



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION  
COMMITTEE

ESTIMATES

**(Additional Estimates)**

THURSDAY, 11 FEBRUARY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE****LEGISLATION COMMITTEE****Thursday, 11 February 2010**

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

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

**Senators in attendance:** Senators Birmingham, Bishop, Boswell, Brandis, Farrell, Ferguson, Forshaw, Hanson-Young, Heffernan, Johnston, Kroger, Ludlam, Macdonald, McEwen, Parry and Trood,

**Committee met at 9.05 am****FOREIGN AFFAIRS, DEFENCE AND TRADE PORTFOLIO****In Attendance**

Senator the Hon. John Faulkner, Minister for Defence

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

Mr Dennis Richardson, Secretary

Mr James Wise, First Assistant Secretary, Corporate Management Division

Ms Ann Thorpe, Chief Finance Officer, Corporate Management Division

Ms Anne Moores, Assistant Secretary, Executive, Planning and Evaluation Branch

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

**Program 1.1 Other departmental**

**North Asia (China, Japan, Democratic People's Republic of Korea, Mongolia, Republic of Korea, Taiwan)**

Mr Graham Fletcher, First Assistant Secretary, North Asia Division

**South-East Asia (Brunei, Burma, Cambodia, East Timor, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, Vietnam and ASEAN)**

Mr Hugh Borrowman, First Assistant Secretary, South-East Asia Division

Mr Peter Woolcott, Ambassador for People Smuggling Issues

**Americas (Canada, USA, the Caribbean, South America)**

Mr Bill Tweddell, First Assistant Secretary, Americas Division

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**Europe (Western, Eastern and Southern Europe, including Turkey and organisations such as European Union and NATO)**

Mr Richard Maude, First Assistant Secretary, Europe Division

**South and West Asia, Middle East and Africa (South and West Asia—India, Afghanistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives; Middle East—Gulf States, Israel, Palestinian Territories, Iraq, Iran; African countries—South Africa, Sudan, Zimbabwe and all other African countries)**

Ms Deborah Stokes, First Assistant Secretary, South and West Asia, Middle East and Africa Division

**Pacific (New Zealand, Fiji, Solomon Islands, Papua New Guinea, Tonga, Nauru, Samoa, Kiribati, Vanuatu; Pacific Islands Forum)**

Mr Richard Rowe, First Assistant Secretary, Pacific Division

**International organisations and legal issues (International law, sea law, environment law, climate change, treaties, sanctions, transnational crime, domestic and administrative law, United Nations, Commonwealth, human rights, indigenous issues, people smuggling, refugees)**

Ms Caroline Millar, Acting First Assistant Secretary, International Organisations and Legal Division and Head, UN Security Council Taskforce

Ms Penny Richards, Senior Legal Adviser, International Organisations and Legal Division

Ms Ruth Adler, Assistant Secretary, Environment Branch

Mr Craig Maclachlan, Assistant Secretary, International Organisations Branch

Mr Dominic Trindade, Assistant Secretary, Domestic Legal Branch

**National security, nuclear disarmament and non-proliferation (Arms control, counter-proliferation, counter-terrorism, regional and national security)**

Ms Jennifer Rawson, First Assistant Secretary, International Security Division

**Services to other agencies (Services to Parliament, attached agencies, business, state governments and other agencies overseas and in Australia)**

Mr Greg Moriarty, First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

**Services to diplomatic/consular representatives (Protocol, privileges and immunities, protection)**

Ms Anne Plunkett, Chief of Protocol, Protocol Branch

Mr Colin Hill, Director, Protection, Privileges and Immunities Section, Protocol Branch

**Bilateral, regional and multilateral trade negotiations (Free trade agreements, agriculture, services and intellectual property, WTO, trade law, trade policy, trade commitments)**

Mr Tim Yeend, First Assistant Secretary, Office of Trade Negotiations

Ms Jan Adams, First Assistant Secretary, Free Trade Agreement Division

Mr Michael Mugliston, Special Negotiator, Free Trade Agreement Division

Ms Caroline McCarthy, Director, Food Trade and Quarantine Section, Office of Trade Negotiations

**Trade development/policy coordination and Asia-Pacific Economic Cooperation (APEC, international economy and finance, market information, trade advocacy, trade finance, liaison and analysis, OECD, UNCTAD)**

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

**Program 1.2 Payment to international organisations (administered)**

**Program 1.3 Public information services and public diplomacy (administered)**

Ms Caroline Millar, Acting First Assistant Secretary, International Organisations and Legal Division

Mr Peter Woolcott, Ambassador for People Smuggling Issues

Ms Lyndall Sachs, Executive Director, Shanghai World Expo 2010

Mr Greg Moriarty, First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

Ms Anne Moores, Assistant Secretary, Executive, Planning and Evaluation Branch

**Program 1.4 Other administered items—DFAT**

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

Ms Penny Richards, Senior Legal Adviser, International Organisations and Legal Division

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

**Programs 2.1 and 2.3 Consular services**

**Programs 2.2 and 2.4 Passport services**

Mr Greg Moriarty, First Assistant Secretary, Consular, Public Diplomacy and Parliamentary Affairs Division

Mr Ross Tysoe, Acting Executive Director, Australian Passport Office

**Outcome 3—A secure Australian Government presence overseas through the provision of security services and information and communications technology infrastructure, and the management of the Commonwealth's overseas owned estate**

**Program 3.1 Other departmental**

Mr Peter Rowe, First Assistant Secretary, Diplomatic Security, Information Management and Services Division

**Program 3.2 Overseas property**

Mr Peter Davin, Executive Director, Overseas Property Office

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

Mr Peter Baxter, Acting Director General AusAID

Mr Richard Moore, Deputy Director General, Asia Division

Mr Murray Proctor, Deputy Director General, Program Enabling Division

Ms Catherine Walker, Deputy Director General, Global Programs Division

Ms Margaret Callan, Acting Deputy Director General, Pacific, PNG and Policy Division

Mr Jamie Clout, Deputy Director General, Corporate Enabling Division

Mr Robin Davies Assistant Director General, Sustainable Development Branch

Ms Jane Lake, Assistant Director General, Pacific Branch

Mr Jamie Isbister, Assistant Director General, Africa, Humanitarian and Peace Building Branch

Ms Lisa Rauter, Chief Financial Officer

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

Mr Peter Yuile, Acting Chief Executive Officer and Executive Director, Government and Corporate Services

Mr John Angley, General Manager, Government and Communications

Ms Hazel Bennett, Executive Director, Finance, Information and Planning

Mr Ian Chesterfield, General Manager, Business Policy and Programs

Ms Elizabeth Gamin, National Operations Manager, Grants

Mr Peter Gunning, Chief Finance Officer

Ms Marcia Kimball, Executive Director, Human Resources

Ms Helen Monro, Manager, Government, International and Policy

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

Mr Mike Moignard, General Manager, Export and Investment Services

**CHAIR (Senator Mark Bishop)**—I declare open this meeting of the Senate Foreign Affairs, Defence and Trade Legislation Committee. I welcome Minister Faulkner; the secretary, Mr Dennis Richardson; and officers of the Department of Foreign Affairs and Trade. A special welcome to you, Mr Richardson. It is the first time the secretary has attended these committee hearings for a significant period of time and we thank you for doing so. Today the committee will examine the additional estimates for the Foreign Affairs and Trade portfolio in the following order: the Department of Foreign Affairs and Trade general topics until 5.30 pm today, followed by AusAID from 5.30 pm to 6.30 pm and 7.30 pm to 8.30 pm. We will hear AusTrade from 8.30 pm to 11 pm in conjunction with the Department of Foreign Affairs and Trade trade programs.

Thursday 1 April 2010 has been set as the date by which answers to questions on notice are to be returned. Senators should provide their written questions on notice to the secretariat by the close of business on Tuesday 16 February 2010. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate into *Hansard*. There are copies available on each table.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
  - (1) If:
    - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
    - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
  - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

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

**CHAIR**—The committee will adjourn for lunch between 12.30 pm and 1.30 pm and for dinner between 6.30 pm and 7.30 pm. We will take our tea break this morning at 10.30 am; other breaks will be at 3.30 pm and 9 pm or as required. Refreshments are available in the waiting room. Minister, do you or an officer wish to make an opening statement?

**Senator Faulkner**—Thank you, Chair. I would just like to say something, but very briefly indeed. It is really just about the fact that this is Dennis Richardson's first opportunity to attend this committee as the new Secretary of the Department of Foreign Affairs and Trade. I indicate, of course, that Dennis Richardson has had a very long and distinguished career as an Australian public servant—he is very well known, I think, to committee members as the Director-General of ASIO from 1996 to 2005 and after that he gave very distinguished service as our Ambassador to the United States of America. He has had his feet under the desk at DFAT since 13 January this year and so obviously is very new in the job. I just wanted to introduce him formally to committee members and, as I know all committee members would want to do, welcome him to this most august forum.

**CHAIR**—Thank you, Minister.

**Senator FERGUSON**—I too would like to add my welcome to the secretary, because in my time on this committee I think—Mr Wise might be able to correct me—it is the first time we have had the secretary of the department attend an estimates committee meeting. It is something we have been urging, both back in government and in opposition, for a long, long

time. So I think it is a welcome departure from what has been previous practice, and we are very pleased to see Mr Richardson here.

**Senator Faulkner**—It is true.

**CHAIR**—You can never be a stranger here.

**Senator Faulkner**—Of course, I have been on both sides of the table at this committee and different agencies have different approaches. This committee examined estimates of Defence yesterday, and of course both the Chief of the Defence Force and the Secretary of the Department of Defence were here. When I had a very early discussion with Dennis when he took the reins he indicated to me that, if Minister Smith, the government and I were comfortable, it certainly would be his intention to attend the committee and, of course, assist the committee wherever possible. We thank him for that. I am sure, in the main, he is very much looking forward to the experience.

**CHAIR**—Thank you, Minister. And again we welcome you, Mr Richardson.

**Mr Richardson**—Thank you.

**Senator TROOD**—Does the secretary wish to make a statement?

**CHAIR**—I asked and there was no response. I asked if the minister or an officer would like to make a comment.

**Mr Richardson**—No, thanks.

**Senator TROOD**—I add my welcome to the secretary. I spoke to the secretary of this committee and she said it was the first time in living memory that the Secretary of the Department of Foreign Affairs and Trade had actually attended before the committee. So that is indeed a welcome development, and you are most welcome here before the committee.

**Senator FERGUSON**—Some of us have a longer living memory, too.

**Senator TROOD**—However long the memories are, no-one can remember the last time a secretary of the Department of Foreign Affairs and Trade came before the committee, so it is a welcome development. I have some questions to begin with regarding your appointment, Secretary, and I just want to clarify a couple of matters with regard to that. I think we have heard that you took up your position on 13 January—is that correct?

**Mr Richardson**—That is right.

**Senator TROOD**—My understanding is that the former secretary stood down on 13 August—is that correct?

**Mr Richardson**—Yes, about that. I do not know the exact date.

**Senator Faulkner**—Do you want a precise date, which we can supply for you if you would like?

**Senator TROOD**—I would be grateful for the precise date.

**Senator Faulkner**—We will just check whether there we have an official here who can assist you with that. We will need to check, so we will just take that on notice and hopefully we can give it to you pretty soon.

**Senator TROOD**—Thank you. I understand the former secretary was appointed to his new position as the Executive Director of the National Security College on 10 December 2009. I think that is the correct date, but perhaps you could confirm that. My question is: between 13 August and 10 December, was the former secretary on the payroll of the department and, if so, how much was he paid in salary and in any allowances he might have been entitled to during that period?

**Senator Faulkner**—Just hang fire there for a moment and let us see what information we can provide for you. I will ask officials to provide information to you on this. I was just checking there to assure myself that my understanding was correct in relation to Mr L'Estrange's new appointment. Obviously, it is outside the department, as you would—

**Senator TROOD**—That is my understanding.

**Senator Faulkner**—Given that, there may be some circumstances around Mr L'Estrange's current employment that are obviously beyond the purview of this committee. Nevertheless, you have asked some questions that are very much within that appropriate role of oversight, so we will assist you now.

**Senator TROOD**—I do not wish to explore anything to do with Mr L'Estrange's current appointment. My understanding is that he is no longer employed in the Public Service.

**Senator Faulkner**—You did ask what date he commenced duties, and that is a matter for him and any new employer; that is the point I am making. But let us assist you anyway with the substantive issues you have raised.

**Senator TROOD**—The date I am interested in is when Mr L'Estrange went off the books of DFAT.

**Mr Richardson**—Between the time he formally left the position of Secretary of DFAT and the time he took up his next appointment, he continued to be paid at secretary level by the department, and that is fully consistent with what has been longstanding practice. He took some leave initially and then there were some discussions about what he might do next and a decision was made on that. Indeed, his new position is at secretary level.

**Senator TROOD**—Thank you, Secretary. Perhaps you could quantify that figure for me.

**Mr Richardson**—It is simply the standard figure. We will get it for you, but it is publicly available.

**Senator TROOD**—I assumed that would be the case, but if you could quantify it for me I would appreciate it. On another topic: in relation to the portfolio additional estimates for 2009-10, there is a figure of \$6.7 million as a departmental item in the portfolio overview which is designated 'to reduce costs within the Department of Foreign Affairs and Trade'. I would be grateful if someone could explain to me what that \$6.7 million is intended to be or do.

**Ms Thorpe**—That \$6.7 million relates to a savings measure that was announced by the government during MYEFO. That was this year's impact—that is, the impact on our budget for this financial year as described in the portfolio overview. Sorry—are you talking about the \$6.547 million? Which figure do you want? Do you want the \$6.547 million?

**Senator TROOD**—I want the \$6.712 million.

**Ms Thorpe**—You want the \$6.712 million in 2009-10? Which table are you looking at?

**Senator TROOD**—It is on page 1 of the portfolio overview.

**Ms Thorpe**—That is relating to the savings, isn't it? So I was correct in what I was saying—it is relating to the savings that were announced as part of the—

**Senator TROOD**—So that is a reduction in the department's budget, is it?

**Ms Thorpe**—That is correct. It was announced by the government—

**Senator TROOD**—So it is just a withdrawal from the department's funds?

**Ms Thorpe**—Yes. It was an announcement made that was undertaken by the government during MYEFO.

**Senator TROOD**—No, I understand that, but I—

**Ms Thorpe**—And that is the impact for the 2009-10 budget.

**Senator TROOD**—So it is just a straight deduction from the department's budget.

**Ms Thorpe**—That is correct.

**Senator TROOD**—Have you decided where those funds will come from?

**Ms Thorpe**—Yes. As I think you saw when the measure was announced, it was announced in terms of its coming from the rationalisation of the diplomatic services and it was also related to the changing accommodation arrangements. The other part of it was related to reducing the operating costs of the Overseas Property Office.

