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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Reference: Australia's relationship with the countries of Africa

TUESDAY, 20 APRIL 2010

CANBERRA

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JOINT STANDING COMMITTEE

ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Tuesday, 20 April 2010

Members: Senator Forshaw (*Chair*), Mr Hawker (*Deputy Chair*), Senators Mark Bishop, Ferguson, Fifield, Furner, Hanson-Young, Johnston, Ludlam, Moore, O'Brien, Payne and Trood and Mr Baldwin, Mr Bevis, Ms Julie Bishop, Mr Coulton, Mr Danby, Ms Annette Ellis, Mr Fitzgibbon, Mr Gibbons, Ms Grierson, Mr Hale, Mrs Markus, Mr Murphy, Mr Oakeshott, Ms Parke, Ms Rea, Mr Ripoll, Mr Robert, Mr Ruddock, Ms Saffin, Mr Bruce Scott and Ms Vamvakinou

Members in attendance: Senators Mark Bishop, Ferguson, Forshaw, Furner and Moore and Mr Fitzgibbon and Mr Murphy

Terms of reference for the inquiry:

To inquire into and report on:

Australia's relationship with Africa, with special emphasis on:

- bilateral relations at the parliamentary and government levels;
- economic issues, including trade and investment;
- cultural, scientific and educational relations and exchanges;
- development assistance co-operation and capacity building;
- defence cooperation, regional security and strategic issues; and
- migration and human rights issues.

The Committee will consider both the current situation and opportunities for the future.

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Committee met at 9.35 am

CHAIR (Senator Forshaw)—I formally open this public hearing of the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia's relationship with the countries of Africa. I acknowledge the presence in the audience this morning of His Excellency, Mr Lenin Shope, South African Higher Commissioner. Welcome, Excellency, and thank you for the submission from your high commission. We will be hearing from you after lunch today.

This is the first public hearing of this inquiry into Australia's relations with the countries of Africa. Africa is a diverse continent of 53 counties spanning vastly different environments, sharing different experiences of Africa's colonial past and with differing levels of resources and economic development. Africa also faces many challenges in such areas as governance, security, health, migration, food production and the impact of climate change. Further, there are also a number of serious and prolonged conflicts which have both regional and global impacts. Australia is actively pursuing a policy of increased engagement with Africa in recognition of Africa's increasing global importance, both economically and politically. The Department of Foreign Affairs and Trade has indicated that Australia's engagement with Africa will focus on enhanced political and diplomatic engagement, supporting Africa's efforts to promote economic growth through investment and trade, supporting African countries in their efforts to make progress towards the Millennium Development Goals and addressing peace and security challenges in Africa.

These two days of public hearings in Canberra will enable the committee to discuss these and many other issues in detail with Commonwealth departments and other witnesses. Today we will hear from the Department of Foreign Affairs and Trade, AusAID and Austrade, plus the Department of Infrastructure, Transport, Regional Development and Local Government. The South African High Commissioner and the Nigerian High Commissioner will also appear before the committee and offer an African perspective on the relationship. We are very grateful for their submissions and appearance.

There will be a third day of public hearings in Canberra next week on Tuesday, 27 April 2010, when the committee will be receiving evidence from representatives of the non-government sector. The committee will meet with academics with a research interest in Africa and NGOs providing aid to Africa. The committee will then move to Sydney on Wednesday, 28 April 2010, to hear from witnesses, including past Australian ambassadors to countries in Africa. Then in the beginning of May, the committee will be meeting in Melbourne to receive further evidence from mining companies, mining service companies, academics and NGOs. Further public hearings will be arranged and details will be advised in due course.

I refer any members of the media who may be observing to the need to report fairly and accurately the proceedings of the committee, as required by the Senate order concerning the broadcasting of Senate and committee proceedings. I remind witnesses that, while they are not formally required to give evidence on oath, these public hearings are equivalent to proceedings of the parliament and evidence must be truthful.

[9.39 am]

HALL, Mr James, Director, North, East and West Africa, Africa and Humanitarian Branch, Africa, West Asia, Middle East and Humanitarian Division, AusAID

HAYHURST, Mr Justin Raul, Assistant Secretary, Africa Branch, Department of Foreign Affairs and Trade

HULL, Mr Gregory John, Senior Trade Commissioner, Sub-Saharan Africa, Australian Trade Commission

RICHARDSON, Mr David Jonathan, Director, East, West and Regional Africa Section, Department of Foreign Affairs and Trade

WALKER, Ms Catherine, Deputy Director General, Africa, West Asia, Middle East and Humanitarian Division

CHAIR—I welcome our first witnesses, the representatives from the Department of Foreign Affairs and Trade. I am sure you are all very familiar with the procedures of parliamentary committees. First of all, I thank you for your submission. We will deal with the submission from the Department of Foreign Affairs and Trade and the separate submission attached to it from AusAID together. I invite you, Mr Hayhurst, to make some opening comments and then we will proceed to questions.

Mr Hayhurst—First let me say that the Department of Foreign Affairs and Trade very much welcomes this inquiry. Africa has become an increasing priority for the department. We have provided a comprehensive submission on what is a very large and wide-ranging subject that is in some ways difficult to get to grips with because the countries of Africa are so diverse in so many ways. Let me say at the outset that if there is any information that you need that we do not have immediately to hand or that is not in the submission, we will follow up quickly and provide that to you.

The Department of Foreign Affairs and Trade has a central role in implementing the government's commitment to enhanced engagement with Africa. Both of our ministers, Mr Smith and Mr Crean, are very committed to that enhanced engagement. We focus primarily on four key pillars, as we have said in our submission: enhanced political and diplomatic engagement with the countries of Africa and some of its regional organisation; a focus on working with African countries on trade and investment issues; the Millennium Development Goals and assisting African countries to meet their commitments, which is another important priority of the Australian government; and assisting Africa with its many complex and sometimes long running peace and security challenges. That is another high priority for Australia.

Since our submission to the committee was made, Mr Smith has delivered a further speech on Australia's policy to Africa, at the University of Sydney on 19 March and to the University of Sydney Africa Forum. We have that with us to provide to you, although you may already have a

copy. I conclude my brief opening remarks—the written submission has a lot of information in it—by simply saying again that we welcome this inquiry and we are happy to get any further information you require as soon as we can.

CHAIR—Thank you, Mr Hayhurst. Are there any other opening comments?

Mr Hull—Just to echo Assistant Secretary Hayhurst's remarks—and Austrade have contributed to the submission—and to emphasise that Austrade is focused and resourced to support our commercial interests in Africa and also the limited but growing importance of investment to Australia, predominantly from South Africa. We primarily assist our commercial interests in an initial market evaluation in selection of representation or partners and support for trade events and other market entry activities. Because of the vast geography and the difficulty in tracking we have to segment those markets for serviceability and prospectivity and we indeed prioritise our resources to a number of key markets.

CHAIR—Thank you, Mr Hull. Are there any further opening comments?

Ms Walker—Because the aid program is part of the Australian government's commitment to increasing engagement with Africa, I am very pleased to provide a submission to the inquiry. The government is, of course, committed to achieving the Millennium Development Goals, and that is the framework for our assistance to Africa. We are committed to helping African countries to achieve those goals by 2015. Development assistance across the board is scaling up. Our longstanding assistance to the Asia-Pacific remains a central part of the aid program, but sub-Saharan Africa is most off track against all the MDGs, with about 50 per cent of people in sub-Saharan Africa living in extreme poverty. That provides a very strong rationale for increasing our aid to this region.

Africa lags behind other regions in progress across the board towards the MDGs, particularly in relation to MDG 1, poverty and hunger; the health MDGs, 4, 5 and 6; and environment MDG 7. Our program is targeted to assist Africa's progress towards achieving the MDGs in the area of agriculture and food security, maternal and child health, and water and sanitation. We think that capitalises on our expertise and experience and aligns with the priorities of African governments and institutions and those of our multilateral partners and other donors to Africa.

We are also committed to helping to build Africa's human resource capacity through our scholarship program, the Australia Awards program. There will be a tenfold increase in this program which will see us provide some 1,000 scholarships a year by 2013, both long-term awards and short-term awards. We are also making, through the aid program, a significant contribution to humanitarian needs in Africa. We have provided significant assistance to the humanitarian needs and protracted crisis in Zimbabwe, in the Democratic Republic in Congo, in Sudan and in the Horn of Africa.

Our official development assistance this financial year is around $164 million. It is an increase of about 40 per cent from the 2008-09 financial year, and it represents about 4.3 per cent of our current total Australian ODA. More than 30 African countries will receive Australian bilateral development assistance this year, and that number increases to around 40 when we take into account our regional programs and our support through multilateral institutions. Thank you.

CHAIR—Thank you, Ms Walker. Mr Hall, did you have anything.

Mr Hall—I have nothing further.

CHAIR—I have some questions about our diplomatic representation in Africa and the structure within the department. I note that it says on page 34 of the department's submission that you have:

> … established an Africa Branch, and additional DFAT diplomatic positions in Australian missions in Abuja, Accra, Cairo, Harare and Nairobi.

As I understand it there are seven embassies, either high commissions or embassies, on the African continent at the moment. Is that correct?

Mr Hayhurst—That is correct.

CHAIR—Does that include Cairo?

Mr Hayhurst—That includes Cairo, yes.

CHAIR—Okay. Thank you for the table of all the different representations that is in your submission. Can you give me a quick history of our diplomatic representation over the past 10 to 20 years in terms of where we stand now compared to where we were over the last few decades? I also note that in the submission there are references to looking to further consular posts, increasing our representation. Could you expand on that?

Mr Hayhurst—I can in a general way. I think it is fair to say that Australia has never had comprehensive coverage of diplomatic missions on the African continent. There are some places, such as Tanzania and Ethiopia, where we have had missions in the past but where we do not have them at the moment.

CHAIR—Were they full embassies?

Mr Hayhurst—They were full diplomatic missions. Over the years, some posts have been closed. I believe the government opened Accra in 2004. We used to have a mission in Accra, and that was closed for a number of years. It was reopened in 2004. Mr Richardson was the first high commissioner of the second life of that mission. It is an interesting question. We have not gone into a historical sketch, but we might be able to give you some further information about which other posts we had, when they closed and when our various missions opened.

CHAIR—Could you take that on notice.

Mr FITZGIBBON—I appreciate that you say a general overview, but some of the submissions suggest that you could give a far more specific overview. I do not remember whose submissions they are, but a number of academics—typically of African descent—have argued that there has been a real lack of focus on Africa and, indeed, a drop-off from the early nineties until fairly recently. That is a criticism of both governments. They cite reasons why a focus on Africa could be of, at best, marginal benefit to Australia—for example, the rise in discoveries of

resources to mine, the changes in the security environment et cetera. My point is that from reading the submissions I have seen a fairly rigorous debate between academics about the benefits of a stronger engagement with Africa and, in that context, debates about where we have done poorly in the past. I would have hoped that your department was capable of giving much more than a general overview. Rather—without inviting you to write a thesis; I know your resource are limited—could you provide a far more specific analysis of the academic debate over the last couple of decades; the arguments and why they may have changed, picking up on some of the comments; and some analysis of or suggestions for why a changing environment in Africa generally now puts forward a case for a stronger engagement in Africa from the Australian government. In other words, look at it not just on humanitarian grounds but in terms of two-way trade opportunities and in the context of the security environment.

CHAIR—I think there is a question in there somewhere!

Mr FITZGIBBON—It is a request to give us something a little bit more than an overview of the history: the arguments for why we may have dropped off and why there might be an argument to engage more heavily, picking up some of the commentary of the various academics over recent years.

Mr Hayhurst—We are of course aware of that debate. The government, having decided to enhance its engagement with Africa, has taken the first step by increasing the resources at our existing missions. There are more DFAT staff. Some of the other agencies that you will hear from are also putting in more staff there. We have the standalone Africa branch in the department in Canberra to support that engagement. We will provide you much further detail about our past diplomatic representation and how we stand by comparison today.

It is difficult to look at Africa in isolation from the global issues of resourcing Australia's diplomatic missions, and questions of resources ultimately are not for Africa branch to determine. We obviously welcome the fact that we have more resources at our disposal to implement the agenda of the government. I think that, if you look at the pattern of Australia's engagement with Africa over the years, it has tended to be much stronger and better developed in certain parts of the continent. In Sub-Saharan Africa in particular, those countries with Commonwealth connections in southern and eastern Africa—Kenya and South Africa are good examples; Zimbabwe is another—the level of engagement has been constant. The level of diplomatic representation has been relatively significant. We have had development assistance programs and strong people-to-people links. When we look at the continent now, there are some parts of it where our representation and relationships have been a little thin. Parts of West Africa spring to mind, especially the Francophone parts of Africa.

The government's agenda is very clear: it is about enhanced engagement with all different parts of the continent. At the moment, we use the resources we have. The questions of wider changes to our pattern of representation overseas are things that ministers and others will decide over time. But we are better off today than we were a few years ago. There are more Australian missions than in 2003, for example. There are more DFAT staff at those missions than even 18 months or two years ago. But in the 1970s we had other missions that no longer exist. The pattern has shifted a bit. Our view, the advice we put to our minister and their view, as you have seen from speeches from Mr Crean, Mr Smith and others is that it is strongly in Australia's national interest to engage. There is a strong economic imperative. If we are serious about

multilateral issues or global challenges and if we are serious about the millennium development goals—and the government has committed to a lot of work on all of those issues—then we have to engage more in Africa It is as simple as that.

In terms of which side we are on in the debate that takes place in the academic community, we are very much on the side of doing more in our own interests in Africa.

CHAIR—It is my intention and the normal practice of the committee with an inquiry like this that we get the department back towards the end after we have heard a lot of the other evidence. I am certain that this issue will come up again, because it is already coming up in the submissions. I am not trying to suggest we will not deal with it today, but could you take it on notice to provide us with further written evidence on the history of the question and points that Mr Fitzgibbon had? We will come back to it, particularly once we have heard from other witnesses what they will say on the record as well. I think that is the appropriate way to go, because there will be a lot of other issues that we will want you to respond to after we have heard from other witnesses.

Mr FITZGIBBON—To clarify my point: unsurprisingly, I was not challenging the current government's commitment to engagement in Africa. All I was trying to say was, 'Please don't just give us a dot point saying, "In 1977, we had this many embassies and this many high commissions."' I want some analysis of why decisions were taken at the time. Obviously there would have been ministerial statements at the time. I know there were committee inquiries at the time. Academics would have been commenting at the time. I want some broader analysis of why governments were making decisions, what academics were saying, what may have changed in the meantime. This might change the situation.

Mr Hayhurst—We will get some serious and considered analysis to you.

Mr FITZGIBBON—Thank you.

CHAIR—We appreciate that some of these decisions were budget related as well. Decisions are made by departments following their funding for the years ahead. They may not necessarily be decisions that the department can always avoid. But that is not to say that we are not interested in the reasons behind them.

Mr MURPHY—I have a question on this topic. Mr Hayhurst did identify that there have been increased resources over the last couple of years, and I am very interested in that because I was in Ghana two years ago and was very impressed with your successor, Billy Williams. I am sure you had the same challenges that he had. He clearly left me with the impression that he really had his heart in it. He seemed to have an enormous responsibility across the African continent. I am interested in knowing the increases in the resources he has. I will come back to this later in the inquiry. I also note that at one of the poorest countries about which I met on behalf of the government I met the president of Sierra Leone, who just looked at me and said, 'Mr Murphy, we want trade, not aid.'

Mr Hayhurst—On the issue of our representation in Accra, it is true that in all of our African posts the heads of mission have wide-ranging responsibilities. I think Accra has nine countries of responsibility; the high commissioner there is accredited to nine separate countries. We are very

lucky in that the collection of heads of mission we have are very able, very active people. It is part of the way we organise. Really the only way for us to prosecute our interests effectively is for heads of mission to be focused, to travel widely within their patch and to do as much as possible in various visits to countries. The supplementation that posts have received on the DFAT side—but it is not only the DFAT side; I will ask my colleagues from AusAID and Austrade to comment on the extra resources, because a mission overseas is not just about DFAT. All the agencies represented at this table have increased their resources, including in Accra.

Mr FITZGIBBON—You might add Defence to that as well.

Mr Hayhurst—Defence is another agency that is looking at boosting its resources in Africa. The picture is improving, but it is still a challenge. It is not an easy operating environment for many reasons. One issue that our posts have in West Africa is the issue of air connections. Even though a country might be situated next to or close to another, you cannot just pop on a flight from one capital to another. Like every other country represented in that region, we have to manage that as best we can. I might ask Austrade and AusAID to briefly talk about the additional staff resources that they have put in, using Accra as a good example.

Mr Hull—Yes. Looking at the last 18 months, Austrade has taken the management initiative to open two new posts in Sub-Saharan Africa. The first is in Accra, in consultation with our DFAT colleagues, where we have two locally engaged business-development managers. They were recruited from the commercial sector. One covers Francophone West Africa and other, primarily, Ghana but also Nigeria to a degree. There is also a second business-development post covering East Africa, based out of Nairobi. We have done that within our internal resources. We also have an office in North Africa, although that comes under the management direction of my colleague in Dubai covering the Middle East and North Africa. It covers the four markets of North Africa with three staff in Tripoli and a trade representative in Morocco. We coordinate our programs with them, particularly on agriculture.

Ms Walker—To support the expansion of the aid program we have also increased the number and the location of our staff in Africa. By the end of this year we will have 10 Australian based staff in Africa. By way of comparison, in 2007 we had three. We have new locations in Nairobi, in Accra and in Addis Ababa. We will have a first secretary in Accra by the middle of this year and she will join our senior program officer, who is a locally engaged staff member. All up, our resources, including our 10 aid based and locally engaged staff, will be 26 people working on the aid program in Africa by the end of this year, and we have some 19 people now working in Canberra on the program.

CHAIR—There will be 26 by the end of this year. That is an increase of how many in the last couple of years?

Ms Walker—I will check the figure absolutely, but it is an increase of around 15.

Senator FERGUSON—I was listening to your opening comments today, Mr Hayhurst. I am curious as to why there is so much emphasis being placed on this re-engagement. I think you used the words ‘Africa has become an increasing priority’. What do you think Australia has to gain from this increasing priority or re-engagement?

When it comes to aid, Ms Walker, I heard Mr Murphy say that a chap he spoke to in Sierra Leone said, 'We want trade, not aid.' But if you are going to trade you have got to be able to pay for things, and in many countries in Africa there simply is not the economy to purchase anything from Australia. We might be able to buy things from there if they have got products and goods that we need or might be able to use in Australia. We have an aid program where we have got 16 or so small island states within the Pacific region who cannot survive without aid, and there are many people who would say that we should be concentrating our aid projects in our immediate region and that Africa should be left to others who do not have a Pacific to look after.

I think the Europeans, particularly, spend a lot of time and money in Africa—and also the Asian countries, particularly China. Driving into Nairobi, when you see a big sign saying 'Welcome to Nairobi' with a big love and hug from the People's Republic of China you know that there is a bit of money going in there. I am concerned about why there is this emphasis. Apart from the fact that we would like to get a lot of votes for a non-permanent seat on the United Nations Security Council, I cannot see why there is this new priority or why we should be reinvigorating the relationship, because I am not sure what is in it for us.

Mr Hayhurst—In response to your question and comment, if we take the issue of Australia's economic engagement in Africa, for example, it is clear from the work we have done and our interactions with the Australian business community that there is a view, especially in the minerals and petroleum resources sector, that there are benefits to economic engagement with Africa. Our best guess is that there is about US$20 billion of current and prospective Australian investment there. So the judgment of our business community I suppose is that there are opportunities that they wish to pursue, and the government obviously in part is responding to that.

I will let AusAID comment more particularly on the aid program. I think it is clear from the submissions from AusAID and DFAT that while it is a growing program it is still a relatively modest one in the overall Australian aid budget. On the trade side, trade has grown very quickly from a low base. There is $6 billion worth of merchandise trade between the countries of Africa and Australia.

Senator FERGUSON—How much of that is South Africa?

Mr Hayhurst—South Africa is the dominant economic partner in trade terms. To go back to the earlier point I made, one striking thing about Australia's economic engagement with Africa is that investment, or potential investment, in the countries of Africa is probably going to outweigh the trade, because of Africa's resource wealth and Australia's expertise and competitive advantage in that sector. So whether you are looking at the countries of southern Africa or western Africa, or even north Africa, the suite of companies involved, and the extent of the prospective investments, is really quite large. There is a lot of potential. It is not just Australia that sees that potential. There are many other countries, whether they are developing countries or developed countries like the United States, and the level of investment overall is growing quite considerably.

Also, when we talk about enhanced engagement, from the Department of Foreign Affairs and Trade's point of view I would not want to convey the impression that we have thrown massive resources at Africa to the neglect of other areas. On the contrary, we have more, which is

welcome. We have an agenda to prosecute but still, in the overall scheme of things, a modest and targeted amount of resources to do that job.

Senator FERGUSON—It is also fair, isn't it, to say that particularly in relation to resources and energy and mining, where there is a large investment and a lot of interest in Australia, that is going to take place whether or not you re-energise the relationship, whether you increase the number of staff or whatever else you do? It is not as if it happened ten years ago when, supposedly, there was a slowing down or a reduction of our numbers. Certain things happen regardless of our engagement at a diplomatic level or the numbers that we have there.

Mr Hayhurst—Certain things do happen regardless of the lack of diplomatic engagement. Our advice to government is that the view we hear from business is it believes that the government can assist with market access, investment opportunities and other such issues, and we are responding I suppose in part to that. I note that you are talking to a number of companies in your hearings, and that is an issue you can explore with them. But certainly all our interactions with the business community, whether they are relatively small companies or the larger ones that are present on the African continent, are that they very much welcome this and that they believe there is a role for government to play in support of those interests.

Mr MURPHY—Can I just come in there, Chair?

CHAIR—I was going to give the call to Senator Bishop and then I will come back to you, if you do not mind.

Senator MARK BISHOP—I want to go to a different area, Chair.

Mr MURPHY—I just want to pick up on what Senator Ferguson said. I think it is noteworthy that, when I was there, Japan and China were certainly getting in there at a great rate, and considering that they buy a lot of our resources I think if nothing else we should be there—and also the United States and India. But it is particularly relevant, with China going in there and looking for alternative avenues to get their resources, that we should at least be in there also—if nothing else.

Senator FERGUSON—My point is—

CHAIR—Do you want to make a comment? We are here to question the department as well as to throw in the occasional personal observation. The point is well made by Mr Murphy that your submission does go to the increasing involvement of countries that have just been mentioned. China, Japan, India and the US are substantially increasing their investment.

I think you were looking to comment, Mr Hull, but I want to ask what is happening with the other countries that we would generally look to in terms of their diplomatic representation around the world as well, such as Canada, the UK or some of the Asian countries.

Mr Hull—I just wanted to make a comment.

CHAIR—In other words, this is not just an Australian-only initiative, if I can put it that way. It seems to me that it is happening worldwide.

Mr Hayhurst—On that point, it is our assessment that most external partners of Africa are increasing their level of engagement, whether it is the countries of North Asia, not just China but Japan, South Korea and India, or the United States, European countries and others. Africa has a history of underdevelopment and is the poorest continent in the world, but as the information in our submission suggests there are growing economic opportunities there. The economy in some African countries has improved considerably. The investment environment in some African countries has improved considerably. In others, of course, the picture remains dire, and they remain underdeveloped as a consequence. The only thing I could say without undertaking an impossible to conclude comprehensive analysis of the activities of every country in Africa, which I think is beyond our scope, is that our engagement is consistent with that international trend. We are not swimming against the tide; we are swimming with it when it comes to engagement with Africa. That is a judgment that we have made in the last couple of years, and it is one that informs the strategy that the government has decided on that we are keen to implement.

CHAIR—Increased investment activity—for example, in the resources sector, particularly in the last couple of decades—inevitably leads to a recognition of the need to up the diplomacy. I am not saying that is a general rule, but it has been pretty much the case in, say, the countries of South America and Asia. The fact that mining companies and other companies are there and will continue to operate does not, of itself, mean everything is okay. But it generally does lead to looking to how you increase the relationship more generally.

