
The Parliament of the Commonwealth of Australia

Report of the Australian Parliamentary Delegation to

Egypt and Israel

24 October – 6 November 2008

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Canberra

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Foreword

An Australian parliamentary delegation visited Egypt and Israel in October and November 2008 to strengthen the bilateral relationship between Australia and Egypt, and Australia and Israel, and to gain a better understanding of the issues that influence events and attitudes in the Middle East. The delegation also made a brief visit to the West Bank of the Palestinian Territories. This report provides a brief overview of the information gathered by the delegation members.

Parliaments around the world are engaged in debates about issues that transcend national borders. Parliamentarians are asked to consider new legislation on such issues, so it is advantageous for us to speak to our colleagues in other countries on how they are dealing with the many issues that are put before us all.

It is equally important for us to see such exchanges as opportunities to explore new potential for stronger cooperation between and among countries. We can take back information to our parliament and our government on areas of cooperation and growth we believe can be nurtured and promoted. There are a number of areas where we can benefit from the knowledge and talents of others.

Australia has a significant involvement in the Middle East – as a trading partner and through the efforts of Australian Defence Force personnel serving in the region. It is important, therefore, that parliamentarians from Australia maintain an interest and continue to develop relationships in the region. The visit by the delegation provided a valuable opportunity to gain a better understanding of current issues surrounding the Middle East peace process and to explore opportunities for expanding relationships, particularly in the areas of trade and investment.

The delegation was encouraged by statements of optimism about the Middle East peace process that were made during the visit, but extremely concerned about the breakdown of the cease-fire arrangement in December 2008 and the resulting conflict between Israel and Hamas. The delegation supports continuing diplomatic efforts to halt all violence and to find a path forward towards a lasting and stable solution.

The delegation members join me in expressing sincere appreciation to the government, parliamentary, business and other representatives who met with us. We were grateful for the welcome and hospitality extended to us, for the time that was made available for meetings and for the useful and interesting exchange of information and views.

Finally, I would like to thank the other members of the delegation for their active and constructive contributions. All members engaged in discussions, visits and inspections with enthusiasm and in a spirit of bipartisanship.

A handwritten signature in black ink, appearing to read 'Annette Ellis', written in a cursive style.

Annette Ellis MP
Member for Canberra
Delegation Leader
March 2009



Membership of the Delegation

Leader of the Delegation

Ms Annette Ellis MP

Member for Canberra (Australian Capital Territory)

Deputy Leader of the Delegation

The Hon Bruce Scott MP

Member for Maranoa (Queensland)

Delegation Members

Senator the Hon Richard Colbeck

Senator for Tasmania

Senator Gavin Marshall

Senator for Victoria

The Hon Peter Slipper MP

Member for Fisher (Queensland)

Senator Glenn Sterle

Senator for Western Australia

Delegation Secretary

Ms Lyn Witheridge

Department of the House of Representatives



List of abbreviations

ADF	Australian Defence Force
DAP	Direct Aid Program
HE	His/Her Excellency
IDE	Israel Desalination Enterprises
LTCOL	Lieutenant Colonel
MFA	Ministry of Foreign Affairs
MFO	Multinational Force and Observers
NCHR	National Council for Human Rights
NHASD	New Horizon Association for Social Development
NGO	Non-government organisation
PA	Palestinian Authority
PLC	Palestinian Legislative Council
PLO	Palestinian Liberation Organization
PMW	Palestinian Media Watch
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGA	United Nations General Assembly

UN OCHA	United Nations Office for the Coordination of Humanitarian Assistance
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East
UNTSO	United Nations Truce Supervision Organization

Introduction

- 1.1 This report is based around the various locations visited. Chapter 2 reports on the visit by the delegation to Egypt from 24 to 30 October 2008. Chapter 3 reports on the visit to Israel from 31 October to 6 November 2008. Chapter 4 reports on the visit by the delegation to the West Bank of the Palestinian Territories on 3 November 2008. Briefing material provided by the Department of Foreign Affairs and Trade has been used extensively in developing this report.
- 1.2 The regional situation has changed since the visit. Relations between Israel and Hamas, the political organisation controlling the Gaza Strip, deteriorated with the expiration of the ceasefire arrangements that had been in place since June 2008. Violence between the two escalated, with rocket fire and mortar attacks on southern Israel and the Israel Defense Forces Operation Cast Lead aerial strikes and ground force military actions in the Gaza Strip during December 2008 and January 2009.
- 1.3 Delegation members are concerned about the violence and the suffering on the part of innocent civilians but understand Israel's need for security. There is strong support for diplomatic efforts to find a solution for lasting peace.
- 1.4 The delegation notes the Australian Government's announcement in January of a further allocation of \$10 million towards humanitarian assistance to the people on the Gaza Strip, followed by the announcement on 2 March 2009 of an additional \$20 million to meet the recovery and reconstruction needs of the Palestinian people.
- 1.5 Although recognising the changed circumstances in the region, this report is written on the basis of information relating to the period up to 6 November 2008.

Visit Objectives

Egypt

1.6 The objectives of the visit to Egypt were to:

- Renew and strengthen relations with the People's Assembly;
- Gain an appreciation of key domestic social, political and economic issues and challenges and their relationship to regional issues;
- Obtain an enhanced appreciation of Egyptian perspectives on the recent evolution of the Middle East peace process and of possible future directions;
- Examine opportunities for expanding bilateral trade and commercial relations and investment, as well as education links and tourism.

Israel

1.7 The objectives of the visit to Israel were:

- Renew and strengthen relations with the Knesset;
- Gain an appreciation of key domestic social, political and economic issues and their relationship to regional issues;
- Obtain an enhanced appreciation of Israeli views on the recent evolution of the peace process in the Middle East and of possible future directions;
- Gain an increased understanding of Israeli approaches towards environmental issues, including climate change strategies, efficient use of water resources, and utilisation of solar energy;
- Examine opportunities for expanding bilateral trade and commercial relations and investment, as well as education links and tourism.

Acknowledgements

1.8 The delegation wishes to express its sincere appreciation of the efforts of all those who contributed to the success of the visit. In particular, the delegation wishes to acknowledge the following contributions:

Canberra

- The Attorney-General's Department provided an oral briefing to the delegation and the Department of Foreign Affairs and Trade and the Australian Trade Commission provided both oral and written briefings as well as assisting with administrative arrangements.

Egypt

- Representatives from the Egyptian government and parliament for the warm welcome they afforded the delegation and for the opportunity they provided for an exchange of information and views.
- The Australian Ambassador to Egypt, HE Ms Stephanie Shwabsky, our liaison officer from the Australian Embassy in Cairo, Hugh Robilliard, and the other embassy staff for the considerable effort they devoted to the visit and for their work in securing a number of significant, high level meetings for the delegation. The comprehensive briefing provided by the Ambassador at the commencement of the visit which was of great value in updating the delegation on the current social, political and economic situation in Egypt. In addition to a reception, the Ambassador also hosted two working lunches during the visit by the delegation. Guests attending the lunches participated in very vibrant and interesting discussion on the concept of a dialogue between civilisations and on issues relating to domestic and regional politics.

Israel

- The Knesset and the Ministry of Foreign Affairs (MFA) for the generous hospitality accorded to the delegation and for the arrangements made for a comprehensive and informative program. The delegation particularly notes the assistance provided by the Director of the Asia Pacific Division of the MFA, Ambassador Michael Ronen.
- The Australian Embassy in Tel Aviv and the Australian Representative Office in Ramallah for their invaluable contribution to the arrangements made for the visit.
- The Australian Ambassador, HE Mr James Larsen, and the Head of the Australian Representative Office, Ben Scott, both provided comprehensive and informative briefings to the delegation and ongoing assistance to the delegation during the visit. The Australian

Embassy liaison officer, Ms Patricia Smith, is also acknowledged for her extensive contribution to the visit arrangements. Delegation members appreciated the opportunity to meet with a wide range of individuals with links to Australia at a reception hosted by the Ambassador.

- Officers from the United Nations Truce Supervision Organization (UNTSO) for arranging and escorting the delegation to the Golan Heights region, and in particular to Major General Ian Gordon for his warm hospitality.
- Representatives of the Israeli government, parliament and other organisations, who met with the delegation and provided information on a range of matters of significance.

Palestinian Territories

- The Palestinian Legislative Council, the Palestinian Authority and other organisations which provided invaluable insights that were obtained during meetings and discussions during the visit to the West Bank.
- The United Nations Office for the Coordination of Humanitarian Assistance (UN OCHA) and the United Nations Relief and Works Agency (UNRWA) for comprehensive briefings and site visits arrangements.

Egypt

Overview

- 2.1 Egypt, with a population approaching 80 million, is the most populous country in the Arab world. It is a young community, with around 40% of the population under 20 years of age. 85-90% are Muslim (mostly Sunni), and the majority of the remainder are Coptic Christians.
- 2.2 The vast majority of the population live near the banks of the Nile River in an area of just 40,000 km². About 95% of Egypt's approximately 11 million km² is desert.
- 2.3 Around half the population of Egypt live in urban areas, including about 18 million in the capital. There is considerable traffic congestion and associated smog levels.
- 2.4 A number of issues confronting Egypt were evidenced in the first key meeting of the visit with the Governor of Alexandria, HE Major General Adel Labib. In response to a question about Egypt's position in relation to ongoing global environmental challenges, including addressing carbon emissions, Governor Labib indicated that there was not an immediate threat but that the effect of climate change on the region is the subject of ongoing government research. This particularly related to the Nile Delta area, and the impact of rising sea levels on regional beaches.
- 2.5 In relation to water usage, the Governor indicated that the level of the Nile River was falling, but that the volume stored in the Ashwan High dam would be able to supply water to the region for five years if required. The Ministry of Irrigation controls the water system and allocates water in accordance with an agreed plan. The Nile River continues to attract a high

level of tourism with approximately 380 tourist cruise ships in use (about 13 million tourists visit Egypt each year). The transfer of people and shipping containers from the Port of Alexandria along the Nile means that it is used as a 'water highway' reducing pressure on local roads.