**Senator TROOD**—In relation to the rationalisation of diplomatic services, which services have been rationalised as a consequence of this matter?

**Ms Thorpe**—There are two components to it. Firstly, we are in the process of reducing some staff at our largest posts—

**Senator TROOD**—Which are they?

**Mr Richardson**—They are the six or seven largest posts. There is one withdrawal from each of the six or seven largest posts.

**Mr Wise**—Those posts are Bangkok, Beijing, Jakarta, Ottawa, Port Moresby, Tokyo and Washington.

**Senator TROOD**—As usual, Mr Wise, I assume you have the levels of the officers that are being withdrawn.

**Mr Wise**—I do.

**Senator TROOD**—Perhaps you could just put them on notice for me and provide them later on. Do you have them available now?

**Mr Wise**—I have them available now.

**Senator TROOD**—Perhaps you can just give them to me.

**Mr Wise**—In Bangkok it is a broadband 2 position. In Beijing it is a broadband 3. In Jakarta it is a broadband 2. In Ottawa it is a broadband 3 position. In Port Moresby it is a broadband 2. In Tokyo it is a broadband 2. In Washington it is a broadband 2.

**Senator TROOD**—Where does that relate to the general hierarchy of overseas appointments? Are they at about a second or third secretary level?

**Mr Wise**—Most of them are second or third secretary level and, in one or two cases, first secretary.

**Senator TROOD**—The 3s are first secretaries?

**Mr Wise**—Yes, that is right.

**Senator TROOD**—In that context, you had a proposal to open a new mission in Lima. Is that correct?

**Ms Thorpe**—Yes, that is correct.

**Senator TROOD**—I assume that in the context of this rationalisation that post will now not be open. Is that correct?

**Ms Thorpe**—No, that is not correct.

**Senator TROOD**—Okay. Good.

**Ms Thorpe**—It will be opened. We will probably deliver it slightly differently to what we originally thought. We will locate it initially with the Austrade office that is there at the moment, but it is still going to be opened, and it will still be opened within the time lines that we talked about. We have people there now who are working through it.

**Senator TROOD**—How many officers will be there?

**Ms Thorpe**—Two.

**Senator TROOD**—So there will be two A-based officers in Lima?

**Mr Wise**—Yes. There will be a head of mission and a senior administrative officer.

**Senator FORSHAW**—Do you have an opening date?

**Mr Wise**—It will be opened by the end of this year.

**Senator FORSHAW**—Currently the post in Santiago looks after Peru—is that correct?

**Ms Thorpe**—That is correct.

**Senator TROOD**—On 12 January last year the minister announced that the mission in Nauru was to be upgraded from a consulate-general to a high commission. Is that correct?

**Ms Thorpe**—That is right.

**Mr Wise**—Yes, that is right.

**Senator TROOD**—And Mr Fraser would be there as the resident high commissioner. Is that decision affected by the MYEFO or the rationalisation?

**Ms Thorpe**—No.

**Senator TROOD**—What will the cost of that upgrade be?

**Mr Wise**—It is not an upgrade; it is simply a change in the title of that office. When the office was first set up it was as a consulate-general but, as our relations with Nauru have developed over the last few years, the government made a decision that it should become a fully fledged diplomatic mission. But the costs and the staff numbers have not changed. All that has really changed is the name and the method of accreditation of the head of that office.

**Senator TROOD**—So there are no additional costs that followed?

**Mr Wise**—No.

**Senator TROOD**—And there are no additional costs as a result of Mr Fraser becoming not just consul-general but high commissioner?

**Mr Wise**—No.

**Senator TROOD**—Do you have the costs of running that mission?

**Ms Thorpe**—No, not with us. It has been an ongoing mission for a few years and we are continuing it.

**Senator TROOD**—What is it that has been enhanced in our relationship with Nauru that justifies this enhanced position?

**Mr Wise**—It is a range of things. We now have a much more intensive engagement with Nauru, including a quite substantial aid program, which we never had before. We have—and I think this is still the case—Australian officials working in the Nauru government giving technical advice. The relationship with Nauru has developed a lot over the last eight or nine years.

**Senator TROOD**—It has been a substantial relationship for some time, in part because of the Pacific solution. Has it changed since then? Once that was discontinued, the relationship went back to essentially an aid relationship, didn't it, Mr Wise?

**Mr Wise**—Not only an aid relationship. Even after we closed our post in Nauru some years ago, before it was reopened as part of the Pacific solution as you said, we continued to cover Nauru from Fiji. And there are a range of South-Pacific issues, both forum related and bilateral, where we consulted closely with the Nauru government. It is obviously much easier to do that if you have a resident mission there.

**Senator TROOD**—How much is our aid program to Nauru worth?

**Mr Wise**—I am not sure. You would have to ask AusAID that.

**Senator TROOD**—Do you know what Nauru's GDP is?

**Mr Wise**—I do not, but one of my colleagues may.

**Senator TROOD**—My understanding is that it is around \$60 million and that our aid package is in the vicinity of \$25 million, so Australia would contribute one-third of Nauru's GDP, which seems a substantial part of any country's GDP to be provided by another country and hardly the basis on which one would increase the mission there to a high commission. It suggests to me that there are other aspects of this relationship which justify this upgrade.

**Mr Richardson**—I might just add: it does have a small GDP but it is not alone in the world in having a small GDP, and very often it is precisely the countries which have small

GDPs that do need strong assistance. I think Nauru certainly fits into that category. I think the government was concerned from the beginning to enhance its relationships in the South Pacific and I think upgrading the mission in Nauru was not only specifically related to Nauru itself; it was part of a broader government decision to enhance the effort right across the Pacific.

**Senator TROOD**—I see.

**Senator Faulkner**—Senator, Mr Rowe also might be able to assist you on your earlier question.

**Mr R. Rowe**—The comments made by the Secretary and Mr Wise are absolutely accurate, of course. The fact is that our relationship with Nauru has expanded and developed considerably in very recent times and the upgrading of the status of our post there reflects the strengthened relationship that we have with Nauru and also reflects our recognition of the fact that Nauru plays a very active role as a member of the Pacific Islands Forum. The upgrade is also consistent with the fact that the government's Pacific engagement strategy of closer engagement with the Pacific island countries warrants such recognition of Nauru. So it is a strengthened relationship—it is in fact multifaceted, as my colleagues have indicated—and we derive a lot of bilateral benefit from the strength of that relationship.

**Senator TROOD**—I see. Thank you, Mr Rowe. Chair, I wanted to move onto matters related to Indonesia and the boats up there. I regard this as being part of the general portfolio overview.

**CHAIR**—Do you?

**Senator TROOD**—Yes.

**CHAIR**—Discussions on Indonesia come within the Indonesian section, not the portfolio overview.

**Senator TROOD**—Chair, I encourage you to take the view you took in relation to the Defence portfolio yesterday, when you were generous in providing some latitude in dealing with different topics that were raised, then we can come back to these specific items.

**CHAIR**—No, I think we will stay with the program. I asked you repeatedly to identify areas where you might like to raise issues. You have constantly not done so and now you raise them by surprise when we have an agenda. It is better to stick to the agenda, Senator. If you have matters to raise under portfolio overview we will deal with them.

**Senator TROOD**—I will leave Indonesia for the time being, then, and I will raise a matter, which I suspect almost certainly has to be within the definition of portfolio overview, that relates to the foreign minister's activities. I am not sure who the best person is to answer this question—

**Senator Faulkner**—I do not know, Senator, but if you direct your question to me—I suspect it is possible I will not be able to answer it—we will work very hard to assist you, and that is the way we always work. Certainly before you ask your question it is not even possible to hazard a guess at an answer, but we will do our best. So if you will kick off we will take it from there.

**Senator TROOD**—As always, Senator. I want to seek some clarification of the role of the Minister for Foreign Affairs in his support for the activities of Securrency, the Reserve Bank of Australia entity that produces Australian banknotes.

**Senator Faulkner**—I do not think I will be able to help you on this, so we will find the relevant official for you.

**Senator TROOD**—Mr Tighe, on 25 May last year, the foreign minister confirmed that he had personally lobbied various countries on behalf of Securrency. He mentioned India, Brazil and Mexico as being among them. He also said that he would be happy to detail the representations that he had made on behalf of Securrency, and to whom he had made those representations. Can you please provide the committee with information about the representations that Mr Smith has made on behalf of Securrency, and the dates they were made?

**Mr Tighe**—Yes, that is correct. The minister did, last year, offer to make available the details of all the representations he has made. He did that publicly. Since then, we have not received any further requests for that information so, to be honest with you, we have not pulled it together. Earlier this week we received a question on notice from Mrs Bishop, the shadow minister for foreign affairs, and we are in the process of bringing that material together. I think the deadline for that is later this month. So rather than give you a guess, off the top of my head, I prefer to continue our efforts to pull together a precise response for you, in line with the question on notice we received earlier this week.

**Senator TROOD**—You do not have those dates readily available?

**Mr Tighe**—Not today, no. We have been compiling them in accordance with the request we received earlier this week.

**Senator TROOD**—I see. And when do you expect that information to be available?

**Mr Tighe**—I understand the deadline that has been given to the department is 23 February.

**Senator TROOD**—Are you able to tell us, nevertheless, when Mr Smith began his representations on behalf of Securrency, on a general basis?

**Mr Tighe**—My recollection of the statement that the minister made last year is, as you pointed out, he acknowledged that he had made representations—as have a number of ministers over many years, in fact—over a decade and a half, or so. But the precise dates I do not have with me, I am sorry.

**Senator TROOD**—So over many years?

**Mr Tighe**—Ministers of the Australian government have made representations over many years. I do not have the precise dates of when Mr Smith has made representations.

**Senator TROOD**—You are saying that ministers of the Rudd government, over the period of time that it has been in office, have made representations on behalf of Securrency?

**Mr Tighe**—Ministers for the last 15 years have made representations on behalf of Securrency, is what I am saying.

**Senator TROOD**—Not just the Minister for Foreign Affairs?

**Mr Tighe**—Correct.

**Senator TROOD**—There is, as you will know, an investigation being undertaken by the AFP into the affairs of Securrency. Can you tell the committee when Mr Smith first became aware of the doubts, the uncertainties, the probity of the activities of Securrency?

**Mr Tighe**—My understanding is that the Reserve Bank—Securrency, you understand, is associated with the Reserve Bank—referred the issue to the Australian Federal Police on 23 May last year. It produced a press release to that effect at the time. I do not know this for certain without consulting with the minister, but I suspect that was the first time he was aware of the allegations.

**Senator TROOD**—So as far as you are aware, he did not have any knowledge of the doubts, the uncertainties or the questions, about corruption within Securrency until that announcement of the AFP inquiry?

**Mr Tighe**—To the best of my knowledge, but I have not put that question to him so I cannot answer on his behalf.

**Senator TROOD**—Perhaps you would seek to clarify that for the purposes of the committee?

**Mr Tighe**—Certainly.

**Senator TROOD**—Can you clarify the minister's understanding as to when he first learnt of the allegations that now surround Securrency? You could provide that information perhaps when you also provide the information with regard to his representations.

**Mr Tighe**—Certainly. In fact, that is part of the questions on notice that we have been given already.

**Senator Faulkner**—Senator, as you have asked that, regardless of what might have happened with a question on notice that has been lodged in the House of Representatives, I will treat that as a question on notice here at this committee to Minister Smith. So we will certainly find that out for you.

**Senator TROOD**—Thank you, Minister. Are you aware, Mr Tighe, of whether the minister has made any representations subsequent to that matter of the reference to the AFP becoming public knowledge?

**Mr Tighe**—To the best of my knowledge, he has not, but again that is part of the questions that we have already received on notice and part of the research we are currently doing.

**Senator Faulkner**—If you are satisfied with Mr Tighe's answer, Senator Trood, that is a matter for you. But, if you wish me again to take that on notice, so we can be absolutely precise, I can. I think you have got a clear indication, but if you would like us, as I say, to be absolutely precise, I think the only thing I can do in this circumstance is to formally take that on notice so we get a response from the minister. It is up to you, Senator.

**Senator TROOD**—I would be grateful for you doing that, Minister. Thank you.

**Senator Faulkner**—I am happy to do that.

**Senator TROOD**—Mr Tighe, Security obviously does not sit within the portfolio of DFAT. Do I take it that the minister was making representations on behalf of Security in his capacity as a representative of Australia's trade interests more generally defined?

**Mr Tighe**—I would put it more as being in the capacity of a representative of the Australian government and supporting the interests of Australian companies seeking to expand their export and investment activities overseas. It is a fairly standard thing for officials of any number of departments, but particularly of the Department of Foreign Affairs and Trade, and for ministers from any number of portfolios to make representations on behalf of Australian companies.

**Senator TROOD**—I see. I do not have any further questions on that particular subject. I want to go to the Copenhagen conference. I raise this in the context of staffing activities, which I think are a general portfolio-wide activity. I would be grateful, to begin with, for clarification of the department's contribution to the Copenhagen meeting. My understanding is that there were officers from the department there in various guises, if I may put it that way. As you will know, gentlemen and Ms Thorpe, there has been a list widely circulating in the media of the officers from various Australian agencies who participated in the Copenhagen meeting, which is a list of about 114 people, including the Prime Minister. I do not know the accuracy of that list, but it has been widely circulated.

I do know that there are a large number of DFAT people on that list. They seem to me to fall into three categories. There were the DFAT people who were in the Copenhagen mission, who were assigned to the Copenhagen conference; there were the DFAT people who were on loan or assignment—whatever the appropriate term is—to the Department of Climate Change and have been there for some period of time working on those kinds of activities; and there were, of course, the people who remain part of the department and in that capacity were sent to Copenhagen. I presume, Mr Wise, that you are the person to do this: perhaps you could clarify for me the officers of the department, however one defines them—and it seems to me that those are the three categories—who were participants at the Copenhagen meeting.

**Mr Wise**—Thank you, Senator; I can do that. Yes, we have only a small mission in Copenhagen, and they were obviously very busy supporting the summit. We deployed 17 DFAT officials to the post to provide administrative, logistical, consular and media support to the post during the climate change conference. There were 17 there, and an additional four staff were deployed as part of the conference delegation. Those are staff from our International Organisations and Legal Division, which covers the environmental issues, and they were there to provide policy and legal support. So those are the departmental officers who went. One of the 17 who provided logistical and other support was in fact seconded to the Department of Climate Change, and they met his costs.