Mr FITZGIBBON—To the points Mr Hayhurst made when talking about the services a post can provide, I would add issues of sovereign risk. Australian companies will feel more comfortable about sovereign risk if Australia has a diplomatic presence in the areas in which they are investing.

CHAIR—Mr Hull, you were going to make a comment.

Mr Hull—I was just going to make a couple of small points. Firstly, it is a question of balance. The current government and indeed the previous government's trade priorities are in Asia, and our modest enhancements in Africa are in proportion to that. Secondly, we tend to view our mining investments, because of the role we play globally, as the main players. However, the supply chain opportunities are increasingly important, and we are there to help our small and medium mining equipment technology and services companies to gain access to opportunities. So our investors—our BHPs, our Rios—can be customers for our other Australian companies, and indeed Canadian and other investors in Africa can also become customers.

Senator MOORE—Mr Hayhurst, I am interested in the process you spelt out in your submission about where we do have official locations, and I am also interested from the department's point of view about the interest from African countries in having that link. Going by some of the submissions we have received, there are countries which do not currently have official programs but which would like to have them. I was lucky enough to be in Rwanda last year, and there was not a meeting where someone from the Rwandan government did not ask about when we were going to have an embassy in that country. On that basis, what your submission talks about is what we have done—and I know you cannot say what we are going to do, because that is a political decision—but I want to know from the department's point of view

how many of the massive number of countries have sought greater involvement from Australia and have actually voiced concerns that they do not have it.

Mr Hayhurst—I think it is not just in Africa. In many other regions of the world there are many countries where we do not have permanent diplomatic representation which make such a request. Many countries would judge a permanent mission as a tangible expression of a commitment to the relationship. Obviously it is simply impossible to be represented everywhere, including in Africa, so decisions have been made about the best places to be represented and the ease with which other countries of accreditation can be serviced from particular locations. I am aware that Rwanda is one country, and there are others, that has said to ministers that they would welcome the opening of an Australian mission. But as you said, they are decisions for the government to make based on the broader spread of our diplomatic resources around the world. One of the things that has happened recently is a renewed emphasis on establishing diplomatic relations with all of the countries of Africa. We now have formal diplomatic relations with 51 out of the 53. I think at the time we wrote the submission it was 50.

CHAIR—Who is the 51st?

Mr Hayhurst—Somalia is the latest country. That is an important first step. All of those countries—I do not have the list with me but I am sure I can find it—will be serviced from existing established missions in Africa.

Senator MOORE—On the observation that Australia has actually been expanding over the last couple of years: has that led to greater requests from other countries or is that something you cannot say?

Mr Hayhurst—We have had more to do with some countries in the last couple of years than we have had in the in recent past. Mr Crean was in South Africa in early February and met a number of African economic and mining ministers from various countries. We had not had bilateral contact of that sort for a considerable period. Mr Smith, in his travels to various multilateral meetings including the African Union in January 2009, also re-engaged with countries either for the first time in a serious way or for the first time in a long time. So in some senses we are rediscovering or discovering each other and what the relationship holds. In many cases we find that there is an Australian economic presence already on the ground that the foreign government is aware of.

CHAIR—I have one more question related to the role of the Commonwealth today. Do we rely on any other countries to have a representative role, either formally or informally, in some of those African countries, particularly the Commonwealth countries?

Mr Hayhurst—When officials from the Australian embassy travel to countries of non-resident accreditation, it is common practice to engage with likeminded missions on political and economic developments in that country. It is very much an informal thing. Of course, you will be aware that Australia has an arrangement with Canada, for example, to share consular responsibilities in parts of the world where one country is more represented than the other. That is a more formal arrangement and that is something that we benefit from and utilise in Africa. I suppose Canada would rely on Australia more in parts of the Asia-Pacific region.

CHAIR—So that exists. How significant is it in Africa?

Mr Hayhurst—I do not have an exact sense. It is not something that we have covered in our submission. What I will do is find some information from our consular division about the way that arrangement works in Africa, for example, which Canadian high commissions or embassies we might use.

CHAIR—That would be useful.

Senator MARK BISHOP—I want to switch the discussion to, generally, the area of mining and extractive industries, oil and gas, from an Australian perspective. A large number of the submissions made detailed reference to our role there and indeed your own submission has highlighted a number of companies, the growth and the amount of investment. In your own submission you make reference to a range of civic and social responsibilities and organisations that mining companies currently participate in. There was some implied or incipient criticism in a couple of submissions of the role of mining and extractive companies in parts of Africa.

In that general context could you advise us, firstly, whether there are any particular countries in Africa that stand out as not welcoming foreign investment in their mining and extractive industries and why that is? Secondly, could you advise us as to whether any governments in Africa have made complaints to you of the conduct or behaviour of Australian mining/extractive minerals or oil and gas companies as they seek to explore and develop sites in various parts of Africa? The impression I have gained—apart from that reference to one or two submissions—is that, by and large, the business practices of Australian mining companies seem to be extraordinarily reputable. I want to get on the record whether you have, firstly, any particular countries that do not welcome foreign investment or trade in those areas and, secondly, whether any criticisms have been brought to your attention.

Mr Hayhurst—On the first point about investment there are 53 countries, so the picture is very variable. Not just to solely focus on minerals and resources but so much of Australian investment is in that sector—South Africa, for example, has the largest number of projects. It has a well-established and secure regulatory environment and regime. I think many countries have sent the message to the Australian government that they would welcome more investment but, of course, it is really up to those countries to put in place the rules and the context that allows investment to succeed both for the company's economic benefit and for the wider development gains to be made.

There are some countries—the Central African Republic is one, Sudan obviously is another, Somalia is another—where security and other issues make it extremely difficult for investment to succeed. Infrastructure is very poor in some countries. Even countries with a considerable degree of economic potential such as Nigeria have perhaps not fulfilled that potential to the full extent because of concerns about the regulatory environment and other things. It is a very varied picture. I do not think any individual country would want to exclude investment from its borders, but a number clearly lack the things that we, as a department advising government, would see as necessary. The message we gave to Mr Crean, for example, when he met mining ministers from many countries was that we need the regulatory certainty, we need the security of title of tenure over mining and these are things that the Australian government can provide some advice and assistance towards but really it is a matter for those countries to determine. Chad is another

country. There is a group of countries—I am reluctant to name them all—where conflict simply makes proper and positive foreign investment regime difficult to envisage. Where the situation has improved, where companies can clearly see a benefit—Ghana is one, Mozambique is another and South Africa as I mentioned before—obviously that follows.

In terms of the second question, I am not personally aware of any African official or minister raising a complaint about an Australian company. To my knowledge, it has never been raised with Mr Smith or Mr Crean, but over time it is conceivable that individual issues of concern have been mentioned. When Mr Crean attended the Mining Indaba meeting in Cape Town, South Africa, in early February, the general message was that Australian companies were very welcome and that their reputation for sound environmental, technical and social practices was known. Certainly it is the view of the department, and it is particularly the view of Mr Crean and others, that Australia has a brand to protect and that, really, companies are responsible for maintaining that brand. It is on the back of that brand that many other companies will succeed, potentially, in their investments in Africa.

Like you I have seen the submissions that raise some concerns about the potential for mining in some countries to not be conducted in an appropriate way. Obviously our starting point is that companies need to obey the rules of the jurisdiction, regardless of the sector. That is a strong message that we deliver in our outreach and engagement with companies. Issues of corporate social responsibility and other factors are also things that all companies operating in developing countries need to think very carefully about. I think it is true to say that the message we get is that Australian companies, in general, perform very well in that respect. But there is always the potential for some isolated cases to take some of the shine off that picture.

Senator MARK BISHOP—Thank you for that answer, Mr Hayhurst. You made the obvious point that, for Australia or any other country to invest in foreign estates, you need to have a whole range of acceptable legal practices so their investments can be protected or guaranteed. You also made the obvious point about civil dislocation and wars in whole parts of the continent. In terms of a large number of African companies, either in these submissions or through contact at ministerial level, making it clear that they welcome foreign investment and investment from this country in extractive and mining interests, is the department, and AusAID in particular, either directing or giving consideration to directing some of its budget towards assistance in the drafting and consideration of appropriate, lawful regulatory regimes and the like in those sorts of countries who say, for example, ‘We want to step out of being mendicant states and want to go our own way but we need assistance in land security, appropriate returns, conduct of local officials, sovereign risk and regulatory risk’? Are we doing any work in providing that sort of practical assistance at a higher level, or is that not considered to be part of our work domain.

Mr Hayhurst—Representatives of AusAID will speak in a moment, but there are things we are doing through the aid program. I think it is fair to say that it is a theme of the engagement we have with some African countries that they recognise Australia’s expertise in that sector. They recognise that Australia is an example of a country that has used its resources wealth very effectively for development and they want to emulate that success. That message comes through in our engagement with a number of countries. Sometimes they make specific or general requests for assistance to develop, whether that is their regulatory environment or the use they make through the tax system of royalties derived from mining. So it is a theme; indeed, it is a theme of Australia’s increased aid program to Africa that working on resources sector

governance is a key feature. I am sure Catherine Walker can elaborate a little on how we are doing that. It is a feature from all different regions of Africa. When Mr Crean met six, seven or eight—I forget exactly the number—African mining ministers in Cape Town in February, they all raised it in a similar way: 'We need some advice, expertise or assistance from Australia to ensure that we benefit fully from our resources wealth.' It has also been raised on a number of occasions with Mr Smith and, as a consequence, it is one of the areas of assistance on which Australia has chosen to focus.

CHAIR—Before you speak, Ms Walker, I just indicate that I propose to finish off on any further questions to do with the mining resource industry and then have a morning tea break. We will come back after that with questions to do with political stability and, more generally, aid and a whole range of other issues. If people could think about whether they want to ask questions on mining and resources, we will do that shortly. Ms Walker?

Ms Walker—Thank you. We are in the early phase of responding to a range of requests we have had from African governments for assistance and advice on managing their resource sectors. Clearly African governments see our own experience in the minerals sector as providing a good model for the way they might go about the governance arrangements around exploiting their own resources. The mechanism that we will use to respond to these requests is our partnerships facility, the Australia-Africa Partnerships Facility. We are already funding at least one initiative under that facility.

The other key example of assistance through the aid program in the sector is the provision of mining fellowships. We offered 26 mining fellowships this year through three providers—Geospatial Information Systems Australia and two different parts of the University of Sydney, one particularly looking at regulation and management of the resources sector and the other at the sustainable management of revenue flows. So we have already got our toe in the water in terms of providing some practical assistance. We have received a range of requests from a number of countries for further assistance. We are working our way through how best we can meet those requests for assistance. They are very much focused on the regulatory framework and governance arrangements area.

Senator MARK BISHOP—So the department, at officer level and at ministerial level, has received approaches for advice or assistance. As you say, you are beginning to do some work. Are you in the process of putting together some sort of subunit or a whole-of-government policy approach that can be brought to bear in this area? What is the focus of your work? You outlined two or three concrete examples, but is the department giving consideration to a sort of whole of—

Mr Hayhurst—The Australian resources industry has expanded quite considerably, even in the last few years, its overseas investment presence and level of interest. The Department of Foreign Affairs and Trade are looking at ways in which that intersects with our foreign and trade policy interests and how the government can support or engage with companies, not just in Africa but more broadly. So we are looking at that question, including issues like corporate social responsibility and other things. It is a conversation we are having with parts of the Australian business community that are interested in these issues and that have these sorts of investments. But we do not have specific people looking just at the issues of resource sector

capacity building in Africa. I do not think AusAID has specific people either, but it does have this new targeted program, which has been very welcomed by a number of countries.

Senator MARK BISHOP—Does Mr Ferguson's department have targeted officials doing that type of work?

Mr Hayhurst—Not that I am aware of, but you should not rely on my word for that.

Senator MARK BISHOP—That is okay. I just wondered if maybe another department was doing it. Is there an IDC operating across the government addressing regulatory/governance issues for the mining industry in Africa?

Mr Hayhurst—No, there is an IDC that functions about the wider engagement strategy with Africa that covers all elements, and this would be one of many issues that that process would deal with. There is not one specifically on that issue.

Senator MARK BISHOP—Do the requests from those eight or nine African mining ministers to Mr Crean, the repeated requests to Mr Smith over the last couple of years—and presumably to the previous government—and the repeated requests you are getting at the official level suggest to you there is a much stronger need for the government to give more priority to this issue or is it just one of the routine requests that we regularly receive at those levels from countries around the world? I am trying to get a picture of how important it is.

Mr Hayhurst—I understand. It is important and it is a regular theme, but it is not the only issue. I think it is fair to say that Australia is seen to have the sort of expertise as well as domestic economic success based on resource sector governance. People see agriculture as another area from which they can learn from Australian experience and expertise. Water and sanitation is another theme of many discussions in some countries in Africa as we have similar climatic and other conditions and challenges.

In many countries there are a number of priorities. The mining minister wants mining assistance. The agriculture minister would say: 'Australia is one of the best examples of a successful agricultural exporting nation. What can and should we learn from you?' I do not want to leave the impression that it is the area of greatest interest necessarily, but it is an area of strong interest and that reflects in part I think the fact that Australian companies are dealing regularly with African governments and the level of awareness of Australia economically is largely focused on resources and agriculture.

Senator MARK BISHOP—Thank you.

Mr Hayhurst—I do not know if I clarified that.

Senator FERGUSON—In your submission you refer to the levels of corruption that exist in many countries in Africa. What sort of an impediment is corruption to people trying to do business either in mining resources or any other trade with governments in Africa?

Mr Hayhurst—I think the obvious point to say in response to that is that it is a large impediment. The more corrupt the operating environment, the less certain investments are. As

we say in our submission quoting international surveys, there are a number of countries, unfortunately, in Africa where, as assessed by businesspeople and other observers, corruption remains a major problem. Obviously the issues of governance more broadly go to the heart of the ability of any individual country anywhere in the world to develop successfully.

It is an issue of concern, as we note in the submission. Clearly, it is a factor. The issue in many African countries is not the resources, if we focus on that sector. The resources are clearly there; it is other factors—governance might be one, infrastructure might be another, expertise might be another and capacity in governance to benefit from royalties is another. It is one part of a complex picture and it varies from country to country.

CHAIR—I have one question on mining. The bottom of page 24 states:

Research by DFAT and other organisations has been able to obtain a more detailed picture of Australian investment and commercial operations in the resources—mining and oil/gas—sector, showing that the level of activity in the sector is much greater across Africa—including in South Africa—than the raw published investment data would suggest.

I acknowledge that your submission has good coverage of expanding on that, but it led me to wonder why the published data is so out of kilter with what is really happening on the ground.

Mr Hayhurst—That is a good question. I might ask Mr Richardson to answer it because he has done most of the work on putting together this information. As the submission says, clearly the official data does not fully reflect—

CHAIR—What do you mean by 'official data? I have an idea of what you are talking about, but what is it?

Mr Richardson—I think in particular the Australian Bureau of Statistics official statistics for Australian investment in Africa are much lower than this figure would suggest.

CHAIR—That is what I thought you meant.

Mr Richardson—That is common across other continents as well. It is difficult to get a true picture because of the way official investment is estimated or calculated. I am not an expert on that. The way we did it was a bit more directly through surveying in 2007-08 Australian companies who had a presence in Africa and asking them directly the value of their current investment in Africa. The way investment figures are calculated I think it comes up in certain transactions. For example, BHP Billiton's investment in South Africa might show up as coming from the UK or a company might structure a particular transaction through some offshore entity and it does not always show up as coming directly from Australia. I think that is one of the main reasons.

The other thing is that $20 billion figure is not Australian investment; it is investment by Australian companies. We have not sought to divide by some notional 50 per cent, 42 per cent or something like that the investments by companies that are significantly but not totally Australian—BHP or Rio Tinto. So this figure really gives you an estimate of the sense of the magnitude of the total and prospective investment. It is interesting that after we did that the

Lowy Institute and some economists from EFIC did a paper which gave a very similar figure for current and prospective investment.

CHAIR—Which is why I was intrigued. Certainly the impression your submission gives is that there is a substantial gap between the official figures and the real position. I understand that you can get variances, but organisations like ABARE have been doing this sort of calculation for years using surveys as well as relying upon some ABS statistics. It worries me that a statement like that is in the submission. I was wondering whether or not it reflected the on the ground position on the continent. Is the limited number of embassies and Austrade offices and the geographical diversity somehow contributing to information not getting through?

Mr Richardson—I do not believe it reflects that at all.

CHAIR—It is good to hear that it is much greater than what the published figures are, but it seems to me to be a worry that we cannot get reasonably accurate data.

Mr Hayhurst—I think it is fair to say that before the department undertook that work in 2007-08 we knew that the picture was one of significant Australian investment and it was growing but we did not have the sense of the magnitude of it. We are talking about 150 companies and 400 separate projects in 40 countries across Africa. We continue this process of engagement to ensure that we have as accurate a picture as possible. The one trend that we readily identify is continuing growth and significant potential.

CHAIR—Thank you. I think it is time we took a break for morning tea.

Proceedings suspended from 10.49 am to 11.06 am

CHAIR—I will give the floor to Senator Ferguson, to commence with some questions on the issue of political stability, which is covered in a number of sections of the department's report.

Senator FERGUSON—Just before we broke for morning tea I alluded to the effect of corruption on investment. Corruption also imposes a lot of impediments on political stability. They run hand in hand, corruption and political instability. In your report you talk about the coups d'etat that have taken place in several countries in the last few years and the end of civil wars in others. There is a bit of toing and froing when you talk about political stability.

My knowledge of Africa is somewhat limited, but I have spent time in four countries in particular: Zimbabwe, Malawi, Tanzania and Kenya. Zimbabwe I will leave aside because it is a different case. I observed elections there in 2000 and 2002, and if you read our reports you will find out what we thought of their electoral process. Malawi is somewhat different, and it is interesting to note that Bingu wa Mutharika, who was elected in 2004, is now the president of the African Union.

I am concerned about Kenya. I served for three years on the executive of the Commonwealth Parliamentary Association and got to know their foreign minister, Moses Wetangula, quite well. What concerned me when I was there last September was that Kofi Annan was still there trying to sort out the problems that arose with the violence after the previous elections, when they came up with some sort of a coalition government. Most of the people I spoke to at that stage thought

that in Kenya many people were preparing for the same reaction to the next general election, which is in 2011 or 2012. What is your information regarding both the stability of the government in Kenya and the likelihood of fresh outbreaks of violence post the next election in that country?

Mr Hayhurst—The violence that followed the last Kenyan election disturbed everybody, including the Australian government. We were deeply concerned about it, and African countries and institutions were themselves concerned. The African Union requested Kofi Annan mediate between rival factions after that election to help them come to some sort of power-sharing arrangement and to look at ways in which those responsible for the violence could be brought to account.

We note that the International Criminal Court has said that it will initiate an investigation into some of those responsible for directing, sponsoring or encouraging that violence. The Kenyan government has welcomed that development. We welcome it too. It is also in the process of passing a witness protection bill to make sure that people who might testify on issues relating to violence, both predating and following the 2007 election, are protected and that what some describe as the culture of impunity, the weak rule of law and the dysfunctional justice system are tackled and addressed. Kenya is in many respects one of the most prosperous and successful countries in East Africa. It has a great deal of economic potential and the only thing that could really derail that is a failure of those in power in Kenya to ensure that elections are credible, that they are conducted peacefully and that there is an agreement to respect the outcome of that democratic process.

We continue to engage with the Kenyan government on those issues. There are other opportunities for us to make the point that we want to see, along with many others, in Kenya's own interests, progress on the investigation, progress on ensuring that the electoral system is prepared next time to handle any stresses it might come under and progress on the capacity of the judicial system to deal with any future events and also those in the past. It is something that we watch very closely and it is something we were concerned about when it happened.

Senator FERGUSON—The difference with Malawi election in 2004 was that I think Malawi was rated as the 10th poorest country in the world at the time. While I would not describe their elections as totally free and fair, at least there was no violence. People seemed to accept the result even though many complained about the process of getting there. In Kenya, they have had elections before but, as I understand it, they were not as contestable as the last one. There tended to be more of a one-party situation until the last election.

Mr Hayhurst—That is right. It is a challenge not only in Kenya but in many other countries. In Kenya specifically I can tell you that the parliament has just approved a draft bill for a new constitution and that a referendum on that new constitution will be held in July or August this year. It is under that constitution that future elections will take place. We hope that the Kenyan people will then have a system that is more likely to ensure that such elections proceed peacefully. There is an interim election commission in place. Obviously there will be permanent arrangements for that. I think the next election is at the end of 2012. So they are not imminent, which gives the system in Kenya time to prepare.

Senator FERGUSON—Senator Moore could tell you that, having been in Rwanda, which had so much conflict 10 years ago or a bit longer than that now, the feeling was so positive in a country that had suffered that sort of conflict. Can you tell me a little bit about Freedom House? I do not know anything about Freedom House, yet you quote it quite a bit in your submission.

Mr Hayhurst—Freedom House, I think, could best be described as an American think tank. It has a strong research focus on democracy and the rule of law and publishes a survey every year assessing how all countries, developed and developing, sit on a spectrum from totally free to not free. The trend in Africa is positive, but we quote that assessment in there not because we necessarily believe it is definitive but because it just gives a flavour of our general view on political stability in Africa, which is that there are many issues remaining of concern but there has been some considerable improvement. But in 53 countries, with many diverse situations and circumstances, it is a mixed picture. As you say, Malawi had an election that we would deem relatively successful, and the country has benefited as a result. We know about what happened after the last Zimbabwean election. Kenya is another example. The progress of that country was clearly disrupted by that process. It is now back on track, and we hope that that referendum on a new constitution in a couple of months time proceeds seriously and results in a stronger system able to withstand those sorts of pressures.

As we note in our submission, in many African countries in past decades elections were not contested. When there is a genuine contest for political power through democratic means, it takes, perhaps, more than one go in some cases to get it right. But the habit, in our view, of elections and contestability is becoming ingrained in more countries than in the past. Perhaps there are ways in which Australia can assist or reinforce that process. Certainly many other countries, including the African Union itself but also the United Nations, are working to build the capacity.

The issue of contestability of elections has obviously been a prominent one in recent days in Sudan. International observers have made it clear that there were significant shortcomings in that process. Overnight the troika on Sudan, which is Norway, the United Kingdom and the United States, have highlighted some of those shortcomings. But they have also made a point—which I think we share—that the relative absence of violence and conflict surrounding the process of voting is an important step forward as well. So it is a mixed picture.

Senator FERGUSON—My final question is about the Corruption Perceptions Index 2009, which you quote in your submission. Where did Kenya score on the index—less than three or between three and five?

Mr Hayhurst—I do not know. We will find out.

Senator FERGUSON—Perhaps you could find out for Tanzania and Malawi as well for me.

Mr Hayhurst—Yes, we can find that out fast.

Senator FERGUSON—Actually, if you give us the index we will be able to have a look for ourselves. Sorry, it must be in our papers.

Mr Hayhurst—I am not sure if it is in there or not. I think we refer to it. I do not think we publish the full index.

CHAIR—To follow on, you mentioned Sudan. The appendix on Sudan in your submission notes—and I am aware—that there are elections scheduled to be held this month.

Mr Hayhurst—Elections have taken place.

CHAIR—I should have known that. What is the current position?

Mr Hayhurst—There was a very complex electoral exercise with elections for the presidency, parliamentary bodies and all regions of the country. The elections began, I think, on 11 April. Voting was extended because logistical and other problems prevented many people from voting. The result was originally due, I think, today Sudan time, but there has been an extension on that because the process has itself been so complicated. It is a key step along the way for a comprehensive peace agreement, which was established between the north and south of Sudan after a very long, bitter and destabilising civil conflict, not only in that country but in neighbouring countries.