- 2.6 Members were interested to learn about the many tourist and holiday villages being developed in the Mediterranean coastal region. Most are utilised for only around one or two months of the year and are primarily owned by wealthy Egyptians living abroad or in Cairo. When driving between El Alamein, Alexandria and Cairo it was possible to observe the construction of many of these villages, which stretch for approximately 240 km.
- 2.7 The meeting with the Minister for Social Solidarity, HE Dr Ali El-Misilhi, who has responsibility for social issues, internal trade and supply, including subsidies, revealed that there were 22,000 non-government organisations (NGOs) in Egypt. The Minister identified the key challenges as being: the need to coordinate the activities of NGOs to avoid duplication of effort and expenditure, and to develop NGO capacity to assist poorer families to become more self sufficient rather than just providing direct financial assistance. Projects are underway to enhance the basic services (education, health, infrastructure and roads) in the poorest villages, and also special programs to increase skill levels in those villages with a view to generating income.
- 2.8 Education reform was identified as a significant challenge. According to the United Nations Human Development Index, the adult literacy rate is 71.4%. Associated with this is a lack of trained and skilled workers. In an attempt to address this ongoing need, in the Governorate of Alexandria, there were now 24 technical schools with 45,000 students training to work in different industries.

Australia-Egypt relations

Introduction

- 2.9 Australia's relations with Egypt are longstanding. For almost a century, Egypt was a main transit point for air travellers and shipping between Europe and Australia. In the two world wars, Australian forces were stationed in Egypt. From 1976 to 1979, Australian Defence Force (ADF) personnel were stationed on the Suez Canal as part of the United Nations Emergency Force for disengagement between Egypt and Israel.

People to people links

- 2.10 In Australia, Egyptian-Australians are a well established community. There are over 30,000 Australians of Egyptian origin living in Australia, residing mostly in New South Wales and Victoria. There are around 1200 Egyptian students studying in Australia.
- 2.11 Over 60,000 Australians visit Egypt each year, with around 600 Australian long-term residents in Egypt.
- 2.12 Australia has a warm association with the Bibliotheca Alexandrina (the Alexandria Library). Lorenzo Montesini, Chairman of the Australian Friends of the Alexandria Library, was present during the visit by the delegation. Also present was Sydney photographer, Susie Hagon, whose works were displayed in an international photographic portrait exhibition 'Faces of Australia and the Bibliotheca Alexandrina' funded by the Council for Australian-Arab Relations.
- 2.13 The Bibliotheca is a vibrant and impressive establishment, which includes an extensive library, a conference centre, seven research institutes, book publishing facilities and a planetarium. The delegation was the first to tour the new Manuscript Museum, following its opening by the Italian President. The large number of visitors present, including local students and tourists, was evidence of the popularity and high use of the facility.

Economic links

- 2.14 Australia and Egypt have a solid trade relationship. Egypt is currently Australia's 40th largest merchandise export destination, with two-way merchandise trade of \$327 million in 2007-08. Despite shrinking overall, bilateral trade relations have broadened in scope in recent years into areas such as education. Trade and investment opportunities also exist for Australian companies in the mining sector, especially in gold mining as well as across a range of services.
- 2.15 The delegation was very interested in Egypt's commodity subsidy program which includes production and distribution of bread. More than 200 million loaves of 20cm flat bread, weighing 130g, are produced each day. The importation of more than six million tonnes of wheat of a suitable quality to support bread production is an important ongoing issue for the Egyptian government.
- 2.16 Global rising food prices have meant that wheat has become more expensive. In April 2008, there were riots at some government subsidised bakeries over shortages of subsidised bread.

- 2.17 The government had stressed to the public that they were taking the problem seriously and were working to alleviate the situation, including by directing the military bakeries to produce bread. The government spends a considerable amount of its revenue to subsidise a wide range of commodities. This is a long term issue that will need to be addressed as expenditure on subsidies continues to rise.
- 2.18 Wheat has been the cornerstone of the economic relationship between Australian and Egypt. Australian wheat exports have reduced since 2004 owing to the drought and changes to export arrangements. Given greater capacity it is possible that the amount of wheat available from Australia may now increase, which was welcome news to the Egyptian authorities.
- 2.19 At the time of the visit, the management of the Five Star Flour Mill in Egypt, which mills only Australian wheat, had been in touch with the Australian Embassy with concerns about ergot fungus levels. Australia permits a low level of ergot fungus in wheat exported, but this is not compatible with Egyptian regulations which do not allow any level in imported wheat. After the visit, the delegation were advised that the Embassy had made arrangements with the Australian Department of Agriculture, Fisheries and Forestry and the Australian Quarantine Inspection Service for a delegation of Egyptian government officials to visit Australia, funded by Five Star, for meetings and site visits. It was hoped that the visit would facilitate a stronger understanding of regulations and their interpretation that would remove impediments to the important trade in Australian wheat to Egypt.
- 2.20 Live meat exports from Australia were discussed in a number of meetings, including with the Minister for Agriculture, HE Eng Amin Abaza.
- 2.21 Australia's live cattle exports to Egypt were suspended on 26 February 2006 following allegations of mistreatment. In July 2008, the Australian Minister for Agriculture, Fisheries and Forestry, the Hon Tony Burke MP, announced the recommencement of the trade to Egypt, subject to stringent animal health safeguards.
- 2.22 Given the importance of the live animal export trade to both countries, the delegation visited the feedlot and abattoir facility at the Sokhna Port operated by the Sokhna Livestock Company. This facility has the capacity to receive and process cattle to Australia's requirements.
- 2.23 The facility operates as a 'closed system', with cattle being handled from shipping vessel to feedlot to processing in one location. Upon disembarkation, cattle walk 800 metres to the shaded feedlot where they have access to feed and water. Once ready for processing, the livestock then walk a further 50 metres from the feedlot to the processing facility.

Animals are processed according to Muslim 'Halal' requirements, at a rate of 10 and 15 per hour or 100 head per day (one shift). Between 100 and 200 tonnes are processed per week (one or two shifts) by the Sokhna Deboning Company.

- 2.24 The system used is fully auditable. Each animal has an individual electronic ear tag device and is scanned prior to leaving Australia and upon arrival in Egypt. Tags are collected at the point of processing and verified back to the original shipment. Animals are loaded to Australian standards – approximately 16,000 to 18,000 per ship, depending on weight. The feedlot can hold up to 25,000 animals.
- 2.25 Sokhna Livestock Company representatives indicated that it was not a big handler in the Egyptian market and is more interested in ensuring high standards and a final product that can be guaranteed in terms of taste and quality. Animal welfare and comfort was a primary concern to meet Australian and Egyptian government export/import requirements and ensure optimal weight gain during transport and on the feedlot.
- 2.26 All parties agreed that it was very important to ensure that all issues with the current exporting arrangements were clarified before any further expansion was likely.
- 2.27 The Minister for Agriculture informed the delegation about the Toshka Project. Water is irrigated from Lake Nasser, transforming approximately 500,000 acres of desert into agricultural land. When the Toshka Project is completed in 2020, the valley is projected to become home to more than three million residents and to increase Egypt's arable land by 10%. The long term plan was that the Project will meet Egypt's food requirements and provide agricultural exports for the next 25 years.
- 2.28 Egypt and Australia share a number of common challenges – low rainfall, large areas of arid, unusable land and concentrated populations. There was agreement that there are a number of opportunities to learn from each other, particularly about arid regions. The delegation encouraged the Minister for Agriculture to make a visit to Australia.

Australian Assistance to Egypt

- 2.29 Australia does not have a bilateral aid program with Egypt. Humanitarian assistance is largely provided through assistance to counter regional or transnational threats (including pandemics). In 2007-08, Australia provided \$8.78 million in assistance, the majority of this in the form of debt relief. AusAID provided \$42,600 in assistance through the Australian non-governmental organisation partnership program. The Victorian Government also provided \$13,000 in assistance.
- 2.30 Assistance is also provided through Australia's Direct Aid Program (DAP). In the past the Australian Embassy has funded women's literacy projects, vocational training programs for disadvantaged youth, and antenatal care clinics. The DAP allocation for Cairo in 2008-09 is \$40,000.
- 2.31 The delegation was very pleased to meet with representatives from the New Horizon Association for Social Development (NHASD), a NGO dedicated to improving the quality of life of the most marginalized and underdeveloped communities in Egypt. NHASD works to implement projects that are geared towards providing target groups with strategic skills and designed to support the ability of the poor to exercise their right to a socio-economic sustainable livelihood (including access to food and water, an income, and appropriate working conditions); fundamental social services (health care, education); and participation in the political life of their society.
- 2.32 The delegation went to Ezbet Kherala, one of the NHASD targeted squatter communities in Old Cairo, visiting two of the on-site NHASD projects, which assist children in underprivileged areas. The KidsBake vocational training centre is a recipient of Australia's DAP in Egypt. The delegation was very impressed with the facilities and the work being undertaken in both centres and highly commend NHASD on their efforts, and the Australian Embassy for coordinating the financial support from Australia for these projects.