You mentioned DFAT staff who are assigned to the Department of Climate Change. With the machinery of government changes following the last election and the establishment of the Department of Climate Change, we have an arrangement with that department that, I think, up to eight DFAT staff are deployed or assigned to the Department of Climate Change, and the funding for those staff went—as is normally the case with machinery of government changes—to the Department of Climate Change, so they really are the responsibility of the Department of Climate Change. I hope that clarifies the situation as regards the DFAT staff.

**Senator TROOD**—So how many staff were in that category and had been assigned?

**Mr Wise**—To be honest, I would not know. You would have to ask the Department of Climate Change how many of their staff who went to Copenhagen were seconded from DFAT.

**Senator TROOD**—Let us get at it this way: how many of DFAT's staff have been assigned to the Department of Climate Change?

**Mr Wise**—Eight.

**Senator TROOD**—And you do not know how many of those were sent to Copenhagen?

**Mr Wise**—No, I do not.

**Senator TROOD**—And in any event the department is not responsible for their costs—is that correct?

**Mr Wise**—That is right.

**Senator TROOD**—So there were 17 DFAT staff who were sent to Copenhagen and another four that went directly from Canberra. Is that correct?

**Mr Wise**—The 17 staff that went to support the effort in Copenhagen were drawn from different parts of the world and different posts. Some were staff on leave without pay close to Copenhagen. For all those sorts of reasons, we did them together. Some of those staff that provided support went from Canberra as well, so they came from a range of places. The four staff who were part of the delegation were Canberra based staff working on climate change issues—policy and legal issues—in the division here which covers climate change.

**Senator TROOD**—That is fine. I understood you to be saying that; I just wanted to make sure I understood the point. So there were four from the legal division in the department here who were sent as part of the delegation, and the 17 who were harvested from various missions around the world were sent ahead of the meeting, presumably, because they were providing logistic assistance. Is that correct?

**Mr Wise**—They were, and the dates varied. I just have a list. Some went as early as 9 November; some went as late as 14 December. It just depended on what role they were playing to provide support for the conference.

**Senator TROOD**—I see. They were nevertheless from DFAT, and they were essentially A-based staff—is that right?

**Mr Wise**—That is right. I will just check—I am not sure whether one of them was local. No, they were all Australian based staff.

**Senator TROOD**—Yes, from various missions.

**Mr Wise**—From various missions, but quite a few were actually DFAT officers on leave without pay accompanying their spouses on a posting in the region, and it was easier to pull them back onto duty to support this effort than to take people out of line positions.

**Senator TROOD**—I assume they were no longer on leave without pay once that had happened.

**Mr Wise**—No, they came back onto the payroll.

**Senator TROOD**—The question of course is the costs of this enterprise to the Australian taxpayer. Do you have a breakdown of the costs? Perhaps you can break it down amongst the 17 and then the four.

**Ms Thorpe**—The salary costs are not included, but in terms of the cost that we put into attending the conference it was \$377,397. That is from invoices received as at 22 January. That should be most of it by now.

**Senator TROOD**—They are essentially expenses. Is that right?

**Ms Thorpe**—They are expenses. They cover accommodation, airfares, all the direct costs associated with us providing support to the conference.

**Senator TROOD**—So those are figures for the 17 and the four?

**Ms Thorpe**—Yes, their costs, but not their salary costs.

**Senator TROOD**—Not their salary costs, which presumably did not change because they happened to be in Copenhagen, as they were serving the department's interests. Is that correct?

**Ms Thorpe**—That is correct.

**Senator TROOD**—Is that a final figure?

**Ms Thorpe**—That was the figure as at 22 January. We would be pretty confident that most invoices were in by then but, as you know, sometimes some of these bills take a little longer to come in. That is consistent with what we were assuming it would cost us.

**Senator TROOD**—I see. Where did all these staff stay when they were in Copenhagen?

**Mr Wise**—The staff, with the exception of one, as far as I know, stayed in what is called the Adina Apartment Hotel, which is only 150 metres from the mission. It was a very convenient place for them to stay.

**Senator TROOD**—What class of establishment is that?

**Mr Wise**—I am not sure. I do not have that information, but I assume it is a reasonable hotel within a reasonable distance of the office.

**Senator FERGUSON**—Not a backpackers, is it?

**Mr Wise**—Not as far as I know, Senator.

**Senator Faulkner**—You would not expect it to be, I assume, Senator Ferguson.

**Senator FERGUSON**—Certainly not.

**Senator Faulkner**—When did you last stay at a backpackers hostel, Senator Ferguson?

**Senator FERGUSON**—Thank God it was some time ago.

**Senator Faulkner**—I am surprised you ever did, but I am very impressed if that is the case.

**Senator TROOD**—Would it be a three-star hotel?

**Mr Wise**—It is the normal hotel our embassy uses for visitors because it is close by and the mission there has developed, as most of our missions do, relations with hotels to try to get

good rates when they are proximate to us. This hotel is owned by the Australian Medina group as well, so obviously for that reason too we have developed a close relationship.

**Senator TROOD**—What is the nightly rate there, Mr Wise?

**Mr Wise**—I do have the figures for that period.

**Senator TROOD**—They inflated the figure, presumably?

**Mr Wise**—Of course, as always happens across the board. The Adina charged 2,300 krone for the period of the conference.

**Senator TROOD**—That is per night?

**Mr Wise**—Yes. I have got rates here for a couple of other hotels, which were 2,784 for one and 2,546 for another. That is the information I have on that hotel.

**Senator TROOD**—What is the Australian equivalent of that 2,300?

**Mr Wise**—I am not altogether sure, but we can find out.

**Ms Thorpe**—Senator, if it helps, I can tell you that all up for accommodation, for the 17 plus the four, we paid \$156,000. That is how much we paid during the conference.

**Senator FERGUSON**—What is the exchange rate between the krone and the dollar?

**Ms Thorpe**—I do not know what the rate is.

**Senator TROOD**—What I would like is a general equivalent for that period?

**Mr Wise**—It is somewhere between four and five kroner to the dollar. That is my understanding.

**Senator TROOD**—So it is about \$600 per night. Was it the department's responsibility to determine when these various officers assembled in Copenhagen?

**Mr Wise**—Yes, but that was done in consultation with other departments involved because they were there for various purposes. We consulted very closely with the Department of Climate Change and, in the context of supporting the Prime Minister's visit, with the Department of the Prime Minister and Cabinet.

**Senator TROOD**—I see. So this was a consultative exercise.

**Mr Wise**—Yes.

**Senator TROOD**—Do I take it that all of the officers, the 17 anyway, were in Copenhagen well in advance of the meeting beginning?

**Mr Wise**—As I said, the date varied from officer to officer but clearly they were there to support the summit so they would have been in situ at the time of the summit.

**Senator TROOD**—I cannot remember precisely whether I asked you this already, but I would be grateful if you could identify the 17, not the names of course but the places from which they emanated.

**Mr Wise**—I can give you that now, if you wish.

**Senator TROOD**—No, perhaps if you could just give me a list of them at some stage. I do not want to waste the committee's time by detailing them but if you could provide me with information about the posts from which they emanated then that would be helpful.

**Senator FERGUSON**—Does the list include the officials from here who went?

**Mr Wise**—Yes, that is available too.

**Senator FERGUSON**—I would like to see that list, if possible.

**Senator TROOD**—Could you perhaps table it, Mr Wise?

**Mr Wise**—Certainly, I will have to get it reworked. It is not on one piece of paper here but I will fix it up and get it to you later on.

**Senator FERGUSON**—And is it possible to name them—17 should not take too long—because I want to know who was on it. Can you name them?

**Mr Wise**—Do you just want the level?

**Senator FERGUSON**—Yes.

**Mr Wise**—From Canberra we had an executive level 2 officer, two broadband 3 officers and a broadband 2 officer. That is the four. There were 17. I can go down this list if you wish.

**Senator FERGUSON**—Yes.

**Mr Wise**—Okay, we had a BB3 officer who was on leave without pay who had just finished a posting in Berlin, an executive level 2 officer again on leave without pay based in Abu Dhabi, a BB3 officer on leave without pay in Geneva, a BB3 officer on leave without pay from London, a BB3 officer from Canberra, a BB2 officer on leave without pay from Manila, a BB2 officer on leave without pay from Bangkok, a BB2 officer on posting in Geneva, a BB3 officer from Canberra, another BB3 officer from Canberra, an EL2 from Canberra, a BB3 from Canberra, a BB2 from our office in Brisbane, a BB3 from Canberra, another BB3 from London, a BB2 from Madrid and another BB3 from Canberra.

**Senator TROOD**—If you could provide us, nevertheless, with that list when you have cleaned it up then that would be useful. Do you want the names, Senator Ferguson?

**Senator FERGUSON**—Yes.

**Senator TROOD**—So if you can provide the names with them as well, please, that would be useful.

**Mr Richardson**—We would need to take that on notice. I do not know whether we normally provide the names of officers. If we normally would then we will.

**Senator FERGUSON**—Well they are all on the 114.

**Mr Richardson**—If we normally would then we will.

**Senator FERGUSON**—I just do not have that list here.

**Senator TROOD**—Once the conference had concluded did these officers all return to the places from whence they came? For example, what happened to the ones on leave without pay?

**Mr Wise**—They went back to wherever they were based. The person on leave without pay from London went back to London.

**Senator TROOD**—So everybody went back to where they came from, essentially. There were no officers that came back to Canberra.

**Mr Wise**—Only the Canberra-based officers.

**Senator TROOD**—When did the four return to Canberra?

**Mr Wise**—They returned on the 19th in three cases and the 20th in another case.

**Senator TROOD**—Of December.

**Mr Wise**—December, yes.

**Senator TROOD**—Insofar as they had a connection with the department, are they all still connected with the department?

**Mr Wise**—As far as I know, Senator, yes. I would assume so.

**Senator TROOD**—It is not an experience which has caused them to rethink their career paths?

**Mr Wise**—No, Senator.

**Mr Richardson**—I just might add that what was done in respect of Copenhagen is pretty standard practice for any major conference anywhere around the world and has been for many years. In the time I was in Washington, and I went there in mid-2005, we had officers go to different parts of the US to help small consulates with prime ministerial and other visits. We had officers go down to South America at different times. So what was done in respect of Copenhagen was certainly nothing unusual.

**Senator TROOD**—I do not think that proposition is in question. My questions were largely directed to trying to determine or quantify the costs involved in this exercise. There were a large number of people there.

**Mr Richardson**—It was a large conference.

**Senator TROOD**—Indeed. But there has been certainly some public reporting suggesting that the Australian delegation was many times larger than some comparable delegations from other places. That is a matter that perhaps does not necessarily concern the department—

**Mr Richardson**—No, but it reflected the weight the government put on the conference and the importance of the issues.

**Senator TROOD**—Sadly, not reflected in the results of the conference.

**Mr Richardson**—When you have 192 countries at a conference, not one country determines it. Also we nonetheless I think were obliged to put in the effort we did.

**Senator Faulkner**—It is also fair to say that, fair enough, that is a view and an opinion and it is perfectly proper for you and other people to hold any view or opinion you wish to. Rightly so, you are using this forum to examine the composition of and costs relating to the DFAT elements of the delegation to Copenhagen. As you can see, you are being, as is famously said, assisted with your inquiries.

**Senator FERGUSON**—I just want to go back over a couple of your answers to Senator Trood. Firstly, those members of DFAT who are assigned to the Department of Climate Change, is that a permanent assignment or a temporary assignment?

**Mr Wise**—It is a temporary transfer, normally for two years.

**Senator FERGUSON**—And while they are on transfer to the Department of Climate Change are they still available for postings from within the Department of Foreign Affairs?

**Mr Wise**—They are, but the normal practice is that they go to Climate Change recognising that they will be assigned there for two years and would normally get postings on return. But I can think of two recent occasions where our staff within Climate Change have been successful and will go on postings at the end of their assignment with the Department of Climate Change. There may be more but I can recall two.

**Senator FERGUSON**—I think in answer to Senator Trood's question you said there were 17 DFAT officials who were involved in the Copenhagen conference.

**Mr Wise**—In providing administrative, logistic and consular and media support, and four other people who were part of the delegation, policy officers and legal specialists—

**Senator FERGUSON**—Providing legal advice?

**Mr Wise**—Policy and legal advice.

**Senator FERGUSON**—And did you bear the cost of that while over there?

**Mr Wise**—Yes.

**Senator FERGUSON**—Have all of those secondees now returned to work at DFAT or the Department of Climate Change?

**Mr Wise**—As far as I know.

**Senator Faulkner**—I think that question was asked earlier—

**Senator FERGUSON**—I am asking it again.

**Senator Faulkner**—perhaps in a slightly different form. The officials provided the same answer. Without individually checking each and every case, there is no knowledge at the table from officials of any change.

**Senator FERGUSON**—Can I ask it this way: would you be aware if any of the officials that went to Copenhagen had not returned to work?

**Mr Wise**—We should be—

**Senator FERGUSON**—They are on your payroll.

**Mr Wise**—Yes, indeed. But, as I said, some are on leave without pay. They would have resumed their status as officers—

**Senator FERGUSON**—So is there anybody who went to Copenhagen who is now not on your payroll?

**Mr Wise**—Yes, people on leave without pay are not on our payroll.

**Senator FERGUSON**—Any of the seconded officials from Canberra who went there? The four I am talking about—

**Mr Wise**—The officials at DCC? I would have to check. Normally, of course, they would come back and take up their positions. But if you have a specific case you want to ask me about I can look into it.

**Senator FERGUSON**—I know normally they would—that is why I am asking you the question.

**Mr Wise**—Are you talking about the four DFAT officials from our International Organisations and Legal Division, or are you talking about—

**Senator FERGUSON**—I am talking about legal advisers, yes.

**Mr Wise**—We had four officials who went there as part of the delegation and they have returned to Canberra.

**Senator FERGUSON**—Are you aware of any conflict or dispute that might have taken place between any of your DFAT employees and the lead negotiator in Copenhagen which may have been witnessed by departmental officials?