That election was part of the comprehensive peace agreement signed in 2005. The next key step is a referendum on the possible independence of southern Sudan in January 2011. We do not have final results from that election, but we note the position of many international observers that clearly the process was flawed. There were a lot of concerns about the conduct of that election, but it was the first election in Sudan for about a quarter of a century. It was relatively peaceful, and so it is a modest mark of progress, in our view.

CHAIR—I also want to ask you about Darfur, which, of course, follows on from that. When I attended the United Nations General Assembly in 2007, there was a lot of debate and discussion at the time about getting the combined peacekeeping force in place and into operation. Today we know there are still substantial problems with that happening to full effect. One hears and reads lots of coverage about the logistical problems, the problems with the Sudanese government and so on. I know that we have a role—a small presence but a presence—in the ultimate peacekeeping arrangements there. The Department of Defence are going to appear later on, so we could take the opportunity to question them about peacekeeping as well, but, from the perspective of the Department of Foreign Affairs, could you update us on anything in that area? There seems to be a huge international desire, both by the African continent itself through the African Union and by the UN and everyone else, to get this to happen but it is frustrated all the way along.

Mr Hayhurst—The situation in Darfur is complex; we are still very concerned about it. I stand to be corrected on the figure, but I think there are at least two million, if not more, displaced people. One of the key priorities is to allow those people to return home. There have been some positive developments. One of the key Darfurian rebel groups that operated out of Sudan's neighbouring country Chad has signed a peace agreement with the government, as has an alliance of rebel groups. So there is progress on negotiations to bring fighting to an end. The development challenges remain huge.

CHAIR—When you say negotiations, whom are you referring to?

Mr Hayhurst—I am referring to negotiations between some of the rebel groups—the JEM is the one that signed an agreement with the Sudanese government, I think, in Qatar in March. Like all agreements, the key will be the implementation, but at least it lays open the prospect of some political solution to the argument about power and control and other things in Darfur. Recently, Australia was represented at a conference in Egypt sponsored by Egypt and Turkey, the Organisation of the Islamic Conference—the OIC—in which mostly African and Arab countries outlined further assistance for Darfur, and Australia pledged a new contribution as well, which AusAID will be able to tell you about. You mentioned peacekeeping. UNAMID is the name of the United Nations mission to Darfur. It is not the only mission to which Australia makes a contribution in Sudan; there is also UNMIS, which is the peacekeeping force that is the international community's response to assist the parties to implement the comprehensive peace agreement that we described before.

Australia's personnel for the mission in Dafur at the moment are unable to deploy, and obviously you should ask the Department of Defence about that. This is an issue that the United Nations has with the Sudanese government's refusal to supply visas. Obviously that is something that is of concern not only to the Australian government but to many others, and it remains an issue that we look to make progress on through the United Nations system. We are not the only country caught up in it. But obviously Defence would have greater detail on the latest on that situation.

CHAIR—I note that in your submission you referred to the fact that Australia was recently elected to the United Nations Peacebuilding Commission—as distinct from peacekeeping—and you note that four African countries are on the agenda of that. Can you give us a little bit more information about our participation in that.

Mr Hayhurst—I can a little bit, although I have to confess that I do not run that issue in the department; it is run out of our multilateral and UN area.

CHAIR—Peace building usually follows some sort of peace agreement—

Mr Hayhurst—Yes, it does.

CHAIR—but it is inherently now a part of the broad sweep of peacekeeping operations, if you like.

Mr Hayhurst—Our involvement in the United Nations Peacebuilding Commission, the PBC, I think will largely focus on two African countries. Sierra Leone is one. Sierra Leone obviously suffered a brutal and destabilising civil war, which came to an end. There is an agreement in place. The United Nations system, with the contribution of its members, is helping to build and stabilise that situation. Mr Smith announced a $6 million contribution for activities largely focused, I think, on Sierra Leone and Burundi, which I will talk about in a minute. There is a special court mechanism in Sierra Leone which is looking at addressing some of the issues that emerged during the period of conflict in that country, and Australia has recently made a further contribution to that. Again, AusAID can elaborate on the detail, but basically there are more UN peacekeeping missions in Africa than in any other continent. There have been a series of conflicts which have come to an end recently, and it is through the UN system that Australia is best placed to make a contribution to peace and security in Africa.

Sierra Leone has been one priority; Burundi is another. Again, after a disturbing period of instability and violence not unrelated to developments in its neighbouring country Rwanda, we now have a much more stable situation, and through the UN PBC and other things the international community is looking at ways of assisting an electoral process in Burundi, which is scheduled for later this year. That is another possible avenue of assistance but, like all of these things, we will consider it. But in the context of African security through the UN PBC it is Sierra Leone and Burundi on which we have chosen to focus.

CHAIR—Who represents us on the UN Peacebuilding Commission? Is it a specific DFAT official?

Mr Hayhurst—I do not know whether we have one individual, but it all comes under the purview of our permanent representative to the United Nations, Gary Quinlan. I am not sure if one individual is nominated as responsible for it.

CHAIR—What prompts me to ask is that I know a couple of years ago one of our personnel—I have forgotten the name—was appointed to the police division of the peacekeeping section of the UN. That was a UN appointment.

Mr Hayhurst—Yes, that is right. Australia has been elected—

CHAIR—To the body.

Mr Hayhurst—to the PBC, so it is Australian government representatives.

CHAIR—Would the mission in New York look after it?

Mr Hayhurst—That is correct; that is my understanding. I think it is a very interesting element of Australia's engagement with Africa. We will get you some more detail and written information from our UN area just to make sure we have got all those facts lined up correctly. But it is different and distinct from an Australian taking up a UN appointment.

CHAIR—Yes, I appreciate that, but I was wondering whether or not there is a specific individual who may have carriage of that position.

Mr Hayhurst—I am not sure. We will check.

CHAIR—Okay. Are there any further questions that members have on political stability issues? I want to move to aid in a moment.

Senator MOORE—I have a kind of question, Chair.

CHAIR—If it is a kind of a question, ask it.

Senator MOORE—Senator Ferguson and I were talking about the fact we could not let the issue of Zimbabwe not be on the table, but generally we do not know what to ask. It is so disturbing. You have provided a lot of information on statements the minister has made about Zimbabwe. I have a direct question about the recent celebrations in Zimbabwe for its 30th

anniversary of independence. Was the Australian government formally involved in any of those celebrations in any way?

Mr Hayhurst—I do not believe we were. I am almost certain the answer is no. If I have anything different on celebrations in Zimbabwe I will let you know. The Zimbabwean embassy in Canberra will be having a national day celebration today, and DFAT officials will be represented at that function in the way that we are represented at all other national day functions for all other countries that have missions here in Canberra. But we have no involvement in Zimbabwe itself.

The issue of Zimbabwe is of course very, very high priority for the government in terms of its engagement in Africa. It is by far the dominant recipient of Australian development assistance. It has been the subject of a number of statements from Mr Smith. The most recent ministerial statement he gave to the House of Representatives was on 16 March. It explains the Australian government's approach, which, to simplify, looks to bolster some of the reform minded elements in the inclusive government. Recently Zimbabwe's Minister of Finance, Mr Beattie, who is a member of the MDC, was in Australia and he met the minister and had a discussion about the political and economic reform prospects of Zimbabwe. Clearly the view of the government is that the power-sharing agreement is not being fully implemented and needs to be, that people need to meet their commitments, that Australia has a very clear policy of autonomous sanctions against, I think, 254,000 individuals and four entities, and that those sanctions are going to remain in place absent progress in implementing the commitments that the parties in Zimbabwe have made themselves.

Senator FERGUSON—How many other countries are applying sanctions in the same way? Is Britain, still?

Mr Hayhurst—The European Union has sanctions that are very similar to, if not exactly the same as, ours and so does the United States. I would have to check to make sure whether others, such as Canada, might have their own sanctions. I suspect they do. I am mostly aware of those.

Senator FERGUSON—But didn't Mugabe attend a function in the European Union not so long ago?

Mr Hayhurst—I am not sure about that.

Senator FERGUSON—I am sure he did.

Mr Hayhurst—It is possible that he did, and that presumably was consistent with European Union sanctions, which were renewed very recently—I think as recently as March.

Senator FERGUSON—Do we still have sanctions on the children of some ministers coming to Australia to study?

Mr Hayhurst—The adult children of individuals captured under our sanctions regime are still caught up in it too, yes.

Senator MOORE—I have one other question that links into that. It is not particularly to do with Zimbabwe. It is a general issue that has come up in a number of submissions, the issue of travel advisories. A number of the countries' submissions have said that they believe that the current situation with travel advisory information could be detrimental to the relationship between Australia and the countries across Africa. I cannot exactly remember the names, but it came up quite regularly and it comes up in discussions as well. For the record, in how many of the 53 countries are there warnings to Australians that it is not advised to travel freely? Also, what is the process for working those through?

Mr Hayhurst—The government's position is quite clear that they are based on the best information available to guide Australian travellers. They are advice, not direction. There are some security issues of concern in Africa. There are seven countries at the moment where we advise against all travel: Burundi, Central African Republic, Chad, Guinea, Niger, Somalia and Sudan.

Senator MOORE—The Congo is okay?

Mr Hayhurst—Regarding the Democratic Republic of the Congo, the advice is: reconsider your need to travel. There are some regions in that country for which we say you should not travel there. There are other examples. For Eritrea, like Ethiopia, the advice differs depending on the part of the country. Near the border area, our advice is: do not travel to those regions. Those travel advices have been in place for a while. They are in place for a number of other countries. We think they serve a useful function for the Australian public. They do not necessarily crimp or prevent growth in economic or other relations. In fact, in the African case, trade and other things are growing. It is a firm policy of the government and we will continue to provide that advice based on the best information we have available.

Senator FERGUSON—They are just advisories, aren't they?

Mr Hayhurst—Correct.

Senator FERGUSON—They do not prevent you from doing anything. I presume you still have one on Bali as well, or not?

Mr Hayhurst—I do not know whether we have one for literally every country in the world, but for the vast majority we do, so Indonesia, including Bali, is covered by an advice.

CHAIR—We have about seven or eight minutes left before we are due to finish this session and move to our next witness. We will not cover all of the issues this morning. We will have some questions that we will provide to you in writing which you can respond to. As I said, we will have you back again in due course. I want to go to aid issues. Senator Moore, could you lead off on aid.

Senator MOORE—Ms Walker, there will be many questions on aid and a lot will be put on notice that we can talk about next time. One of the issues in the ACFID submission, which I know you have read in detail, is about the Paris convention and the principles around aid. They note in their recommendation 4 the ongoing demand for linkages of aid into national budgets and the full information and transparency of that. Can you give us some information, particularly in

view of concerns about the economic stability of some of the countries with which we are working, on what the Australian AusAID process is to try and meet that requirement so that, firstly, there is cooperation amongst donors and, secondly, that when you are looking at the budget of a place that is receiving aid it is clear what money has come in for what purpose and how it is being used? It is a simple question, I know!

Ms Walker—It is a very complex question. The aid program response to it is different in different countries of our engagement. In the case of Africa, we want to make sure that we do not add to the burden of African countries in terms of dealing with external finance. We want to make sure that our aid is aligned with the priorities of African governments. We have spelt out very clearly that we think our comparative advantage as a relatively modest donor to Africa will be in about four sectors: water and sanitation, and maternal and child health. That includes food security and, of course, building human resource capacity. We will make sure that whatever we deliver under those four priority sectors is clearly aligned with priorities expressed by our partner countries.

We may not in all circumstances be placing our assistance on the government's budget, if you like, but we will be working through partners, through multilateral partners, through trust fund arrangements and the like, which provide a strong mechanism for the coordination of donor funding and which provide a degree of transparency and accountability to partner governments that funds are being provided in line with their priorities and to meet the highest needs in those sectors.

It is the case that our program is going to be delivered at a number of levels. We are going to have bilateral engagement with a range of countries. We are going to have multilateral engagement through institutions like the World Bank and other UN agencies. We are going to have regional engagement through some of the regional mechanisms, principally some of the agricultural institutions and other regional African institutions. We will also have our pretty strong engagement through the NGOs and our strong engagement on the humanitarian side.

So there are quite a lot of different delivery mechanisms. The challenge for us, as it is for all other donors, is to make sure that we are harmonising to the degree we can with other donor assistance and we are aligning that assistance with African government priorities.

Senator MOORE—I know there are other people who want to ask questions, but this is a biggie for you on notice: your submission gave lots of information about individual inputs across many of the countries; is it possible to get an individual profile of the key donor recipients in Africa, with the different types of inputs that have gone to them—so that, if we take a country, we will be able to get a profile to say, 'This amount of money has gone in through this process,' and that kind of thing? I know it is a big issue, but when I read your submission, I turn a page and there is another commitment that has been made through another process to a country. I see the people in the back shuddering already! Also, I would like to know about the accountability mechanisms that we have, because consistently at the international level, when you go to the UN meetings and so on, the transparency and accountability mechanisms are raised—particularly as we have seen recently with questions asked about the Band Aid process to which so many Australians contributed. Is that a reasonable question?

Ms Walker—It is certainly a reasonable question.

Senator MOORE—You've got to say that!

Ms Walker—I am probably shuddering too, because I think it may have a considerable resource implication. But can I take it on notice?

Senator MOORE—Absolutely.

Ms Walker—I do think there is a way that we will be able to respond that will make clearer to you which countries in Africa are receiving which forms of assistance.

Senator MOORE—I know it is a big question, but why would that be difficult, apart from the workload? If we are providing assistance to countries and I ask about a country—and I am not go to mention anyone—'What is Australia providing to it?' I would have thought that would have been something immediate that would be able to be produced without a difficulty.

Ms Walker—Yes. I think we could certainly do that for this financial year. I am leaping ahead and thinking of the forward years, given some of our sectoral initiatives. For example, the food security initiative is $100 million over four years. The first two years of that initiative are quite small and it grows in the third and fourth years. But certainly we can give you an indication for this financial year of what flows to which countries.

Senator MOORE—And under which heading.

Ms Walker—Under which heading—yes, we can do that.

CHAIR—Can I make you shudder even more, because I want to ask if you could take the information that is in your submission, which is very detailed, and see whether that could be put into a table or a spreadsheet. When we come to write our report, that would be of assistance. I am not sure if that picks up Senator Moore's questions, because she was talking about individual countries. Can you take both of those on notice and come back to us?

Ms Walker—Certainly. Instinctively I think the spreadsheet is probably the way to go. We will have a look at that and we will come up with the best representation we can for the committee on the flows to individual countries in which sectors.

CHAIR—We appreciate that in quite a number of cases the aid is part of a broader program—

Ms Walker—That is right.

CHAIR—that either involves the UN or some other agencies. Mr Murphy has some questions.

Mr MURPHY—Picking up on Senator Moore's questions to you about transparency, generally, how does AusAID satisfy itself that the humanitarian aid that we provide across the African continent is in fact received by its intended recipients?

Ms Walker—This is a challenge not just for Australia as a donor but for any donor in certain countries in Africa. I guess the overall response is that over many years of providing

humanitarian assistance we have built up our partnerships with key multilateral partners, principally through the UN and the ICRC and also with NGO partners, including many Australian NGOs. So when we make a contribution to United Nations agency, to the ICRC or to an Australian NGO, we are satisfied that they have the accountability and risk management systems in place to be able to report to us that they have delivered aid to its intended beneficiaries. I think in recent times we have seen how difficult that is, including for one of our most trusted UN partners, the World Food Program, in Somalia, where it is extremely difficult for even an agency with a logistic capability of the World Food Program to monitor and to report that every last piece of assistance has reached an intended beneficiary. So I think we have got to bring a degree of realism into this. Overall, we are satisfied that the humanitarian assistance we provide through our partners is reaching its intended beneficiaries. Where we cannot monitor that ourselves directly we do rely on their systems, but in many instances we have a direct link to these organisations, including through our membership of the executive board, for example, of the World Food Program.

Mr MURPHY—Is it possible or appropriate to audit those partners—in other words, test it to see that in fact certainly the bulk of it is actually getting to the people who most desperately need it?

Ms Walker—Yes. We like to undertake direct monitoring where we can get our own staff to some of these locations. We also participate in joint donor missions of, for example, World Food Program, UNICEF, other UN partners. That is quite an accepted way of looking at the way a program is being implemented and, through our participation on the executive board structure, there is a lot of attention from the agencies themselves to the audit function. So we are also involved in helping to determine the overall audit framework for the agencies that we provide significant amounts of money to.

Senator FERGUSON—I had a question earlier about our concentration of aid.

CHAIR—Do you want to deal with that now?

Senator FERGUSON—Yes, if we could.

Ms Walker—I reiterate the point I made in my opening comments that the aid program is increasing overall. The government is committed to providing 0.5 of GNI by 2015. The countries of the Asia-Pacific region remain core business for the Australian government's aid program. There will be no diminution in the focus on these countries, particularly as so many of them are in the fragile basket, if you like. As the program scales up overall you are going to see increased resource flows into the countries of our immediate region. But the government has also made the commitment that we are going to be part of the global partnership to help countries achieve the Millennium Development Goals. That really does take us into a different league, where we are looking at countries of Africa which are off track, and we are also looking at other countries in other parts of the world which are off track to meet the Millennium Development Goals.

The way we are approaching our aid efforts in Africa is to be very strategic and targeted about what we do. Even with the scale-up of resources through our program we are going to be a very modest aid donor to Africa. Our view is that we should focus on the sectors where we have some comparative advantage. That takes us into food security and agriculture. That takes us into

maternal and child health, where we think we might be able to do something to support to the training of midwives and so on in several locations. It takes us into the provision of scholarships to build the overall human resource capacity in a range of countries so that African people can lead their own development. You mentioned Sierra Leone seeking trade not aid. There is no doubt that the aid program has some role to play in helping countries to develop their own trade policy credentials. We are already providing support to a range of countries to participate in DFAT's trade policy training course, which helps equip them with the skills to participate in the global trade policy talks and so on.

In summary, as a percentage of our total aid program, our support for Africa this year is around 4.3 per cent. That is growth, no question, but we are nowhere near the top 10 donors to Africa. We do need to be careful and targeted. There are certain issues in Africa and certain countries—and I would refer to Zimbabwe as one of those—which occupy a special kind of place in our program. This is sometimes historical and sometimes about people-to-people links and so on. Our Zimbabwe program is the biggest bilateral program this year, and I think there are reasons for that.

Senator FERGUSON—You said that part of the program was to help countries meet the Millennium Development Goals. Can you name one country in Africa that is likely to meet its Millennium Development Goals?

Ms Walker—We have provided a table at the back of our submission which indicates where there is a likelihood—

Senator MOORE—The table got really squashed in the printing presses.

Ms Walker—Yes. I am having difficulty reading it myself, so I think we might provide you with another table.

Senator MOORE—That would be really useful.

Ms Walker—The picture is mixed. The countries of sub-Saharan Africa are off track against all the MDGS. We will do a better representation of the table for you.

Senator FERGUSON—Thank you.

Mr FITZGIBBON—I just want to go back to basics, and excuse me for doing so. I am just wondering if you can help me, in particular, and maybe other members of the committee, understand what it is that actually constitutes foreign aid. Some of it is very obvious—cash, either through NGOs or directly to other governments, and scholarships et cetera. But I suspect there are some grey areas. I know that in Defence some of our work fitted the criteria and some did not. I assume it is the OECD that sets the criteria and polices it, particularly the Millennium Development Goals. Could you help us to understand that, verbally first of all, but there might also be something you can give the committee in writing which we can refer to.

Ms Walker—You are absolutely right: it is the OECD's Development Assistance Committee which is the international body which is, I suppose, the arbiter of what constitutes official development assistance. There is a definition, in the broad, of official development assistance. It

is principally contributions which contribute to the economic and social development of developing countries. There are definitions of developing countries—those that are low- to middle-income and countries and so on. We can probably provide the committee with the definitional information and then perhaps look at how that flows into our program in Africa and in helping to achieve the MDGS. You are absolutely right: there are grey areas, but it is the DAC statistics area that tries to provide the clarity internationally to donors so that we are in the business of trying to get consistency across the international development spectrum.

Mr FITZGIBBON—For want of a better word, that is how it is policed, how countries are held to account for their claims and how they are meeting their goals.

Ms Walker—Yes. Australia, like any member of the OECD DAC, is subject to peer review by other member countries of the DAC. We had a peer review outcome about 12 months ago. It happens every four years or so. So there is a good deal of scrutiny of these issues across the board, particularly the definitional issues.

Senator FURNER—I have questions on data and accountability. I want to concentrate on the efforts that are being made towards NGOs. I understand that Australians made private donations in 2008 of $200 million. The government has committed $11 million in 2009-10 to 21 NGOs. You may need to take this on notice. Can you list the NGOs that that money went to and talk about the accountability—that is, what they have done with that money in terms of providing assistance to a variety of different countries?

Ms Walker—Yes. The figure of private contributions to Australian NGOs is one that comes through ACFID. We understand that it is in fact higher than $200 million but, on any measure, the Australian community contributes a significant amount to NGO programs in Africa. AusAID has two main mechanisms for funding NGOs. One is a specific program, the APAC program. We are currently looking at the next phase of that program. We select partnerships with a group of NGOs for them to deliver specific assistance in a range of countries. The other mechanism is our AusAID NGO Cooperation Program, which is a global program. We provide assistance to NGOs and they use that to assist the development of their own programs. So one is a partnership model where we work with the NGOs on the programs that they will be delivering with our assistance. The other is the model that says, 'You have a significant involvement in Africa. The Australian government is going to help you deliver your program of assistance.' There is a set of requirements around the ANCP that gives us the confidence that programs will be delivered as they are intended. I think it is easy to take this on notice. We can tell you which countries and which NGOs benefit through the ANCP and which have benefited through APAC.

Senator FURNER—I would also like to know overall how African fares globally with MDG targets. We have neighbours in our own backyard that are faring poorly—those in the Asia-Pacific rim. I am just wondering how they fare in meeting MDG targets.

Ms Walker—I think we are going to provide some information to the committee that would help to draw this out in a bit more detail. We will certainly improve that table which is produced by the UN so that we can all read it. Over 53 countries and over 18 MDGs it is a mixed picture. The key issue, as I have mentioned, is that the group of countries that make up sub-Saharan Africa are off track against all of them. Yes, we have issues very close to us, certainly in the Pacific region, where countries are also off track to meet a range of the MDGs. However, the

view of the government is that if, internationally, we are serious about these targets we have to be very serious about what happens in Africa. If Africa is completely off the track then the targets are not going to be met globally.

Senator MARK BISHOP—This question is for you, Ms Walker. The submission from Minister Ferguson, the Minister for Resources and Energy and Minister for Tourism, referred to the AusAID funded report prepared by Geoscience Australia, which I think you received in September or October last year. Firstly, can we be provided—if we have not already been—with a copy of that report? Secondly, can you give me a very brief overview. Is that a technical/scientific report or does it address the sorts of issues we were discussing earlier in the day?

Ms Walker—I do have some information somewhere in my folder about this report. First of all, let me just quickly address the issue with my colleague of whether the report is available to the committee. We are not aware of any issue, but we will certainly check with Geoscience Australia and will advise the committee. I do not think there will be a problem.

Senator MARK BISHOP—If it is available, could you please provide it to the committee. It would be appreciated.

Ms Walker—Okay. The report, as I am advised, consists of contextual information and recommendations in relation to possible Australian assistance to African countries in the extractive resources sector.

Senator MARK BISHOP—I understand that. My question is: is the report, being done by Geoscience Australia, a scientific/technical focus report, addressing barriers to entry and the like or does it address issues of a conceptual nature—regulatory issues and governance structures—that we were discussing earlier this morning?

Ms Walker—My understanding is that it deals with the latter. As we mentioned this morning, we have already had a range of requests from African countries in that area and some of those requests are flowing from the work that was undertaken in the Geoscience report.

Senator MARK BISHOP—Finally, in response to questions by Senator Ferguson I think you said that a lot of AusAID expenditure will be targeted, direct and strategic in respect of Australia's objectives. Is consideration being given to some of that targeted, direct, strategic assistance addressing the governance and regulatory issues raised in the Geoscience report that AusAID funded?