Figure 1 Delegation members with NHASD staff and young women participating in the KidsBake vocational training program

Peacekeeping contribution

- 2.33 Australia's commitment to peacekeeping operations in the Middle East is another significant element of our relationship with Egypt.
- 2.34 Australian Defence Force personnel participate in the Multinational Force and Observers (MFO) established to monitor the peace treaty between Egypt and Israel. During its visit, the delegation met with the Representative of the Director General of the MFO in Cairo, Normand St Pierre.
- 2.35 The MFO is maintained by 11 participating nations – Australia, Canada, Columbia, Fiji, France, Hungary, Italy, New Zealand, Norway, Uruguay and the United States.
- 2.36 The delegation also had the opportunity to meet with some of the 25 personnel serving in key roles with the MFO as part of Australian Operation Mazurka in the Sinai, led by Contingent Commander, LTCOL Shaun Love. (See Appendix B)
- 2.37 The MFO operates checkpoints, reconnaissance patrols and observation posts on the Sinai Peninsula and along the international border between Egypt and Israel. It also ensures the freedom of navigation through the Strait of Tiran leading into the Gulf of Aquaba. (See Map at Appendix C)
- 2.38 Under agreed arrangements signed on 1 September 2005, the MFO took on the additional responsibility of monitoring the deployment of border guards along the Egyptian side of the border between Egypt and Gaza, in

the northernmost part of Zone C. The MFO monitors the Border Guard Force by verifying that the deployment is consistent with the terms agreed between Egypt and Israel (as amended on 11 July 2007), including the stipulated number, characteristics and location of personnel, weapons, equipment and infrastructure of the Border Guard Force.

- 2.39 Mr St Pierre noted that the MFO is the cornerstone of Treaty implementation. It is the only security provision of the Camp David Treaty that has been fully implemented.
- 2.40 To date the greatest threats to the MFO have been motor vehicle accidents, land mines, and the harsh climate.
- 2.41 Mr St Pierre expressed appreciation for the Australian contribution to the MFO. He noted that Australian troops are highly regarded within the MFO for their competence and professionalism.
- 2.42 LTCOL Love indicated that the experience of working within the MFO is beneficial to the individual service men and women involved and to the Australian Defence Force as a whole. Defence personnel gain extremely valuable experience operating in a peacekeeping environment that is challenging and is significant for the stability of the region. All troops are specifically trained and aware of cultural and security issues before arriving at the Sinai.
- 2.43 The delegation congratulates the members of the Australian Contingent for the significant contribution they are making to the MFO and peace within the Middle East. All Australians should recognise and appreciate the level of goodwill generated from our contribution to such peacekeeping operations.

Commemoration activities

- 2.44 The delegation was honoured to attend services commemorating the 66th anniversary of the Battle of El Alamein (1942).
- 2.45 The international service was held at the Italian War Cemetery in El Alamein. The guest of honour at the event was the President of Italy, HE Giorgio Napolitano.
- 2.46 The British Embassy hosted the 2008 Commonwealth Commemoration Ceremony held at the Commonwealth War Graves Cemetery. Delegation Leader, Ms Annette Ellis MP, together with the Australian Ambassador, HE Ms Stephanie Shwabsky, laid a wreath during the ceremony.

- 2.47 Delegates inspected Australian war graves at the Cemetery, including those of Victoria Cross recipients and some made private commemorations. Over 3,000 Australian soldiers are buried in Egypt, including 1,234 at the El Alamein Cemetery. The Commonwealth War Graves Commission is commended for its care of the graves of Australians and others buried at the site.
- 2.48 The delegation also laid a wreath at the Australian 9th Division Memorial at El Alamein, honouring the sacrifices of those Australians who served in the region during wartime.



Figure 2 Delegation members with members of the Australian Defence Force serving with the MFO at the Australian 9th Division Memorial

Government/Politics

- 2.49 Egypt has a bicameral parliament, comprising the People's Assembly and the Advisory (or Shura) Council. The Advisory Council has 264 seats, with 176 elected and 88 appointed by the President. It functions only in a

consultative capacity and members serve six year terms. The People's Assembly has 454 seats, of which 444 are elected and 10 appointed by the President. Assembly members serve five year terms. The ruling National Democratic Party has a decisive majority in the People's Assembly (311 seats). The main opposition comes from 112 independent members, who are primarily members of the Muslim Brotherhood. The Muslim Brotherhood is not a recognised party and therefore its parliamentary members are listed as independents.

- 2.50 Internal security remains a high priority for the government. Authorities are particularly concerned to prevent Islamic extremism and militancy.
- 2.51 The President of Egypt, HE Hosni Mubarak, holds executive authority and has the power to appoint and remove ministers and senior officials. In office since 1981, the term of President Mubarak has been extended four times in referenda. He announced in February 2005 that the constitution would be amended to permit multi-candidate presidential elections and won Egypt's first contested presidential election in September 2005.
- 2.52 The likely successor to the President was discussed regularly throughout the visit. Two scenarios were often presented. First, that arrangements may be put in place to enable President Mubarak's son to assume office and second, that one of the 'old guard' of the National Democratic Party is likely to be elected.
- 2.53 The delegation met with Dr Dina Shehata of the Al Ahram Center for Political & Strategic Studies. The centre studies Egyptian and regional political, strategic, economic and social issues. The centre claims to maintain complete independence in directing its research activities and also provides for the freedom of speech of its scholars and researchers.
- 2.54 In discussing the influence of young people in the political arena, Dr Shehata indicated that political parties are not considered attractive to them and that there is not an active youth movement, although some smaller groups may evolve in time. She acknowledged that youth are a potential force, but legal restrictions prevent student activism and young Egyptians are not bold enough to enter into confrontation with the state.
- 2.55 Around 32 million people (approximately 40% of the population) are registered to vote. However, at the 2005 Presidential elections only 23% of those eligible voted. Women are not required to vote, although they are eligible. Voting is deemed compulsory for men only.
- 2.56 Dr Shehata also pointed to the complicated issues surrounding the reform of the state and the education system. There was a possibility that actions in these areas could undermine the state which is currently very well

controlled. There was a view that too much democracy could lead to state failure and instability.

- 2.57 Discussions with the Speaker of the People's Assembly, HE Dr Fathi Sourour, focussed on the differences and similarities of the parliamentary systems of Australia and Egypt, particularly in relation to ethics and also disciplining members in the chambers. It was interesting to note that the constitution is expected to be changed to guarantee that women have a percentage of seats in the parliament. Currently it is more difficult for women to be elected.



Figure 3 Australian Ambassador Shwabsky, Delegation Leader Ellis and Egyptian Speaker Sourer

- 2.58 The delegation took the opportunity of their visit to encourage Speaker Sourour to take up the invitation from the Presiding Officers to visit Australia as a guest of the Parliament of Australia.
- 2.59 Just prior to the delegation visit, the historic Shura Council building was significantly damaged by fire. The delegation extended good wishes to the Speaker for the speedy and complete recovery of those injured in the fire, and also for a successful rebuilding program.
- 2.60 The delegation met with the Vice President of the National Council for Human Rights (NCHR), Dr Ahmed Kamal Aboul Magd. The NCHR is a government funded organisation established by the Shoura Council in 2003. The NCHR has the power to receive grievances and complaints from the public. Human rights legislation is referred to it for comment and the organisation cooperates with NGOs and civil rights groups.
- 2.61 The NCHR has a lengthy list of issues of concern, including the application of torture; improvements in living conditions in prisons and

detention facilities; freedom of expression; new anti-terrorism legislation; restrictions on formation of political parties and political affiliations; trial of civilians in military rather than civil courts; equal treatment of citizens; NGO freedom of practice; action to fight corruption; action to address poverty and unemployment; putting and end to child labour and the right of education for all children.

- 2.62 The NCHR is also involved with election monitoring; the implementation of the Emergency Law, and recognising the need for stability but not at expense of human rights. The Council is also keen to continue pressure on the government for the inclusion of an 'Other' religious category on compulsory identity cards, thereby allowing citizens freedom to have their religion of choice listed. At present only Islam, Christianity and Judaism are the options.

Egypt, the Middle East and international relations

- 2.63 Egypt has the third largest economy in the Arab world. The country plays an active role in regional politics and takes a prominent position as a mediator on important issues. Egypt was the first Arab nation to make peace with Israel in 1979. Egypt continues to play an active role in peace negotiations between Israel and the Palestinian Territories. Egypt successfully brokered a ceasefire between Israel and Hamas in Gaza, and are pushing for Palestinian reconciliation. Egypt has also supported UN and African Union calls for a political resolution to the Darfur conflict.
- 2.64 Egypt is a leading member of the Movement of Non-Aligned States and belongs to numerous international organisations, including the United Nations, the World Bank, International Monetary Fund, the League of Arab States and the African Union.
- 2.65 The permanent headquarters of the League of Arab States is in Cairo and the delegation met with the Secretary General of the League, Amre Moussa.
- 2.66 Mr Moussa highlighted the fragility of the situation in the region and the tense relations between some Arab countries. He indicated that the issue of Israeli settlements continued to make resolution difficult as these have changed geographical characteristics. He considered that if there was a change in administration in Israel this was unlikely to result in significant changes to the peace process, and this type of change had been considered and awaited numerous times in the past. He also considered there was a need for a strong and honest broker to pressure both sides to progress initiatives. Mr Moussa thought that the new United States administration

would have the current economic situation as its first priority, and Afghanistan as its second, and that issues in the Middle East would be a lower priority issue.

