



The Coalition's Policy for Foreign Affairs

September 2013

Key Points

The Coalition will strengthen Australia's relations with key partners and refocus foreign policy on the advancement of our core strategic and economic interests.

Australia has global interests, but it is particularly important that we focus on the Asia-Pacific region.

Australia should build stronger relations with our neighbours. The Coalition is committed to policies which will deepen Australia's relations with our region by developing closer people-to-people links and deeper knowledge of their societies, languages and ways of life.

The Coalition will:

- ensure that Australia's economic – as well political and strategic – interests guide the operations of the Department of Foreign Affairs and Trade's operations;
- establish a new \$100 million Colombo Plan that will give Australian university students an opportunity to study in our region to deepen our engagement with our neighbours;
- consistent with robust benchmarks, remain committed to increasing the foreign aid programme towards 0.5 per cent of gross national income (GNI);
- restrict the growth in overseas development assistance to increases in the consumer price index over the forward estimates. Our commitment will see annual increases in nominal funding in the aid budget and will ensure that Australians can be confident aid will be delivered more efficiently and effectively; and
- implement a review of diplomatic resources and consider options for putting in place a long-term policy to ensure Australia's global diplomatic network is consistent with our interests.



Introduction

The Coalition will strengthen our relationships with key partners and refocus foreign policy on the advancement of Australia's core strategic and economic interests.

Australia should have strong and effective relations with countries where we have significant interests, particularly our allies and those in the Asia-Pacific-Indian Ocean region and important trading partners elsewhere.

The international challenges facing Australia demand a coherent and effective foreign policy. Our foreign policy should be based on a robust assessment of these interests and on the enduring values of the Australian people.

The problem is that the effectiveness of our foreign policy in advancing Australia's international interests has declined under the Rudd-Gillard Government.

We must re-build strong and effective relations with our neighbourhood.

The Coalition will work cooperatively within our neighbourhood to make existing institutions work better to serve the national interest and the interests of our region rather than creating new ones.

Australia's neighbourhood will be defined as the Asia Pacific-Indian Ocean region. We will focus diplomatic, development, trade and security efforts in parts of the Indian Ocean rim that have the capacity to advance Australia's interests.

Our focus will be on consistency, stability and mutual respect. The Coalition will adopt a 'no surprises' policy based on a commitment to undertake adequate consultation about policy matters that impact on our regional partners.

The Coalition's foreign policy is designed to protect and project our reputation as a strong and prosperous nation and our values as an open liberal democracy, and will be focused on 'economic diplomacy' with the various operations within the Department of Foreign Affairs and Trade better aligned in support of that policy across government.

The Department of Foreign Affairs and Trade will have a clear focus on promoting the economic interests of the Australian people and Australian businesses.

The Coalition will restore and protect Australia's international reputation as a strong and prosperous democratic nation.



The Plan

1. Strengthen Relations with Key Partners

The Coalition will refocus foreign policy on Australia's true international interests.

Chief amongst Australia's relationships requiring renewed focus are:

- **The United States:** The United States is Australia's most important ally and the world's leading democracy, which makes a crucial contribution to security and stability globally, including in the Asia Pacific region. Under the Howard Government, Australia's relationship with the United States had never been broader, deeper or closer. The Coalition is committed to working closely with the United States to make our ties stronger;
- **Japan:** As well as giving priority to expanding economic relations by finalising the Australia-Japan free trade agreement, the Coalition will build a stronger strategic partnership with Japan based on the Howard Government's Joint Declaration on Security Cooperation and the Trilateral Strategic Dialogue;
- **Indonesia:** It is essential to the interests of Australia and Indonesia that we work effectively across a broad spectrum of issues, including regional security, counter-terrorism, freer trade and investment flows in East Asia, people-smuggling, and action on climate change. The Coalition's plan to resume control of our borders will help restore the good relationship with Indonesia that Australia previously enjoyed. We will build on the Howard Government's Lombok Treaty with Indonesia to broaden and deepen security ties and will also aim to improve economic and educational links. We will do all we can to repair the trade relationship following the live cattle export fiasco and we will also enhance the Australia-Indonesia Leadership Dialogue;
- **China:** China's increasing economic, political and strategic prominence presents opportunities and challenges for Australia. The Howard Government showed that it was possible to have a strong relationship with China while managing differences over sensitive issues like ministerial contact with the Dalai Lama and Taiwan. The Coalition will work to return Australia-China relations to a strong and consistent partnership based on shared interests and mutual respect. We will work to establish an Australia-China Leadership Dialogue along the lines of the long-established valuable dialogue between Australia and the US. The Coalition will also restore annual Ministerial-level visits to Taiwan;
- **India:** Two-way goods and services trade totalled \$18 billion in 2011-12 and India was Australia's seventh largest two-way merchandise trade market. However, the relationship could and should be much closer. The Rudd-Gillard Government damaged that relationship by reversing the Howard Government decision to allow



uranium sales to India. As well as seeking to finalise negotiations on a free trade agreement, the Coalition will work to develop a genuine strategic partnership.

We will refocus Australia's foreign policy resources on advancing the national interest by strengthening relations with a wide range of other partners in Europe, the Americas, the Middle East and Africa.

The Coalition supports multilateral institutions that serve a clear national purpose. We support the G20 (which has emerged as a more representative global organisation than the G8), the established regional Asia Pacific bodies, the Commonwealth of Nations, and various organisations of the United Nations, including the World Trade Organisation.

We will ensure that for the remainder of its term on the United Nations Security Council Australia serves with distinction and advances genuine national interests.

2. Economic Diplomacy

The Coalition will ensure that Australia's economic interests underpin the operations of the Department of Foreign Affairs and Trade. There will be an unambiguous focus on promoting the interests of Australian businesses abroad.

Our standard of living relies on the capacity of our producers, manufacturers and service providers to export our goods and services across the globe and we need to capture the opportunities from the growing economies in our region and elsewhere.

Our economic focus extends to international development assistance and we will build on our 2005 commitment to the OECD 'Aid for Trade' initiative.

3. New Colombo Plan

The Coalition will establish a New Colombo Plan that will foster closer ties between Australia and the region and develop stronger people-to-people links.

The story of the original Colombo Plan is remarkable. Some 40,000 future leaders came to this country from the 1950s to the mid-1980s and many of the changes that we have seen in our region over the decades have been influenced by those who – returning from this country – helped to lead others.

The Colombo Plan was one of the great achievements of the Menzies Government. The Vice President of Indonesia and the National Development Minister of Singapore, for instance, are recipients of Colombo Plan scholarships. This remains Australia's most successful soft-power initiative in our region.

We must learn from each other if this part of the world is to be the beacon of prosperity that we would like it to be.



The New Colombo Plan will add an outward-bound component to the one-way street flow of students to our shores. It will send our best and brightest young people to study in the Asia-Pacific-Indian Ocean region.

Scholarships will be awarded to applicants who are enrolled in an Australian university undertaking an undergraduate degree. Applicants will undertake one or two semesters of study toward their degree at an accredited university within the region.

For decades students from our region have come to study in Australia. The Coalition will continue to encourage the huge interest in study in Australia by students from the Asia-Pacific-Indian Ocean region – whether privately or through the support of government or tertiary institutions.

The Coalition will commit \$100 million over five years to implement the New Colombo Plan. The programme will start by 2015, with a pilot programme in place in 2014 which we hope will include Indonesia, Singapore, Japan and Hong Kong. There will be scope for students to undertake internships with businesses or NGOs in host countries.

4. Improved Foreign Aid

The Coalition remains committed to a target of an overseas development assistance budget equivalent to 0.5 per cent of GNI. However, it is not possible to commit to a date given the current state of the federal budget after six years of Labor debt and deficit.