Ms Walker—Yes. As I mentioned earlier, we think this is an area of comparative advantage, given our own experience. The mechanism that we will use to respond to these requests is the Australia-Africa Partnerships facility. We are already working on how we may be able to deal with some of the requests we have already received. As I mentioned, we have the mining fellowships in place. But we are also considering how we can respond to some specific requests we have had for assistance in this area and they go to the heart of regulatory frameworks and governance arrangements.

Senator MARK BISHOP—I will be interested in seeing that report in due course. Is AusAID going to return?

CHAIR—Yes, it is. The intention is to have the department, AusAID and Austrade come back, with your agreement, which I am sure you will be happy to give.

Mr Hull—I am happy to come back!

CHAIR—On that note, can I thank the officers of the department, AusAID and Austrade for their appearance this morning and also for the written submission, which is very comprehensive. We appreciate that. We look forward to seeing you again. No doubt you will follow the inquiry as it moves along and be able to pick up on issues that are raised by other witnesses and submitters.

[12.04 pm]

HEARN, Professor John, Deputy Vice-Chancellor, International, and Professor of Physiology, School of Medical Sciences, University of Sydney

CHAIR—Welcome. I would just indicate to you that we do prefer all evidence to be given in public but if there are particular matters you wish to deal with in private please make that request at the time and we will consider it. Do you have any comments to make on the capacity in which you appear?

Prof. Hearn—I am also the chief executive of the Worldwide University Network.

CHAIR—You are not giving evidence on oath, but we just remind you that these are legal proceedings of the parliament and have the same standing as proceedings within the chambers themselves. I thank you for your written submission and your appearance today. I invite you to make an opening statement and then we will proceed to questions. We are running about 20 minutes over time, but we will extend into the lunch break to ensure that we deal with your evidence and any issues that arise.

Prof. Hearn—My experience in Africa includes eight years living and teaching in Kenya and Uganda, and 30 years working with the World Health Organisation on projects in Kenya and Uganda. These were in medical research development. I currently serve on the board of a world health organisation supported by a medical and conservation research centre of the University of Nairobi. My comments address terms of reference 3 and 4: education, science and development. In our work around the world with the Australian government and other stakeholders and partners we feel that these areas are enduring diplomacy and we hope very much will give return on investment for Australia in both the short and long term. The University of Sydney really welcomes the Australian government's re-engagement with Africa, based on equal partnership in areas of mutual benefit and capacity strengthening in the context of the framework of the millennium development goals, even though some of the objectives will be very hard to meet. We do enjoy close relationships with Australian government agencies, including AusAID, ACR and other specialist expert agencies in our work around the world. We recognise the long engagement of the energy, minerals, education and research sectors as Australia develops its objectives as a supportive middle power.

The assets that we bring to this discussion within the University of Sydney include over 20 senior academics and researchers with expertise and programs in Africa, a university wide Australia Africa Network, with which we are building teams with the private sector, government and NGOs and indeed with other Australian universities. One must recognise that critical mass is essential to this huge task and that we need to talk to each other and coordinate. We are certainly open to that and I will come back to that.

We recently hosted an Africa forum with a number of African speakers, including the high commissioner for South Africa, who is here this morning and whom you will hear from later. That was co-sponsored by DFAT and AusAID. We have over 100 African students from 17 countries. We run leadership training courses. We now have a growing number of alumni in

Africa and we are regular visitors through delegations to East and South Africa, the next one being in July, when I will take some of our leading researchers and academics with me there.

All of that is a drop in the bucket when the task is examined, so we, the University of Sydney, must focus and do focus especially in East Africa, particularly in Kenya, Tanzania, Uganda, Rwanda and South Africa. We focus on contracts and agreements with the universities of Nairobi, Makerere and Cape Town, and we focus around our major expertise relevant to Africa and the Australian government programs in food security, including agricultural biotech; public health, including non-communicable disease; extractive industries; and public sector reform. Our Graduate School of Government is very active in the field of public sector reform. It is directed by the Hon. Professor Geoffrey Gallop, previous Premier of Western Australia. We have a number of specific projects, including a WHO project developing currently in prevention and abandonment of female genital cutting.

The next steps: we consider that we should build on where we are now and host a broader Australia-Africa conference, a very practical one, and invite other Australian stakeholders. This would include a number of the leading universities with expertise, and among those would be the universities of Western Australia, Newcastle, Monash, Sydney and others, along with NGOs and government agencies. We feel that if we can do this and come up with some real areas where we can make a difference that we would achieve better reach, depth and impact, and we do need to define specific Australian expertise and advantages.

We feel that building, sustaining and supporting long-term African research and education leaders so that they stay in their countries and have joint appointments with us and others is one key way to develop. It is extremely difficult for some of our African colleagues to function in the social and economic environments where they are, and anything we can do to support them in those positions is a key way that Australia can contribute.

Our recommendations are that we learn from the experience of the past 40 to 50 years. We are very selective with our partners and in developing the funding models. You have just had a deeper discussion of accountability, which is critical to achieving proper point-of-spend partnerships. We need to be flexible, because the challenges in Africa in education, science and technology are not the ones we deal with. We should go in there as equal partners and ready to adapt.

The feedback we get from the World Health Organisation and others about Australian involvement in Africa and elsewhere is that one key advantage for Australians is that they get their coats off, they get into it, they stay, they really help and they retain relationships. So it is very much a people thing, and that is sometimes overlooked in the ways that countries engage in Africa. I think that is an Australian advantage—that is, a Team Australia approach with universities, government, the private sector and NGOs. I stress that getting into an African relationship is a 10- to 20-year, and probably much longer, commitment. From my work with WHO I could give details and argue that point a bit further, should you wish.

I would like to finish with thanking the African high commissioners, who we have kept in very close touch with and who have guided our strategic development; DFAT, AusAID and other agencies, including AEI and now Austrade in education; and particularly Lisa Filipetto, our high

commissioner in Nairobi, who has been extraordinarily supportive, as has our high commissioner in South Africa. Thank you very much.

CHAIR—Thank you, Professor Hearn. Can I just start off with two questions. Firstly, in reading your submission and listening to you this morning, it seems that the engagement is essentially one under the umbrella of aid and assistance. That is not meant as a criticism and disagree with me if you wish. In other parts of the world, and in a number of countries in Asia particularly, it is a well-established education services umbrella with arrangements with other universities about foreign students, research et cetera. I wanted to ask if you would comment upon that observation. Is there a potential for an education services industry to develop out of this? There are some comments in the DFAT submission about it, but I would like your perspective on what we are doing in terms of providing assistance to develop research and education and provide opportunities for African students to come to Australia.

Prof. Hearn—I think the tenor of some of my comments was about aid and development, but mainly around research and developing solutions for African problems, many of which we also share and therefore have similar expertise in. I might point out that Australian universities, and certainly the University of Sydney, are not aid organisation, so we have to partner with aid organisations in order to engage.

With regard to the education services, of course, that is now Australia's second or third biggest export industry at $17 billion. My own view, and it is a personal view, is that it would take a long time for African education—that is, students coming here from Africa at undergraduate or postgraduate levels—to be significant within that total. That is not to say that, if economies development further—and hopefully they will, in part with Australian help and in part with Australian scholarships—that will not lend to a build up of the Australia-Africa education partnership. I think it would be excellent if it does. Our experience with African students, staff and expert exchanges is that they bring a huge amount with them to us in establishing ourselves as a world university and they are certainly extremely good value. But I do not see that as a profitable industry in the near future because our costs and fees are very high in Africa.

CHAIR—Thank you. Your submission was dated 8 December and you referred to the international forum that you were holding on 19 March, which you have mentioned this morning. Would you give us some indication as to what came out of that forum? Is there a written report or some documentation that you are able to provide to the committee that we may be able to consider as part of our report?

Prof. Hearn—Thank you. We would be pleased to provide a report. I think that it is fair to say that the forum went beyond our objectives. The forum had as its principal speakers the foreign secretary, Stephen Smith, who made some announcements about additional research funding for partnerships in Africa. We had an absolutely moving presentation by Tendai Biti from Zimbabwe about his experience. We had four commentators from Australia and Africa. DFAT supported us with AusAID in bringing a number of leading Africans here who joined in, and we had four symposia around health, business, education and science which all focused on the future development of partnerships. So we would certainly be pleased to provide that and to provide the specific outcomes which we are now following up.

CHAIR—That would be very much appreciated, Professor. I indicate for the record that we have been provided with a copy of the minister's speech to the international forum on 19 March and that is included as an appendix to the submission from the department.

I do have one further question. There had been calls from several witnesses—ones we have not heard from yet but in their written submissions—that we should establish a centre for excellence for African studies or an African research institute. Does the University of Sydney have a view about that? I assume you may be well placed to implement such a proposal. Can you comment on that proposition?

Prof. Hearn—I think my comment to whether the University of Sydney is the one that should be put up in lights and given a lot of money, is yes and no. I think we have to establish a network where the real expertise is across Australian higher education and research and, as I indicated earlier, we are a drop in the bucket compared to some of the other countries that have long experience of working in Africa. We do have long experience but I would say that any such development of a centre of excellence or a network of excellence—and I would favour the latter—would be competitive and would go to looking at a partnership of Australian government objectives with underlying academic and research objectives that were doable.

CHAIR—Thank you. As a graduate of Sydney university, I declare a conflict of interest in supporting at least a part of your answer there.

Mr MURPHY—Thank you, Professor Hearn. I noted too in the minister's speech at the forum that he affirmed the long-term commitment Australia has to the African continent and I noticed in your introductory comments that you alluded to that yourself. I would like to ask you about how you see Australia's long-term relationship with Africa and what advice you would give this inquiry.

Prof. Hearn—I think we need a framework that looks 50 years back and 50 years to the future and within that, 10 years back and 10 years forward. Looking 50 years back, I believe some real positives have been developed, and there have been some real negatives—and you will have heard many of both. I think that I would be optimistic with the approach that the Australian government is taking that, by focusing on the advantages we referred to earlier in areas that are really needed by both Australia and Africa, now is the time when a new start is appropriate.

I mentioned earlier the Australian approach, which I think is distinct, but I do think we need to be realistic. For example, the level of engagement of China, which goes back at least 30 years and is now at $100 billion across Africa in investment, is just enormous. Of course the European Union and bilaterally many European countries, including Germany, France and the UK, have long-term interests, some of which have failed, so I think we need a realistic view of where we are and what we can achieve, while being ambitious and optimistic. If you can identify a few people and work with them in target countries, you can make a big difference. I refer, of course, to leaders who are in the political, academic or business fields who are making a difference even in a very difficult environment and the ability to work with such people to give them an Australian experience through fellowship. By 'Australian fellowships' I mean visiting fellowships to Australia either in academia, business or in government. That can make a huge difference. I know that, for example, some of our alumni, including the director of public health

in Kenya, say that the opportunity they had to do a masters or a visit to Australia transformed their life, the way they think and their approach. So I think that, within the long-term nature of your question, we need to structure our approach to support such leaders and such people and not just have a visit which is over and from which we walk away. So, when I said earlier that is about people, it is about the commitment of people on both sides and putting in the instruments that would enable leading people on both sides to work together.

Mr MURPHY—I agree with you; thank you.

Senator MOORE—I am interested, because your submission raised the amount of focus that your institution is putting on the issue of interaction with Africa. One of the things we talk about is cooperation across the country. You said that it is a drop in the open ocean in the international field. I am just wondering about other institutions around Australia, whether you are aware of any programs or focus such as you have done that would be trying to bring in the special need we have—and also your focus on bringing African students to study.

Prof. Hearn—Certainly. As I mentioned a bit earlier, there are several Australian universities.

Senator MOORE—Yes; I just wanted to get some idea.

Prof. Hearn—I would put among them Queensland University, Western Australia—

Senator MOORE—I am a Queensland senator so I am kind of fishing for that.

Prof. Hearn—Newcastle, which may be surprising but it is visible when I go to Africa, and Monash, with its African campus but focused more on South Africa, so we would see a lot of benefits in working with Monash, because Sydney is likely to take more of a focus in East Africa. I am sure there are others. One of the things we need to do in a network is to map the assets. We are often very good at working together offshore while competing like cats onshore, and we need to work through that.

Senator MOORE—Is there a current network in terms of the fact that there must be an interchange of personnel in interest areas? You have mentioned that range of organisations in Australia. Is there a combined network that talk amongst each other and say, 'We really have to focus together,' and that kind of thing? As you have said so many times, organisations are in competition so strongly for various processes. Have you established a kind of pan-African university network or something with a title such as that?

Prof. Hearn—We have not. We would like to do that, along with partners—I am not big-noting ourselves necessarily. There is an African society which has been working along slowly for many years, but I think we need to invent a network, which does not yet exist, with the leading partners who really have demonstrated commitment and can work in this new re-engagement with Africa.

Senator MOORE—I have one further question and it is to do with the increased commitment by the Australian government to provide scholarships for African students. Is that something that the universities work with the government in developing? I am just afraid that once again it is going to be a contest of who gets the most scholarships and why. When we have said, as a

funding organisation, quite likely, that there needs to be more focus on effective scholarship arrangements across the African nations, is there any discussion with the various universities about the best programs, the most effective way or the best infrastructure that is already in place?

Prof. Hearn—I think it is fair to say 'not yet'. We are all used to competing for even small amounts of funding—and for everything, including students. But if we were able to achieve a consortium and we were able to negotiate an agreed position and priorities to work with the Australian government—and I am sorry to say that it is probably a big 'if'—then I think that might enable us to develop an Australia-Africa strategic program, but it would need to be in close consultation with our African colleagues as well.

Senator MOORE—Very much, so that the people involved get the best—

Prof. Hearn—An equal partnership.

Senator MOORE—Thank you.

Senator MARK BISHOP—Professor Hearn, I was struck by one of your comments. In passing, you made a comparison as to the level of investment of China—you referred to something in the order of $100 billion—into various parts of Africa. Submissions received to date to this committee suggest that investment FDI out of Australia is something in the order of $20 billion to $25 billion. I would have thought that that level of FDI out of this country is indeed significant, particularly when one considers that the level of investment FDI out of China is targeted specifically to commodities that they identify that their country needs. You also mentioned in passing that Professor Gallop is heavily involved with your institute, and of course he has particular expertise in a lot of mining and extractive matters deriving from his previous career in Western Australia. In terms of the Australia-Africa network that you advocate, does that have any particular segment for heavy involvement of mining extractive oil and gas firms or industries? Their investment being so significant out of this country into Africa, and the level of requests for assistance that our government is receiving in those fields of investment in a lot of African countries, I wonder: does your organisation give any particular focus to involving the perspective of those types of companies or industries in your work?

Prof. Hearn—First, thank you for correcting me. The Australian investment in Africa, particularly around energy, is not trivial—

Senator MARK BISHOP—Not correcting, just identifying—

Prof. Hearn—$20 billion is not trivial, even with the definitions that one had earlier from DFAT. The answer to your question is that we do have expertise in Sydney, and probably more so in one or two other Australian universities, in underpinning the mining, engineering, robotics and extractive industries, at both a research level and a technical level. I think one could put together a team pretty quickly. I am not sure, and I rather doubt, whether we have fully availed of such expertise in working alongside the mining or energy industries as they have engaged in Africa.

Senator MARK BISHOP—Thank you for that answer, Professor. It is just that some of the supporting material and submissions have highlighted to me just how significant our work and

investment is right throughout that continent. The fact that your organisation has taken the trouble to make a submission suggests that there might be a commonality of purpose in due course when you come to identify your strategic objectives as to how best you can assist. That is the only point I am making.

Prof. Hearn—I might add one comment. We have had contact with some of the Australian miners in terms of executive training. We would see that as a relatively short-term but important contribution that we can make.

CHAIR—Thank you I have one further question. In your submission under the heading of what University of Sydney is doing you refer to the fact that you are in the process of developing partnerships and memorandums of understanding with a number of universities. You refer to the universities of Nairobi, Cape Town and Makerere in Kampala. Can you give us an indication of what would be contained in those memorandums of understanding? What do they cover?

Prof. Hearn—Certainly. The memorandum with the University of Cape Town is twofold through a direct Sydney-Cape Town partnership and through the Worldwide Universities Network.

CHAIR—That exists now, does it—it is formalised?

Prof. Hearn—That exists and there is also a memorandum of understanding through the Worldwide Universities Network of which the members are Sydney, Western Australia, Cape Town and 12 others. The agreements with Nairobi are very new and they are in the areas of public health, medicine, veterinary and aspects of agriculture. As yet they are relatively undefined and we hope to put more flesh on that when we take a delegation in July. The partnership with Makerere is more around public health. We are keeping it pretty limited right now and aiming to develop one or two things we know we will deliver rather than a set of promises that we are not sure about.

CHAIR—Could you indicate, beyond the areas that you have focused on, whether they go to specific commitments in terms of exchanges or funding. Are you able to provide us with a copy of the memorandums of understanding to get a picture of what they look like and what they say rather than just being a statement that there are memorandums of understanding.

Prof. Hearn—We can do that.

CHAIR—If it is not a public document or you do not wish to be made public, let us know and we can deal with it accordingly but we would like to see what the content of the memorandum looks like.

Prof. Hearn—We would be very happy to do that. We are trying to make these more specific, more like contracts with KPIs agreed on both sides. We would be glad to do that.

CHAIR—That would be helpful. Thank you very much. Thank you Professor Hearn for your submission and your evidence this morning I am sorry if we have kept you beyond the allotted time. It has been a very interesting morning.

Prof. Hearn—Thank you for hearing me and I wish you very well.

Proceedings suspended from 12.39 pm to 1.38 pm

SHOPE, His Excellency Mr Lenin Magigwane, High Commissioner, South African High Commission

CHAIR—I particularly welcome you, Your Excellency. I appreciate that you have been here this morning to listen to the evidence from the Department of Foreign Affairs and Trade. I also thank you for your written submission. I would invite you to make some opening comments, and then we will proceed to questions from members of the committee. Obviously, feel free if you wish to comment on evidence that you may have heard this morning, if that is appropriate. Excellency, the floor is yours.

High Commissioner Shope—Thank you, chair. I will talk a little bit to the submission that I made. I would prefer to be guided by questions, because those would probably direct us more to the areas of interest that actually exist. Firstly, as South Africa we are immensely happy that we have this re-engagement that Australia is doing with the continent. We feel that it is one that is substantive. We think that it is one that is meaningful for both sides. It can be very beneficial for the African continent in particular. As South Africa we are trying to do our best to promote those bilateral relations. We want to take them to new heights because we think there is really quite a lot we can achieve as both countries working in that direction. This really goes into many areas. It goes into peacekeeping. It goes into our working together to reform the United Nations' different institutions—Bretton Woods, the UN Security Council and so on. It goes into the area of our working together on some of the issues that are of particular interest to both countries, including nonproliferation, nuclear disarmament and so on.

Broadly speaking, within the general frame of promoting those bilateral arrangements we also promote high-level visits because in the world of diplomacy it is many times in bilateral visits that you get very specific desired outcome. So we work very hard also to promote high-level bilateral visits over and above the visits we had last year. I think a foreign affairs colleague said this morning that we had a visit by Minister Smith as well as Mr Crean to South Africa in January and February. We had visits to Australia by our deputy minister for foreign affairs, who took a number of engagements. Also, a memorandum of understanding was signed, a twinning of sorts, between the state of Queensland represented by Premier Anna Bligh and the province of KwaZulu-Natal in the Republic of South Africa. So we are happy to work together on a number of those fronts.

Of course we want to work very hard in the area of promoting financial trade as well as investments. The statistics of your statistics office and our statistics office are not exactly the same, but both indicate that there is more South African investment in Australia than there is Australian investment in South Africa. Of course we are a developing country, so we think that is an anomaly, and we want to promote more Australian investment into South Africa and southern Africa in general. So that is a key component of the activities of our high commission and all the high-level visitors that we get to Australia.

Of course there are training opportunities for South Africans, given the history that we come from. Obviously one of the most lasting legacies that the apartheid will have on that country is the lack of education and training opportunities for the majority of the population, which really leaves us today in a situation whereby we have, even in the framework of a growing economy,

pretty much a large section of the population that is unemployable in the part of the economy that is growing, because that part of the economy requires fairly advanced education and training. The years of deprivation of education and training of course becomes a problem. So we are working hard at this point to try and bring together your TAFE system with the South African counterparts, which we call FETs—further education and training colleges—and so on.

An important part of the work that we do here is to cultivate relations with the South African diaspora. It is a significant diaspora. We think that as a community they are very much in a position to make a positive influence on our relations, a positive influence on the balance of both trade and investment. Being people who know people and processes both on that side as well as on this side, we think they are in a unique position to assist us in that.

Broadly speaking, we are happy with the re-engagement. We think that the re-engagement, as I said earlier, it is a substantive one. It is a meaningful one. It is beneficial for both countries. We think that it is a process that has started and that actually can go quite a long distance. We will need to look at the number of things that can broadly be done and achieved. I think we are at the beginning of that process.

I am not sure whether my Foreign Affairs colleagues mentioned this morning that, following the ministerial meeting that we had in Pretoria between the foreign ministers, one of the key points of agreement was that we were going to work on a memorandum of understanding which is intended to govern the relations that we want to have together. We have many areas in which we are interested in working together—both multilateral and bilateral. In working together we have a couple of projects that we are doing currently in Zimbabwe, for example, on water sanitation and tax administration. We think that there are a number of other areas that we could work together on. We think that we can work together very much on the promotion of trade and investment into the subcontinent because we think it will assist in the level of stability leading to economic development in the subcontinent.

Broadly speaking, I think we are happy. I think the Foreign Affairs colleagues did mention a number of things that they have done as a department—in what is now the Africa branch—in terms of increasing the capacity in the different African countries. Minister Smith's engagement with the African Union as well as with the different countries we think is very substantive and very significant. We think that it is a relationship that we can take ahead. I actually regret not having been able to listen to the entire presentation by Professor John Hearn of the University of Sydney. We relate very much with the University of Sydney. They have a number of programs which we have made significant contributions to by way of high level participation. We think that that is a key example of how that reengagement can be taken forward. I look forward to your questions.

CHAIR—Thank you, Excellency. I might just advise you, with respect to the last comment, that Professor Hearn is going to provide the committee with documentation—a report—from the conference that was held in Sydney on 19 March. That will become part of the material before the committee and you will be able to access a copy of that. That will expand on his evidence. Before I go to Australia-South Africa relations directly I would like to commence with this. In terms of the broader region you mentioned the African Union—and it is noted in the DFAT submission—and the role of African Union in recent years in assisting to resolve or endeavouring to resolve various conflicts and in promoting stability. But I also note in your

submission that you refer to the Pan-African Parliament. I was wondering if you could expand on the role of the Pan-African Parliament and maybe also where it sits viz-a-viz the African Union and Australia's interaction or potential interaction and relations with both the AU and the parliament.

High Commissioner Shope—Within the broad process of bringing together the African countries—maybe, to an extent, modelled on the European Union—there are a number of programs and structures that are run at the level of the union. An example of an economic program is NEPAD, the New Partnership for Africa's Development. Also, part of what we have under the African Union commission is the Pan-African parliament. The Pan-African Parliament brings together parliamentarians from the entire continent and they represent through a quota system. The Pan-African Parliament itself is based in Johannesburg. I think the point we were making in the submission is that the Pan-African Parliament is a fairly new body, which has countries represented from all over the continent, many of which have recently come out of conflict. It is a body that does not yet have legislative powers per se but the intention is for it to gravitate in that direction. What we tried to say in the submission is that we think the role these parliamentarians have to play is an important one and that an increased interaction with parliaments in other countries, such as yours, will assist them to understand the role they could play. I think an exchange of ideas in terms of what you do here and how you do it probably would enrich the functioning of the Pan-African Parliament and, therefore, the execution of its role.