- 2.67 The Chairman of the Shura Council Committee on Arab Affairs and National Security, HE Ambassador Mohamed Bassiouny, was Egypt's former Ambassador to Israel for 21 years and has extensive experience and knowledge of the processes towards peace in Middle East. He described a 'golden opportunity' that exists at the present moment to end past wars and bloodshed. He said the 22 member nations of the Arab League had presented a very important plan and peace initiative, which was presented first in 2002 and then again in 2007. He also said Israel had finally responded, indicating that it would like to commence talks in line with the initiative. Egypt was to host a meeting on 9 November 2008 with a view to forming four committees to further talks covering six key issues – Jerusalem; refugees; settlements; border; water; and security. He believed there was an opportunity to move forward, given the financial means and good will, in a fair and acceptable way to all sides.
- 2.68 The Egyptian administration is strongly of the view that there was a need to have a comprehensive solution between Israel and the Palestinians to ensure stability in the region. The position of both Egypt and Australia are consistent – a two-State solution that ensures a secure Israel and a viable, independent Palestine (including economic stability and water sharing). Egypt would be seeking further talks with Iran, noting that war or a military solution was not a viable option, and that international arms control was in the interest of all nations, without exception.
- 2.69 Ambassador Bassiouny and others indicated that the Israeli election was likely to delay the peace process as it would take two to three months for the new administration to settle following the February election, and that a new United States administration would also delay matters. He hoped however that each would be open and willing to engage in the region and with a positive influence. He also stressed the importance for Egypt to have good relations with the west.
- 2.70 The Minister for Agriculture, HE Eng Amin Abaza, as well as the Assistant Foreign Minister for Asian Affairs, HE Ambassador Hussein Hareidy, agreed with these views.
- 2.71 Ambassador Hareidy noted that while the international community did need to assist with the peace process, it should not interfere in domestic issues. He also indicated that Egypt welcomed the rise of China as a world force and an emerging new international player. He indicated that a strategic dialogue would commence next month, and that Egypt was hosting a forum with China and Africa in October 2009.

Israel

Overview

- 3.1 Israel's population is approximately 7 million. The religious breakdown of the population is Jewish (76%), Muslim (16.3%), Christian (2.1%) and Druze (1.7%).
- 3.2 Of the Jewish population, approximately two-thirds are Israeli-born. Approximately 22% were born in Europe or the Americas and 10% are from Asia or Africa.
- 3.3 The establishment of the modern State of Israel is closely linked with the tragedy of the Holocaust. The delegation visited the Yad Vashem Martyrs' and Heroes' Memorial of the Holocaust, a memorial museum documenting the history of the Jewish people during the Holocaust period and preserving the memory of victims of that time.
- 3.4 In 1938 the Australian government decided to admit 15,000 Jewish refugees from Nazi Germany. By the time the war began only 6,500 had reached Australia. By the end of the war, 6 million Jews had been murdered and the question of a homeland for the Jewish people was under active consideration by the international community.
- 3.5 Australia is proud to have played a part in the international process that led to the foundation of the State of Israel. Australia's then Minister for External Affairs, Dr Evatt, chaired the United Nations Special Committee on Palestine, which recommended in August 1947 the termination of the Mandate for Palestine. The resolution that the

United Nations adopted in November 1947 proposed the establishment of two independent states – one Arab and one Jewish. – as well as Jerusalem as an international city. Australia was the first state in the historic vote of the international community on that resolution to cast its vote in support of the modern State of Israel. On 14 May 1948 David Ben-Gurion declared the foundation of the modern State of Israel.

- 3.6 On 29 January 1949 Prime Minister Ben Chifley announced that Australia would become one of the first countries to recognise the new State of Israel. He described it as ‘a force of special value in the world community’.
- 3.7 As President of the General Assembly, Dr Evatt then presided over the historic May 1949 vote admitting Israel as the 59th member of the United Nations. On 11 May 1949 the Chifley Labor government opened an embassy in Tel Aviv.
- 3.8 On 12 March 2008, Prime Minister Kevin Rudd, when speaking in support of a bipartisan resolution commending Israel on the 60th anniversary of its independence, stated that

The 60 years since the establishment of Israel have been full of challenges and full of trials. Similarly, the process for the emergence of a Palestinian state has come along a torturous path. There has been too much bloodshed. But over those 60 years there has also been cause for hope.

- 3.9 The Prime Minister also reaffirmed Australia’s commitment to an effective two-state solution in the Middle East peace process, where an independent and economically viable Palestinian state is established and Israel is able to exist within secure and internationally recognised boundaries.

Australia-Israel Relations

Introduction

- 3.10 Australia’s close relationship with Israel is underpinned by a shared commitment to democratic values and strong people-to-people links, including Australia’s active Jewish community.

- 3.11 Politically, Australia and Israel enjoy excellent and wide-ranging bilateral relations. As indicated above, the occasion of the 60th anniversary of the State of Israel in March 2008 was marked by the passage of a bipartisan resolution in the Parliament of Australia. Members were united in their tributes to celebrate and commend the achievements of Israel since its inception.
- 3.12 There have been a number of bilateral official visits, including in April 2008, when the then Governor-General of Australia, HE Major General Michael Jeffery, undertook the first Australian State visit to Israel.
- 3.13 Israel has also indicated its support for Australia's bid for non-permanent membership in 2013-14 of the United Nations Security Council.

People to people links

- 3.14 There is a long history of the Australian Jewish community, beginning with those who arrived aboard the First Fleet in 1788. Today there are approximately 120,000 Australian Jews, many of whom maintain close links with Israel. Approximately 10,000 Australian Israeli dual nationals live in Israel.
- 3.15 The Australian Jewish community, centred mainly in Sydney and Melbourne is appreciated in Israel as influential and generous in its support for Israeli and Jewish causes. It has been a source of funds for numerous Israeli institutions including Tel Aviv University, Hebrew University and Yad Vashem.
- 3.16 The Park of the Australian Soldier, located in central Be'er Sheva, was funded by the Pratt Foundation, one of the largest private sources of philanthropy in Australia. The park is a landscaped recreational park and children's playground, with an emphasis on children with a disability. It also features a memorial, incorporating a lifelike sculpture by Australian artist Peter Corlette, reflecting the spirit of the horses and riders of the Australian Light Horse.
- 3.17 The delegation visited the Ein-Karem Hospital, operated by the Hadassah Medical Organization, Israel's largest teaching and research hospital. It is also the major response hospital for serious accidental and terrorism related trauma. The delegation inspected the new trauma facility at the hospital, which doubles as a bomb shelter. In 2007, Hadassah provided 1.295 million people with hospital services. All patients are provided with the same medical treatment, regardless

of their religion, financial status, etc. The delegation was pleased to meet and hear about the work being undertaken by Dr Stanley Korman to treat metabolic diseases in the Arab and Palestinian communities. Dr Korman, an Australian educated at the University of Melbourne, formerly worked at the Royal Children's Hospital in Melbourne.

Economic links

- 3.18 Israel has a robust and diverse economy. In 2008, Israel's GDP was estimated to be worth over \$US176.9 billion. Israel's primary trading partners are the United States and the European Union.
- 3.19 Despite Israel's security challenges, the country's economy has performed strongly. Since 2003 the economy has expanded at an average annual rate of 5%. Prior to the current financial crisis, stock market returns were strong, unemployment was the lowest in 10 years and inflation fell from 5.7% in 2002 to below 1% in 2007.
- 3.20 Israel depends on imports of crude oil, grains, raw materials and military equipment. Despite limited natural resources, Israel has intensively developed its agricultural and industrial sectors over the past 20 years. Israel imports substantial quantities of grain, but is largely self-sufficient in other agricultural products.
- 3.21 Economically, Australia and Israel have a healthy commercial relationship worth \$807 million (2007). The trade balance is heavily in Israel's favour, with imports from Israel valued at \$626 million in 2007.
- 3.22 Australia's major exports to Israel are coal, live animal trading and pearls and gems. There are opportunities for Australian companies to take greater advantage of Israel's technologically advanced economy. Cooperation is growing and Australia encourages Israeli companies to view Australia as a regional base and a supplier of sophisticated goods and services.
- 3.23 The Australia-Israel Chamber of Commerce is very active in promoting commercial ties in both countries.
- 3.24 The delegation met founder and Managing Partner of Vertex Venture Capital, Yoram Oron. Vertex manages over \$600 million in venture capital, primarily investing in a number of information technology communications fields. Vertex seeks to support companies with strong management, unique intellectual property and real market

growth potential. The company has a strong network of business relationships and strategic partners throughout Israel, Asia, Europe and North America. Examples of the type of technology advancements in the companies supported by Vertex included the camera pill; computer software to assist with preventing theft from ATM machines and also to prevent money laundering transactions, and also to prevent CD piracy.