**Mr Wise**—I am not aware.

**Senator FERGUSON**—So you are not aware that one of the officials was sent home early from Copenhagen?

**Mr Wise**—I am aware an official came home early but was not sent home early.

**Senator FERGUSON**—Not sent home?

**Mr Wise**—No.

**Senator FERGUSON**—Chair, because I want to raise a rather sensitive issue, I would like to return to this after we have had a break so that I can have a private conversation before I continue, because I am treading on very delicate ground here, as you may be well aware, Mr Wise. Chair, with your permission—

**Senator Faulkner**—I am not aware, but if there is a delicate matter and if you want to address it with me—I assume that is what you are talking about—or with officials—

**Senator FERGUSON**—I do not want to raise it on the public record without first raising it with an official.

**Senator Faulkner**—Why don't we, in that circumstance, have the discussion you are talking about, if it suits Senator Ferguson and you, Chair, and members of the committee? There are two ways of doing that. We could either break a bit early or just do it at the morning tea break, which is at 10.30. We will help the committee in any way you would like to handle that, obviously.

**Senator FERGUSON**—I think it might be a good idea, perhaps, if we raise it at 10.30. It may give some officials a chance, because I am sure they are aware of the matter I am referring to.

**Senator Faulkner**—They may be, but I am the minister at the table and I am not aware of it, so I would like you to apprise me of it so I can—

**Senator FERGUSON**—Yes, that is okay. I am trying to be sensitive with this issue.

**Senator Faulkner**—And I am acknowledging that. I appreciate that. As I am not aware of it, I am happy for you to apprise me of it in the break, and let's take it from there.

**Senator FERGUSON**—I will leave it there until after the break.

**CHAIR**—Fine. Do we have further questions on Copenhagen?

**Senator TROOD**—Minister, or Mr Richardson, perhaps you could explain to the committee what you think the results of the Copenhagen meeting were. How has it advanced Australia's position in relation to issues of climate change?

**Senator Faulkner**—I suppose at the end of the day it is a question that is appropriate for me to take, as the minister at the table representing Minister Smith—not that I have often had the experience, I would have to say, of answering such questions when one is dealing mainly with matters concerning defence. It was mentioned a little earlier by some at the table about outcomes, and while many people at Copenhagen have reflected that they would have preferred a stronger agreement, I think it is fair to say that the Copenhagen Accord was a hard fought one and was certainly a step in the right direction.

I suppose the perspective I bring to this—if I could just make a personal point as a former environment minister dealing with these issues in the early days of the UN Framework Convention on Climate Change, including the first conference of the parties at Berlin which was held a very long time ago now, and while some of the issues remain ones that the international community is still grappling with—is that it is fair to say that in Copenhagen, for the first time, developed and developing countries have agreed to take responsibility for action that will keep any global temperature increase to below two degrees Celsius. There has also, of course, been considerable movement in terms of financial support for developing countries. There is also agreement to national and international monitoring of developed and developing country mitigation actions.

So I think one now has an opportunity, sometime after Copenhagen, to perhaps step back and look at the broader picture. I hope you would accept that what I have said there is a reasonable and balanced assessment of outcomes—but you asked a question of officials and I think it more appropriate that I give you a response as the minister at the table. I hope I have given you one that, as I say, is a fair and balanced assessment of Copenhagen.

**Senator TROOD**—Thank you. Perhaps you can tell me the next international meeting in relation to climate change—

**Senator Faulkner**—You want to know the timing of the next conference of the parties?

**Senator TROOD**—When will that take place, and is the department involved in contributing to it?

**Senator Faulkner**—I will ask Ms Adler to answer that for you.

**Ms Adler**—The next conference of parties will be held in Mexico and it will be at the end of the year. I believe the dates are in November, but I could confirm that for you.

**Senator TROOD**—Has the department determined who will be attending that conference?

**Ms Adler**—Not at this stage, but it is expected that there will be departmental officers on the DCC delegation. The Department of Climate Change, as you are aware, is the lead agency in these UNFCCC negotiations, and we expect that there will be several negotiating sessions in the course of the year. There has been talk of three or four and we expect that we will have some officials on those delegations.

**Senator TROOD**—I see. Thank you, Ms Adler. Mr Wise, is the \$377,000 that the department has outlaid for Copenhagen a sum of money that you are bearing within the normal costs of the department's activities, or is it a figure that is part of a special supplementation in relation to climate change activity?

**Ms Thorpe**—It is a normal part of the department's activities.

**Senator TROOD**—I see. No additional funds have been provided to the department for this kind of activity?

**Ms Thorpe**—No.

**Senator TROOD**—It is in the normal range of conferences to which you might send delegates from time to time?

**Ms Thorpe**—That is correct.

**Senator TROOD**—I see.

**Senator IAN MACDONALD**—I am conscious of the focus that the department and other departments had on Copenhagen, but can I alert you to the fact that not long after that there was a very significant conference in Berlin with 120 countries in attendance. It was a critical trade event for the vegetable industry at a time when the Australian market was being flooded with vegetable imports. I understand AUSVEG, who are the peak body in Australia, invited DFAT to go along, and, in spite of us having a delegation of 114 at Copenhagen and in spite of invitations, we did not have one Australian person at this most significant conference. It may be a trade matter. It may be something for AUSVEG, but what is the policy of DFAT in relation to attending these major conferences that are of such significance? I understand one of your departmental officials, perhaps from Austrade, actually operates out of Berlin, that this conference was down the road and that they could not even get him there.

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

**Senator IAN MACDONALD**—Perhaps the broader question is: what is the general policy? I know you are invited to many conferences.

**Mr Richardson**—It is determined on a case-by-case basis.

**Senator IAN MACDONALD**—Do you assess it on the money value to Australia or the political value to Australia?

**Mr Richardson**—It would certainly be assessed in terms of value-add, in terms of relative importance and the like. But in respect of the specific conference, I am not aware of it and we would need to come back to you with something in writing.

**Senator IAN MACDONALD**—I would appreciate that. It was of significant importance to Australian vege growers. They were very disappointed that there was not an Australian parliamentarian, not an officer—no-one—there, whereas the conference was full of

government delegates from other nations all getting their share of the fruit and vege trade dollar around the world, and Australia was represented only by the AUSVEG group. Thank you very much. That is all I have, Mr Chairman.

**CHAIR**—We continue on portfolio overview. Senator Hanson-Young has one issue that she wants to pursue.

**Senator HANSON-YOUNG**—Thank you, Chair. My question relates directly to the previous role of Parliamentary Secretary for Pacific Island Affairs. My understanding is that that position was still vacant after two months as of last Tuesday. Can the officials at the table and perhaps the minister shed some light on whether there has been a decision to abolish that position, or we have just not found a viable and willing candidate to date?

**Senator Faulkner**—Senator, I do not think you should jump to either of those conclusions. As you are aware, Mr Kerr announced his retirement from parliament and in doing so also stood down as the relevant parliamentary secretary.

It is a matter for the Prime Minister to determine who would replace Mr Kerr in the executive. In the case of the administrative and ministerial orders and arrangements within the Department of Foreign Affairs and Trade, in the circumstances of Mr Kerr's retirement those responsibilities are currently being handled by the Minister for Foreign Affairs, Mr Smith. So I do not think you should jump to the conclusion—

**Senator HANSON-YOUNG**—I am not jumping to any conclusion; I am asking for clarification.

**Senator Faulkner**—I want to assure you, then, that this should not be seen in any way, shape or form as a situation where those areas of responsibility that had been very effectively conducted by Mr Kerr during the time that he held that position are of any less importance or significance. The situation we face—and we should be completely frank about this—is that Mr Kerr has announced his retirement from the parliament and the Prime Minister will make a decision about replacement in the executive.

**Senator HANSON-YOUNG**—Perhaps the officers at the table could shed some light on whether there has been any representation from Pacific nations wondering when that position will be filled.

**Senator Faulkner**—I certainly cannot help you with that, so I will ask officials if they are aware of any such representations.

**Mr R Rowe**—No, there have been no representations made to us, either in Canberra or at our overseas posts, in relation to the successor to the position occupied by Mr Kerr.

**Senator HANSON-YOUNG**—So you are not aware of reports that the high commissioner for Papua New Guinea has expressed disappointment?

**Mr R Rowe**—There have been no such comments made to us in the department.

**Senator HANSON-YOUNG**—In an official representation.

**Mr R Rowe**—Yes.

**Senator HANSON-YOUNG**—While I understand that the appointment needs to be conducted by the Prime Minister and that that is a role for him and cabinet, what you are

saying, Senator Faulkner, is that your understanding is that the position will be filled but you are not sure when.

**Senator Faulkner**—No, I am very careful in the use of language. These are not matters for me. They are matters for the Prime Minister, and it is the Prime Minister who will make that decision. All I can do is faithfully outline the situation as I understand it to be. I think I have done that very accurately for you, and I do not want to usurp the responsibility of the Prime Minister in relation to this. It is an appointment that the Prime Minister has responsibility for.

**Senator HANSON-YOUNG**—Has the department been given any indication that those roles and responsibilities will need to be filled by somebody else?

**Senator Faulkner**—As I have indicated, given Mr Kerr's retirement, currently the minister, Mr Smith, is fulfilling those responsibilities.

**Senator HANSON-YOUNG**—Seeing as there is some lack of clarity, could you please take that on notice for both the Prime Minister and the Foreign Minister? I think it is an important role to take.

**Senator Faulkner**—I am not sure what the lack of clarity is here. I am happy to help even though questions on notice to the Prime Minister would not ordinarily be taken—

**Senator HANSON-YOUNG**—I think it is a departmental issue as well as a ministry issue.

**Senator Faulkner**—Let me just finish. Normally as you would appreciate we would not take questions on notice for the Prime Minister at this committee with the estimates for this department being examined. If you can indicate to me what you would like taken on notice, I am happy to facilitate that for you. I am trying to get some certainty in what you are asking of us.

**Senator HANSON-YOUNG**—I would like to know whether there is a commitment to replace the parliamentary secretary role with a new person in that position. If so, I would like to know the time frame in which people see that happening. It has been two months. I appreciate that Mr Kerr has indicated that he is retiring and I accept that he executed the role quite well, but we are two months in and the reports that I have seen is that regardless of whether there is any official representation or not people are asking. I think we need to be realistic about how seriously we take issues in the Pacific and Australia's role in that. I think it is a broader issue than just a ministerial one.

**Senator Faulkner**—I hear the point that you are making. I have tried to allay any concerns, misunderstanding or misinterpretation about the significance of Mr Kerr's responsibility. It was and remains a very high priority for the government. Let me now go to the question you have specifically asked. It is not a matter for the Department of Foreign Affairs and Trade in a question on notice to this committee. In my view it is a fair enough question for the Prime Minister. What I will do is facilitate this through the processes we have and we will be flexible and creative here. I can ensure that question is placed on notice as long as you appreciate obviously that it is not a matter for the Department of Foreign Affairs and Trade. It is the responsibility of the Prime Minister and if there is anything the Prime Minister can add to what I have said then it is appropriate that I ask him to do it as opposed to the Minister for Foreign Affairs.

**Senator HANSON-YOUNG**—Thank you, Minister.

**Senator TROOD**—I would like to explore the costs related to some travel to Africa by the minister. I understand the minister took a trip to Africa including Botswana on 25 January this year. Is that correct?

**Ms Moores**—That is correct.

**Senator TROOD**—Was the visit to Botswana part of a wider visit the minister took to Africa.

**Ms Moores**—He travelled to South Africa and Botswana on that trip.

**Senator TROOD**—To those two places.

**Ms Moores**—And also to London but they were the two countries in Africa he travelled to.

**Senator TROOD**—Did he go to London first or to Africa and then to London?

**Ms Moores**—He went to Africa first.

**Senator TROOD**—Was that his first trip to Botswana?

**Mr Richardson**—Yes, the minister put out a press release saying it was the first visit by him to Botswana and outlining the importance of it.

**Senator TROOD**—What was the importance of that?

**Mr Richardson**—It is as articulated in the press release, which we can provide you a copy of.

**Senator TROOD**—I would be grateful if you, Ms Moores or Ms Stokes would just outline the value or the purpose of this visit for the committee.

**Ms Stokes**—The visit to Botswana specifically or the visit to South Africa as well?

**Senator TROOD**—Botswana.

**Ms Stokes**—Botswana is one of our closest relationships in Africa.

**Senator TROOD**—Do we have a mission there?

**Ms Stokes**—No, we do not have a mission there.

**Senator TROOD**—If it is one of our closest relationships in Africa, why do we not have a mission there?

**Ms Stokes**—We have to make choices about resources.

**Senator TROOD**—Indeed, but if it is one of our closest relationships in Africa—

**Ms Stokes**—We cover it very well from Pretoria.

**Senator TROOD**—So we have a non-resident high commissioner?

**Ms Stokes**—Yes.

**Senator TROOD**—And that person is a resident where?

**Ms Stokes**—In Pretoria.

**Senator TROOD**—Good. Thank you. Carry on.

**Ms Stokes**—We have very like-minded views on Zimbabwe, and I would say that is a major focus of the discussions that we have had with Botswana for many years.

**Senator TROOD**—Was that the purpose of the minister's visit to Botswana—to discuss Zimbabwe?

**Ms Stokes**—It was one of the main purposes.

**Senator TROOD**—What were the other purposes?

**Ms Stokes**—To enhance cooperation between Botswana and Australia in a number of areas. Firefighting has been a theme in our cooperation with Botswana for some time.

**Senator TROOD**—Firefighting?

**Ms Stokes**—Yes. They have a problem with fires and we have expertise on fires.

**Senator TROOD**—Many places do. Did we go to discuss fires in Botswana at the request of the Botswana government? Were they seeking our expertise in firefighting?

**Ms Stokes**—As the press release says, we have engaged in an aid project involving the New South Wales Rural Fire Service to provide assistance in firefighting.

**Senator TROOD**—I see. Did anybody from the New South Wales Rural Fire Service accompany the minister on the trip?

**Ms Stokes**—I do not know the answer to that. We will have to take that on notice.

**Mr Richardson**—I believe the answer is no. And you would not expect someone to accompany the minister to Botswana.

**Senator TROOD**—I am not sure. If the purpose—and it is the first one that has been mentioned after Zimbabwe—is cooperation in relation to firefighting then it would not have been, to me, unreasonable to have somebody accompanying the minister whose knowledge in firefighting—

**Senator Faulkner**—No-one was talking about 'reasonableness'—

**Senator TROOD**—I am sure the minister's knowledge on firefighting is adequate, but perhaps for detailed knowledge—

**Senator Faulkner**—I am not talking about firefighting; I am talking about the way these delegations work. Nobody was talking about reasonableness. We are talking about expectations. They are two completely different things.

**Senator TROOD**—We discussed firefighting. This was an issue that, I think you said, the Botswana government had some interest in.