I do not limit this, of course, simply to the Pan African Parliament. It is something that I have discussed with both the Speaker of the House of Representatives and the President of the Senate and I have said that we would be happy to have more interaction with the Australian parliament at a bilateral level with a number of parliaments in Africa, including our own. At least 50 per cent of the members of the South African parliament are new parliamentarians. In assisting in those processes of exchange, simply getting people to understand, and in order to achieve the same objective, how are things done differently in Australia? How could that assist them to achieve what they want for South Africa?

I missed the exposition of Professor John Hearn, but they are pretty much on track in moving in that direction broadly speaking, and not just with parliamentarians. I think they will be running a program now for political advisers and assistants, or people of that sort. It would be people either who work in political parties or who are advisers to members of the executive, so I am talking about that type of program. I think that that would be most useful, whether at the level of the Pan-African Parliament or the South African parliament, or indeed any other parliament on the continent—for example, the Zimbabwean parliament is one that has a number of challenges. That is, broadly speaking, what I was referring to.

CHAIR—Thank you.

Senator FERGUSON—High Commissioner, as you may have heard me say earlier today, on page 2 of your submission you say that there is a 'lingering sense amongst some that re-engagement with Africa is fuelled primarily by a desire to secure the African vote for Australia's candidature'. What caused you to make that observation?

High Commissioner Shope—Because that 'lingering sense' is there. I think that perception is there. What is important for us as parliaments and governments is to take note of the fact that it is there. In other words, how do you go about working beyond that? How do you go about ensuring that that which you want to achieve is not diminished, if you will, by the fact that there is a particular perception.

I can give you a different example. South Africa has been working over quite a number of years now to try and bring stability and so on in Zimbabwe. There has been a perception—and that perception, I think, still exists—that the South African government actually works more with Robert Mugabe than with the opposition. If you were to put that to the South African government, they would tell you a resounding, 'No, it is not the case. We want to see an amicable and just solution happening in Zimbabwe, which is why we helped to put together an election which we wanted to be free and fair and so on and so on.' The fact that the perception exists I think it is important for the government to know. That perception does exist and it is something you have to find a way of working around; you have to find a way of dealing with it. But it is not something where you should say, 'Oh well, now that there is that perception, we cannot be effective.' I think knowing that the perception is there helps you achieve what you want to do because you need to also take measures to overcome that perception. So I again say the perception is there both in Canberra among the people you talk to—and I am not necessarily talking about Australians—and in other parts of the world. People think, 'They are probably just doing it because of that.' But what I am saying is that that should not diminish Canberra's desire to sit on the Security Council because the advantages of sitting on the council far outweigh whatever perception people might have of why Australia is deciding to re-engage with the African continent.

Senator FERGUSON—You also talk in your submission about areas of disagreement that have emerged recently. You said Australia recently voted against the South African candidate for the post of Director-General of the IEA. Wouldn't it be much more correct to say that Australia voted for another candidate rather than against South Africa? When there are two candidates you can only vote for one. I would not think that was a disagreement. It is just an area where I guess Australia chose to vote for the Japanese candidate. But it is not a vote against South Africa.

High Commissioner Shope—That is probably a problem of wording. Neither I nor my consul have English as our first language. I would admit that it deserves a correction. I think the point I make when I say it is an area of disagreement is not so much that it is an area of conflict. It has been said over and over again that countries do not have friends, they have interests. I think that, within that broad paradigm, countries relate and they have areas of agreement and disagreement. There are many things on which South Africa and Australia agree. There are a whole range of things that are extremely important, including nuclear nonproliferation and disarmament—all those big and very important things. I think the point we are making is that there are two areas on which we disagreed. That is really the sense of it. There are many areas on which we agreed, but there are two things on which we did not see eye to eye, and those are the two issues that are listed.

Senator FERGUSON—I put it to you that if, for instance, South Africa decided to vote for another candidate for a permanent seat on the Security Council, Australia would not consider that as a vote against Australia; Australia would consider that as a vote for someone else.

High Commissioner Shope—As I have said, 'voted against' is probably just a mistake in the use of words. As I said, English is neither my first language, nor my consul's. It is just the wrong phrasing. It is not that Australia voted against South Africa; Australia voted for a candidate they had chosen. That is really what that implies. It is not meant to be a negative implication. Australia did not vote for South Africa, it voted for Japan.

CHAIR—People will put both interpretations on these decisions. On the one hand they will say a country has voted for a particular candidate at the UN—and Senator Ferguson and I have been at the UN General Assembly and watched these votes happen, and they are long and exhausting—and others will interpret it as voting against you rather than for the other candidate.

Senator FERGUSON—In recent times there have been a number of organisations within the African Union, SADC being a pretty important one; how successful do you think those organisations have been in promoting their international relations and their causes to the rest of the world? Do you think that their effectiveness has mainly been internal rather than external?

High Commissioner Shope—The effectiveness of many countries happens through international multilateral fora, in particular structures like the UN General Assembly. A lot of what many African countries might want to achieve would be voiced through the UN General Assembly, having been previously voiced at the SADC or the African Union. There are many areas in which countries have been trying to get changes and have not managed—for instance, reform of the UN, Bretton Woods institutions and the WTO.

There are a whole host of issues which are absolutely key to developing countries which to this day have not been achieved. There was the famous Financing for Development summit in Monterrey, Mexico, which really has not brought forward a lot of the financing which was promised. There have been promises of 0.7 per cent of GDP, and a lot of that has not happened. There are a number of issues which are important to developing countries, not only African, which have been expressed through a lot of multilateral fora, but a lot of them have not been successful. Many are yet to reach fruition but, broadly speaking, that should not stop developing countries from continuing to campaign for those issues.

We in South Africa have tried to champion quite a number of issues. A number of those issues are still out there; we have not yet managed to get them. We are working hard to try and get ourselves and other countries to achieve MDGs, but where are we with that? A lot of the financing is not coming through and so on. Within what is known as the G8+5 outreach program there have been a whole host of summits from Kananaskis in Canada, Heiligendamm and others in the UK and elsewhere. A lot of the financing and so on that have been promised there has not come through. In terms of direct commitments to provide assistance, a lot of it has not come through.

So African countries have been successful to a limited degree in achieving some of the things that they want to achieve. But of course a lot of it is done through multilateral fora, because that is actually the correct place to do it. I was permanent representative to the FAO when I was ambassador to Italy. A lot of things are said at FAO summits from year to year, such as, 'Let us assist these countries to achieve a better level of food security than they have,' and the extent to which that is achieved is really debatable, despite the fact that those are issues which we address every year.

Senator FERGUSON—Thank you.

CHAIR—That is one of the criticisms that we hear with respect to the promises for peacekeeping support, particularly in respect of Darfur, that have not necessarily been followed up with the provision of appropriate equipment and other logistical support that was promised a couple of years ago. That is an observation from me.

Senator FURNER—Your Excellency, I have some interest in your proposition for joint investment with the agricultural industry. Can you expand on that? It was point 2 of your submission. You indicated that opportunities exist for both countries to expand on cooperative arrangements in that particular area.

High Commissioner Shope—When we talk about South Africa, one always has to see things in a particular historical context. The very specific one here is the fact that the majority of the population, until at least 1994, was broadly excluded from participation in the economic life of the country. That has meant that practically all industries, including agriculture, are owned and run by white people of South African descent. We have a country in which we need to solidify a democratic order. Broadly speaking and not just in agriculture, we need to work towards a greater inclusion and participation of black people in the economy. We mention agriculture because obviously agriculture is a key industry in South Africa, over and above the issues around food security. But Australia is a country that has a large and very significant agricultural sector. We think that agriculture broadly speaking, animal husbandry and all of those things are areas in which we can have a lot of exchanges. South Africa needs a significant part of its population to be imparted with the knowledge around agriculture, agricultural processing, animal husbandry and so on. It is a key area. One of the key areas in which we interact now that everyone sees is mining. We think that agriculture is an area in which that kind of interaction can be raised.

If you look at South Africa and Southern Africa, there are a number of countries—for example, Mozambique and Angola—that have small populations and very large territories that are fairly green and have a fairly large amount of water. Those are areas where one could potentially look for the formation of some joint venture—a bilateral or trilateral partnerships between companies—to exploit the land. A lot of that land, which has a lot of rain, is sitting there not being farmed, because either there is a lack of expertise or a lack of agricultural investment money.

The point that we are making is that agriculture is one of those sectors in which we could together with Australia make joint investments and have joint participation in projects that in the end would be beneficial to the businesspeople involved but also would be beneficial to the local economies of those countries. I see Mozambique, Angola, the Democratic Republic of Congo and a number of other countries as examples.

CHAIR—Before I go to the next question, I would like to follow up on that. It is in the submissions that there is growing interest in certain countries—and China has been mentioned along with other Asian nations, such as India. They are looking to make substantial investment in Africa, particularly purchasing land or being involved directly in the food production industry in the interests of their own future needs. That can also have some significant benefit for the local economies if it is done the right way. This probably goes to the area of mining resources: is there any sense of concern about loss of sovereignty amongst African nations—maybe not so

much South Africa, because of your well-established and substantial economy—with respect to the loss of ownership of resources or land? We hear from time to time in this country that concern raised about foreign investors seeking to purchase either land or direct ownership of Australian resource companies.

High Commissioner Shope—I am not aware that there is such a concern. Maybe I just have not read enough.

CHAIR—I am sure that you would have if there were.

High Commissioner Shope—Maybe. I can probably say one thing and give an example. In Madagascar—I am not sure whether this was a deal that fell through—there was recently some country or foreign company that went and leased a really huge chunk of land in Madagascar. I do not recall whether their objective was food security or the production of biofuels. I think it was the production of biofuels. They leased a huge chunk of the country. Assume you are the president not of the committee but of the country. Somebody comes with a couple briefcases of money and you see income for your country. To what extent are you in a position to calculate the pros, cons and so on? I do not know. There have been cases that I am aware of where companies have gone, for example, to Madagascar and leased out huge chunks of land mainly for the production of biofuels. The problem with that is that, while it will bring a certain income for the country, it will not contribute to your food security.

I am also aware that there are certain countries—I think from the Middle East—that have done similar things in other countries. In their case it has been specifically to guarantee their food security. Some of the big countries in the Middle East have done that in seven countries specifically to guarantee their food security. I am not aware that there are countries that have complained that these guys are coming to take the land, because most of the time it would have to have been with government approval anyway. I am not aware, for example, that Madagascar complained about that. As far as I am aware, it was a deal that they were prepared to sign up to.

CHAIR—Thank you for that.

Mr FITZGIBBON—My question is similar to that of the chair. I want to underline the word 'perception' that we were talking about earlier. Perceptions are very important. I should preface my question by acknowledging that Africa is a very diverse continent and it is difficult to give a single answer to the question. I wonder more broadly about African perception not only of direct foreign investment, which of course is very significant, but also of aid funding for infrastructure projects. For example, last year I was in Ethiopia and I learned that the Chinese government was funding a new building for the African Union. I am sure that is welcome, but I wonder whether that is universally welcomed or whether at times it is treated with some form of anxiety or suspicion about the motivations of any country which might choose to make formal contributions to developing nation-states.

High Commissioner Shope—Again, I am not aware that those types of anxieties have been expressed. I have been to two or three countries where there has been either Chinese money that has built this, Libyan money that has built that or somebody else's money that has built the other thing. I am not aware that there is that anxiety. I think the problem that we face—and I was trying to show that a bit earlier when I spoke with the chair—is that most countries are really in

dire need of foreign direct investment. It might be a bit of money to build the presidential palace or it might be money to put a road from Kinshasa to Lubumbashi.

What has happened is that many times your donors might not be very keen on some of those big infrastructure projects even though we all know that building a road or railway basically brings the level of economic activity up. That has not been the choice intervention. On the other hand, the Chinese have come in. In the Democratic Republic of Congo they might be building a road or a railway from here to there. Of course it comes at an economic price—they will want some mineral or some other thing—but over and above exploiting the mineral, for which the country will hopefully get a certain return, there is the road that they will remain with. There is the railway that they will remain with. Unfortunately, many times other countries with the capacity to do so have not done so.

I think that one of the key difficult areas within, for example, what was Africa's developmental program, the New Partnership for Africa's Development, was the limited extent to which donor were prepared to do cross-border projects. I will give you an example. You have a country called Zambia. You have a country called Zimbabwe. You have a country called South Africa. South Africa has the busiest port on the continent in Durban. Somebody says, 'Let us build a railway line from he copper belt in Zambia down to Durban and let us look for donor funding.' Donor funding will not come. Why? Because the railway is going to pass through Zimbabwe. Those types of projects, which for the African Union are important because they help to build regional economic communities, the donors say no to. Most of the time the donors want to work on a bilateral basis: 'I work with Zambia and I work with South Africa, but I don't work with Zimbabwe.' If you then take this project and say, 'This makes sense and actually can get so many people out of poverty'—which, by the way, we are all committing to in the MDGs—the MDGs now acquire a second-level consideration. The primary one is that the railway is going to pass through a country that I do not want to deal with. I am saying that there are those types of challenges wherein you need a level of infrastructure, but who is going to do it? Somebody from the east flies in and says, 'I want to sink a mine here and I can build the road for you.' Most of the time you will say, 'Go for it,' because there is no money that is going to come from anywhere else to build the road.

Senator MARK BISHOP—I want to ask you a few questions about minerals, investments and trade issues. You would be aware that there is are significant and growing South African and Zimbabwean diasporas in Western Australia. In the *West Australian* on 6 April, the leader of the African National Congress Youth League, Mr Julius Malema, was reported as having told a rally in Zimbabwe:

"We hear you are going straight for the mines - that is what we are going to do in South Africa.

"They have exploited our minerals for a very long time. We want the mines, now it's our turn."

What is the response of the South African government to that type of comment, as reported in the press over in Western Australia?

High Commissioner Shope—A couple of months earlier, in February of this year, Minister Simon Crean was at the Endeavour Mine in Cape Town. I think it was made clear by the minister

for minerals, Susan Shabangu, and subsequently by the President of the Republic, Jacob Zuma, that nationalisation is not South African government policy. That is point No. 1.

Of course, what the leader of the ANC Youth League says is not something that I can defend or otherwise. He is a leader of a political formation. But I want to give a little insight into the whole story of nationalisation and so on. In 1955 a number of antiapartheid formations got together in South Africa. They included the governing African National Congress, which was later made illegal; the Congress of Democrats, which was a white organisation; the Natal Indian Congress and the Transvaal Indian Congress, formerly led by Mahatma Ghandi; and the Coloured People's Congress. This was South Africa, so almost everything was race based, as you can see. They put together a document called the *Freedom Charter* on 26 July 1955. In other words, it had both political and economic demands. Among other things, it said you cannot have a country that is ruled by a regime that is not popularly chosen, all of us have that birthright, this is our land and so on. Its economic clauses included a clause around nationalisation of the mines, the big banks and so on.

That is an ANC document. It is a document of the ruling party. To the extent to which the ruling party does or does not utilise that document today, you simply have to look at their conferences. They are having one in September of this year called the national general council. It is in those conferences and in the policy conferences where they decide what they do and do not implement.

Why does this arise in South Africa today, so many years after the demise, at least the political demise, of apartheid? It arises because South Africa is a country of 49 million people, of which more or less four million are white—or European, as they were described under apartheid—and that four million own in excess of 95 per cent of the Johannesburg Stock Exchange, which happens to be the 16th largest in the world. That tells you that, as I was saying earlier, you are in a country where you want to ensure political stability, democracy and all of those things, and it is clearly unsustainable that 95 per cent of the wealth of the country is still controlled by less than 10 per cent of the population, particularly when that relationship is racially defined. So the issue of nationalisation in South Africa is an ongoing debate.

The President has said clearly that that is not government policy. I do not know whether it will be in five, 10 or 20 years. It might be; it might not be. But it remains an important discussion point because the country is yet to sufficiently or satisfactorily bring about a greater distribution of the wealth. South Africa is one of the most unequal societies economically, but that inequality, as I said earlier, is also racially defined, and I think that that makes it extremely unsustainable. That is why issues like nationalisation keep coming back. You throw the boomerang and it goes somewhere, but it comes back. The country has not yet the resolve at the level of the population to equalise or maybe normalise society a little more. South Africa is a capitalist country, but it is a very peculiar capitalist country. If you want to keep it capitalist or whatever, I think you need to normalise it a little more. You cannot have this type of ratio where a particular complexion of the population owns 95 per cent of your stock exchange. That is why that issue keeps coming back.

Senator MARK BISHOP—Thank you for the detailed response—it is interesting. A number of submissions, particularly from Oxfam, highlighted the necessity for companies involved in the mining, minerals and extractive industries to have a proper regard for corporate

responsibility in the way they hire people, the way they treat people and the way they conduct themselves in their particular operations. Indeed, Oxfam makes the point:

> The Australian Governments support for a resource led engagement strategy with countries of Africa must recognise and respond to the potential negative impact mining can have on communities, individuals and the natural environment if accountability and governance is inadequate.

Your country has been a major force in mining for many years. Does your government have any particular criticism of Australian companies, the way they operate in South Africa and their approach to corporate responsibility as against the things that I just mentioned that Oxfam highlighted to us?

High Commissioner Shope—I am not aware of a single one. If I were to throw the discussion in a completely different direction, I would probably say that recently in South Africa—and this has nothing to do with the environment or anything—some conversation has related to some Australian mining companies and the extent to which they are charged for electrical power as opposed to what households are charged. It is an agreement that they reached probably in the dying days of apartheid or before.

Senator MARK BISHOP—They receive a subsidy and are charged less?

High Commissioner Shope—There are allegations in the papers, but I think the figures—

Senator MARK BISHOP—It happens in every state of Australia—don't be shy!

High Commissioner Shope—I think the figures are secret, but it has been said—and it is not just Australian companies; I am including them in the mix—that they pay lower tariffs than your normal household. In other words, my tariffs are higher than those of the big mining companies, but that would have been an agreement between—

Senator MARK BISHOP—I would be surprised if that were not the case. In my own state it is a live issue.

High Commissioner Shope—That is the only thing that I would refer to as any type of concern that has been raised that I am aware of. I do not know of the issues raised by Oxfam at all.

Senator MARK BISHOP—Earlier we had a lengthy discussion with DFAT and they were outlining some of the results of discussions that have occurred between Mr Smith and Mr Crean, the two responsible ministers, and mining and foreign affairs ministers in South Africa and nearby countries. DFAT made the point to us that they and others would like stronger engagement in terms of corporate regulation and assistance in regulatory systems for mining and extractive industries. But DFAT then went on to make the point that, as an aid issue, your country and others request assistance in a whole range of areas. My question is: do you desire particular assistance from Australian companies in the mining and extractive industries perhaps at a different level than other types of aid or assistance that might be provided by Australian government agencies? That is, has your government identified mining and minerals and extractive industries as a particular priority for development in South Africa?

High Commissioner Shope—As a priority for development, yes. I am sorry but it does go back to the point I was making earlier that when you look at South Africa you need to look at it in a historical context. The context in this case would be the fact that in South Africa you have a lot of new miners, many of them very small—no technical expertise, no financial backing et cetera. A lot of those companies we would want to link up with Australian companies, Chinese companies, Indian companies. What would happen is that in many instances you would have small miners that have licences for prospecting or mining in certain areas and, yes, we would want them to get international partners that are interested in a particular mineral or whatever. Given the fact that both Australia and South Africa are fairly big in mining, we think that that is an important area for us to continue cooperating in. Again, we definitely we want exchange of experiences and all of that.

Senator MARK BISHOP—Thank you.

Senator MOORE—Good afternoon, Your Excellency. I have a question about the issue of education and the number of students who come between Africa and Australia. You may have heard earlier a question to Professor Hearn about cooperation between universities and their relationship with the different universities in your country to build contacts. Your submission talks about hoping that there could be a wider relationship and going beyond the major universities in terms of links in Australia. Have you actually been able to progress that idea and talk with the different educational institutions in Australia to see whether we can have a more widespread link between the educational facilities in our countries?

High Commissioner Shope—Yes. I think that, broadly speaking, the point that we were making was that, again going back to South Africa's history, you had black universities, white universities and so on and that the white universities in South Africa—the University of Cape Town, Witwatersrand—are the ones that are best known, have most international links and so on. The point that we make is that if you go anywhere in the world people revere Nelson Mandela but very few people think of the alma mater that actually produced him, that actually made at least a part of what he is. This is a discussion that we started with a number of Australian universities—of course Sydney, of course Newcastle. I think we have made the point at Flinders. I think we have made the point to Charles Sturt. There are a number of universities that we have engaged with and made this point. At Monash University, which has a campus in South Africa as well, we have specifically made this point—that we actually want a number of them to have an engagement with what formerly we called 'bush colleges', which were black institutions which, even if government today provides all sorts of facilitation, funding and so on for them, actually still have a capacity problem. What we want is that you should have different types of mentorship and other programs to help them basically come into themselves.

The University of Fort Hare—I am going to have to say this—over and above educating your Oliver Tambos and Mandelas, also educated Robert Mugabe. What I am trying to say is that that university actually has a proud history of educating a lot of those who eventually became liberation leaders on the continent. It is a university at which today you could probably count maybe one, 1½ or two serious international programs. We think that with their history and the fact that they educated so many people who became very prominent on the continent—in Namibia, in South Africa, in Zambia, in Tanzania—we need to encourage partnerships between established universities and those universities, not away from but in addition to those with the Western Cape, Cape Town, Witwatersrand, Stellenbosch and so on.

Senator MOORE—Have you had any success when you have made those suggestions?

High Commissioner Shope—We have to an extent because Newcastle in particular and the University of Sydney have actually initiated programs with a number of those former bush colleges.

Senator MOORE—We may follow up with Newcastle. It is the second time they have been mentioned today.

Mr MURPHY—In your submission you mention that the commission focuses on four key areas. I want to take you to the fourth one where you say:

The High Commission engages with the sizeable South African Diaspora in Australia on an ongoing basis. It is our view that our Diaspora, with its knowledge of both the South African and Australian markets, could assist in building trade and investment bridges between our two countries.

How?

High Commissioner Shope—There are a lot of people in the South African diaspora. I do not know if it is appropriate for me to mention this but one of your largest mining companies is headed by a South African and one of your largest banks is headed by a South African. The South African diaspora has a fair amount of access, knowledge and so on on this side. But a lot of those were working in the same industries in South Africa. So what is it that we are looking for? Here is a country, whether it is Angola or the DRC, in which South Africa as a government has a huge program. It may not be the same but it is similar to what Australia has in PNG, where you have a really large contingent of people working in different areas to try to help stabilise and make progress et cetera. We have that, for example, in the Democratic Republic of Congo. That type of intervention, facilitates and encourages the participation of industry and of business—in other words, investment, trade and so on—in those countries. We think that the South African diaspora, knowing people and markets on this side as well as people and markets on that side, are therefore in a position to assist us to make partnerships without necessarily being involved themselves. They could be involved, but because they know the markets and they know players on both sides of the ocean, we think that they are in a particularly good position to make those bridges.

Mr MURPHY—Thank you.

CHAIR—Thank you, High Commissioner. We have exhausted out time. In fact, we have gone over time a bit, but we have done that deliberately because we appreciate your evidence and your attendance here today very much. Thank you for that. If there are issues that are raised in other submissions or in the evidence, which is recorded in the *Hansard*, and you would like to make further comment, we invite you to please do so and write to or contact the committee in that regard. We do appreciate your attendance this afternoon.

High Commissioner Shope—Thank you. Maybe a last word also from me: Australia today is trying to re-engage with the continent and that can be really broad and so on. Actually, across the world, you have both regions as well as countries that are in a similar process of re-engaging. You have the European Union-Africa summit or forum, the Forum on China-Africa Cooperation,

the Tokyo International Conference on African Development, the Latin America-Africa forum and the India-Africa Forum. I am saying that, broadly speaking, re-engagement with Africa is happening at a number of levels in different places. We really need Australia to continue with that engagement because we think that in particular it is for the benefit of the African continent.