- 3.25 A visit was made to the Naan Kibbutz which was established in the 1930s. The Kibbutz has a population of 1400. Regional Marketing Manager for Asia and Oceania, Hillel Cherner, provided a briefing on NaanDan Jain Irrigation Ltd a global irrigation company, formed as a result of a 2007 merger of NaanDan (Kibbutz) and Jain Irrigation Systems, an Indian company. Each hold a 50% share. The company has 10 subsidiaries and 460 employees throughout the world, including at Dandenong in Victoria. A wide range of irrigation and climate-control technologies, including sprinklers and drip line systems are produced. It is worth noting that 90% of the Australian wine industry use Israeli produced irrigators.



Figure 4 Delegation members with Hillel Cherner, NaanDan Jain Irrigation Ltd (centre) and Paul Israel, Australia-Israel Chamber of Commerce (right)

- 3.26 The delegation also inspected the largest desalination plant in the world at Ashkelon, constructed and operated by a consortium led by Israel Desalination Enterprises (IDE) Technologies Ltd. The seawater reverse osmosis plant current production of desalinated water

presently supplies 7% of Israel's total water needs. IDE Technologies Ltd is a world leader in desalination with 380 plants installed in over 40 countries. IDE has been awarded the design and supply contract by CITIC Pacific Mining for a 51 gigalitre desalination plant at the Sino Iron Project in Cape Preston, Western Australia. IDE has also constructed plants at Hayman Island and Kalgoorlie and had an involvement with a range of other desalination projects in Australia.



Figure 5 Inspection of Ashkelon desalination plant

Peacekeeping contribution

- 3.27 Australia has actively contributed military personnel to peacekeeping operations in the Middle East. From 1956, Australia has contributed personnel to the United Nations Truce Supervision Organization (UNTSO), which first arrived in the region in June 1948 to supervise the Armistice Agreements between Israel and its Arab neighbours. UNTSO's activities are spread over territory within Egypt, Israel, Jordan Lebanon and the Syrian Arab Republic.
- 3.28 Under Operation PALADIN, Australia currently provides 11 personnel to UNTSO as well as the current Chief of Staff, Major General Ian Gordon. Members of the Australian Contingent may be employed in a variety of roles, including staff officers in the UNTSO Headquarters in Jerusalem and military observers in a variety of locations. (See Appendix B)

- 3.29 Major General Gordon hosted a small function for the delegation at UNTSO Headquarters, Government House, Jerusalem. In his short welcoming address, he described UNTSO's role in helping the peace process as 'not the scalpel, but the antibiotic'.
- 3.30 The delegation had the opportunity to travel with representatives of the Australian Service Contingent for a tour of the Golan Heights region and to visit the Golan Observation Post. The military observers carry-out inspections inside the agreed area of limitations to verify that both sides adhere to troop levels and military equipment as prescribed by the 1974 Disengagement Agreement. (See Appendix C)
- 3.31 Commanding Officer, LTCOL Jason Thomas, described the development value of the deployment to ADF personnel as outstanding. Australia can be justifiably proud of the commitment and service of its UNTSO personnel.

Commemoration activities

- 3.32 The delegation attended commemorative services associated with the 91st anniversary of the 1917 Battle of Beersheba (now known as Be'er-Sheva)
- 3.33 The Australian Embassy hosted a ceremony at the Park of the Australian Soldier, where Delegation Leader, Ms Annette Ellis MP, laid a wreath.
- 3.34 The delegation also participated in the Official Service of Remembrance at the Commonwealth War Graves Cemetery, hosted by the British Embassy. Ms Ellis laid a wreath and the Deputy Delegation Leader, the Hon Bruce Scott MP, recited the Ode. Australians serving with the MFO also attended, some as members of the Catafalque Party.
- 3.35 Following the Service, wreaths were also laid at the Turkish Memorial in Be'er-Sheva, and a bust of General Attaturk of Turkey, located alongside the Memorial was unveiled.
- 3.36 Representatives of the Society for the Heritage of World War 1 in Israel spent time with the delegation members and provided a brief tour of the area, highlighting the key sites of significance. The tour gave delegation members a better appreciation of the conditions faced by members of the 4th Australian Light Horse and their actions

against Turkish defences, taking 1,000 prisoners and successfully securing the wells of Beersheba, a vital water supply.

- 3.37 Delegates inspected Australian war graves at the Be'er-Sheva Cemetery, and also at the Jerusalem War Cemetery, including Australian Victoria Cross recipients, and some made private commemorations.
- 3.38 The Commonwealth War Graves Commission is commended for its care of the graves of the 773 Australians buried in Israel. In addition to honouring the sacrifices of those that served and died, the cemeteries are a continual reminder about the need to strive for peaceful outcomes to disputes between nations.



Figure 6 Deputy Leader of the Delegation, Bruce Scott, recites the Ode at the Official Service of Remembrance of the Battle of Beersheba

Government/Politics

- 3.39 The State of Israel is a parliamentary democracy. The unicameral Israeli Parliament, called the Knesset, is made up of 120 deputies who are elected on the basis of proportional representation. The Prime Minister is a member of the Knesset, although Ministers need not be.
- 3.40 The President is the Head of State, a largely ceremonial role, and is elected by the Knesset in a secret ballot vote for a single seven-year term. Following his election, the President of Israel, HE Shimon Peres, was sworn in on 15 July 2007.
- 3.41 The 120 seats in the Knesset are assigned through a system of nationwide proportional representation. Voters cast ballots for an entire party, rather than electing individual candidates. Any party receiving more than 2% of the vote is assigned a proportional number of seats. The low threshold for election to the Knesset favours small parties and means that no party has ever won a governing majority. This situation requires the government be formed through a sometimes unstable coalition of parties. Each Knesset has a maximum four-year term. However, if a majority of the representatives agree, they may elect to dissolve the body and hold early elections. This has occurred regularly in Israel's political history.
- 3.42 The Likud Party and the Labour Party have the longest standing representation in the Knesset. The centrist Kadima Party was established in 2005 by former Prime Minister Sharon and has since become a major political player. Other significant political parties include Shas and Yisrael Beitenu.
- 3.43 At the time of the delegation's visit, campaigning had only just begun for national elections due to be held on 10 February 2009. As a consequence it was difficult for meetings with Knesset members to be readily arranged. The delegation understood and accepted this situation and was grateful that the Knesset was agreeable to the visit continuing. The circumstances did, of course, have an impact on the extent of interaction with parliamentary counterparts and the Ministry.
- 3.44 The delegation was pleased, however, to have the opportunity to meet with the Head of the Parliamentary Friendship Association with Australia, Ronit Tirosh, and a member of the Pensioner's Party,

Elhahan Glazer. This provided an opportunity to discuss a range of matters, including election processes, political parties, support given to Orthodox Jews, and the role of women in Israel.

Israel and the Middle East Peace Process

3.45 A brief chronology of significant events, as provided by the Department of Foreign Affairs and Trade prior to the visit, is as follows:

Date	Events
November 1947	United Nations General Assembly Resolution 181 – partitioning Palestine into two roughly equal states
14 May 1948	Independence of the State of Israel (Egypt, Syria, Jordan and Lebanon invade)
May 1949	Ceasefire declared
1956	Israel, UK and France invade Sinai over the Suez Canal
1967	'Six Day War' as Israel pre-emptively attacks against Arab neighbours. Leads to UNSCR 242.
1973	'Yom Kippur War'
1979	Egypt signs a mutual recognition pact with Israel
1982	Israel invades Lebanon and formally annexes the Golan Heights
1985	Israel withdraws from Lebanon, but area along south Lebanon border remains an occupied security zone until 2000
1987	Palestinians launch the first Intifada (uprising)
1991	Madrid Peace conference
1993	Oslo Peace Accords
1995	Israeli Prime Minister Yitzhak Rabin assassinated
2000	Failed Camp David Middle East Peace Summit
2000	Second Intifada
2001	Ariel Sharon elected Prime Minister
July 2001	Israel's security barrier program approved by the Defence Cabinet
2002	Arab states launch the Arab Peace Initiative
June 2002	President Bush outlines the Quartet's Roadmap for Peace
2004	International Court of Justice declares the security barrier illegal
2005	Israel dismantles settlements in Gaza
2006	Missile attacks and the kidnapping of Israeli soldiers lead to Israeli military action in the Palestinian Territories and a large scale assault against Hezbollah in Lebanon
November 2007	Annapolis Conference re-starts bilateral peace negotiations (which are to be completed by end of 2008)

January 2008	President Bush visits Israel and the Palestinian Territories (with a further visit planned in May)
February- March 2008	Missile attacks and Israeli responses in Gaza
7 April 2008	Prime Minister Olmert and President Abbas recommence their discussions (previously halted following the violence in Gaza)

- 3.46 In November 2007, Prime Minister Olmert and President Abbas attended the US-hosted Annapolis Conference, along with representatives from around 40 countries. In an agreement signed at the conference, the two leaders agreed to re-start bilateral negotiations with the aim to conclude a peace treaty and resolve all outstanding issues by the end of 2008. The negotiations are bilateral but the United States has committed to playing an ongoing role in ensuring the implementation by both sides of their commitments under the Road Map (an international initiative outlining several stages towards Palestinian statehood).
- 3.47 The difficulties in making progress on the range of vexed issues involved (borders, refugees, settlements, the status of Jerusalem) are considerable. The status of final borders, argued by many to be far more complicated than a simple withdrawal to the 1949 or 1967 borders, includes proposals for a land swap between Israeli-Arab towns and Israeli settlements in the West Bank. The right of return for all Palestinian refugees and their descendents is also contentious. Israel does not regard this as feasible and some suggest compensation as an alternative. The issue of the possible division of Jerusalem between Israel and the Palestinians is highly contentious, including among the Israelis themselves.
- 3.48 Progress towards implementing the Annapolis pledge of a peace agreement by the end of 2008 has slowed and Prime Minister Olmert had suggested that only an agreement on principles, rather than a full treaty, would be possible by the end of 2008.
- 3.49 The Municipality of Sderot has been the target of about 8,000 rockets since 2001. Sderot is located about 1 km north-east of the Gaza Strip. The delegation inspected a cache of the remains of rockets at the local police headquarters. The retiring Mayor, Eli Moyal, held a very pessimistic view about achieving peace in the Middle East and just hoped that there would not be war between the nations. Mr Moyal expressed considerable concern for the children of his municipality, indicating that there were strong symptomatic indications that they were suffering from post traumatic stress syndrome. He was also

concerned about the declining population in the area – some 15% of the population has left in recent years.

