It is a RAMSI Women in Government program to the contract value of \$731,078.33, with a contract period of 1 July 2009 to 30 June 2011. I would be interested in knowing the parameters of that. Given that gender equality is a seriously challenging issue there, I would be very interested in knowing what a contract of that value could do to further the number of women in parliament, which is what I gather it is about—increasing the number of women in parliament—and how that serves that goal.

**Mr P Baxter**—I think my colleague Mr Gilling might have some information about that.

**Mr Gilling**—In relation to the Solomon Islands Women in Government Strategy, I do not have a great deal of information and I will happily take it on notice. But the information I do have outlines that the activity was designed to increase women's participation in administrative and representative government and support the integration of gender issues into what we have called our 'machinery of government' program.

**Senator KROGER**—I would be very interested in exploring that, because I do not see how you increase women's participation in parliament or aid the gender inequality issue in these areas with a top-down approach, which, just by reading this, seems to be the case—and it may well not be. Mr Baxter, how do you organise your appointments with the foreign minister? Do you have standard meeting times locked into the diary? Given that there is such a focus on aid and there is the committee that has been convened to look at the effectiveness of aid, do you have, as I have said, a date in the diary once a week or once a month to meet with him to discuss all the various things that are being done? Aid is really front and centre at the moment in the political agenda and I wonder to what extent you have engagement with him.

**Mr P Baxter**—I see the minister very regularly. I think, so far this week I would have had three meetings with him, so my access to the minister is excellent. He is very much leading the reinvigoration of the aid program, as we seek to increase it to 0.5. As you know and have mentioned, he has established an independent review of aid effectiveness of the Australian aid program and he also engages regularly with that panel as part of the process. So I do have regular meeting times with him. But I also meet with him more frequently than the regular meeting times because there is so much going on at the moment. It is a very productive and professional relationship.

**Senator KROGER**—Was the Joint Adviser Review undertaken by your office and signed off by him?

**Mr P Baxter**—Absolutely.

**Senator KROGER**—Was that the process by which this was put together?

**Mr P Baxter**—Absolutely. The review was announced in May last year and the minister, of course, became foreign minister following the election and he has been responsible for driving the review to the conclusion and for agreeing to the recommendations and directing us to implement those recommendations.

**Senator KROGER**—Thank you, Mr Baxter, and thank you, Chair.

**Mr P Baxter**—Perhaps I could add a little more information on the record to Senator Trood's question on gunpolicy.org. The contract was signed for that payment on 1 June 2010, the payment was made on 17 June 2010 and was a one-off payment.

**Senator TROOD**—Thank you.

**CHAIR**—Thank you, Mr Baxter. I think that brings us to a conclusion. Mr Baxter, thank you and your officers for attending this evening and being of assistance to the committee. Thanks, Senator Conroy, for having been in attendance all day. On that basis, I declare this committee adjourned. Thank you very much.

**Committee adjourned at 9.15 pm**