Africa is a continent of about a billion people. Australia is a country of 22 million. And yet the GDP of Australia is about the same as the GDP produced by that continent of a billion people. So that, I think, tells you that there is a level of assistance and so on that Australia can provide. If you look at the Tokyo investment conference and the fora of China-Africa and Latin America-Africa and EU-Africa, we think that maybe—just maybe—at some point Australia could also consider doing a structured engagement with the continent, even if it is something that meets every two years or whatever. We think that that type of cooperation can actually come out of Australia and can be broadened to happen not just at the administrative level but also at the parliamentary level with, for example, your pan-African parliament, et cetera. I thank you.

CHAIR—Thank you very much for those closing comments, and I do take your point: the concept of enhancing the dialogue is a good one, and I am sure my colleagues would agree. We will be interested to get a report on the conference that you are hosting in September on trade and investment in Sydney; that will be excellent. Thank you.

[2.41 pm]

AGBI, Professor Sunday Olu, High Commissioner, Nigeria High Commission

CHAIR—Welcome. Thank you for your written submission, Your Excellency, and also for your attendance this afternoon. I think you have been in the audience earlier so you are probably aware of the sorts of procedures that we follow. I would like to invite you now to make some opening remarks to the committee and then we will proceed to questions. Thank you, Professor; the floor is yours.

High Commissioner Agbi—Thank you. Let me start by thanking the Joint Standing Committee on Foreign Affairs, Defence and Trade for inviting me here this afternoon to put across to the committee our views on Australia-Nigeria relations, which I think are still in their very nascent development. It is true that Nigeria became independent in 1960 and that immediately after independence we established diplomatic relations with Australia. But, beyond that level of diplomatic relations, quite frankly, not much has been achieved in terms of economic relations between the two countries and in terms of foreign direct investments in Nigeria or Nigerian participation in Australia's economic development. But we have met within the framework of the Commonwealth of nations because Australia has always been a prominent member of the Commonwealth and Nigeria also takes the Commonwealth very seriously. We also have met at the United Nations and other world fora.

Strictly speaking, the relations between Australia and Nigeria are just developing. I have always taken the view that Nigeria suffers from what I call the tyranny of distance. Nigeria is very far away from Australia and it is not easy for the Australian businessman to travel that far not knowing perhaps the geography, the history and the politics of Nigeria. Now the world has become a global village and whatever happens in Nigeria, this movement will be news all around the world. People will get to know Nigeria more and more. I hope that this is an opportunity for us here to at least impress on this important parliamentary committee the need for Australia to show more interest in Nigerian affairs.

Some time ago, I went to the University of Sydney to attend a conference on Australian engagement with Africa. I had cause to say to that conference that it appears to me that, when Australia talks about Africa, they are referring mainly to southern Africa—South Africa, Zimbabwe and to some extent Uganda and Kenya—but that West Africa is absolutely unknown. I made the point that, when you are talking about engagement with Africa, all parts of Africa should be taken seriously. That is why I take this appearance here today as being very important and I will be grateful to give evidence so that we can have a meaningful dialogue between Australia and Nigeria. Thank you.

CHAIR—Thank you, Excellency. We have a High Commission in Nigeria that is also the post for about 10 other countries, all of which are smaller than Nigeria in size, with quite a number of them being very small. Following on from your comments, in relation to the role of the High Commission, do you have any concerns about our post there? I think you have raised particularly an issue about visa processing.

High Commissioner Agbi—I do not have much issue with the role of the High Commission in Nigeria but, as you know, the High Commissioner in Nigeria looks after almost 10 countries. If a man is looking after 10 countries then the attention he will pay to each of them will be severely minimised. Since the 1960s, High Commissioners have been coming to Nigeria. I would like to say that perhaps the sixties was the golden age of Nigeria's membership of the Commonwealth, when many Nigerian students benefited from Commonwealth scholarships, of which Australia was a principal participant. From the seventies, that fizzled out almost completely. The Commonwealth scholarship was no longer executed by the Commonwealth countries and the number of Nigerian students coming here became extremely small. I do not think it was the fault of the High Commissioner in Nigeria. It is the environment here which does not allow much performance on the part of whoever is High Commissioner in Nigeria because he has so much on his plate that it would be difficult for him to concentrate. The recent High Commissioner, who has just died, has done extremely nice job in Nigeria. He tried to bring the two countries together and I hope that is successful and that we will be able to do much.

CHAIR—I listened to your opening comments. From my own limited knowledge of history, Australia and Nigeria relations seem to have been very good many years ago and generally have been pretty good. There have been some difficulties, as we know. Particularly given the status and the role of Nigeria in the Commonwealth over past years, I was getting the impression that the relationship is not as strong now as it had been in past years. Is that a fair summary?

High Commissioner Agbi—It has been very good. Let me give you one example. In the 1960s the Australian High Commission in Nigeria was issuing visas to Nigerians to come to Australia but in the mid-1970s perhaps, because of the regime of the unpopular general Sani Abacha, Nigeria was temporarily thrown out of the Commonwealth and Australia removed its visa regime from Nigeria and put it in South Africa. So, if you now wish to come to Australia from Nigeria, you have to send your passport to South Africa for a visa. Since I came here two years ago I have been putting a lot of prayer and time into asking the office of immigration to change this policy because quite a number of Nigerian businessmen would like to come to Australia but find it extremely difficult to send their passports to South Africa, which takes about three or four weeks before they are returned. That may be one of the reasons why it is not very easy for a Nigerian businessman to move into Australia and vice versa.

CHAIR—Thank you. That answers what I was getting to. You state in your submission that bilateral cooperation between Australia and Nigeria is also needed in the very vital sector of electric power production and you comment upon Australia's technical expertise and the potential for investment. Can you expand on those comments in your submission. Is there any prospect or anything happening in that regard? Do you have any views about how we might promote that development, given you have highlighted it as one where you think there should be an opportunity for Australia to be involved?

High Commissioner Agbi—There is no doubt about it that Australia is a highly developed country. Last year I wrote a paper on Australia's expertise in the mining industry and its expertise in agriculture, especially animal husbandry. I made it clear to the foreign office of the Nigerian government that it would be nice if Nigeria could quickly set in motion the machinery for revitalising the mining sector in Nigeria. Since the early fifties we have concentrated on oil—and recently on gas. This oil reserve may dry up very soon, so it is important for us to move into other areas and diversify. If we want to diversify into other areas, especially mining and

agriculture, I think we need Australia. Luckily, I think Nigeria has accepted that, because last year the minister for mineral resources was in this country to meet with mining companies in Perth. A lot of discussions are going on. Today I am also meeting with the executives of Rio Tinto and a lot of discussions will go on. So I am convinced that very soon the Australian mining companies will take advantage of the legislation, the regulations, regarding mining now in Nigeria, which are being standardised, which are being brought to the international standard. I suspect very strongly that within the next five years many Australian companies will be interested in going to Nigeria.

Mr MURPHY—Your Excellency, what is Nigeria doing to improve its food security?

High Commissioner Agbi—Of course, you know that Nigeria is an agricultural country and that 95 per cent of our population is engaged in agriculture. But the type of agriculture we engage in in Nigeria is what we call subsistence agriculture—that is, very small agricultural holdings. Recently, people have been moving to commercial farming. If we really want food security in Nigeria, we will need the assistance of a country like Australia. We have the land and we have a very favourable climate. The land use decree of 1978 makes land now available to government, unlike before, when landholdings belonged mainly to families and it was very difficult for agriculture to prosper. But now the environment for agricultural expansion is there.

About two years ago, one governor in Nigeria went to Zimbabwe and recruited a few agriculturalists from Zimbabwe to farm in Nigeria. The result has been phenomenal. People are happy that such expertise has come. These are Zimbabweans who were forced out of Zimbabwe and wanted to migrate elsewhere. Some of them came to Nigeria, and they are doing very, very well.

Mr MURPHY—Thank you.

Mr FITZGIBBON—Your Excellency, in you presentation you appropriately focused quite a deal on the bilateral relationship and how it can achieve the things we mutually seek to achieve, such as raising living standards and having peace and security et cetera. How effective do you believe the African Union has been in the pursuit of those same objectives? Secondly, you make reference in your written submission to defence assistance. I know that Defence in Australia is seeking opportunities to assist where it can, particularly in one area where we believe we have significant expertise, and that is counterinsurgency. You talk about counterterrorism. But, generally speaking, that would be done under the auspices of the African Union. So, in a sense, it is one and the same question. If you have some views to express about the effectiveness of the African Union, that would be appreciated.

High Commissioner Agbi—Recently, the Australian defence minister went to Addis Ababa and had discussions with African ministers of defence with a view to finding areas where Australia could be of assistance.

Mr FITZGIBBON—That was me, actually.

High Commissioner Agbi—It was with regard to peacekeeping efforts. Nigeria has been playing this role since 1960. I believe that Nigeria needs a lot of capacity building within the armed forces—the army, the navy and the air force. When I contacted our defence attache in

India, who covers Australia about this inquiry, I asked him which areas he believes Australia could be of assistance to our defence in Nigeria. He talked about capacity building, the ability of Nigeria to buy ammunition from Australia, opportunities for Nigerian soldiers to come here and attend short courses, as they do with India and Britain, and cooperation at the level of peacekeeping operations. Earlier this year a number of our soldiers were here to meet some Australia soldiers on peacekeeping and the result was very encouraging. These are areas where we think the Australian armed forces could be of interest and help to Nigerian armed forces.

In terms of terrorism, I am quite certain that Nigeria is not a terrorist country. Of course, there was a Nigerian who was arrested in the United States in December last year. In my opinion, that was an exception rather than the rule. Nigeria is a secular state, even though we have Muslims and Christians. The population is perhaps evenly balanced. By and large we do not have religious fundamentalism in our country. There is no terrorism in the country, but the arrest of that guy created a perception, an image, for Nigeria. I believe that, if Australia wants to help in terms of counterterrorism, the opportunity is also there to do so.

Mr FITZGIBBON—Do you think the African Union is making good progress in its objectives?

High Commissioner Agbi—The African Union has always been there, but everyone has to be very frank here. The African Union is made up of countries that do not really have the expertise to even cope with peacekeeping operations. You know what happens in Burundi, Rwanda and Congo and what is now happening in the Sudan. Nigeria is doing its best in these countries, but the African Union will still need to do much more. The visit of the Australian defence minister was an eye-opener—that perhaps Australia will also help the African Union to develop its capacity so that Africa will be in a position to move troops to where there are troubles within the continent.

Senator FERGUSON—I noticed in the general information supplied about Nigeria that your principal export destination is the United States, where some 40 to 50 per cent of your exports go. What are your major exports to the United States?

High Commissioner Agbi—If you are talking about major exports, I ought to say it is oil. Oil gives us about 95 per cent of our GDP. Unfortunately we have neglected agriculture for quite a long time but now the country is diversifying into agriculture. Most of our oil goes to the United States and to Europe and now perhaps to India and maybe China. Apart from oil and gas, the only product we now have is cocoa. Wheat goes mainly to Europe, particularly Germany and Britain. The United States does not buy cocoa from Nigeria but we sell cocoa to Britain and Germany. As I said, agriculture is highly undeveloped and until it is developed we will not be able to diversify and increase our exports.

Senator FERGUSON—Your country is not that far north of the equator. Which agricultural crops are the most successful—or are likely to be the most successful?

High Commissioner Agbi—Nigeria is well blessed with a very good climate. From the coast, where you have the swamp, to the savanna in the North, you can plant farm produce. Even when I was young, farm produce was one of our principal exports. We can grow rice extensively in our swamp areas and we can grow grains in the rainforest—maize, millet and so on. In the savanna

we can also produce grains and quite a lot of fruit and vegetables. Because of the climatic conditions in Nigeria it is possible to grow a variety of crops which, if much attention is paid to them, can be exported.

Senator MOORE—I have two areas of questions. One is to do with the immigration issues you raised earlier. We are speaking with the department tomorrow so we just want to get some clarity on those things. The other is to do with cocoa because of the fact that Nigeria is still a large exporter of it. I am wondering about the process with the free trade and the child labour issues that have been talked about in the international industry. What is the position of the Nigerian government on negotiations in those areas?

High Commissioner Agbi—We have a third party alliance, the Cocoa Producers Alliance. The cocoa alliance is very prominent, firstly, in determining the price of cocoa and, secondly, in determining the quality of cocoa on the international market. They have done well in the sense that, usually every year, they send to Nigerian farmers disinfectants and so on to help in the production of cocoa. The cocoa alliance is the major body that is responsible for the production and sale of cocoa right now, and Nigeria is a prominent member of the cocoa alliance.

Senator MOORE—As a fond user of the end product of cocoa, I am interested in the issues around child labour in the cocoa industry. I know that the cocoa alliance is involved in those negotiations. Does the Nigerian government have a particular position on its work within the alliance about what they are doing in terms of the child labour issues?

High Commissioner Agbi—Child labour?

Senator MOORE—In the cocoa industry.

High Commissioner Agbi—In the cocoa industry?

Senator MOORE—Yes.

High Commissioner Agbi—In Nigeria?

Senator MOORE—In Nigeria and in the whole industry. It is part of international negotiations, particularly with the large areas such as Oxfam with processes around child labour.

High Commissioner Agbi—Honestly, I must confess that in Nigeria I am not aware of child labour. Nobody would do that in that country. In Nigeria you have what we call itinerant farmers. For instance, if I have a cocoa plantation in my locality I would need to put in a system to recruit a number of farmers who are very adept at cocoa production. They would come for the production of cocoa on an annual basis. I am not aware of child labour in Nigeria.

Senator MOORE—Thank you. A couple of issues you raise in your submission were about immigration processes and you mentioned that earlier in your evidence as well. You say in your submission that you think the decision to have locally based processing areas is going to cause more bureaucracy and not be the most efficient way of processing. You also raised issues about visas for students and visitation of people and information about people who are about to be

deported—all in one big paragraph. When you have raised that with the department and the government have you received responses to your concerns?

High Commissioner Agbi—In terms of immigration I do not think Australia has any problems with Nigeria. There are not many Nigerians who come here. Nigeria, unfortunately, is put, I think, at No. 4 by the department of immigration. We asked why we are No. 4. We were thinking that No. 4 means we are a highly placed country but we were told that No. 4 is the lowest rung and we asked why. They said this refers to people who come here to stay and then refuse to go back to their country and take up jobs in Australia. I asked who is to blame for that? If Nigerians come here to study, then they apply for jobs and you give them jobs—who is to blame? It is better for the government to refuse to give them jobs and to tell them to go back to their country. The reason for training them is not an economic one for Australia, it is for the economy at home so that they can go back home, utilise the knowledge that they have learned in Australia to develop their own economy. Most officers would train in the United Kingdom in the past. We were encouraged by the British Council to go back to Nigeria and we did go back.

I have made clear to the immigration office that it is important, when they bring these Nigerians to Australia on scholarships or whatever and they train them, that they should tell them to go back to their country and not give them jobs here. I know that this is a free economy and a free society with human rights but I believe that what the British Council was doing in those days could be done better. It is not against human rights if I train you as a mechanical engineer and I say I want you to go back to Nigeria and work as a mechanical engineer. Why must you stay in Australia to work as a mechanical engineer, take advantage of the environment here and refuse to go back to your country. This is what we have been telling the Nigerian communities in Australia.

This is quite different from those who were genuinely recruited as skilled labour and we have quite a few of them in this country—

Senator MOORE—Yes, you do.

High Commissioner Agbi—For instance, in Perth, we have about 71 specialist doctors from Nigeria. They were not trained here but they were recruited here as skilled migrant labour. We have some accountants, some economists and so on, working in this country. That we appreciate. We have said to immigration that when they bring Nigerians here on scholarship and they train here for three or four years, it is important that they should go back home. If they want to come back here later, then they could apply and then come in as skilled migrant labour. We are working very hard on that now.

Senator MOORE—And the department is working with you on that?

High Commissioner Agbi—Yes. The first opinion they gave me was that Australia is a free country and they cannot stop anybody, but it is affecting our image adversely. It is not for them; it is for us to work very hard on this to make sure that at least they do go back home. When they go back home, they then help to strengthen relations between Australia and Nigeria. If they are in their departments and they need expertise in certain areas, a student who trained here will say, 'I know this company, I know these people. When I was studying in Australia they were quite good,' and so on. He would be able to recommend to his bosses and to government and that

strengthens relationships. Some say, 'If they train here and they stay here, the negative effect on Nigeria is not bad,' and I personally do not buy that.

CHAIR—Thank you, Excellency, for your appearance this afternoon and for your submission. As I indicated earlier to His Excellency Shope from South Africa, as the inquiry proceeds and we hear further evidence we would welcome further comments, if you would wish to make them in writing on issues which may be raised as the inquiry proceeds.

Proceedings suspended from 3.17 pm to 3.30 pm

DIXON, Dr John Menzies, Senior Advisor, Cropping Systems and Economics, Australian Centre for International Agricultural Research

HEARN, Dr Simon Eric, Principal Adviser, Australian Centre for International Agricultural Research

WRIGHT, Ms Lisa Margaret, Director, Corporate, Australian Centre for International Agricultural Research

CHAIR—Welcome. Thank you for coming along this afternoon and thank you for your submission. I apologise that we are running a little bit behind time. Do you have any comments to make on the capacity in which you appear?

Ms Wright—I manage our corporate services division, which includes communications and public affairs.

Dr Dixon—I am also regional coordinator, Africa and South Asia.

CHAIR—Thank you. We prefer all evidence to be on the public record unless you believe there is a need to have it in camera. If you do, make that request at the time. Whilst we do not take evidence on oath, the normal requirements and privileges of the parliament apply with respect to the evidence you give. I invite you to make some opening comments and then we will proceed to questions from the committee.

Dr Hearn—Thank you. I will make some brief comments and then follow your guidance. In case one or two of you do not know the Australian Centre for International Agricultural Research, I will very briefly describe it. It is a statutory agricultural research and development authority within the foreign affairs and trade portfolio and is a specialist component of the Australian aid program. In a sense we are the interface between Australia's research and innovation system in agriculture and the development assistance program. When I say agriculture, I also mean fisheries and forestry, but for the sake of brevity I will call it agriculture.

ACIAR operates through collaborative research partnerships. I want to underline that point. We collaborate with research agencies in developing countries. Unless we are working through a multilateral agency—and even then perhaps—we will always operate in a partnership with a partner or partners in the relevant developing country. That is fundamental to our operation. Currently ACIAR has about 201 projects operating, in between 25 and 30 countries. The current research budget is $63 million but it is supplemented from other sources, which raises it to approximately $80 million per annum at present.

ACIAR has managed R&D projects in various African countries since 1983. In that period, we have completed over 40 research projects. Examples of completed projects with benefits include—I will not go through too many—vaccines for newcastle disease in chickens, tick fever vaccines, low-impact fertiliser strategies for crops and the marketability of indigenous cattle breeds for smallholder farmers. I should say that we deal with smallholder farmers. Our aid issues are very much with the smallholders.

Our main emphasis has generally been in the Asia-Pacific region, in line with where the aid emphasis has been in the past decade at least, with up to about five per cent of the research budget in those days allocated to Africa. Times are changing, but even in bygone times we have always kept a foothold in Africa. We have operated most recently in the Republic of South Africa but in previous times we have worked in countries from Kenya over to West Africa and in other countries, depending on the projects.

The Africa program in ACIAR has been enhanced and will, this year and moving on into the next few years, rise from about five per cent of our total budget to, I would estimate, 10 per cent of total budget. In percentage terms that is quite a big increase, and this is really in response to the government's Food Security through Rural Development strategy, which includes a component on productivity and related research activities. That is where our emphasis is, and it relates very much to the terms of reference of the inquiry Nos 3 and 4.

As we go forward from here, the early action elements of this enhanced engagement for research for agriculture in Africa will comprise support for linkages between farmers and private agribusiness sector in the Republic of South Africa—and these are new projects that I am talking about now. That is the design phase but we are some good way down the track of the design phase. We are also now looking at improving the market competitiveness of small scale cattle producers in Botswana. We are working with the Botswana agencies on that as I speak.

Just announced by the Minister for Foreign Affairs is that ACIAR have commenced, and we have signed, a project on enhanced productivity for small holder maize and legume based cropping systems in Eastern and Southern Africa. That will cover some five countries in that part of Africa. In each case we will be involving a multilateral organisation, CIMMYT, the international wheat and maize research organisation, and the national agriculture research institutes of five countries. They are all in this partnership with us, including two Australian research providers from Murdoch and Queensland universities.

Finally, we in ACIAR believe that the current projects will open further opportunities to extend Australian agriculture research for productivity purposes and to develop research capacity by working together with our African partners in other African countries. We do not think it has to necessarily be constrained to the countries we are currently in; we think there can be outreach into the future as circumstances evolve.

We recognise that Australian technical knowledge and expertise has wide applicability in many parts of Africa. There are 53 countries in Africa, but it has particular application in many parts of Africa for the fundamental reason that there are similar temperature, subtropical and semi-arid production environments in many parts of Africa. Many of those environments that they work in, albeit with different farm structures in some cases, have very similar scientific challenges in an applied sense to those which prevail in many parts of Australia. I think that will suffice as an opening statement. Thank you very much.

CHAIR—Thank you. Can I just clarify a few comments that you made. You said that you work with partners in a developing country. Are they partners from that country in all cases or could it be a partner which is another international body or a UN body, for instance?

Dr Hearn—Broadly speaking, we have two categories of projects. One is bilateral, and that accounts for about 75 per cent of our research funding. Those bilateral projects will always have a partner in that country who belongs to that country. That agency or those agencies will always be a component part of that country—

CHAIR—Are they government or industry? Can they be from a range of different types of organisations?

Dr Hearn—In the main, they would be public research bodies endorsed by the government of that country, but that is not exclusively so. We also deal quite widely with non-government organisations, NGOs, and we also deal from time to time with private sector bodies. We encourage the latter whenever we can.

Mr FITZGIBBON—Which are more effective?

Dr Hearn—They all have their role, but the advantage of working with private sector bodies is that at the adoption phase you can sometimes get an extra leg along, if I can use that term, in getting adoption if you can have a private sector and public sector partnership. That has been our experience in Australia as well. The second category is multilateral. In the multilateral one, the bodies that we mainly deal with are the international agricultural research centres, of which there are 15 under the Consultative Group on International Agricultural Research. Those centres are multilaterally funded, and we fund them to the extent of about 25 per cent of our research budget. About 50 per cent of that funding is project specific. That is, we identify projects with the international agricultural research council and specify the project. While they might do the main driving of it, we often have other partnerships, including partnerships from the country in which they are working. That is exemplified in this current maize project in Africa that is just starting. In some other cases we provide them with core funding, to which they are accountable to us for how they spend it, and we provide them with some core funding to go forward under their own volition.

CHAIR—That agricultural research council: what is the status of that body? How is that structured?

Dr Hearn—The Consultative Group on International Agricultural Research is the umbrella body, and there are 15 centres under them. Most of those centres are either commodity specific—forestry, wheat, maize, tropical products—and then there are some cross-cutting ones. But each of them is a stand-alone research centre, internationally funded—

CHAIR—Is it funded through the UN or through industry bodies—

Dr Hearn—It is primarily funded by organisations ranging from the World Bank through to larger donors like USAID and other aid agencies around the world.

CHAIR—That is what I was endeavouring to get to. Do you have any sort of relationship with the World Food Programme? Obviously we are looking at Africa.

Dr Hearn—The World Food Programme is primarily there to provide funds for emergencies and other nutritional aspects—

CHAIR—But they do some research. The director was here in Canberra a few months back, and she was talking about ways to produce better food—

Dr Hearn—We do not work directly in that sense, but the results of our research are widely propagated, including to the World Food Programme. But the Australian government—as you know, Chair—through both AusAID and the Department of Agriculture, Fisheries and Forestry, does have direct linkages with the World Food Programme. Our research can certainly be used in that context in particular countries, and it is freely available for those sorts of organisations to utilise as they see fit—and of course we propagate it in that way.

CHAIR—We heard earlier from the University of Sydney, and there have been some references made to the role of the universities and the need to promote education and so on. That leads me to ask: what relationship does your body have with Australian universities in terms of the work that they are doing? Is there any?