- 3.50 The delegation met Arnold Roth, an Israeli Australian residing in Israel. Mr Roth's teenage daughter was killed, along with 14 others, as a result of a suicide bomb attack in 2001. He was extremely grateful for the exceptional kindness and goodwill that had been shown towards him and his family following his daughter's death, including from the Australian community. Mr Roth spoke strongly about the need to continue to fight terrorism and prevent any further situations at all costs. He indicated that the impact of the security barrier and checkpoints had been phenomenally successful and that physical security needed to continue. He looked to the next generation for change, believing that Palestinian children needed to be raised in an environment of respect and not where they are educated in hatred of Jewish people.
- 3.51 The Palestinian Media Watch (PMW) organisation was established in Israel in 1996 to gain an understanding of Palestinian society through the monitoring of the Palestinian Arabic language media and schoolbooks. Palestinian Media Watch analyses PA culture and society from numerous perspectives, including studies on sports, entertainment, summer camps, schoolbooks, television, music etc, with a view to understanding impediments to peace processes. PMW representative, Itamar Marcus, presented a number of examples, including Palestinian children's television programs, one of which ran a quiz teaching children of a world without Israel and others glorifying the activities of known terrorists or suicide bombers.
- 3.52 The delegation was very impressed with the work being undertaken by the Peres Peace Center. The centre's mission is to 'build an infrastructure of peace and reconciliation by and for the people of the Middle East that promotes socio-economic development, while advancing cooperation and mutual understanding'. It is an independent, non-profit, non-partisan, non-governmental organization founded in 1996 by the now President of Israel, Shimon Peres. The annual budget for the centre is \$US11 million with only 7% being spent on administration. Funding is obtained from within the region and from overseas from governments, corporations, foundations, organizations and private individuals.
- 3.53 The activities of the Peres Center focus on common Arab and Israeli social, economic, developmental, cultural and educational interests,

with an emphasis on nurturing Palestinian-Israeli relations, based on five main pillars:

- People-to-People Dialogue and Interaction
- Capacity-Building through Cooperation
- Nurturing a Culture of Peace in the Region's Youth
- Business and Economic Cooperation, and
- Humanitarian Responses.

- 3.54 The centre runs a range of annual programs for youth, including summer camps that bring together children from Israel and the Palestinian Territories for sporting, cultural and social activities with a view to providing an opportunity for them to have a positive interaction, engendering respect for the 'other side'. To extend the goodwill, their parents and families are also involved with the camps.
- 3.55 Another project, launched in January 2008 at the initiative of the Australian Friends Association of the Center, saw the creation of a Palestinian-Israeli Peace Team. Participants learned to play Australian Football and then competed in the AFL International Cup in August 2008 in Victoria.
- 3.56 The 'Saving Children' project was also seen as being particularly significant. Since its launch in 2003, more than 5,000 Palestinian babies and children have been treated in Israeli hospitals for services unavailable in the Palestinian Territories. The costs of the procedures and the logistical arrangements are covered entirely by the Peres Center, with no expenses accruing to the child or family.
- 3.57 The delegation considered that the work of the Peres Center, fostering a spirit of goodwill and friendship between the younger generations of Israelis and Palestinians, was a positive way to try to overcome entrenched views and hostilities that serve to continue to delay peace objectives.
- 3.58 During the visit the delegation also had the benefit of being able to meet with the Chair of the Department of Political Studies at the Bar Ilan University, Professor Gerald Steinberg; Middle East Commentator of Channel 2 News, Ehud Yaari; and Director of the Education Department for Abu Ghosh and Co-Chairperson of the Inter Religious Council, Issa Jaber. These and other interlocutors provided their views in relation to the progress of the peace process; the parliamentary system and politics at a local and international

level; the likely impact and influence of possible election outcomes in the region; stability and security issues; and relations among various religious and racial groups.

- 3.59 The Australian born International Media Adviser to the Prime Minister, Mark Regev, gave an update on recent discussions and issues pertaining to the peace process. He stated that Israel remained committed to the Annapolis process, and to continuing negotiations, noting that Israelis wanted a peaceful and secure future for Israel and were not interested in living next to a failed state, a recipe for further instability and violence. He considered agreements on key issues were closer to being achieved than had been in the past.
- 3.60 The issue of Israeli border control, designed to reduce the number of terrorist attacks, was regularly discussed during the visit, including the security barrier being built by the Israel Defense Forces. The delegation had the opportunity to observe the checkpoints and security barrier around the West Bank, and to experience the impact on movement through the region. The approximately 725km barrier is in some instances a concrete structure built eight to nine metres high, built at significant expense. Israel claims it has resulted in a dramatic decrease in suicide bombings.
- 3.61 Palestinian employment was also discussed – most job opportunities are in Israel, but the time taken to pass through security checkpoints makes working there very difficult. Mr Regev indicated that although it was probably likely to be some time, a situation where more jobs are available inside the Palestinian Territories is necessary for the two economies for peaceful independence to be achieved.
- 3.62 The delegation was able to view some of the growing Israeli settlement areas, including the ‘Gush Etzion block’. Israel is providing a number of incentives, including cheaper housing and reduced taxation, for families to move into settlement areas.
- 3.63 The delegation regularly sought Israel’s views on Iran. It is clear that Israel continues to regard the potential threat from Iran very seriously. Threats from the country, its nuclear programme and association with Hamas and Hezbollah, places it in Israeli strategic consideration.
- 3.64 Syria also features in the Israeli psyche, with media reports of covert peace negotiations being countered by aggressive border posturing. The Governments of Israel, Syria and Turkey announced on 21 May 2008 the commencement of indirect peace talks between Israel and

Syria, under Turkish auspices. The aim is to pursue a comprehensive peace plan. The difficulty of the issues involved (Israeli withdrawal from Golan Heights, access to water, and severance of Syria's ties to Iran, Hezbollah and Hamas) means achieving peace will be very difficult. However, the talks have continued on a regular basis, with the Turkish Government announcing that it had hosted a fourth round of negotiations in late July 2008.

The Palestinian Territories

Overview

- 4.1 The Palestinian Territories are composed of the West Bank and the Gaza Strip. Ramallah and Gaza City are the two main administrative centres. Most ministries and government agencies have head offices in one of these centres. Palestinians continue to regard Jerusalem as the future capital of the state of 'Palestine' under any permanent status agreement with Israel. Ramallah has *de facto* status as a 'temporary' capital, given the city's proximity to Jerusalem.
- 4.2 Estimates for the population of the Palestinian Territories vary, but are generally viewed as totalling between 2.5 million and 3.8 million, comprising between 1.4 million and 2.4 million in the West Bank and 1.1 million and 1.4 million in Gaza. There is an estimated 384,000 Jewish settlers beyond the 1967 'green line' (line of demarcation prior the 1967 war), including 177,000 in East Jerusalem.
- 4.3 The economy in the Palestinian Territories has shrunk since 2000. As part of Israel's security measures, the Palestinian Territories have been progressively economically isolated from Israel, their biggest market for goods, services and employment.
- 4.4 Humanitarian organisations estimate two-thirds of Palestinians live below the poverty line. With the election of Hamas in 2006, private investment in the Palestinian economy fell sharply. The Palestinian Authority (PA) relies on loans, remittances and donor aid, but this is insufficient to cover expenditure.

- 4.5 The delegation visited the Jerusalem Headquarters of United Nations Office for the Coordination of Humanitarian Assistance (UN OCHA) in the Occupied Territories. UN OCHA was established in late 2000 to improve the humanitarian situation by enhancing coordination among agencies to ensure effective distribution of humanitarian assistance.
- 4.6 The delegation met UNESCO Deputy Special Coordinator, Max Gaylard, and Deputy Head of UN OCHA in the Occupied Territories, Allegra Pacheco, and were given a comprehensive briefing on the key issues and developments in the Occupied Territories. Access and movement were primary concerns, as well as issues of rising unemployment, food, fuel and water security, difficulties with obtaining medical exit permits and the supply of pharmaceuticals.
- 4.7 As previously mentioned, the delegation visited an area south-west of Bethlehem, also known in Israel as the 'Gush Etzion block', and sometimes described as forming part of a territorial 'settlement block' that could be annexed to Israel. The delegation viewed Israeli settlements, outposts, and the security barrier, and visited the Palestinian 'Area C' village of Khamat 'Afana. They were pleased to meet a class of young students attending school in a community hall at the village.