**Ms Stokes**—Yes.

**Senator TROOD**—And that was flagged prior to the visit; is that correct?

**Ms Stokes**—It has been a subject of discussion for some time. The Botswana foreign minister visited Australia last year and Mr Smith was returning a visit at the invitation of Botswana.

**Senator TROOD**—I see. When the foreign minister was here, did he have discussions with the minister and other people in Australia—the New South Wales Rural Fire Service, for example—about firefighting?

**Ms Stokes**—I do not have the precise details here with me, but my recollection is that fire cooperation and firefighting was certainly a theme of the foreign minister's visit last year.

**Senator TROOD**—I see. When Mr Smith visited, he went bearing gifts, as it were, because he made a commitment of funds for firefighting assistance. Is that not correct?

**Ms Stokes**—That is right. As stated in the press release, it is \$500,000.

**Senator TROOD**—Is that part of an AusAID project?

**Ms Stokes**—Yes.

**Senator TROOD**—I see. Presumably it comes out of the Africa part of AusAID, or does it come out of—

**Mr Richardson**—Yes. You will need to pursue those questions with AusAID later.

**Senator TROOD**—Thank you. I am happy to do that. This visit resulted in \$500,000 for firefighting assistance. Was that targeted in any particular way?

**Ms Stokes**—I do not have the details on that.

**Mr Richardson**—Yes, it is. Fires are a major problem in Botswana, as they are here. A particular problem they cause in Botswana is that they often threaten the wildlife reserves. Tourism is a big part of the economy of Botswana. Our assistance to them in being able to combat and mitigate the risks of fires which can go into their animal wildlife reserves helps their overall economy enormously. It is \$500,000 but the impact is really considerably more than that.

**CHAIR**—Senator Trood, do you think your questioning might be drawing to a conclusion or would you care to return to it after the break?

**Senator TROOD**—I think we might break and I will return to this.

**Proceedings suspended from 10.31 am to 11.02 am**

**CHAIR**—The committee will come to order. We continue with the portfolio overview and we turn to Senator Trood to continue questioning.

**Senator TROOD**—Perhaps we could just return to questions on Africa. Ms Stokes, before the break I think you told us that there were at least two issues on the minister's agenda when he went to Botswana. I think you mentioned Zimbabwe and firefighting activity. Was there anything else he was taking up with the Botswana government?

**Ms Stokes**—Another topic discussed was mining. Australian companies have a large number of mining licences in Botswana.

**Senator TROOD**—Australian miners in Botswana?

**Ms Stokes**—Australian companies hold almost 40 per cent of mining licences issued in Botswana.

**Senator TROOD**—What was the issue there?

**Ms Stokes**—Just talking about the cooperation in the mining sector.

**Senator TROOD**—Was there some dispute about these licences or some issue?

**Ms Stokes**—I am not aware.

**Senator TROOD**—So are those three items the agenda?

**Ms Stokes**—They also discussed African developments more generally but particularly regional developments and Zimbabwe—

**Senator TROOD**—How long was the meeting? I believe he had meetings with several people.

**Ms Stokes**—The minister was in Botswana for a total of 20 hours.

**Senator TROOD**—Did he meet the foreign minister, the Prime Minister or the President?

**Ms Stokes**—As stated in the press release, issued on the 25 January, the foreign minister said that he met ‘the Minister for Defence; the justice and security minister; the minister for environment, wildlife and tourism; and the minister for agriculture’. Of course he also met the foreign minister and the President.

**Senator TROOD**—Obviously a busy schedule?

**Ms Stokes**—Yes.

**Senator TROOD**—Did he raise the matter of the security council quest?

**Ms Stokes**—That was one item covered in the conversation.

**Senator TROOD**—We were seeking Botswana’s support for our bid; is that correct?

**Ms Stokes**—I am not quite sure whether it was raised in those precise terms. I am sure that we have had a previous discussion with Botswana about the UN Security Council.

**Senator TROOD**—Did we gain any assurances from the Botswana government?

**Ms Stokes**—There was a press conference in which the Botswanan foreign minister indicated that he was supporting our bid.

**Senator TROOD**—So we locked up the Botswana vote, did we?

**Senator Faulkner**—No, there was a press conference of which you have heard the outcome.

**Senator TROOD**—I am just wondering whether I can characterise it as being—

**Senator Faulkner**—I do not think I can have any control about how you characterise things, but at least you know the facts. You can characterise it as you see fit.

**Senator TROOD**—Well I did, and I will choose to do that. Can you tell us how much the visit cost?

**Ms Moores**—As you know, large proportions of ministerial travel are paid for by the Department of Finance and Deregulation, and those figures are tabled biannually by that department. I could take on notice what the cost was to the portfolio of those costs that are not covered by the department of finance, but we do not have those figures at the moment.

**Senator TROOD**—Would you take that on notice please?

**Ms Moores**—Yes.

**Senator TROOD**—And perhaps you can tell me who accompanied the minister on the trip.

**Ms Moores**—I would have to check. I believe he was accompanied by two advisers, but I will check that for you.

**Senator TROOD**—If you would take on notice the costs to the portfolio of the trip to Botswana I would be grateful. In fact, you may as well advise me at the same time of the cost to the portfolio of the round trip that he did to South Africa and London as well, if you would.

**Ms Moores**—Certainly.

**Senator TROOD**—I want to ask the department for a response to an article that appeared in the *Canberra Times* on 23 November last year, which was headed ‘Return of the “X-files”: DFAT keeps secret personnel records’. I do not think you were in the country at the time, Secretary, but are you familiar with this article?

**Mr Richardson**—Yes, I am familiar with it. Mr Wise will be able to take more detailed questions, but I am happy to start off. In point of fact, that article was wrong. There has been no return of the so-called X-files.

**Senator TROOD**—Am I right in understanding that the alleged X-files were highly confidential files once kept in the department and called ‘X’ because they had that prefix in front of them? Is that correct?

**Mr Richardson**—Yes.

**Senator TROOD**—Mr Wise, what do you have to say on this report?

**Mr Wise**—As the secretary has said, there are no X-files. My recollection is they were abolished in 1989.

**Senator TROOD**—Are you both saying that this report is inaccurate in all respects?

**Mr Richardson**—Mr Wise can go into the details, but an administrative circular was sent round the department reminding people that personnel files were there, indeed as all departments have to have personnel files. That admin circular may have covered a little bit of the history, but for whatever reason that appears to have got distorted into a media article claiming that the X-files had been re-established. Mr Wise can go into that.

**Mr Wise**—That is in summary what appears to have happened.

**Senator TROOD**—So this excited the attention at least of some staff about a concern they may have had that this reflected a revival of the X-files.

**Mr Wise**—Some of those staff raised that with the CPSU, who wrote to the acting secretary. I responded on her behalf explaining what the situation was and how we manage our personnel records, which, as the secretary said, every department has, and the access arrangements which are available for those records.

**Senator TROOD**—When was that circulated?

**Mr Wise**—It was issued on 29 October 2009.

**Senator TROOD**—Is that available for the committee?

**Mr Wise**—Yes.

**Senator TROOD**—Perhaps you could table that.

**Mr Wise**—Certainly.

The **Senator TROOD**—I have not seen the circular, but can I just be clear: this was designed to remind staff about the fact that there were personal records—and that will not be a surprise to anybody, I would have thought.

**Mr Wise**—That is right. It starts off saying just that:

This administrative circular reminds employees of the department's longstanding practice of maintaining personnel files, in keeping with the Privacy Act 1988.

It goes on to say what the restrictions are under the Privacy Act, how every member has a file, how they are administered and managed, how they are kept strictly in confidence and the privacy principles that apply to them.

**Senator TROOD**—Do the files that are kept currently have, as part of the extent of the files, information that may have been in so-called X-files for department officers who were in the department at that time there were X-files?

**Mr Wise**—My recollection is that, when X-files were abolished, only documents which would normally fit in with the normal keeping of a document under the Archives Act were kept and all other documents were destroyed. At that time, staff had an opportunity to view their X-files if they wished to before destruction.

**Senator TROOD**—So they were cleansed, as it were, of the material.

**Mr Wise**—Under the Archives Act, we are supposed to file and keep a record of medical transactions, and those files have things like your date and the circumstances of your engagement with the Public Service and so on, and they have to be kept.

**Senator TROOD**—Were the so-called X-files kept separately to a personnel file that an individual had in the department or were they one and the same?

**Mr Wise**—It is over 20 years ago, but my recollection—I was not involved at the time—is that an X-file in those days performed the purpose of what is now performed by what we call the confidential personal files. I just read out 'in keeping with the Privacy Act 1988'—those privacy principles came into being then and they have been applied very strictly to the records that we keep of staff.

**Senator TROOD**—Are you confident and can you give an assurance to the committee that any material that was once in an officer's X-file is no longer part of their personnel file in the department?

**Mr Wise**—No, I cannot give that commitment, inasmuch as, as I said, we have to retain documents which, under the Archives Act, have to be properly retained and archived.

**Mr Richardson**—What we can give a commitment to is that there is nothing on the personnel files which would be in breach of the Privacy Act, and the only material that has

transited from the previous X-files to the current files is the material which we are required to keep under the Archives Act.

**Senator TROOD**—So it is conceivable that some of the material that was in the X-files has been—to use your term, Secretary—transited to the new files, because of the requirements of the Archives Act.

**Mr Richardson**—That is right.

**Senator TROOD**—And some of this material could be quite sensitive.

**Mr Richardson**—I do not believe that would be the material that would have been of concern to staff prior to 1989.

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

**Mr Richardson**—Given that we keep personnel files, as all organisations do, quite obviously there can be confidential and in-confidence material on those files concerning health and other matters that might relate to an individual. One of the real concerns prior to 1989 was that there was material on the files which was opaque and not available to the individual concerned and that the files were forming the basis of decision making relating to individuals about which individuals did not have visibility.

**Senator TROOD**—The procedures now in relation to personnel files are such that an individual has complete access to the material in their file. Is that correct?

**Mr Wise**—Yes, officers can seek access to their files. The files are checked to ensure that there is nothing there which breaches privacy issues, which tends to be any information about third parties—we just have to check for those sorts of things. The other thing, to pick up on what the secretary was saying, is that, unlike the X-files, the personnel files we have now are not used and are not available to promotion and postings committees. They are just a record of personnel information for the department's use.

**Senator TROOD**—To be clear on this, if there were any transiting of information which has passed into these personnel files, an officer, who may have been serving in the department at the time, obviously, could now gain access to them. That material, should it exist, is no longer, to use your term, Secretary, opaque to the officer.

**Mr Richardson**—That is right.

**Senator TROOD**—So they would understand what is on their file.

**Mr Wise**—That is right.

**Senator TROOD**—But you are further saying, as I understand your most recent remark, Mr Wise, that in any event the material on the personnel file is not material which bears directly on questions of promotion within the department, except insofar as there are some essential details.

**Mr Wise**—That is right.

**Senator TROOD**—Do I take it from that remark that that means that, when promotion considerations are being made about officers, there is different material used—that you generate a different kind of file or set of information?

**Mr Wise**—No. Promotions are based on the application from the person interested in promotion, on the referee reports and on the results of the interviews that the committees might want to have with the applicant.

**Senator TROOD**—So those who are making decisions about promotion do not have general access to the personnel file.

**Mr Wise**—They do not have any access to that, and that is where the contrast to the old X-files lies. The secretary was talking about them being opaque. That is no longer the case and has not been the case for 20 years.

**Senator TROOD**—The only reason the people making decisions about promotion would have to gain access to information on a personnel file would be as a result of an officer putting that information in their application in some fashion. Is that correct?

**Mr Wise**—That is right.

**Senator TROOD**—They might want to allude to their previous postings, previous good work they have done, justifications they may have for promotion et cetera. Is that a fair summary?

**Mr Wise**—That is right.

**Senator TROOD**—What happens to the applications once a decision has been made about promotion or otherwise? Does that go into the personnel file or is that discarded?

**Mr Wise**—Those records are kept quite separately from the personnel files. Each promotion round has its own file or files, depending on the number of applicants. They are kept quite separately and that information does not go on to the personnel files. The sort of information that could go onto the personnel file is that those people have been promoted—they get a letter saying they have been promoted and that bit of information would go on to their personnel file—but not their application or their referee reports.

**Senator TROOD**—Finally on this issue, the information that may not have transited, in relation to former X-file material, was destroyed at the time the X-file system was discarded—is that correct?

**Mr Wise**—That is right, yes. So all the X-file holdings of the department that had stuff that was not transited were destroyed.

**Senator TROOD**—I see. Prior to that destruction, officers were given the opportunity to see the material that was in the file?

**Mr Wise**—That is correct.

**Senator TROOD**—I see. Was there any procedure in place that allowed an officer who might find something in the file to which he or she objected, which in their view was incorrect, to have redress of the information material?

**Mr Richardson**—Is that prior to 1989?

**Senator TROOD**—Yes, at the time the files were destroyed. I do not know how many officers looked at their X-files—perhaps none.

**Mr Richardson**—Some did.

**Senator TROOD**—But I can see a situation where many officers would have been rather interested in what might have been in their X-files and in looking at them. You may have been interested, Mr Richardson!

**Mr Richardson**—I was at one point.

**Senator TROOD**—As a consequence, they might have looked at the file and said, ‘Well, that’s not true; that’s not true; that’s inaccurate—I think I’ve been hard done by.’ Was there an opportunity for redress before this information was transferred?

**Mr Wise**—That was 20 years ago; I do not know. But I expect that, in the spirit in which that decision was made, Mr Woolcott, the secretary at the time, in the circular that he put out was very much trying to introduce transparency. My best guess is that he would have enabled staff to make those points, talk to staffing and try to correct the record. But, knowing how the then secretary operated and what he was trying to do at the time, I suspect that is what happened.

**Mr Richardson**—I cannot give all the detail, but in the late 1970s the department established the position of departmental counsellor. That counsellor had access to the X-files and in the late 1970s officers were able to go and see the counsellor and the counsellor was able to go through their X-files with them but not show them their X-files.

**Senator TROOD**—I see.

**Mr Richardson**—That was the first step towards—limited—transparency. It developed further through the 1980s—I am not aware of the precise steps—and then it ended in 1989 with the X-files being abolished.

**Senator TROOD**—It sounds as if you might have had some experience of that, Mr Richardson.

**Mr Richardson**—I had, on one occasion.

**Senator TROOD**—I do not have any further questions on X-files.

**CHAIR**—Do you have further questions on portfolio?

**Senator TROOD**—I do. In light of the MYEFO decision about rationalising diplomatic representation, to which there has been some reference, I want to know whether or not that is going to have any impact on the situation in Kabul in relation to the new stand-alone embassy which has been budgeted and whether or not that project will continue, notwithstanding these quite serious cutbacks in the department’s finances.