Dr Hearn—It is very close. In brief there are two aspects. One is that the universities are providers of research in some of our projects, including Sydney University—

CHAIR—So you would commission—

Dr Hearn—We would commission in some of those bilaterals, and universities are very much part of that agenda. The other is: we do provide a limited number of postgraduate scholarships related to the projects that we do. They are in Australian universities. The John Allwright Fellowship, named after the former head of the National Farmers Federation—

CHAIR—I remember him well. He was from Tasmania, I think.

Dr Hearn—Yes, he was from north Tasmania. The John Allwright Fellowships are one example of postgraduate scholarships that we provide, which involve an Australian university in each instance. There are always some Africans involved in that, but there are also people from the Asia-Pacific.

CHAIR—That is probably enough from me for the moment. Are there further questions from members of the committee?

Mr MURPHY—I would just ask the members of the centre: what is the No. 1 success story in helping developing countries on the African continent?

Dr Hearn—There are a number of examples, but one that goes back a little time but is still very current is the Newcastle disease vaccine, which was developed and has been applied across a number of African countries. A large contribution to the research of the Newcastle disease vaccine was Queensland university, in partnership with others—and I would stress the 'partnership' point. That has been quite widely adopted, and it is also a vaccine that has greater survivability without having to be frozen in transport in warmer climates and so on, so it has got an application there.

Very recently, we have been undertaking research in the Limpopo province with partners in South Africa. It has shown reasonably good evidence that the indigenous nguni cattle, with some

improved management through the research mechanisms and agronomic practices that have been part of this project, can have palatability very similar to that of the better-known European breed cattle in that market. That is a very important aspect for the emerging smaller farmers in South Africa—to find that they can actually have some market access. We are going to continue that work into the future, hopefully with some agribusinesses in South Africa, private sector included, to see if we can improve that linkage to get beef to market for small producers.

Mr MURPHY—If we get an outcome with Doha, that will greatly assist the African continent.

Dr Hearn—I have got no doubt about that, and we just keep our fingers crossed that that can happen.

Senator FURNER—How does ACIAR deal with climate change, which will no doubt affect Africa?

Dr Hearn—I will make a brief comment but I might ask my colleague John Dixon to comment on that because his project actually has some aspects of drought resistance. But, broadly speaking, climate change and drought resistance type work are areas where we and many countries in Africa have a natural partnership. A lot of the wide-ranging research on climate change that you read—a lot of them independent of each other—would suggest that quite a lot of indicators of climate change variability in parts of sub-Saharan Africa and some parts of Australia bear a remarkable similarity. With that opening comment, I will ask my colleague John Dixon to comment.

Dr Dixon—There is a very strong background of risk in African agriculture, just like there is in Australia. On top of that, climate change adds to the risk that farmers face. The really important dimension is not so much the long-term rainfall and temperature shifts that farmers are concerned about right at this point in time; it is the increased seasonal risk. A major part of the maize and legume program, the newly approved program for East Africa and southern Africa, contains a focus on good agronomy and good crop varieties that are able to withstand and stabilise production even in the context of increasing levels of seasonal risk. That can be done through better management of soil moisture and also through better connections to value chains—the input and output chains that enable farmers to respond more flexibly if a drought is coming or if a good season is coming. They have better access to good seed varieties or they have better access to insurance or ways of dealing with drought. So it is a major part of the new program.

Senator FURNER—What is the definition of a smallholder farm?

Dr Hearn—That can vary from country to country and in terms of the type of soil. Typically, a smallholder in parts of Africa could be one to two hectares. I cannot give you an absolute answer to that, but that would be the typical range for cropping, and in livestock it is obviously a bit larger. The recent work in the northern part of the Limpopo that I referred to shows that, with some of the new land redistribution in South Africa, it can be up to about 1,000 hectares; it can still be quite small. Typically, as we look around the world, including Africa, one to two hectares is not an unusual size for a smallholder, sometimes including intensive livestock. That is the sort of thing you could be looking at in many parts of the Asia-Pacific and Africa.

Senator MOORE—You said in your submission that you have a long history in South Africa, and the programs you describe are mainly focused on South Africa. But it intrigues me that you worked in a number of other countries in the period from 1983 to 2002. Can you explain why there was a window of work elsewhere but now the focus is mainly on South Africa?

Dr Hearn—We were more widely spread before the 1990s; admittedly still very much focused on the Republic of South Africa and also Zimbabwe at that time. But as you go further north there were intermittent projects that were designed in the countries that I have nominated in the submission. These tended to be a little piecemeal, I have to say, in that those countries and ACIAR got together and designed some projects that were needed by those countries. They were always demand driven.

As time went forward our focus moved more to the Asia Pacific, which is where our aid program, over time, started to move. As I said in the introduction, we are an integral part of the aid program, even though we are a stand-alone research management body, so we moved with that. Now, things have changed again and we are moving and diversifying further. We always kept our linkages with Africa, even though our projects were more focused, as you have rightly observed, in the Republic of South Africa, in the main. Some of the research providers in Australia who worked with us on those earlier projects in other parts of Africa are still very much in the work place.

Senator MOORE—And maintaining those networks?

Dr Hearn—They maintain those networks. Some of them are in CSIRO and some are elsewhere.

Senator MOORE—In looking at what projects you are going to work on—because it is such a wide area—are you directed by the aid program, in terms of what is particularly important in the countries, or is there a call for expressions of interest about areas of research that are needed? You have given some detail about two quite different projects—the beef one and the legume one which has the massive name. In terms of process how did you determine that they were going to be the areas in which you were going to work, and who makes the final decision? I would expect it is the minister, but with a lot of advice. Could you just fill us in on those questions.

Dr Hearn—We are answerable to the minister. At the project level we inevitably make those decisions but before we get to the decision-making stage we consult, both formally and informally, with partner countries to determine what they see as their priorities for agriculture and related research. We are absolutely adamant that we have to be able to work with their priorities because, at the end of the day if you want research adoption, which is what we are seeking, you have to work with partners in those countries not only to get joint ownership of the research, but also to answer priorities that they, with us, have identified as being needed. We then examine, in our process, whether the priorities that they have identified are ones that we have the scientific and technological capacities in Australia to deal with, because while we have a very varied agricultural research base in Australia—and a well established one—we cannot necessarily answer all calls for research. So we really focus on those areas where Australia has a comparative advantage in science, technology and related subjects, so that we have the basis for then developing a project.

Given that we pass those two tests we then move forward to a project design phase in which we identify interested parties who come forward in Australia who have the skills that we feel are necessary. We work with them and with the partners in the developing country to go through a design phase for the project. We work within the framework of the Australian aid policy but at the project level it is something we manage. Our legislation mandates us to manage that. We manage those projects but clearly we stay within the broad framework of the Australian aid policy—and, indeed, foreign policy in many cases.

After we design those projects they are then approved. They go through a fairly elaborate review and peer review process to ensure that they are viable and that the partners are people or organisations that have the skill base to do the research. Once we have been across those stepping stones we move through to approval. Each of those approvals has, ultimately, to be approved by the partner agency's country's government, because we cannot work in a country without the government's approval. As I said, while we move ahead with these projects we obviously report to the government on all the projects that we do as we go forward.

Senator MOORE—And the funding comes out of our aid budget?

Dr Hearn—We have our own separate appropriation each year. That is quite frequently supplemented by some specific requests that we may also get from AusAID. We would supplement our appropriation to do certain types of work under an agreement with AusAID in an area of agricultural research and development.

Senator MOORE—I have asked for a list from AusAID of a country-by-country audit of what Australian aid is being used in each country. So you would pop up underneath that under South Africa? Somewhere under the profile of Australian aid in South Africa your program and the extensive research that you have been doing over many years would pop up under Australian aid money to South Africa?

Dr Hearn—If your question was total government aid to Africa, yes; if it was just AusAID, no.

Senator MOORE—It was total aid.

Dr Hearn—If it was total aid we should crop up under that, should some other agencies outside of AusAID—

Senator MOORE—That was the reason, to get a profile, country by country, about what we are doing within our overall aid activity, and I was particularly keen to get it for all programs. So we will be watching for you to pop up there, Doctor, and to see what happens.

Dr Hearn—Certainly, and if you need any extra information on that we are quite happy to provide it.

Senator MOORE—Thank you very much.

CHAIR—And if you do not appear, we will ask why, I assure you. To pick up on that, all your funding that is appropriated is through the Department of Foreign Affairs and Trade, is it? Is there a role for DAFF?

Dr Hearn—Our appropriation is directly to ACIAR, so we have a direct appropriation. It does not come through Foreign Affairs and Trade or through AusAID. It is directly appropriated to ACIAR.

CHAIR—Okay.

Dr Hearn—As to your question about DAFF, the Department of Agriculture, Fisheries and Forestry, we do not in normal years get any funding either directly or indirectly from DAFF, but we work quite closely where we can with DAFF and we are increasing that. Obviously there are some synergies between the work not only of DAFF but within that portfolio in the work of the rural research and development corporations, of which there are now 14, and for some of their work, while it has a very Australian centric operation—whereas we are more offshore—there are times when with some offshore work we can link up with that.

CHAIR—That picks up, I assume, on your comment right at the outset when you said that you are a bridge also between research and aid, if you like—

Dr Hearn—And that leaves us much closer to the aid in the foreign portfolio.

CHAIR—What are other countries doing and how do we compare with the other major agricultural producing countries of the world in terms of similar activity in Africa in supporting research in agriculture?

Dr Hearn—I have two comments. ACIAR's way of operating is reasonably unique in that we are a specialist organisation with applied research emphasis. Canada has a very similar type of operation but their operation, the International Development Research Centre, actually uses the same sort of partnership operations that we have, using Canadian science. But that is not exclusively agriculture, fisheries and forestry. They cover the whole spectrum of science; we are more specialist. So in that way we are a bit unique.

In other OECD countries a lot of the research funding is done through the central donor agencies—DFID in the United Kingdom, USAID in the US—and they provide some funding for research. They tend to do each more on a wider donor basis. Our system here is much more about getting that partnership with our scientists. Having said that, I should also add—and no doubt you will be talking to AusAID—that AusAID does also fund some research and development activities in a donor capacity elsewhere.

I would say that compared to other donor countries in agriculture per head of population—bearing in mind that we have a 21½ million population—our contributions are very much commensurate with other Western donor countries given our population. We can certainly hold our heads up in terms of the amount of money we put in alongside those countries.

CHAIR—You said that you expect the proportion of total funding to increase from five per cent to 10 per cent in respect of Africa. Do you have a wish list or, if you had a wish list and you

had additional resources—and I am not in a position at all to promise them—are there specific projects that you would look towards undertaking with partners in Africa, and particularly in African countries other than South Africa?

Dr Hearn—I will make a quick reply and then I might ask Dr Dixon to add weight to what I say. Yes, there are a wide array of areas where we could work in Africa. Where, I think, we have to be attentive is that Australia, as I said before, is a middle sized economy. We cannot cover the whole canvas in Africa or, indeed, anywhere else. So we must hand-pick those areas where we can make the best contribution, and that is where ACIAR operates and has operated for many years—identifying those areas where our partnership from Australia can make the best contribution. I might mention two areas of immediate importance. Some of the work that we are currently doing could actually have applicability in a lot of other African countries—for example, maize-legumes. I would be very surprised as the results of that research come out if you could not apply some of those results in other countries additional to the five in which we are working. The application is not just a straight-line application; you have to have some adaptive work because each country has different soil and climatic issues to contend with, and, in 53 different countries, possibly socioeconomic issues as well. So the first step is to adapt more widely to the research we have currently done to get some early results in other countries.

The other side of it is an area where I feel there may well be a demand for our skill base: water management issues. We know that we have challenges there, but Africa has some very big challenges in water. It has very limited irrigation capacities to date and so on. The other area that I would pick would be some aspects of soil management. The vulnerabilities of some of Africa's soils are the same as some of our soils—in many cases, though not always. There could be areas of soil management that we could extend with.

Dr Dixon—Dr Hearn mentioned water and soils, which is the basic set of resources for any food production and food security. If you step up a level, the real question becomes: how do you maximise productivity? Right now in Africa production levels are very low compared with Australia and most parts of the world. What is often missing is the connection between the public and private partnerships at the local level. That means the link between agribusiness and local extension, and local farmers associations or local farmers groups in villages. That is an area where there is a lot of opportunity to expand. It is an area that is simultaneously research plus piloting and linking through to the mechanisms for scaling up. Mechanisms for scaling up means private sector, but it also means the African Development Bank or other financing institutions in the region. I think where we get the bang for our buck or the impact for our research is where we, as a small, focused organisation, can find the solutions, be they technical or institutional, that enable that scaling up. So the next area I would point to is the public-private partnerships at a local level.

On a technical level, the area of livestock is obviously an area where Australia has a comparative advantage. Our knowledge of ticks, newcastle disease vaccine for poultry, forage and feeding, and management in risky environments is something where nowhere else in the world can really come near us. In that sense, how we would do research in Africa on the combination of crops for food security and livestock to generate income for smaller and poorer households is a great opportunity that few others could challenge Australia on.

The other area I would go towards is, again, an interface area. I think that is where Australia, with its research that is oriented to delivering results rather than around disciplines or commodities, can really contribute in Africa. The question is how to find the right interface from a research and pilot scaling-out perspective of the link between food aid or social protection of other forms, which is one of the pillars under our Africa food security initiative, and productivity research on the other hand. These are often divorced, but, by linking together food aid and other forms of social protection through to on-farm demonstration and research of productivity-enhancing and income-generating technologies, there is a great opportunity for impact which will bring together what have largely been separate areas of endeavour.

CHAIR—Thank you. It sounds as if there are plenty of initiatives on the drawing board that will keep you busy for the future. Are there any further questions? If not, thank you, ladies and gentlemen, for your attendance this afternoon and for your written submission. It is very much appreciated. Thank you very much.

[4.06 pm]

CRAFT, Dr Hugh, Co-Convenor, Commonwealth Round Table in Australia

EGGLETON, Mr Tony, Member, Steering Committee, Commonwealth Round Table in Australia

LOW, Emeritus Professor Donald Anthony, Convenor, Commonwealth Round Table in Australia

CHAIR—I welcome to today's hearing representatives from the Commonwealth Round Table in Australia. I thank you for your written submission. Without going into great detail, you are aware that these are formal proceedings and the usual rules regarding evidence being truthful and the privileges that are attached to that evidence are in force. You may have heard if you were here for the previous witnesses that we prefer the evidence to be in public, but if there is any matter that you wish to discuss in a confidential hearing then please just request it at the time and we will consider it. I invite each of you, or whoever wishes to speak on behalf of the group, to make some opening comments, and then we will proceed to questions. Thank you.

Prof. Low—As members of the steering committee of the Commonwealth Round Table in Australia, we thought we had better first say a word as to what it is. It represents a revival, after a hiatus of some 30 years, of the Australian groups—about which there is a full academic study—which had collaborated with each other in discussing British Commonwealth matters, particularly with the London group, which for a long time now has produced the crucial journal *The Round Table: The Commonwealth Journal of International Affairs*. This is the journal's hundredth year, and it is the oldest journal of its kind in the world.

For our part, we operate rather differently from the London people, through an annual Commonwealth lecture, through a number of meetings that we hold and through the highly successful Commonwealth celebration, which is modelled on the Commonwealth Day observance in Westminster Abbey, which the Queen attends each Commonwealth Day. It has been hugely successful. We hold it at the Australian Centre for Culture and Christianity, near King's Avenue Bridge. Nineteen of the Commonwealth's 53 members are in Africa, so we naturally take a very keen interest in developments in Africa as these impinge upon Australia.

We wish to make two preliminary points. First, we think it is important to remember that Australia's political interest in Africa goes back some way. In the 1960s Sir Robert Menzies took steps to establish diplomatic relations with the new Commonwealth independent countries—Ghana, Nigeria, Tanzania and Kenya. Then Malcolm Fraser in the 1970s and 1980s often played a major role in Commonwealth affairs relating to the ending of the Smith regime in Zimbabwe and the ending of apartheid in South Africa. Then in 2003 Mr John Howard gave the first of our Commonwealth lectures before he went to the Commonwealth Heads of Government Meeting in Abuja in Nigeria. So there has been a long tradition of connections.

We think at the same time it is very important to realise that there are very many non-government organisations where there are connections between Australians and Africans which

are not often noticed. Let me give you two examples. There has been close association since the 1920s of the Anglican Church in Australia, particularly the dioceses of Sydney, with the Anglican missionary churches in Tanzania. There has been a very strong connection which has produced a lot of Australians who know a lot about one country at any rate. We also have another group which has produced the *Australasian Review of African Studies*. It is a journal which appears two or three times a year. It is really holding the field in its quarters.

In our submission we set out four of the respects in which the Commonwealth provides us with unique multifaceted arena in which we can pursue our global concerns, for example, over efforts to uphold the rule of law, over the possibility of a greater role of Commonwealth associations such as the Commonwealth Parliamentary Association in what goes on in Africa and with the potential for Australian business to play a more active role in developing Australian business not only in Commonwealth countries, which is naturally where they go first, but in the ones which are closely involved with the ones they know most about.

We add two further points. First, we see a great deal of untapped potential in Australia's relationship with Africa. We suggest that the Commonwealth Parliamentary Association play a large role in facilitating connections between different African countries that are in the Commonwealth. There is now an urgent need, as we have just been hearing, for a major initiative in food research, especially for Africa, comparable to that of the earlier Green Revolution in Asia. While there is a flourishing academic journal, there is no longer any centre of African studies in any Australian university. There used to be one in a university in Melbourne, but it died with the retirement of the director.

Let me make the obvious point. That, among other things, the opportunity should be taken provided by the Commonwealth summit, which will meet in Perth late next year. It does not only include the heads of government meeting; there will be a business forum, a youth forum and a peoples forum as well. The last one was in Trinidad and a huge number of people who would never go near the place otherwise descended upon Trinidad. Here we have the opportunity to see a lot of people coming to Australia in the context of the Commonwealth. That means we ought to be able to establish with those 19 countries a relationship which is of crucial importance in developing our relationships in Africa generally because they are in touch with the others and they are the people who are in touch with us. I think we can expect 19 heads of government to be in Perth from Africa. We should do everything we can to develop the association which that provides the launching pad for.

Mr Eggleton—I want to emphasise and underscore what the professor said about the people to people links with the Commonwealth. This is within the Commonwealth and Commonwealth countries in Africa. These have been going on for many years and range from parliamentarians through to the grassroots work of aid organisations. I think in today's world and looking to the future there is a real opportunity for Australia in expanding its relationships with Africa to find these existing networks which also can at other stages provide regional activities linking with those African countries that are not in the Commonwealth. I think the Commonwealth countries can be the springboard for Australia's connections in Africa. The professor has mentioned the upcoming heads of government meeting in Western Australia next year. This is a great opportunity for Australia to build on these networks for the future. I think it is one of the many avenues that are available to us to strengthen these very vital relationships with Africa.

CHAIR—Senator Ferguson has had quite a lot of experience with the Commonwealth Parliamentary Association.

Senator FERGUSON—Not all good experiences.

CHAIR—They are never all good.

Senator FERGUSON—In your submission you state:

> More proactive engagement in various Commonwealth forums, events and mechanisms would help Australian policy-makers better conceptualise and sharpen our development assistance programmes in Africa and more generally.

Do you have any particular forums, events or mechanisms in mind that would help Australia's assistance programs?

Dr Craft—We did make the general point that more proactive engagement and greater engagement would lead to Australia's officials, politicians and the general public being better informed which would in itself enhance policy refinement on Africa. The mechanisms that we foresee that would be possible there are working in essence on matters of mutual interest, for example. We have a bipartisan interest in democracy, good governance and the rule of law. The Australian influence and experience and work on Zimbabwe and South Africa over the years has demonstrated that Australian leaders, the Australian public and Australian civil society organisations have played a very important part in bringing about the changes that occurred. One area in which this might be done is in establishing mechanisms and encouraging the development of civil society work, for example, in grassroots work and operations in Africa in encouraging the forces of democracy, good governance and the rule of law.

Secondly, the Commonwealth's own aid budget I think devotes something like 40 per cent of its resources to Africa. This covers its work in general and technical assistance primarily. There is Third World aid from around the Commonwealth to Commonwealth countries but, as Professor Low has mentioned, what stands alongside this in a quite remarkable way in the Commonwealth are the 90 non-government organisations that work at the grassroots level in Africa and other parts of the Commonwealth. Lawyers, nurses, environmentalists, architects, medical doctors and so on are actually working on behalf of Commonwealth agencies. Over 90 of them work in Commonwealth countries to further Commonwealth objectives. Some of these are led by prominent Australians. I am thinking of the Commonwealth Nurses Federation, for example, which is led by a lady who in fairly recent times was heading up the major nursing federation in Australia. There are these areas both at the government to government level in furthering democracy and good governance, as in the case of Zimbabwe and South Africa, and at the other end of the spectrum in collaborating on grassroots projects sponsored by Commonwealth non-government organisations.

Senator FERGUSON—I am a great supporter of the Commonwealth, but we need to remember that there are lot of countries in Africa that are not members of the Commonwealth, so this inquiry is dealing with Africa in general, not just the Commonwealth countries. I am also aware that it is difficult sometimes to get an agreement amongst the very diverse views that are now Commonwealth views in the CPA, which I was involved with on the executive for the past three years. There has been a strong move to try to increase the influence of the CPA so that they

had a seat at CHOGM. I am totally opposed to that because the CPA is an association of members of parliament; the other one is an association of governments, and I do not think that the two should mix. That is why I am interested in your concept of NGOs and others at a civil level and other levels actually getting in and doing some real work on the ground, because it is just so difficult to get agreement in the Commonwealth now. I cannot remember but I think we have just on 60 Commonwealth countries, but when you talk about legislatures you are talking about 150 or more. Nigeria has 35 states and they are all individual members of the Commonwealth. So I am interested in your concept of civil and NGOs and at that level actually trying to do the practical things and leaving the theoretical things to those who cannot agree.

Mr Eggleton—I think they do that very effectively—the NGOs and those organisations. That has been a great strength, I think, for the Commonwealth over the years. As you say, getting a lot of governments together to always agree is a challenge, even though the Commonwealth Heads of Government meetings are somewhat unique and that the Heads of Government actually do sit down and talk to each other and not just make speeches at each other. Nonetheless, a lot of the value comes from these NGOs and these organisations. With their success and with a capacity to communicate into the future, I would hope that the Commonwealth lessons and the Commonwealth opportunities could indeed spread through other parts of Africa that are not part of the Commonwealth. I hope the Commonwealth example can be a good example and that, perhaps by having regional activities which encompass non-Commonwealth countries in Africa, we can help with this. I think that the gatherings in Perth next year will be another way of highlighting that and the things we do with NGOs. I think they do a great job on the ground.

Senator FERGUSON—I am not quite sure which countries in Africa will not be in the Commonwealth in a few years time. Mozambique is in the Commonwealth now and Rwanda is attempting to join the Commonwealth. They must think that it is pretty good organisation.

Prof. Low—They both joined because they wanted to get all same the benefits of the Commonwealth as their neighbours.

Senator FERGUSON—That is correct; they do.

Mr Eggleton—When I was working at the Commonwealth secretariat many years ago, the French came to see me to ask whether they could join the Commonwealth. They thought it was a very good thing to belong to. I suggested that maybe an anglophone organisation might be more suitable, but nonetheless it was interesting that they had watched the way the Commonwealth operated and that they had come to see us to say, 'Maybe we could join.'

Senator FERGUSON—I am making a statement, Chair, and I apologise, but unfortunately CHOGM seems to have more influence now than the CPA does by virtue of the fact—and Senator Moore has been there and seen it—that, because of the proliferation of members, particularly in Africa, the CPA has tended to block vote and vote along racial lines, which has become a real problem, I think, for the effectiveness of the CPA as an organisation. I do not know what we can do to stop it or to avoid it but it does seem in recent times that, because of the strength of numbers, it is having a detrimental effect on the Commonwealth Parliamentary Association.