Figure 7 Delegation members at a lookout in the Gush Etzion block, overlooking the Palestinian village of Nahalin and the Israeli settlement of Beitar Illit

- 4.8 Palestinian representatives expressed considerable unease at the expanding rate of the settlement areas and of 'illegal' outposts, which are usually a forerunner to larger settlements.

- 4.9 The construction of the security barrier was of concern to Palestinians. In some areas, the barrier is an eight to nine metre concrete wall. Over 50% of the approximately 725km barrier has been completed. Increasing construction costs had slowed the project. 42 tunnels and underpasses have also been built.
- 4.10 In a number of locations, the barrier separated Palestinians from one another, preventing contact between or within families. It also sometimes denied access to areas of Palestinian land and the ability to earn a living, as well as health and other services. In some cases the barrier was not located on the further border, but inside the Palestinian Territories, and would appear to be a permanent structure and difficult to demolish. Over 100,000 Palestinians will be surrounded by the barrier when finished.
- 4.11 The road system, seen as the basic fabric of life, was deteriorating in Palestinian areas, and nearby quality roads were only available for Israeli use, to provide secure commuting corridors for Israeli citizens. UN OCHA advised that 93 Israeli manned checkpoints formed part of 630 obstacles on Palestinian roads. The obstacles include gates, roadblocks, earth mounds and fencing.

Australia-Palestinian relations

- 4.12 Australia maintains a Representative Office in Ramallah, staffed by one Australian-based officer and a small number of locally engaged Staff, and the PA also maintains a representative office (without diplomatic status) in Canberra. The Australian Representative Office was opened in 2000 to strengthen the relationship support for negotiations to secure a just and comprehensive peace. The Australian Representative Office is responsible for the Australian Aid Program in the Palestinian Territories
- 4.13 Australia's main relations with the Palestinian Territories and Palestinian refugees have been through the provision of humanitarian assistance. This has included a long-lasting assistance relationship with the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), who provide for the welfare and human development of the Palestinian refugees.
- 4.14 Since it began operations in 1950, UNRWA has fed, housed and clothed tens of thousands of fleeing refugees and at the same time educated and given health care to hundreds of thousands of young

refugees. Today it is the main provider of these basic services to over 4.6 million registered Palestinian refugees in the Middle East.

- 4.15 From 2003-04 to 2006-07, Australia provided \$63.65 million in assistance to the Palestinian people. Approximately half of this assistance was given to UNWRA. In 2007-08, Australia provided \$15 million to the Agency.
- 4.16 In December 2007, the Australian Government announced the doubling of its development assistance for Palestinians to \$45 million in 2008. The assistance is being provided to improve governance reform and healthcare/food security for refugees.
- 4.17 The delegation visited the Dheishe refugee camp in Bethlehem where it was briefed on UNRWA's work by the Deputy Director of UNRWA's West Bank Operations, Thomas White, and undertook a small walking tour.

Government/Politics

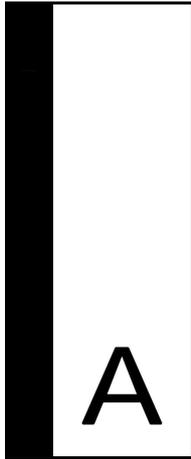
- 4.18 The Palestinian Liberation Organization (PLO) was founded by the Arab League in 1964 and serves as an umbrella organisation for various Palestinian factions. Recognised by the United Nations General Assembly (UNGA) in 1974 as the representative of the Palestinian people, the PLO is the highest decision-making body and legislative authority for all Palestinians, including those in the diaspora. Initially the PLO denied the right of Israel to exist and vowed to use violence to liberate Palestine but, under the long-term leadership of Yasser Arafat, the PLO amended its position to the pursuit of a two-state solution. It also officially recognised Israel in 1993 as part of the Oslo Accords.
- 4.19 The September 1993 Israel-PLO Declaration of Principles on Interim Self-Government Arrangements provided for a transitional period of Palestinian self-rule in the West Bank and Gaza. Under a series of agreements signed between May 1994 and September 1999, Israel transferred to the PA, security and civilian responsibility for Palestinian-populated areas of the West Bank and Gaza.
- 4.20 The PA, headed by the President, exercises the relevant executive functions of government. The PA is an interim administrative organization that nominally governs parts of the West Bank and the Gaza Strip. It was established in 1994, pursuant to the Oslo accords between the PLO and Israel, as a five year transitional body.

- 4.21 The executive authority is represented by the President, currently Mahmoud Abbas, also Chairman of the PLO and chairman of Fatah, the main Palestinian faction within the PLO.
- 4.22 The President is also responsible for appointing the Prime Minister, a position established in June 2002. The Prime Minister is responsible for forming a Council of Ministers charged with devising and implementing general policies, preparing the budget and implementation of laws and security. Presidential decrees also have the force of law.
- 4.23 The Palestinian Legislative Council (PLC) is the Parliament of the PA. It is a unicameral body with 132 members, elected from 16 electoral districts in the West Bank and Gaza. The PLC passed a new law in 2005 increasing the number of members from 88 to 132 and stipulating that half be elected under a system of proportional representation and half by traditional constituencies.
- 4.24 The two most prominent Palestinian political parties are Hamas and Fatah. In 2006 Hamas won the PLC elections, winning 76 seats, compared to Fatah's 43. Following inter-factional fighting, Saudi Arabia helped broker the creation of a Palestinian Unity Government bringing the two parties together in February 2007. In June 2007, to the condemnation of the international community, Hamas violently took control of Gaza. President Abbas subsequently ejected Hamas from the PA and, through a series of presidential decrees, formed an emergency PA government in the West Bank led by an independent technocrat, Salam Fayyad. This has effectively left Gaza and the West Bank as separately administered territories.
- 4.25 Like the Middle East Quartet (which includes the United Nations, European Union, Russian Federation, and the United States), Australia believes it is essential for Hamas to recognise Israel, renounce violence and respect commitments already made by the Palestinian leadership. Australian Government guidelines generally prohibit official contact with Hamas. The military wing of Hamas, the Izz al-Qassam Brigades, has claimed responsibility for a large number of terrorist attacks on Israeli targets and has been listed by the Australian Attorney-General as a terrorist entity associated with terrorism under the Charter of the United Nations Act 1945 and it is a criminal offence to deal in the assets of the organisation or make assets available to the organisation.
- 4.26 The delegation visited Bethlehem where it met with two Fatah members of the PLC, Fouad Kokali and Issa Qaraqi. The members described the current difficulties with the PLC, discussed the reasons

for Fatah's poor performance in the previous election and current efforts to reform the movement. They hoped that unity between Fatah and Hamas would be able to be achieved, considering it essential for the future of the Palestinian territories. Discussion on political and religious views among the Palestinian people and political parties were very interesting to the delegation. The PLC members used the analogy that 'God is like bread. We use it every day and every night.'

4.27 In Ramallah the delegation lunched with members of the PLC, Qais Khader, Sahar Qawameh and Bernard Sabella, and later met with PA Deputy Foreign Minister, Ahmed Soboh. Discussions in Ramallah focussed on the Middle East peace process.

4.28 Mr Soboh believed that the Israelis were undermining the credibility of the processes with increasing expansion of settlements and the number of checkpoints and roadblocks. He recognised the instability in Palestinian administration made it difficult to progress matters but that ordinary Palestinians were keen to be able to move forward and achieve peace as soon as possible.



Appendix A – Official Itinerary

Thursday 23 October 2008

1650 Depart Australia

Friday 24 October 2008

0615 Arrive Alexandria Airport

1300 Attend luncheon with HE Ms Stephanie Shwabsky, Australian Ambassador,

1600 Delegation briefing by Ambassador Shwabsky and Mr Hugh Robilliard, Third Secretary,

Saturday 25 October 2008

1000 Attend International Commemoration, Battle of El Alamein, Italian War Cemetery

1130 Visit El Alamein Museum

1300 Lunch with members of the ADF Contingent to the Multinational Force and Observers (MFO)

1600 Attend Commonwealth Commemoration, Battle of El Alamein, Commonwealth War Graves Cemetery

Wreathlaying at 9th Division Memorial at El Alamein

1800 Attend Official Reception hosted by the British Ambassador

Sunday 26 October 2008

0930 Meeting with HE Major General Adel Labib, Governor of Alexandria,

1030 Visit the Bibliotheca Alexandrina (Alexandria Library)

Meeting with HE Ambassador Hagar Islambouly, Head of External Relations, and Mr Lorenzo Montesini, Chairman, Australian Friends of the Alexandria Library

Viewing of Photo Exhibition funded by the Council for Australian-Arab Relations (CAAR)

Tour of Library facilities

1230 Depart Alexandria for Cairo

1800 Meeting with HE Dr Ali El-Misilhi, Minister for Social Solidarity.

1900 Felucca on Nile River

Monday 27 October 2008

0915 Meeting with Mr Mark Frodsham, Principal Migration Officer, Australian Department of Immigration and Citizenship

1000 Meeting with HE Ambassador Mohamed Bassiouny, Chairman of the Shura Council Committee on Arab Affairs and National Security, and former Egyptian Ambassador to Israel