**Mr Richardson**—The rationalisation which was discussed earlier will not have an impact on staffing in Kabul.

**Senator TROOD**—What is now the status of that project in relation to the new embassy?

**Ms Thorpe**—Senator, do you mean in terms of progressing the—

**Senator TROOD**—Yes.

**Ms Thorpe**—Are you referring to the new embassy or just to our representation in Kabul?

**Senator TROOD**—I will ask the question in two parts. I want to know how the new embassy construction is going and about the works being done there—

**Mr Richardson**—They are not constructing a new embassy. What they are doing is moving from their current premises on the compound of the US embassy to a stand-alone facility which we are leasing or buying—I forget, but I think we are leasing. That is a stand-alone facility but it is not under construction per se—

**Senator TROOD**—I see.

**Mr Richardson**—even though some changes are being made to accommodate et cetera.

**Senator TROOD**—And that is within the American protected compound, is it?

**Mr Richardson**—It is not within the American compound, it is outside the American compound—as it should be. But it is in a more widely protected area.

**Senator TROOD**—I see. What sort of progress are we making towards the accommodation or taking up residence in that new embassy?

**Mr Richardson**—That is on track. That will happen, I believe, over the next few months.

**Senator TROOD**—Is that on budget?

**Ms Thorpe**—Yes. As you may recall, we are funded on a no win, no loss basis for Afghanistan and, in any event, we are within the funding we have. But we are on a no win, no loss basis because of the uncertainties associated with operating in Afghanistan.

**Senator TROOD**—There was a figure, as I recall, in relation to the costs of this re-establishment of the embassy. I have got a feeling that it was \$3 million, or something of that order—is that right?

**Ms Thorpe**—That is why I sought your clarification earlier. We received \$3 million in the 2009-10 budget for doing a feasibility study to look at a build and owned premise, which is a different issue to what we are talking about now. At the moment, given the situation, and as the secretary pointed out, we are currently locating our staff in a leased premise because of the security considerations.

**Senator TROOD**—You have discarded that option?

**Ms Thorpe**—We are still working through it.

**Senator TROOD**—You have discarded the stand-alone option?

**Ms Thorpe**—No, we are still working through it.

**Senator TROOD**—So that is still a live option? This could be a temporary arrangement?

**Ms Thorpe**—It is not temporary, but it is something that we are still working through. I mean the sense of ‘temporary’ as a very short term—one year or something.

**Mr Richardson**—It will probably be longer than that.

**Ms Thorpe**—Much longer than that.

**Mr Richardson**—It is the arrangement we are currently entering into. We may have that arrangement in place for some time. The precise timeline I think is something we will continue to assess. I think the decision on when and if we go down the track of building our own stand-alone embassy is really quite some way off.

**Senator TROOD**—So we are talking years almost—

**Mr Richardson**—We might be. I do not know.

**Senator TROOD**—No, but I did not mean temporary in the sense that it was only a matter of your staying there for a couple of months. I assumed that this was a re-establishment which would go on for a period of time.

**Mr Richardson**—Yes, it would.

**Senator TROOD**—But the \$3 million that was given for what might be called a scoping study, or something of that kind—

**Ms Thorpe**—Yes.

**Senator TROOD**—Have those funds now been expended?

**Ms Thorpe**—As I said, we are still working through that.

**Senator TROOD**—So you have still got some of that money?

**Ms Thorpe**—Yes, we are still working through it—it is work in progress at the moment.

**Senator TROOD**—When do you expect to have that study concluded?

**Ms Thorpe**—I think it is part of trying to assess the whole security environment that is going on in Afghanistan at the moment, so that has been affected.

**Senator TROOD**—Is this a kind of rolling assessment of the—

**Ms Thorpe**—Looking at the options for what our options are, yes. We are exploring what our options are in terms of the best way of going forward.

**Senator TROOD**—You have got in place this re-establishment arrangement; so while that is there and you will occupy these premises and do the mission's business from there, you will continue to consider, for some time—the indefinite future—the possibility of establishing a separate embassy?

**Ms Thorpe**—The door is not closed on all the options because obviously it is a very volatile situation.

**Senator TROOD**—We do not have any property or land there that might be the place on which we erect a mission do we? We do not own any property there, so we would have to acquire property if we were going to go down that path?

**Ms Thorpe**—We would have to acquire property.

**Senator TROOD**—Secretary, I think you said this move would be completed in a matter of months. Is that right?

**Mr Richardson**—Yes, it should be.

**Senator TROOD**—And all Australian based officers will be moving to the new mission—is that correct?

**Mr Richardson**—Yes.

**Senator TROOD**—Not just DFAT staff, but all connected agencies et cetera?

**Mr Richardson**—Not the ADF people, of course, because they are quite separate and much bigger, but in terms of the Australian government's civilian presence in Kabul, yes, they will be moving in.

**Senator TROOD**—How many A-based staff are there now?

**Mr Richardson**—We will take that on notice. We are uncertain about the figure. We will get it for you before the end of the day and give it to you.

**Senator TROOD**—Perhaps you could give me the A-based staff and the locally engaged staff who are in the embassy and their levels.

**Mr Richardson**—Yes.

**Senator TROOD**—Is the newly established post necessitating any additional security arrangements?

**Ms Thorpe**—That is why we are not actually occupying the chancery at the moment. We have not actually moved in yet. What is delaying the move is to strengthen the security in this location.

**Senator TROOD**—Do you mean the physical protection devices around the mission?

**Ms Thorpe**—That is correct.

**Senator TROOD**—Until such time as the security arrangements have been completed, which, given the environment, are obviously demanding. Are they also well within the costs of this move?

**Ms Thorpe**—That is correct.

**Senator TROOD**—Will there be need for any additional security personnel as a result of moving to this establishment or are we relying upon barriers and cameras and whatever else one has in these places?

**Ms Thorpe**—We currently use close personal protection people as it is and that will continue.

**Senator TROOD**—So that will be a continuity of—

**Ms Thorpe**—That will continue and we are putting in infrastructure as well.

**Senator TROOD**—So you have a contract let for the provision of security, which is, what, a private security firm?

**Mr Richardson**—Yes, it is.

**Senator TROOD**—Is that an Australian based firm?

**Mr Richardson**—I cannot give you the answer to that. Again, we will get back to you before the end of the day.

**Senator TROOD**—Perhaps you could do that. Do you know how many personnel are provided under that contract?

**Ms Thorpe**—I would have to check. There is a defined amount per person then a certain number of CPPs are associated with it.

**Mr P. Rowe**—I can give you something on the situation about Afghanistan, although I would prefer not to go into too much detail, for reasons that we do not want to discuss what the security is. It is predominantly provided by the government of Afghanistan and it is supplemented by a private security company.

**Senator TROOD**—When you say ‘the government of Afghanistan’, does that mean the Afghani police force or the Afghani army? Which particular part of Afghan security forces provide that measure of security?

**Mr P. Rowe**—I am sorry, I cannot answer that. It would be all of those and it would also be the internationals—international security, the United States forces et cetera. They cooperate in this. For our people we have a private security company.

**Senator TROOD**—Do you know the details of that contract?

**Mr P. Rowe**—I do have some details but I would not want to discuss them here. We could give you a private briefing on that, which is what we have been willing to do in the past. The public discussion of security issues is sensitive, I am sure you will understand.

**Senator TROOD**—I appreciate that. Many security issues are. But I would have thought the cost of providing security is probably not one of those issues.

**Mr P. Rowe**—I do not have details of the cost. I do not know if we have that there.

**Senator Faulkner**—If you can define what you would like in terms of cost, if we do not have the information available I am certainly happy to take it on notice and provide what we can for you.

**Senator TROOD**—I actually thought Mr Wise had undertaken to provide me with details of the contract.

**Senator Faulkner**—If that is the case, consider it done.

**Senator TROOD**—Thank you. And I think he said he was going to provide the number of people who were provided under that arrangement as well.

**Senator Faulkner**—That is fine.

**Senator TROOD**—I do not have any more questions on the subject of the Kabul embassy but I have some questions on general staffing and other portfolio matters. I will start with some questions regarding legal proceedings—in particular the proceedings begun by Mr Smith. Mr Smith is a former officer—I beg your pardon: he has returned and continues to be an officer of the department, as I understand it. I understand he has commenced new legal proceedings against the department in relation to matters that were long-standing. Is that correct?

**Mr Richardson**—Ms Richards will have the answer to that.

**Ms Richards**—Mr Smith has commenced proceedings against the Commonwealth in the Federal Magistrates Court for alleged breaches of the Workplace Relations Act. This is in relation to actions that he alleges the department has taken since his reinstatement in the department.

**Senator TROOD**—So these are actions in relation to his current employment?

**Ms Richards**—That is correct. The action is in relation to actions by the department since he has been reinstated, although it is the case that there is a link to previous actions.

**Senator TROOD**—Yes. When were those proceedings filed?

**Ms Richards**—They were commenced on 1 December 2009.

**Senator TROOD**—He is suing the Commonwealth but, clearly, in relation to matters with regard to DFAT. Have you reached a view as to how these proceedings are going to be handled?

**Ms Richards**—The Commonwealth is defending the proceedings.

**Senator TROOD**—Has it lodged a defence as yet?

**Ms Richards**—There have been some preliminary proceedings. I am just trying to check what they might have been. Yes—on 15 December the Australian Government Solicitor, which is acting for the Commonwealth, filed and served a copy of the Commonwealth's defence and response to Mr Smith's statement of claim. Then there was a directions hearing on 3 February this year.

**Senator TROOD**—Do you have a date for hearing?

**Ms Richards**—Yes, there is a timetable which has been set out, and we currently expect that the matter will be listed for hearing for five days from 19 July this year.

**Senator TROOD**—Where is Mr Smith in the department while these proceedings are continuing?

**Mr Wise**—Mr Smith is in the WTO Regional and Free Trade Agreements Section in the Office of Trade Negotiations.

**Senator TROOD**—So he is in Canberra?

**Mr Wise**—That is right.

**Senator TROOD**—So he continues with his normal, usual duties?

**Mr Wise**—That is right.

**Senator TROOD**—What redress is he seeking in his claim?

**Ms Richards**—I believe, although I can double-check this, that Mr Smith is seeking compensation and some other, unspecified orders.

**Senator TROOD**—You, presumably, are supporting your defence with various affidavits and things of that kind in relation to your defence of the proceedings? Have you taken affidavits from departmental officers et cetera?

**Ms Richards**—We are in the process of collecting evidence to support our defence, which I expect will include statements from officers.

**Senator TROOD**—Is there any possibility that these proceedings will be settled?

**Ms Richards**—I could not say.

**Senator TROOD**—The Commonwealth has not made any overtures to settle the matter?

**Ms Richards**—No, we have not.

**Senator TROOD**—You are determined to defend the proceedings; is that correct?

**Ms Richards**—It is the Commonwealth's intention at this stage to defend the proceedings. If I could just add that if it is a case of settlement then we are bound by the legal services directions. Certain conditions have to be followed, but that is speaking hypothetically.

**Senator TROOD**—What are the legal services directions?

**Ms Richards**—These are directions which are issued by the Attorney-General under the Judiciary Act and which bind all Commonwealth departments in the conduct of legal action.

**Senator TROOD**—These are matters in relation to procedure or the kind of settlement that it might be possible to achieve?

**Ms Richards**—The legal services directions cover a wide range of matters but they do include conditions for settling matters.

**Senator TROOD**—I do not have any further questions on that particular issue.

**Senator HEFFERNAN**—Chair, I have questions on Cambodia.

**CHAIR**—We are still on portfolio overview.

**Senator HEFFERNAN**—Can I just ask a question on the general portfolio. Who is the head of diplomatic security these days.

**Mr Richardson**—Peter Rowe?

**Senator HEFFERNAN**—Is he one of the class of '76—such as Mr Scoble et cetera—did he come out of the same mould?

**Mr Richardson**—I will need to ask him.

**Senator Faulkner**—A very interesting question, Senator.

**Senator HEFFERNAN**—Just an observation.

**Mr P Rowe**—The answer is yes.

**Senator HEFFERNAN**—Could I just confirm that Mr Miles Kupa and Mr Brown are back in Australia?

**Mr Wise**—Which Mr Brown?

**Senator HEFFERNAN**—The guy who got into a bit of interesting trouble. I might speak privately with you.

**Mr Wise**—Mr Kupa is certainly back in Canberra.

**Mr Richardson**—And so is Mr Brown, I understand.

[11.43 am]

**CHAIR**—We now turn to outcome 1, program 1.1—Other departmental. We will try to work through them as best we can sequentially. North Asia.

**Senator Faulkner**—Senator Ludlam, you do have some questions on North Asia?

**Senator LUDLAM**—Yes.

**Senator Faulkner**—The secretary has just told me that the head of the North Asia Division will be joining us shortly. If you are comfortable with this, could we perhaps come back to it as soon as the relevant official is with us?

**CHAIR**—We can come back to North Asia.

**Senator LUDLAM**—That is fine, Chair.

**Senator Faulkner**—If you could accommodate that, I would really appreciate it, Senator.

**Senator LUDLAM**—I do not have many for North Asia. The bulk of mine this morning were for South-East Asia specifically.

**CHAIR**—We will wait for the relevant North Asia official to arrive. Meanwhile, we will go to South-East Asia.

**Senator Faulkner**—It might be after the lunch break.

**Senator LUDLAM**—Okay. It will probably not surprise you to know I have a couple of questions about our policy in relation to Burma. I have a couple of questions that I will put to AusAID later in the day about the aid budget, because obviously there has been a very welcome increase in Australia's aid budget. I am wondering if you can tell us—and, again, if this is better directed to AusAID I will put it there—about the quite severe restrictions imposed on our aid workers there. What safeguards do we have in place to ensure that our aid spending inside Burma is not inadvertently advantaging or going to the regime?

**Senator Faulkner**—I am assured by officials that this is one for AusAID, if you do not mind.

**Senator LUDLAM**—Okay. The Australian government has been funding refugee camps on the Thai-Burma border for a period of about 15 years. You are no doubt aware of the situation there at the moment. I was a bit curious to see that there was no mention of the border areas in the minister's speech of a week or so ago. Is there a reason why that was not touched on that you are aware of? I do not know whether there is anything to be read into that absence or not.