Prof. Low—I think that some of the smaller organisations secure a great deal more support. About a year or so ago, the Nurses Federation, for example, had a meeting in Trinidad with representatives of nursing organisations from around the Commonwealth. A lot of people could not get there because of airfares and so on, so I think that a bit of help with the budgets would be hugely important for some of the smaller ones, because the Nursing Federation exchange views on the latest activities of nurses. That is just one example of the 90 or so that there are.

Dr Craft—If I could take up a couple of points made about CHOGM, we would of course, as you will note from a submission, be very supportive of the CHOGM process because we see in that a unique facility to operate at the highest of political levels and in a way that has almost made the Commonwealth a progenitor in terms of modern international summitry. For years now the Commonwealth has been meeting at Heads of Government meetings at a face-to-face level such as the way we are meeting today and talking to one another across the table in an endeavour to come to a consensus view about the way forward. There are weaknesses in consensus but it does prevent the Commonwealth at summit level falling into the traps over CPA. There is no vote taken, there are no block movements in that obvious sense of lining up against one another. In that sense, the Commonwealth has contributed to this unique form of summitry, which is now being picked up and followed by the G8 and G20, by APEC. It is one of the preferred modes of modern multilateral summitry for leaders to sit around the table and arrive at consensus positions and then carry them forward elsewhere.

On your other point and adding to what Tony Eggleton has said about the French associations, there are 19 members of the Commonwealth in Africa, whereas there are 53 members of the OAU, so we are dealing with a constituency that goes far beyond the Commonwealth. But it is a very influential constituency, because you have at one end Nigeria, the most populous state in Africa, and at the other end South Africa, the most industrialised developed state in Africa. Between those two major Commonwealth players in Africa there is the potential to move things in the African forum, which is important.

Added to that is also the relationship which the Commonwealth has developed over recent years with francophone Africa. As you may know, the Commonwealth in the end provided almost the model for la Francophonie to base itself on. Boutros Boutros-Ghali, after he was UN Secretary-General, then went to head up a new and reformed Francophonie organisation, which was modelled pretty much on the basis of the Commonwealth and which holds a similar summit in the off year to Commonwealth summits. At the very highest levels the Commonwealth can actually impact on Africa by use of its particular way of operating on a multilateral basis.

Senator FERGUSON—I would not like you to think that I did not think that CPA and others were good organisations. As a matter of fact, I think the CPA is a far more valuable organisation than the IPU, because at least they have a common thread, in most cases a common history. We that are members of it were nearly all colonies at one stage or another. I think that is why it works so well. There is a sense of family which simply does not exist in the IPU.

Prof. Low—The point that I would like to emphasise is that, in addition to the government's interactions at CHOGM, it is a summit and these other organisations have summits as well. So there are a huge number of people that you could not possibly be associated with in ASEAN or any other international organisation. It is really unique. It has a summit where the heads of government play a crucial role, but there are other organisations that get together in large

numbers. So we are dealing with something which has not been replicated thus far by other organisations at all.

Senator MOORE—I am interested in those complementary gatherings that go around CHOGM and in getting some sense of, in recent history and into the future, whether the many issues in Africa will be featured in those gatherings. I remember when we had the one in Noosa there were significant representations from the MDC about the issues in Zimbabwe. In terms of what has happened subsequently at Trinidad and what is happening in planning for Perth—with the youth forum, the women's group and all of those who gather in a complementary way—are you aware whether the issues around Africa have been focused on and do you have hope that they will be focused on in the future?

Prof. Low—There is a huge amount that can be done and is being done. One of the problems with the Commonwealth associations is that the doctors talk to the doctors—they do not talk about the Commonwealth—and that parliamentarians talk to parliamentarians. It happens to be under the Commonwealth umbrella, but there is a problem there which I beat the drum about frequently, and I have done so for many years. But I am not sure that I am really getting to your question.

Dr Craft—Perhaps I could offer something of an answer. For my sins my last job in the Public Service was head of the CHOGM task force in Coolum, so I know a fair bit about what was happening there. You will remember that, after September 11, we had to redo the whole thing. We had to cancel the whole thing in Brisbane, and we were about to set up 10 days out when we decided that, because heads of government were not going to come, we ought to reschedule—or Mr Howard decided that was the case. So the whole thing happened in Coolum on a very restricted and security based situation. What we were planning in Brisbane in terms of what you are aware of, the people's forum, and all that happened around that—the women's groups; the university groups; the business forum, which was taking place in Melbourne; the youth forum; and so on—had to be virtually cancelled. Some of them went ahead in a minor way. But in successive years they have been picked up—in Abuja, the following CHOGM; in Malta; in Uganda; and last year in Trinidad. In fact, one of the real problems for those associated with organising CHOGMs these days is handling all that happens on the peripheries of CHOGM in addition to the summits themselves.

As to the African content, I think the one thing I can say is that the numbers of African representations to all of those peripheral meetings, which are basically cultural, educational and advocacy around the Commonwealth for civil society groups, are increasing and therefore the issues are becoming more advanced. Let me take one example. The whole quest for democracy in Zimbabwe has rather overtaken the political agenda in Africa for the Commonwealth. But even now that is emerging into a new era, looking forward to the re-emergence of a democratic system at some stage down the line—hopefully soon—in Zimbabwe. And civil society groups are already beginning to formulate a part so that they can assist that process.

Prof. Low—I think it is worth making clear that there are two organisations at the centre of the Commonwealth. One is the Commonwealth secretariat in Marlborough House, which looks after the political and governmental side of things. There is also the Commonwealth Foundation, which is housed just around the corner, and they are really responsible for all the activities

relating to the civil society of peoples. So it happens, curiously and unexpectedly, that the central bureaucracy is well set up to deal with the two sorts of clientele that would be appearing.

Senator MOORE—And the African countries have shown, by their interest and activity in these complementary events, that they value that aspect?

Prof. Low—Yes.

Dr Craft—Yes.

Senator MOORE—I am sure that somewhere on record—we can check this—is something about African engagement in those complementary events. It would be useful to see.

Dr Craft—We could provide that on notice.

Senator MOORE—And the kinds of issues that were raised. I am aware of the Zimbabwe issues that people raised, but I know there is also a lot of done on HIV, on poverty and on the MDGs, so it would be very useful if we could get some idea about that.

Mr Eggleton—I imagine that Australia, as the host, will have quite a lot of influence on the agenda. I would have thought that very much in people's minds—and this will affect Africa very much—will be this whole question of food security. It would be hard to believe that we will not be meeting without this being a central issue for the Africans who will be there, and for everyone else. I also think we will see the environment and climate change back on the agenda. These supporting bodies will all equally be locking into those agendas. The young people will be very enthusiastically involved in that, as will the business people with their own particular interests. So I think we will find this all coming together in Perth.

Senator MOORE—What is the date of the Perth activity?

Prof. Low—In 2011.

Dr Craft—The date has not been set, but it will be October-November.

CHAIR—A term we have heard frequently over the last couple of years, particularly in terms of conflict resolution and peacekeeping issues, is 'an African solution for an African problem'. This has been raised, for instance, with Darfur. The UN has met constantly to try and deal with this issue and has come up with all sorts of proposals. Without going into long detail about it, there is a combined agreement between an African Union force working with a UN sponsored force from various countries. But this runs into all sorts of difficulties, including the African Union countries saying, 'At the end of the day, we have to sort this issue out; it cannot be an imposed solution.' I mention that because I want to put to you a proposition about the role of the Commonwealth. I know that, at past Heads of Government Meetings, Zimbabwe was very much on the agenda—and a trio including Prime Minister Howard, South African President Mbeki and Nigerian President Obasanjo ran into a roadblock and failed to get much to happen. I want to get your thoughts on this. Is the role of the Commonwealth now restricted? It seems to me there is a public perception that its role as an organisation is more constrained because of the way in which the African continent has developed. As the influence of the African Union expands, and as they

talk about a pan-African parliament, what role will the Commonwealth continue to play in major disputes, as distinct from the support it can give in research and all those sorts of things—and it may be that that this is a more appropriate role for the Commonwealth in the future. That is a rambling commentary, but the UN and other groups have come up against the fact that we have to have an African solution to this problem.

Dr Craft—I think that is a very perceptive question. The role of international institutions like the Commonwealth is pretty much one which is supportive of wider political solutions, whether they be Africa-wide or based on the UN. I would like to give two very brief examples. I refer to the Zimbabwe-South Africa situation. The Commonwealth's role in southern Rhodesia, and later in Zimbabwe, was developed over a whole generation of initiatives. But, when the time came, it was the Commonwealth that developed a model that was appropriate to the situation that other institutions could not provide. Neither the AU nor the UN was in a position to do what the Commonwealth did. That was done not by means of a majority vote in the international system or the power of military or police forces that were needed to control the situation; rather, it was recognised that the Commonwealth had a unique way of getting into these problems and perhaps contributing to the solution. Similarly, in South Africa, with the Eminent Persons Group the role of the Commonwealth in forging a negotiating concept that some six or seven years later ultimately led to the release of Mandela and the rice of democracy was because the international community had run out of solutions. The Commonwealth, as the American Ambassador said at the time, was 'the only show in town'. Whilst the Eminent Persons Group did not actually solve the problem, they actually established the grounds on which the problem needed to be solved. Seven or eight years later ,when the South African government negotiated with the ANC and others, it was on the basis of the common negotiating concept which was adopted by that group including Fraser and Obasanjo.

I might just add there that Commonwealth interests and initiatives have always been a bipartisan thing in Australia. Professor Low mentioned Robert Menzies, Malcolm Fraser and John Howard and the sorts of things they did. I am sure he did not do this intentionally, but the role of Whitlam in taking Australia into Africa in a big way, firstly, and then the role of Bob Hawke, Gareth Evans and Bill Hayden in formulating an Australian approach—for example, to the financial sanctions that in the end contributed very substantially to the downfall of the white South African government—can never, never be underestimated. I think that point will probably be appreciated by people like yourselves.

Prof. Low—Another point that is worth emphasising is that, since the meeting in New Zealand at a place called Millbrook, the Commonwealth has produced its Millbrook principles. There is a thing called the Commonwealth Ministerial Action Group. These are the people that will haul up representatives of a country where there has been a military coup or whatever. To begin with it was very crude. But what has been happening over the years is that the Commonwealth Ministerial Action Group—which is an action group and Australia is represented on it at the present time—has made it much more sophisticated in terms of the preliminary steps that are taken. It emphasises the role of the secretary-general in good offices before a crisis has been reached. Even when a crisis has been reached—and this is the case in Zimbabwe—there are all sorts of quieter ways one can go about the diplomacy that a situation requires. It has been very interesting to watch the development of the CMAG process over the years. I think it has got a long way to go, but the emphasis is upon good offices when a crisis situation has occurred. The Pakistanis have now been expelled twice but they will come back. I

think we would not be quite so speedy to do that without a great deal of further thought beforehand. That is happening.

CHAIR—Thank you. As there are no further questions, we thank you for your appearance this afternoon and for your written submission. It is appreciated very much.

[4.43 pm]

LUCAS, Mr Samuel, Director, Air Services Negotiations Section, Department of Infrastructure, Transport, Regional Development and Local Government

PEARSALL, Mr Peter, Director, Office of the Inspector of Transport Security, Department of Infrastructure, Transport, Regional Development and Local Government

WILSON, Mr Andrew, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Local Government

CHAIR—Welcome. I am sure you are aware of the procedures and requirements regarding appearing before parliamentary committees. Firstly, I thank you for your written submission, which we appreciate is quite short and concise, dealing with a couple of specific issues. We understand that, in the context that we have a very extensive submission from the Department of Foreign Affairs and Trade as well as submissions from a range of other Commonwealth departments. I invite you to make some opening comments and then we will proceed to questions from members of the committee.

Mr Wilson—Thank you. I will make a very brief opening statement. The submission was brief predominantly because, as a portfolio, we do not have a significant interface with our African nations. There are a couple of areas where we do have some interface with regard to international aviation services and issues associated with piracy, which are predominantly what we have focused on. Other than that, we are more than happy to take questions.

Senator MOORE—I am interested in your airways process, your cooperative arrangements with a number of countries and the demand for access to flights to and from Africa. Last year I had the chance, surprisingly, to go to Africa a couple of times but it was always on the one route, with Etihad or another airline, which I forget the name of. It was very focused. If you wanted to go to Africa there were limited access points, unless it was to South Africa. If you wanted to go to South Africa there were a range of flights that you could take. From the perspective of the department, I am interested in the process of negotiating with other countries in order to get access to and from Africa and whether there is a demand. Are airlines coming to you and saying, 'We want to provide services to that country'?

Mr Wilson—I will give you an overview and then, if necessary, Sam will give you some detail. In reality it is a demand and supply conversation. There are services predominantly to South Africa. I think around 60 per cent of all passengers who travel to Africa go into South Africa, and that is predominantly because there is a demand for that service. The government has a policy, which is a bipartisan position with regard to the encouragement of air traffic, of encouraging traffic where possible to other nations. We have a series of bilateral relationships with those countries, but there is limited demand for air services to and/or from countries other than South Africa. You quite rightly pointed out that there is limited opportunity to fly directly from Australia into other countries, and those services are provided by Etihad and Emirates.

Senator MOORE—Yes, Emirates was the one that I could not remember.

Mr Wilson—So the short answer is that it is a demand response.

Senator MOORE—And the demand has been established? In your submission you said there are five countries where arrangements are in place and that demand has stimulated the supply in those five countries.

Mr Wilson—As a portfolio we respond to the requests by our air carriers; similarly, other countries respond to requests by their air carriers. So, if Qantas or Virgin came to us and indicated a desire to open their routes to other countries in the African region, we would seek to explore that with the country in question through bilateral negotiations. To date, those countries that are serviced by air services are where the demand has been sufficient for a commercial operation to exist.

Senator MOORE—Is the demand from the country or from the airline?

Mr Wilson—It would be country-to-country negotiation, but it is the commercial imperative that would drive the Commonwealth of Australia, in this case, to seek a bilateral arrangement with a foreign country.

Mr MURPHY—Is the International Maritime Organisation getting on top of the piracy problems, particularly in Somalia and around the region?

Mr Wilson—I would have to categorise it as a challenging problem that I am not necessarily certain that the IMO would classify as having been got on top of. They are continuing to work with the African nations to pursue a series of measures to reduce piracy in the regions, but I do not believe that they would categorise the current situation as under control. Mr Pearsall may wish to add some specifics in regards to the work that he and the Inspector of Transport Security have undertaken over the last little while. But the last time that I was involved with the issue the IMO was continuing to put resources towards it. It is a deep-seated problem that goes to more than just the maritime sector. It arises from economic difficulties associated with the region, rather than just as a maritime issue.

Mr Pearsall—That would be a correct assumption about the situation. Over the last 18 months, with the resources put in by the IMO and the rest of the world, piracy has simply gone from a fledging industry to a very professionally run organisation, with organised crime and everyone else involved. ‘Not getting on top of it’ would be a very apt appraisal of it.

Mr MURPHY—It does not seem to have been in the media as much as it was previously.

Mr Wilson—That is correct. It has not. I do not have the statistics in front of me, but I do not believe that the statistics have got significantly better. The piracy, as Mr Pearsall indicated, groups have become better organised. At the same time, the shipping industry has become better organised in thwarting those attacks. But there is still significant activity occurring in the region.

CHAIR—A number of countries have also established a naval presence. It is a pretty big area, actually.

Mr FITZGIBBON—Including Australia.

CHAIR—Including Australia, that is right. But it is a pretty big area that the pirates seem to be operating in or have the capacity to operate in. But as I understand it there is a zone, if you like, or a route which shipping can go through where, while there is not absolute protection, they are more likely to have some naval protection.

Mr Wilson—It is less likely for there to be a successful attack, but the region of the attacks has moved further and further offshore. As the defences have become more sophisticated, pirates have—

CHAIR—They are getting further out into the Indian Ocean.

Mr Wilson—become more sophisticated in terms of their capacities.

CHAIR—Following up on that mention of the International Maritime Organisation, you indicated in your submission that Australia liaises with South Africa on Antarctic matters and more generally cooperates multilaterally with a range of African countries on maritime issues through the IMO. There was also a reference earlier on to the fact that you are undertaking technical cooperation with African countries on port state control through the Indian Ocean memorandum of understanding. Can you expand on what we are actually doing?

Mr Wilson—I was hoping that you would not ask me that. I can get you the information on notice.

CHAIR—If you need to take it on notice, that is fine.

Mr Wilson—I will, predominantly because most of that work is undertaken by the Australian Maritime Safety Authority. What I would be doing would be providing you with a less than fulsome answer.

CHAIR—If you could expand on that by taking the question on notice and giving us more detail on what is contained in those arrangements and the sorts of issues that we are cooperating on through the IMO, that would be good. I have one other question. You have a paragraph or two there on South African development of a vehicle certification system. I was reminded when I read that that there is reference in DFAT's submission to niche opportunities for Australian trade and investment in the future. They particularly mentioned the automotive industry in South Africa. I am assuming there is some relationship. Can you tell us about that?

Mr Wilson—I can give you a brief overview. We have a relationship with the South African agencies in assisting them to develop regulatory regimes to improve the quality of compliance with international standards for the production of automobiles. That means that they are learning from the learnings that we have gone through in the development of the processes associated with our vehicle compliance regime. We are sharing our regulatory experiences with them so that they can bring their industry up to world standards, to develop it in accordance with what is required to participate in a world industry. I do not have the specifics to hand, but that is the general thrust of the work.

CHAIR—I concede that part of my question is focused on possible trade investment opportunities, which is under the Department of Foreign Affairs and Trade.

Mr Wilson—Yes. We are not looking at it from a trade point of view; we are looking at it from the point of view of regulating an industry that is a world industry. We are trying to assist a like-minded country in developing their regulatory standards.

Senator FERGUSON—I just noticed your air services arrangements. You say we have them with five African countries, including Zimbabwe. What arrangement have we got with Zimbabwe? Is that through South African Airways? Your submission says:

Australia has air services arrangements in place with five African countries: South Africa, Mauritius, Egypt, Kenya and Zimbabwe …

I can remember when Qantas used to fly in there.

Mr Wilson—I just need to clarify the point. We have a memorandum of understanding with Zimbabwe with regard to international air services, but no commercial services exist between Australia and Zimbabwe. It dates back to prior to services being provided into South Africa. So it is a historical document.

Senator FERGUSON—They are unlikely to resume, I would say.

Mr Wilson—It is unlikely that any commercial services are in the offing. Correct.

Senator FERGUSON—I am not quite sure why we need a memorandum of understanding anymore.

Mr Wilson—I would need to check, but I believe it is just a historical document that will sit as a signed document, rather than one that you can draw a line through.

Senator FERGUSON—In your submission you also say:

In 2008-09, over 340,000 passengers travelled on over 1400 non-stop flights between Australia and Africa representing 1.4 per cent of seats operated into and out of Australia.

Has that number declined considerably in the past 12 months?

Mr Wilson—I can update you; I have updated numbers here. In the year to February 2010 there were 493,000 passenger movements between Australia and Africa.

Senator FERGUSON—That is because Senator Moore and I were on the plane.

Senator MOORE—Probably.

CHAIR—Is that the financial year?

Mr Wilson—That is in the 12-month period to February 2010. It is over a 12-month period.

Senator FERGUSON—That is a large increase.

Mr Wilson—That is a significant number of passengers. I assume that, given that V Australia has just announced additional services into South Africa at—

Senator FERGUSON—Who has?

Mr Wilson—Virgin Australia—V Australia. They opened services in March of this year. There would certainly be an intention from V Australia that that number would increase.

Senator FERGUSON—Where are they flying into?

Mr Wilson—Into Johannesburg.

Senator MARK BISHOP—With that significant increase in passenger movements, is there a correlation directly to increased travel from South Africa to Zimbabwe, or does the increased travel in terms of the passenger numbers relate to the more northern countries, where we have been increasing our migrant, humanitarian and refugee intakes?

Mr Wilson—I do not have in front of me the distribution of numbers in terms of where the 493,000 would then depart to—what the end point of their trip would be. I believe—

Senator MARK BISHOP—The reason I asked is that I was intrigued by your comments to Senator Moore earlier; you said that, apart from the five countries identified, there had not been any particularly significant increase in demand from parts of Africa to this country. I would have thought that, with the large increase in humanitarian and refugee numbers flowing into this country from East Africa and parts of West Africa and central Africa, there would be a consequent increase in demand relating to commercial activities as those communities become established in this country.

Mr Wilson—I will just clarify my point. I was talking about demand sufficient to warrant a commercial service. An operation such as Qantas or V Australia will provide a service out of Australia into a particular hub within the African region, and then you will need to—

Senator MARK BISHOP—Make your own way—

Mr Wilson—make your own way—

Senator MARK BISHOP—north, east or west.

Mr Wilson—They will put in place arrangements with African airlines to distribute to surrounding countries, because there would be insufficient service demand to warrant a service into another country, for instance. It is a very long and thin route to Johannesburg. Compared to other routes that Qantas flies, it is an extremely long and low-demand route, so Qantas is not likely to want to offer services into a broad range of African countries when it can offer services into a hub and then join with an African airline to provide services.

Senator FERGUSON—I will just follow up something. Did you say 490,000?

Mr Wilson—Four hundred and ninety-three thousand.

Senator FERGUSON—How difficult is it for you to find out how many of those 490,000 were Australian citizens? Is that a hard question?

Mr Wilson—I can take it on notice. I will talk to the department.

Senator FERGUSON—Yes, that is what I mean. I do not want you to spend hours on it. If it is easy—

Mr Wilson—I believe it would be our Department of Immigration and Citizenship that would have those figures. We can certainly ask the question.

Senator FERGUSON—Yes, if you could.

Mr Wilson—If they can get it for me, I will provide it for you.

Senator FERGUSON—I do not want people spending a lot of time on it.

CHAIR—If they have the total figure, surely they would be able to say which ones originated in Australia and which ones originated in—

Mr Wilson—I never like to promise on behalf of other portfolios. It usually provides me only with high levels of grief.

CHAIR—Today is a good day for promises. Anyway, take it on notice, but you understand: is it fifty-fifty, sixty-forty or whatever in terms of the two-way—

Senator FERGUSON—We have the Department of Immigration and Citizenship coming tomorrow. Perhaps you could just tip them off, and they might be able to tell us.

Senator MOORE—Mr Wilson, can you provide on notice the dates of those agreements with the countries. The answer to the Zimbabwe piqued my interest. So—not necessarily now, but later—I would like the dates of the agreements with South Africa, Mauritius, Egypt and Kenya as well.

Mr Wilson—Yes, certainly.

CHAIR—Maybe Mr Lucas—

Senator MOORE—He might have those figures in his brain.

CHAIR—Do you have them?

Mr Wilson—Mr Lucas can give you month and year now.

CHAIR—There you go!

Senator MOORE—Thank you, Mr Lucas.

Mr Lucas—The memorandum of understanding with Zimbabwe was signed in May 1988. The most recent arrangements with Mauritius were signed in October 2007, with South Africa in June 2008 and with Kenya in May 2008.

Senator MOORE—What about Egypt?

Mr Lucas—Egypt I would have to take on notice.

Senator FERGUSON—We are pretty pleased about that!

CHAIR—She wanted you to have some homework! Concerning the figures you just gave us for the 12 months to February, could you take on notice to provide the committee with the financial year figures when they become available for the 2009-10 year.

Mr Lucas—2009-10?

CHAIR—Yes, because this inquiry will go on for some months yet. It would be helpful if we could get an indication—

Mr Wilson—There will be a month or two lag between the end of the financial year and when you get them.

CHAIR—Yes. Do not worry, it does not have to be here on 1 July.

Mr Wilson—We will get them to you as soon as we can.

CHAIR—The figure in your submission is 2008-09. If we could have that updated in due course, that would be good. Thank you, gentlemen, for your appearance this afternoon and for your submission. Is it the wish of the committee that it receives as evidence the speech by the Minister for Foreign Affairs at the University of Sydney? There being no objection, it is so resolved.

Resolved (on motion by **Senator Furner**)

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 5.07 pm