We are concerned about the rapid increase in foreign aid, described in the 2011 Independent Review into Aid Effectiveness as ‘steep and challenging’, in light of real concerns about the ability of AusAid and other agencies to manage such a programme efficiently and effectively.

The Coalition will restrict the growth in overseas development assistance to increases in the consumer price index over the forward estimates. Our commitment will see annual increases in nominal funding in the aid budget and will ensure that Australians can be confident aid will be delivered more efficiently and effectively.

The 2011 Independent Review of Aid Effectiveness noted that:

“The scale-up of the aid program to 0.5 per cent of GNI (gross national income) should be subject to the progressive achievement of predetermined hurdles...failure to achieve a hurdle, or fully achieve it, must have consequences. For example the government could reduce the rate of increase or withhold all or part of the funding unless and until the hurdle is achieved.”¹

Consistent with these benchmarks, the Coalition remains committed to increasing the foreign aid programme toward 0.5 per cent of GNI. However, we are not satisfied with

¹ Independent Review of Aid Effectiveness, April 2011.



either the quality of governance of the programme, nor the strategic priorities, which were skewed by Labor's campaign for the UN Security Council seat.

We also do not believe that the Australian community is entirely comfortable with the Government's doubling of an already large overseas development assistance budget rapidly and without robust performance benchmarks – especially as Labor has slashed spending in important areas like Defence.

The Coalition will review the priorities within the existing foreign aid budget to consolidate our aid efforts on the Asia Pacific-Indian Ocean region and to focus on the quality and rigorous administration of that effort. Papua New Guinea, as historically the largest destination for Australian aid, will remain a particular priority. We will focus on capacity building in Indonesia, PNG and the Pacific and explore the use of secondments between officials at local, state and national level. Afghanistan and Pakistan, where Australia has enduring interests, will remain key areas of focus.

Promoting our reach and influence in the region also means looking at ways we can use Australia's domestic market to support private-sector development in the Pacific over the long-term. This includes considering opportunities under Australia's existing guest worker programme for a greater number of Pacific Islanders to undertake seasonal work. The goodwill this programme creates in the region should not be underestimated. While there are significant obstacles to improving Australia's current pilot programme, the prospect of placing Pacific Island economies on a more stable and diverse footing should be seriously considered and the Coalition commits to examining the case for the expansion of this programme.

5. Provide Adequate Diplomatic and Consular Services

The Coalition will implement a review of diplomatic resources and consider options for putting in place a long-term policy to ensure Australia's global diplomatic network is consistent with our interests.

The review will be conducted by the Department of Foreign Affairs and Trade and will report within six months.

The Lowy Institute for International Policy has noted Australia's relatively low diplomatic presence around the world.

6. Provide a Principled Voice on Human Rights

The Coalition will pursue a principled and robust approach to human rights abuses, particularly in our region.

We will work with countries in our region to establish more ministerial level human rights dialogues where issues of human rights can be discussed in an open and frank forum.



7. Promoting Democracy in Fiji

The Coalition will review the effectiveness of the Fiji sanctions regime and, working with regional partners, will seek to open negotiations with the Fiji Government to promote electoral reform.

Fiji has been the subject of sanctions from Australia, New Zealand and other countries since the military coup by Commodore Frank Bainimarama in 2009. Fiji has been evicted from the Commonwealth of Nations and the Pacific Islands Forum.

The Coalition believes that it is time for the Australian government to review its stance on Fiji. This is important if elections are to be held in 2014 and for there to be a return to democracy and the rule of law in Fiji.

We will work with Fiji to normalise relations as soon as possible.

8. Engage with Female Leaders in Our Region

The Coalition will work to engage with female leaders in our region.

We will:

- initiate discussions with regional partners aimed at establishing a second tier dialogue of prominent women in politics from across the region to discuss common interests in security, aid, trade, energy, human rights, health, disaster response and nuclear non-proliferation; and
- establish networks of mentors available to work with younger female leaders.