**Senator Faulkner**—Not that I am aware of and not that any of the officials are aware of.

**Senator LUDLAM**—I might move to the sanctions regime, because that was specifically targeted and addressed in the minister's speech. Can you tell us how the department monitors the operation of these sanctions and what actions are taken when they are breached?

**Mr Borrowman**—As you are aware, the sanctions imposed against Burma autonomously by Australia include visa restrictions, a ban on defence exports and financial sanctions. In terms of visa restrictions, they would be triggered by an application of an individual on the list for a movement to Australia. That is how they would be monitored and then implemented. In terms of defence exports, there is a prohibited list of exports and, again, when an export permit is sought for one of those then that would trigger that process. The financial sanctions—which are against a total of 463 listed members of the Burmese regime, their associates and supporters—would be monitored, I am sure, through various financial institutions. I do not know if my colleague here can help me, but it would involve normal financial tracking arrangements.

**Ms Richards**—The financial sanctions are administered by the Reserve Bank of Australia and, if necessary, on advice from the Department of Foreign Affairs and Trade.

**Senator LUDLAM**—How often is the list of people reviewed? You said there are 463 people on your list and I am curious. So you quite clearly place directors of some of the military owned companies on the list, but I am aware that others, such as the directors of the Myanma Oil and Gas Enterprise, are not on the list. What is your threshold for determining whether somebody is listed or not?

**Mr Borrowman**—The list was originally drawn up by referring to lists of other countries, including the US and the EU, and in consultation with our post in Burma and our own expertise. That is how the list has stood so far. In respect of the specific question of those directors, I am sure you are aware there is a question on notice on that. They were not on either list of the US or EU when the sanctions were originally drawn up, so that is why they are not there.

**Senator LUDLAM**—That is why they did not start out there. Do you now maintain a process of keeping that up to date, or are we strictly informed by other countries?

**Mr Borrowman**—We have an autonomous process of monitoring this as well. But, as you would be aware from the minister's speech, the decision is not to change the sanctions list because that could send confusing signals in light of recent developments in Burma.

**Senator LUDLAM**—I understand that, although I strongly disagree with it. Was that meant to mean that no other people will be added to that key list until such time as the policy changes?

**Mr Borrowman**—That is correct.

**Senator LUDLAM**—Does that strike you as a little bit incongruous? I can understand why the government might have chosen not to levy additional sanctions, trade sanctions or investment sanctions that we have discussed here before. But why would we not add people to the lists if it was obvious that they rightly belong there?

**Mr Borrowman**—The judgment is that from the Burmese side there would be a failure to distinguish between adjusting and maintaining a list and imposing new sanctions and therefore that it would have the deleterious effect that we were concerned about.

**Senator LUDLAM**—Can you update the committee on your understanding of the situation on the border at the moment in the lead-up to the election? I spent a couple of days there early in January and got the sense that the people on the Thai side of the border are expecting a serious military offensive on the Burma side of the border to try and control some of those areas which are still under some degree of control by ethnic forces. Can you provide us with an update of how you see that situation playing out over the next few months?

**Mr Borrowman**—That is not something I could do here and now but, as you are aware, we are having a private briefing in the next couple of weeks and I could certainly inform myself and respond then.

**Senator LUDLAM**—Can you tell us why it has taken six months to secure that briefing? The committee has been persistently requesting that since about the middle of last year.

**Mr Borrowman**—I cannot offer any information on that.

**Senator LUDLAM**—On many other occasions in this committee and others the department has been entirely forthcoming. I am just wondering whether you can pass that back and find out for us why it has been like pulling teeth for this committee to get that briefing from your officers.

**Senator Faulkner**—What I can say about this, Senator, I do not know much about it and I am just hearing about it for the first time, and I would respectfully say that might even in part lie part of the story. I do not know. This has not been raised with me.

**Senator LUDLAM**—I would not presume it would have been. I recognise you are out of your portfolio.

**Senator Faulkner**—Of course, but I represent the Minister for Foreign Affairs in the Senate, as you appreciate. As you know, my door is open to senators about issues I have direct ministerial responsibility for or any issue where I represent other ministers in the Senate. I do not know the answer to your question and I can only say, as you probably appreciate, that is the first I have heard of it, literally just a moment ago.

**Senator LUDLAM**—Just as long as you are aware of it. I have been seeking a personal briefing—

**Senator Faulkner**—I am now. But you said that the briefing has in fact been—

**Senator LUDLAM**—It has been offered but not scheduled as yet.

**Senator Faulkner**—So the process sounds like it is—

**Senator LUDLAM**—Slow.

**Senator Faulkner**—underway. It might be slow, but is the problem that you just do not have an agreed time, is it?

**Senator LUDLAM**—The problem is that we were not able to get anything at all satisfactory from the department for a period of five or six months. The secretary could probably give us the dates. Right before this session kicked off we had word that it has been approved. It would have been really useful to have it before this session so that I could put more informed questions to your officers, that is all.

**Senator Faulkner**—I see. At least progress has been made. If there is a problem in relation to it happening, feel free to contact me about it and I am happy to take it up with whomever I need to take it up with.

**Senator LUDLAM**—Thank you. To go back to where we were, you have just told us you are not able to give us a picture of the department's view on the situation there at the moment but that will be offered in the forthcoming briefing. I do not know whether this an AusAID question, but I understand from when I spoke to you last about this that the department does have a view and it is advising the minister on shifting a portion of Australia's aid budget to the border areas, where they are basically coping with the fallout from a war. Have there been any developments in your thinking since the last time we spoke?

**Mr Borrowman**—Again, I would refer you to AusAID for a response to that question, Senator.

**Senator LUDLAM**—Last time I put that question the officer said that the thinking is occurring in AusAID but it is actually a broader DFAT issue; it is a foreign policy issue as well—that there are sensitivities around the Thai government and so on. Is that no longer occurring?

**Mr Borrowman**—Sorry, Senator. Could you restate the head question, please?

**Senator LUDLAM**—Sure. It is the issue of moving a portion or a fraction of Australia's aid budget, 90 per cent of which goes in through Rangoon at the moment, to the nongovernment organisations that are working on the Thai side of the Thai-Burma border.

**Mr Borrowman**—Do you mean cross-border aid?

**Senator LUDLAM**—Not necessarily but, yes, I will ask you about cross-border aid. Some of it is about just resourcing the work that is done there. There are hundreds of thousands of refugees on the Thai side of the border and the cross-border aid, I suppose, is a subset of that question.

**Mr Borrowman**—On what is now the first part of the question, Senator, I would again have to refer you to AusAID. In terms of cross-border aid, as I think we have said in previous estimates, it is not something that the Australian government supports on the basis that it is not authorised by either the government of Thailand or the Burmese regime. So it is not something we undertake at the moment.

**Senator LUDLAM**—That is actually different to the position that was stated last time, which was that it was under consideration. There was not an opinion given. Caution was expressed, but are you now telling me that there has been a policy decision from the department or from the minister?

**Mr Borrowman**—Senator, I am referring to question on notice No. 15 from you at the October estimates and reading from the answer to that.

**Senator LUDLAM**—Thank you. I will put my remaining questions to AusAID because they are substantially related to the way that our aid budget is spent, but I will just pick you up on the minister's speech about not prejudging the forthcoming elections in Burma, which I think have been scheduled for October. The minister is on the record as strongly prejudging the outcome of the elections, and I am wondering if there is a shift there in Australia foreign policy or not. He has actually been very good on condemning the constitutional reform process that has led us to where we are now. Has the Australian government now changed its stance towards the elections that are proposed to be held there?

**Mr Borrowman**—I do not think I would quite characterise it like that. We have been on the record about significant concerns about the constitution, and obviously nobody is blind to the problems that can be expected to beset the electoral process in Burma. Nonetheless, as with other countries, the decision is not to prejudge it and to encourage the Burmese regime to act in as fair and open a manner as possible.

**Senator LUDLAM**—To back to go where we were before, I have just been advised that a date has been scheduled for the committee to meet the departmental officials.

**Senator Faulkner**—That is good to hear, Senator. Perhaps I can assist the committee by advising that I understand the relevant officials for North Asia are now available when it suits

you, Chair and Senator Ludlam, to return to it. I appreciate your waiting that short amount of time.

**Senator LUDLAM**—I will let that rest and will come back and ask some of the other questions later.

**CHAIR**—I'm sorry; I missed that, Senator Ludlam.

**Senator LUDLAM**—The rest of my questions on Burma are for AusAID, so I will come back to them.

**Senator HEFFERNAN**—I want to raise some issues that anyone who has children will relate to. On 20 January 2010 the Victorian coroners court put out a media release which read as follows:

The Coroners Court of Victoria can confirm that towards the end of last year it received some documentation from the Commonwealth previously sought by the state coroner, Graeme Johnston, as part of the inquest into the death of David Wilson.

I want to talk about that and why it took 12 years to comply with the coroner's order, which was made 12 years ago. How many staff are in the legal branch of ILD today?

**Ms Richards**—There are two legal branches in the International Organisations and Legal Division. One is the domestic legal branch and one is the international legal branch. The numbers of staff vary from time to time, but it is approximately between 40 and 45 staff.

**Senator HEFFERNAN**—That is a reasonable number. How many are legally qualified?

**Ms Richards**—I would have to take the exact number on notice but it is probably about 75 or 80 per cent of those. We have some policy staff and we have some administrative support staff, so not everybody is legally qualified.

**Senator HEFFERNAN**—Is the senior officer here today?

**Ms Richards**—That is me. I am the senior legal adviser.

**Senator Faulkner**—So the answer to your question is yes.

**Senator HEFFERNAN**—On notice, if you would, could I have the same answers for the period 1994 to 1998? I have some questions for Mr Trindade. I do not know whether you are a parent or not, but I am and, if one of my kids was taken hostage and eventually murdered and there was a coroner's inquiry and the inquiry said to the department, 'Produce the documents surrounding this event,' and it took 12 bloody years to do it, I would be going out of my tree. Last night I rang the father of this kid that was killed back in those days, and they have been through hell. One of the things that was requested—and I have got the transcript here—of the coroner to Mr Kirkham was to make available any documents surrounding that. Were the documents recently delivered to Judge Coate?

**Ms Richards**—I can provide some information in relation to that. First of all, it is not the case that no documents have previously been provided to the coroner's inquest. In fact, the department has provided a significant number of documents, including—

**Senator HEFFERNAN**—On notice, could you give the details of when and what was delivered?

**Ms Richards**—That would take a little bit of research. I can tell you in general that those documents included copies of correspondence and responses to over 300 questions from the Wilson family. There have also been a large number of documents released to Mr Wilson under the FOI process. I can say now that there were 447 documents released to him in full and 254 documents released to him in part under the FOI Act.

**Senator HEFFERNAN**—Could you give the details of when that occurred?

**Ms Richards**—Those documents were provided in three separate tranches, in 1995, 2000 and 2003.

**Senator HEFFERNAN**—What was the delay? You have got plenty of staff. Why did it take so long? The coroner's inquest has been going on since 1998 and, according to this press release of the Coroners Court, dated 25 January 2010, the Coroners Court of Victoria confirmed towards the end of last year it received some documentation previously sought from the original coroner's inquiry. Why did it take so long?

**Ms Richards**—There are a number of documents which were not able to be released in full owing to sensitivities in terms of documents that may impact on foreign relations and documents including personal information.

**Senator HEFFERNAN**—Why have they been released now then, if that is the case?

**Ms Richards**—There has been a process not in terms of releasing documents but in terms of making available to Mr Wilson's legal counsel documents for viewing.

**Senator HEFFERNAN**—I understand the sensitivity, because that is pointed to, I have to say, in the transcript of Monday, 20 April 1998. I have some questions for Mr Trindade but, before I get to you, Mr Trindade, going back to the original coroner's order to produce on 6 March 1998, when did her predecessor, State Coroner Graeme Johnstone, make his first request to see the 1994 David Wilson consular case file from our embassy in Phnom Penh?

**Ms Richards**—I do not have that information. We would have to check that.

**Senator HEFFERNAN**—Could you please take that on notice. To save some time, I might give you a series of questions on notice surrounding that matter. It really does beg the question. I spoke to the father last night. He is not satisfied that he has seen the documents that you allege have been released to him in a way that satisfies him.

**Ms Richards**—Senator, I did not say that the documents had been released to Mr Wilson. I said that arrangements had been made for his legal counsel to view them.

**Senator HEFFERNAN**—I am afraid Mr Wilson is very unhappy about the process, and I would be too if I were the dad.

**Ms Richards**—It is just a question of trying to balance our duties to the coroner with our duties under the protective services manual and other obligations over classified information.

**Senator HEFFERNAN**—I suppose the sensitivity then would have been surrounding what the negotiations with the hostage takers were. Is that the problem?

**Ms Richards**—I cannot comment on that.

**Senator HEFFERNAN**—We are going to find out eventually. I will put a series of questions on that. The inquest dates were 1 to 5 March 1998. Was DFAT at the inquest on 5 March 1998?

**Senator Faulkner**—Senator, before you go on, I want to make what I think is a reasonable point. I do not know whether you will agree with me or not. You may well. It is just possible, given that these questions relate to events of 12 years ago, that officials may not have that information with them.

**Senator HEFFERNAN**—That is fair enough.

**Senator Faulkner**—I hope you would accept that that is the case.

**Senator HEFFERNAN**—Yes.

**Senator Faulkner**—There may be a need to take some of these questions on notice. I would be surprised if the officials at the table would be able to answer questions about events of 12 years ago. They may well be very prepared, but even so it would be totally understandable and explicable if this information was not readily to hand. I just want to make to you that general point, which I hope you appreciate.

**Senator HEFFERNAN**—Yes, I do.

**Senator Faulkner**—We will assist you if we can.

**Senator HEFFERNAN**—Thank you very much, Minister. So someone is captured and there are internal politics, security issues and negotiations. There was talk of a certain amount of money changing hands, and internally there were competing forces within the government and the Khmer Rouge. I guess that is all documented in the documents that you do not want to release but you say you have allowed the family legal representative to see. Is that correct?

**Ms Richards**—That is correct.

**Senator HEFFERNAN**—There was an inquest. My understanding was that DFAT did not turn up for the first few days. Is that right? Mr Trindade, you would know the answer to that, wouldn't you?

**Senator Faulkner**—We will see if he does in a moment.

**Mr Trindade**—As I think the minister has said, my recollection—

**Senator HEFFERNAN**—I cannot hear you, mate. My hearing aid will not go any louder.

**Mr Trindade**—As the minister has foreshadowed, my recollection on these matters might not be perfect, given that it was 12 years ago.