1100 Meeting with Mr Jack Hajjar, Senior Trade Commissioner, Australian Trade Commission

1430 Meeting with Mr Amre Moussa, Secretary General of the League of Arab States

1500 Tour of Islamic Cairo

Tuesday 28 October 2008

0900 Meeting with Dr Ahmed Kamal Aboul Magd, Vice President, National Council for Human Rights

1100 Meeting with HE Eng Amin Abaza, Minister for Agriculture & Land Reclamation

1215 Meeting with HE Ambassador Hussein Hareidy, Assistant Foreign Minister for Asian Affairs

Tuesday 28 October 2008 - continued

- 1400 Working lunch – Civilisation Dialogue
HE Archbishop Michael Fitzgerald, Papal Nuncio
Mr Cherif E. Abdel-Meguid, Dial-a-Fatwa
Dr Abdullah Schleifer, Professor Emeritus at the American University of Cairo
Mr Hossam Bahgat, Egyptian Initiative for Personal Rights (Egyptian NGO)
Mr Naguib Gabriel, Coptic Lawyer
- 1600 Visit to the Egyptian Museum
- 1930 Attend Reception at Residence of Australian Ambassador

Wednesday 29 October 2008

- 0900 Meeting with Mr Normand St. Pierre, Representative of the Director General of the MFO
- 1030 Meeting with Dr Dina Shehata, Al Ahram Centre for Political & Strategic Studies
- 1300 Meeting with HE Dr Fathi Sorour, Speaker of the People’s Assembly
Tour of People’s Assembly
- 1430 Working Lunch – Domestic and Regional Politics
Mr Issandr el Amrani, Egypt Analyst, International Crisis Group
Ms Dina Ezzat, Regional Affairs Correspondent, Al Ahram Weekly
Dr Hala Moustafa, Director of Research, Al Ahram Centre for Political and Strategic Studies
- 1830 Attend Sound and Light Show, Pyramids of Giza
- 2000 Visit to Khan al-Khalili Market

Thursday 30 October 2008

- 0800 Interview of Ms Ellis by Ms Warda Al-Husseini, Akhbar al-Yom (Egyptian newspaper)
Tour of Pyramids of Giza (other delegates)
- 1000 Visit to an aid project funded by Post - Bakery Project, New Horizon for Social Development, Old Cairo
- 1200 Lunch at “Gourmet Egypt” (importers of Australian meat)

Thursday 30 October 2008 - continued

- 1430 Briefing and tour of Soukhna Livestock Corporation
- 2220 Depart Cairo for Tel Aviv
- 2345 Arrive Tel Aviv

Friday 31 October 2008

- 0800 Depart for Commemorative Activities associated with the 91st anniversary of the Battle of Be'er-Sheva.
- 0930 Tribute to Australian Lighthorse, Pratt Foundation Park of the Australian Soldier
- 1100 Official Service of Remembrance
Commonwealth War Graves Cemetery, Be'er-Sheva
- 1200 Turkish Commemoration including the unveiling of bust of Attaturk
- 1300 Lunch with HE Mr James Larsen, Australian Ambassador, Mr Yaakov Turner, Mayor of Be'er Sheva, LTCOL Shaun Love, MFO Sinai Australian Contingent Commander, Negev Museum representatives and others
- 1445 Visit to wells and site of the charge with members of the Society for the Heritage of World War I in Israel
Depart Be'er-Sheva for Sderot
- 1515 Visit to Sderot
Meet with Mr Eli Moyal, Mayor of Sderot
- 1615 Depart Sderot for Jerusalem
- 1930 Dinner briefing with Ambassador Larsen

Saturday 1 November 2008

- 1345 Tour of Old City of Jerusalem
- 1800 Evening reception hosted by Major General Ian Gordon, Chief of Staff and Head of Mission. United Nations Truce Supervision Organization, Government House, Jerusalem

Sunday 2 November 2008 - continued

- 0800 Depart hotel for the north of Israel, accompanied by Mr Zel Ledermann, Tour Guide
- 1000 Tour of the Lebanon border including Golan Heights. Briefing by Col Ron Edelheit, Israel Defense Force, Guide Golan Heights
- 1200 Lunch at Dubrovin Farm including briefing by guide from Dubrovin Museum on the history of the Farm and area.
- 1300 Travel with LTCOL Jason Thomas, Australian Service Contingent, United Nations Truce Supervision Organization (UNTSO), MAJ Dean Simmons and CAPT Gabrielle Follett for briefing and tour of Golan Observation Post
- 1730 Depart Golan Heights for Jerusalem

Monday 3 November 2008

- 0715 Breakfast briefing with Mr Ben Scott, Head, Head Australian Representative in Ramallah
- 0750 Depart for the West Bank
- Tour led by officers of United Nations Office for the Coordination of Humanitarian Assistance (UN OCHA), including "Gush Etzion block"
- Visit to Palestinian "Area C" village of Kallet 'Afana
- Meeting with Mr Issa Qaraqe and Mr Fouad Kokaly, Palestinian Legislative Council Members (Fatah)
- Visit to Church of the Nativity, Bethlehem
- Visit to Dheisheh Refugee Camp with United Nations Relief and Works Agency (UNRWA) and briefing by Mr Thomas White, Deputy Director of UNRWA Operations West Bank
- Meeting with Mr Max Gaylard, UNSCO Deputy Special Coordinator, and Ms Allegra Pacheco, Deputy Head of UN OCHA in the Occupied Territories, UN OCHA Jerusalem Headquarters
- Lunch with Mr Quais Abdul-Karim (DFLP) Dr Sahar Qwasmi (Fatah) and Dr Bernard Sabella (Fatah), Palestinian Legislative Council members
- Meeting with Mr Ahmed Soboh, Deputy Foreign Minister, Palestinian National Authority

Tuesday 4 November 2008

- 0930 Meeting with Mr Itamar Marcus, Palestinian Media Watch
- 1100 Visit to Yad Vashem Martyrs' and Heroes' Memorial of the Holocaust
- 1330 Lunch hosted by Ms Ronit Tirosh MK, Head of the Parliamentary Friendship Association with Australia. Mr Elhanan Glazer MK, Pensioner's Party also in attendance
- 1500 Meeting with Mr Mark Regev, International Media Adviser to the Prime Minister
- Visit to Jerusalem War Cemetery
- 1900 Dinner with Mr Arnold Roth

Wednesday 5 November 2008

- 0730 Leave Jerusalem for Savyon
- 0900 Met by Mr Paul Israel, Executive Director, Australia-Israel, New Zealand & Oceania Chamber of Commerce on arrival at Econ-High Tech
- Meeting with Mr Yoram Oron, Founder and Managing Partner, Vertex Venture Capital
- 1100 Meeting with Mr Hillel Cherner, Regional Marketing Manager Asia & Oceania, NaandanJain Irrigation
- Lunch at Kibbutz Naan
- 1430 Meeting with Mr Elisha Arad, IDE Technologies Ltd
- Inspection of Desalination Plant, Ashkelon
- 1730 Meeting with Ms Roni Kresner, Director of Information & Project Development, the Peres Center for Peace
- 1830 Reception at Ambassador's residence

Thursday 6 November 2008

- 0800 Breakfast briefing with Professor Gerald Steinberg, Chair, Department of Political Studies, Bar Ilan University
- 0930 Meeting with Mr Ehud Yaari, Middle East Commentator, Channel 2 News
- 1130 Depart for Abu Ghosh

Thursday 6 November 2008 - continued

1200 Meeting with Mr Issa Jaber, Director of Education Department for Abu Gosh and Co-Chairperson of the Inter Religious Coordinating Council

1230 Lunch with Ambassador Michael Ronen, Director, Pacific Division, Israel Ministry of Foreign Affairs

1330 Depart for Hadassa Ein Karem Hospital

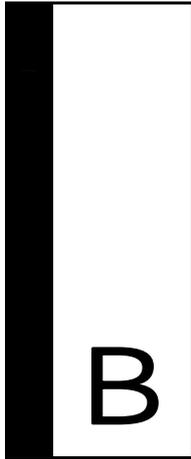
14:00 Meeting with Mr Ron Krumer, External Relations and briefing by Dr Stanley Korman regarding metabolic diseases research

Inspect Hadassa Ein Karem Trauma Facility

22:10 Depart Tel Aviv

Friday 8 November 2008

0625 Arrive Australia



Appendix B – Australian Defence Force Personnel met at commemorative events

El Alamein

Official participants in commemorative ceremonies:

SGT David Worcester

CPL Nemani Valucava

CPL Cindy Greenfield

Others present:

LTCOL Shaun Love (Contingent Commander)

WO1 Tim Chislett (Regimental Sergeant Major)

SGT Sonia Barrett

CPL David Henderson

Be'er Sheva

Official participants in commemorative ceremonies:

SGT Bob Richards

SGT Troy Perry

CPL Nemani Valucava

CPL Tara Gleeson

Others present:

LTCOL Shaun Love (Contingent Commander)

MAJ Andrew Kopada (Operations Officer)

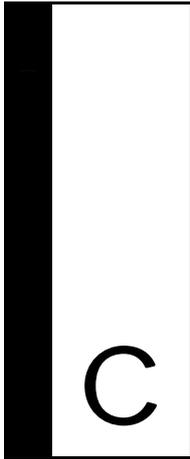
WO1 Tim Chislett (Regimental Sergeant Major)

WO2 Darren Kopacz

SGT Jai Cosgrove

SGT Sonia Barrett

CPL David Henderson



Appendix C – Maps