Economic analyses by the World Bank and the United Nations reveal a strong link between levels of gender equity and national development. Women can be powerful drivers of economic development.



The Choice

The effectiveness of our foreign policy has declined under the Rudd-Gillard Government.

Labor has failed to safeguard Australia's reputation as a mature, reliable, strategic and trading partner. Labor's six years in government have been defined by foreign policy priorities out of kilter with our interests, erratic decision-making, threats, insults, and a lack of consultation.

Kevin Rudd is the source of many of the Government's problems in foreign affairs.

Even the most casual observer of Kevin Rudd's approach to foreign policy must wonder at his priorities and values. As Foreign Minister, he managed to visit Liechtenstein before he made it to our closest neighbour, PNG.

Kevin Rudd achieved what was formerly regarded as impossible for an Australian Prime Minister, causing tension with the White House by leaking a false version of a telephone conversation with the US President in an attempt to make himself appear intellectually superior.

Kevin Rudd's and Julia Gillard's dismantling of the Howard Government's successful measures which stopped the boats and then their inept efforts to re-establish offshore processing – which they had earlier closed down – have damaged our relations with Indonesia and other close neighbours.

Julia Gillard then caused further strains in Australia's relations with Indonesia and East Timor by announcing an asylum seeker processing centre on East Timor, without consulting the Indonesian President or the Prime Minister of East Timor.

The Rudd-Gillard Government also undermined years of hard work by unilaterally banning live cattle exports to Indonesia, and creating doubt about Australia's role as a reliable supplier of food. This decision was made without consultation or warning.

Japan, Australia's most steadfast friend and important diplomatic partner in Asia since the 1950s, felt slighted when Prime Minister Rudd excluded Japan from his first visit to Asia. He caused significant embarrassment to Japan by re-announcing, without warning, on the eve of an official visit by the Japanese Foreign Minister, that the Australian government would be taking Japan to the International Court of Justice over whaling.

Kevin Rudd's worst diplomatic gaffe was his infamous comment at the Copenhagen Climate Conference in late 2009, where he criticised the behaviour of the Chinese delegation, using deeply offensive and derogatory language, in front of journalists.

The Rudd-Gillard Government boasted about a new strategic relationship with India but one of Kevin Rudd's first acts as Prime Minister was to announce without consultation



that he would ban uranium sales to India. This overturned a decision of the Howard Government to supply uranium subject to appropriate international safeguards - as had the Canadian and United States governments. This caused offence to a rising power with an impeccable record of non-proliferation.

Labor's opposition to uranium sales to India was eventually overturned after needless damage to the relationship. But almost two years after that decision, the government has still not finalised a nuclear safeguards agreement with India to allow the export of uranium to India.

The Korean company Samsung undertook a major project developing self-propelled Howitzers for the Australian Defence Force until the project was dropped by Labor as a cost-saving measure in the 2012 budget. Korea and Koreans in Australia were understandably insulted by the Government's inept handling of this issue, which has damaged relations with one of our most important trading and regional partners. It is noteworthy that Korea is one of the many Asian countries where progress on a free trade agreement appears to have stalled.

Kevin Rudd's return as Prime Minister has seen a return to his old habits. He signed a communique in Indonesia committing to not taking unilateral action in matters of concern to Indonesia. He then broke that commitment within a week by announcing a new asylum seeker processing deal with PNG, without consulting Indonesia. Compounding his error, Kevin Rudd then made grandiose claims about the deal with PNG that were not supported by the agreement and which have been undermined by statements from PNG's leaders.

Australia's foreign relations will only deteriorate further under Labor and Kevin Rudd.



Hope.
Reward.
Opportunity.



THE NATIONALS *for Regional Australia*

For further details of the Coalition's Plan go to
www.realsolutions.org.au