**Senator HEFFERNAN**—You are forgiven if you make mistakes, mate.

**Mr Trindade**—But my recollection is—

**Senator Faulkner**—The point here, Senator, is that we are all going to try to be careful that we do not make mistakes.

**Senator HEFFERNAN**—I accept that.

**Mr Trindade**—My recollection is that the Department of Foreign Affairs and Trade was not present on the first day of the hearing of the coronial inquest but that on subsequent days

of the coronial inquest the department was present. But I would ask if that question could be taken on notice so that we can consult our files.

**Senator HEFFERNAN**—Thank you very much for that. I will present a lot of these on notice.

**Senator Faulkner**—So you have heard the officer's recollection but, just so we can be absolutely certain and accurate in the evidence that is provided, we will also establish that that recollection confirms with the accurate events of the time.

**Senator HEFFERNAN**—Actually I think he is pretty right. His memory is pretty good. You haven't got Alzheimer's.

**Senator Faulkner**—And I do think anyone would suggest that that he did.

**Senator HEFFERNAN**—I have.

**Senator Faulkner**—Senator, I suggest that you keep your focus.

**Senator HEFFERNAN**—Just to put it into perspective, because it was a while ago, the foreign minister at the time was Gareth Evans. Is that correct?

**Senator Faulkner**—Not if it was 1998. What is the date you are talking about? I recall that the Labor Party lost the general election in 1996 so what particular date are you talking about?

**Senator HEFFERNAN**—I am asking the question: at what stage in the—

**Senator Faulkner**—The last question you asked related to an event in 1998. I have no knowledge of the events you are speaking of. Sadly I recall that the Labor Party lost the election—

**Senator HEFFERNAN**—I am referring to 1994.

**Senator Faulkner**—That is fine. Let us get it clear what date we are talking about. If it was 1994 the then Senator Evans, the now Mr Evans, was the foreign minister.

**Senator HEFFERNAN**—So who was ahead of the consular area in DFAT then? Could you take that on notice. I just want to get it all on the record.

**Senator FORSHAW**—I am not suggesting in any way that Senator Heffernan should not pursue his line of inquiry because this matter has now come back into the media in recent times, but for some of the issues or questions that Senator Heffernan is raising my recollection is, and it was some time ago, that I was the chairman of this committee when we inquired into consular operations overseas. The Wilson case was a substantial part of that inquiry and was, I think it is fair to say, in many respects the catalyst for establishing that inquiry and looking at a number of other cases. I am not sure if Senator Heffernan has read the committee report. That is not the be all and end all of it, but some of the answers to these sorts of questions, like who were the officials, would be contained in that report because the department gave quite extensive evidence to the committee inquiry at that time. It might save a bit of time, that is all.

**Senator Faulkner**—I would just respond by saying this: I have no problem with any senator asking questions that are in order and appropriate. If I think they are out of order or inappropriate then I will say so. I certainly have not said that with regard to Senator Heffernan's questions—

**Senator FORSHAW**—And neither do I, Minister.

**Senator Faulkner**—I appreciate that. My intervention is just for the sake of precision. In other words, if you ask the question ‘who was the foreign minister at the time’ and the last date we were talking about was 1998 then Mr Downer was the foreign minister in 1998—then Senator Evans was the foreign minister in 1994. The clear need here is just to get some precision. I think Senator Heffernan would agree with that.

**Senator HEFFERNAN**—I do entirely.

**Senator FORSHAW**—My point is that a reading of committee report from the inquiry which took place not long after 1996 would be useful as it has a lot of that detail in it and already on the record.

**Senator HEFFERNAN**—My understanding is that the head of the consular area in DFAT was a guy called Robert Hamilton.

**Senator Faulkner**—If you know then why ask?

**Senator HEFFERNAN**—It is nice to get it on the record. You can prove me wrong instead of me asking the questions. My understanding is that the head of the Cambodia area in DFAT was a bloke called John Oliver. My question is: have any of these people in those positions given a statement to the coroner? It is a serious matter: a guy has been taken hostage and there were negotiations to retrieve him. I do not know whether or not a bunch of crooks got hold of the money and shot each other and blew the hell out of poor old Mr Wilson but something went grievously wrong. The coroner has been waiting patiently since 1998 to get some answers.

**Senator Faulkner**—I do not know the answer to your question. I am not even sure whether officials would necessarily know about contact of DFAT officials at the time with the Victorian coroner. Let us ask officials to answer your question if they can. But you are asking a question—let us be clear—about a considerable period of time ago and whether contact was made between then officials and the coroner. Whether DFAT has records of that I do not know, and whether officials have knowledge of it I do not know. But let us hear from them.

**Senator HEFFERNAN**—I am happy to put those on notice if—

**Senator Faulkner**—Well, you have just asked, Senator, so I have asked officials if they can assist you; otherwise, we will take it on notice.

**Ms Richards**—I am sorry, I do not know the names of the departmental officers who gave statements to the coroner, but we can try to check that.

**Senator HEFFERNAN**—Mr Trindade, you are a legally qualified solicitor, are you?

**Mr Trindade**—Yes, I am.

**Senator HEFFERNAN**—And you practised law before you went to DFAT?

**Mr Trindade**—That is correct.

**Senator HEFFERNAN**—Did your practice include litigation—attending courts?

**Mr Trindade**—It did; part of the time that I was in practice I was in a litigation area.

**Senator HEFFERNAN**—So do you consider yourself to be, for legal purposes, an officer of the court?

**Mr Trindade**—I understand that, having been admitted to practice, I have that role—

**Senator HEFFERNAN**—So you would be—

**Senator Faulkner**—Hang on, let him finish.

**Mr Trindade**—and my current role as one of the department's legal advisers probably also carries with it certain professional obligations.

**Senator HEFFERNAN**—Correct. I am coming to that. So are you familiar with orders to attend, to produce subpoenas and the like?

**Mr Trindade**—I am, Senator; I am familiar with—

**Senator HEFFERNAN**—And can you confirm that such orders are mandatory and non-compliance is punishable as a contempt of the court?

**Mr Trindade**—Yes; in general, that is correct.

**Senator HEFFERNAN**—Fair enough. As to Coroner Johnstone's order to produce the David Wilson file from Phnom Penh on 6 March 1998, were you sitting in the court when that order was made?

**Mr Trindade**—On 6 March 1998? I would have to check the records to see if that was one of the occasions when I did attend the coronial inquiry.

**Senator HEFFERNAN**—That was the day after no-one attended—just to freshen you up a bit.

**Mr Trindade**—I am not sure if I attended that session. I did attend some sessions, but I am not sure which ones by reference to the date at the moment.

**Senator Faulkner**—No doubt, Senator, you could tell us what you were doing on 6 March in that year.

**Senator HEFFERNAN**—Go to a date and I will go to my diary.

**Senator Faulkner**—Yes; that seems like a sensible thing for the witness to do.

**Senator HEFFERNAN**—That is fair enough. Mr Trindade will have that opportunity—

**Senator Faulkner**—No, I agree with you—if you were to ask me what I was doing on 6 March, I would not know. I do not have that in the back of my mind. I would probably have to check my diary, too, and even then I might not be absolutely certain of all the things I did.

**Senator HEFFERNAN**—So if it were the case, Mr Trindade, that you were in the court—and the order was made; it is recorded in the documents here, and I can supply you with the documents if you want me to—why did you not comply?

**Senator Faulkner**—Hang on, Senator; that is the first question you have asked which, I think, does need a little examination.

**Senator HEFFERNAN**—All right. I will rephrase it. I accept that.

**Senator Faulkner**—No, it contained two qualifications which I think I have got to draw to your attention.

**Senator HEFFERNAN**—Very good. If you were there—

**Senator Faulkner**—There is one before we even start.

**Senator HEFFERNAN**—If you were there—

**Senator Faulkner**—Can we try a question that does not have an ‘if you were there’ in it?

**Senator HEFFERNAN**—A person attending a court as a legal representative of DFAT that day, given the order of the Coroners Court—would that person have been obliged to comply?

**Senator FORSHAW**—It is not a matter for—

**Senator HEFFERNAN**—No, it is a matter for the obligations of an officer of the court.

**Senator FORSHAW**—A point of order: I think you are starting to ask questions which are trying to put your interpretation upon events that happened in the court, and I am not so sure that we can canvass that at this—

**Senator HEFFERNAN**—Well, to assist—

**Senator FORSHAW**—Hang on; let me finish. Given your earlier comments, I am concerned about where your line of questioning is going. The point is that this witness cannot be expected to answer questions which relate to hypothetical issues or consequences that happened or did not happen in the Coroners Court.

**Senator HEFFERNAN**—We will take the hypothetical out of it. Could I leave those questions, Mr Trindade, and, possibly, with the indulgence of the committee, come back to them after lunch when you have had time to go and refresh your memory?

**Mr Trindade**—I do not know if this will help in providing an answer. My recollection is that the department complied with any orders or directions given to it by the coroner. The department was represented in the coronial inquiry by counsel. The coroner had agreed to the department being represented by counsel and the department instructed the Australian Government Solicitor to represent it as solicitors in the matter as well.

**Senator HEFFERNAN**—This is a long journey just to find out why the hell it has taken until January this year to produce documents that were requested in March 1998 about a family whose son was murdered. It begs a common-sense question, ‘Why the hell did it take so long?’ There has got to be an answer, because you have just done some of the documentation complying with the coroner’s order at the end of last year. Isn’t that slack?

**Senator Faulkner**—You have distilled or crystallised your question into, ‘Why did it take so long from 1998 to a short time ago?’ If that is the question, you can ask officials at the table to see if they can provide an answer but it might be something that is better taken on notice so that you get a considered answer. It is a matter for you, Senator.

**Senator HEFFERNAN**—That is fair enough.

**Senator Faulkner**—I think, as you have distilled the question, ‘Why has it taken so long?’ and it is a long period of time—

**Senator HEFFERNAN**—Any parent who had been through this process would be absolutely beside themselves. I just do not think it is a fair go. You ponder the answer. I do not know whether it is a lack of resources or you are worried about security or dobbing someone in or whether there are some dodgy negotiations with the money. I have no idea what is behind it. All I know is it is an unreasonable time for a coroner's court order to be complied with—12 years.

**Senator Faulkner**—You have distilled your question down to, 'Why has it taken so long?' That is something that I would be happy to see us take on notice so that we can give you a substantive and considered response. I suspect it will probably be very difficult to answer this in a two- or three-line response, like we do with many questions on notice. I think this is a more sensible way of dealing with it. Can I say one thing, however. In that circumstance, I want to flag with you and perhaps the committee more generally, Chair, given the events that we are talking about now go back to 1998, given they range from that time effectively to the present day and given that there may be some considerable complexities in this—I do not know what the answer to the question is and I am not going to involve myself in any guesswork about it—there might need to be some flexibility in terms of the time provided to give an answer to these sorts of questions. They deal with a period a long time ago, they are complex and the critical thing is to get the answer right, and there might need to be some flexibility provided and acknowledged in relation to the time frames normally set for questions on notice. I hope you accept that, Senator.

**Senator HEFFERNAN**—That is as good as gold.

**Senator Faulkner**—I think there is a certain logic to that, best said now, if best efforts, as should be expected, are to be made in answer to Senator Heffernan's question.

**CHAIR**—Yes, Minister. Senator Heffernan has now clearly asked a question. The department is going to look at it over luncheon break, give us advice—

**Senator HEFFERNAN**—You can help us over the luncheon break, but, as the minister has pointed out, you can take it away. I have other questions which include the decision-making process that ended up with documents being released 12 years after the request by a coroner. Who were the people who made those decisions? It has been 15 years since David was taken and murdered in Southern Cambodia on 8 September 1994. Has the Wilson family requested to see the file?

**Mr Trindade**—I want to clarify one thing that might help that question. The Wilson family have had access to some material through a Freedom of Information Act request that was made a number of years ago.

**Senator HEFFERNAN**—I am aware of that.

**Mr Trindade**—They may also have seen other material or heard evidence given in the coronial inquiry. I would not be able to identify which documents are the ones you are referring to. As Ms Richards has already said, there has been a process for a legal representative of the Wilson to view other documents as well.

**Senator HEFFERNAN**—Could you present to the committee the documents that have been seen by the Wilson family?

**Mr Trindade**—I am not sure if I can present those documents.

**Senator HEFFERNAN**—Will you take that on notice?

**Mr Trindade**—We can take on notice what documents have been provided to the Wilson family under the Freedom of Information Act request. I can certainly provide an answer to you on that.

**Senator Faulkner**—I cannot give a commitment to that without, obviously, talking to the minister. You would appreciate that I am not directly responsible for the administration of this particular—

**Senator HEFFERNAN**—You have got enough trouble with the Army, the Navy and the Air Force without worrying about this.

**Senator Faulkner**—There is no trouble with any of our services, Senator, but I have a full-time job in relation to my other responsibilities.

**Senator HEFFERNAN**—And you do them well.

**Senator Faulkner**—But obviously this is something that Minister Smith would want to examine. I am clear, and I am sure that officials at the table are clear, about the nature or the spirit of the request that you are making about these documents. So what I can do and will do is ask Minister Smith to have a close look at this and see what is able to be released to the committee in relation to these documents.

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

**Senator Faulkner**—I think that is the most sensible way forward, without us speculating on that. I do not know all the circumstances that surround this. I do not know the sensitivity or classification of the documents concerned and I do not know what the matters canvassed are. But, understanding that, I am happy for that to be taken on notice so appropriate consideration can be given.

I have been advised by officials that some 701 documents were released under freedom of information, and, again, how that release interfaces with the request that you made would have to be established. This is a very important issue. This does come back to the point I was making earlier about how substantive the requests you are making are, and I do stress, as I did before, that there are a lot of priorities in the Department of Foreign Affairs and Trade and there might even be quite significant resource issues with this. That is why I flagged with the committee earlier and why I stress with you again that even with all the best efforts in trying to meet these requests there are resource and time implications, hence my comments to the committee on the time frames in relation to these questions.

**Senator HEFFERNAN**—We are running out of time. Can I remind the committee that as a consequence of the latest lot of documents that have gone down—I do this just for the relevance, because they are obviously relevant documents that have taken 12 years to get there—that the coroner does say further in the press release:

We are now seeking clarification with the family of David Wilson as to their current legal representation. After receiving this newest lot of information the court will proceed to make arrangements to finalise the matter.

We will come back after lunch. We are out of time. But is there such a thing as a DFAT David Wilson file?

**Ms Richards**—I imagine it would depend on the aspect of David Wilson that you are talking about. There will obviously be FOI files about his FOI requests. There may be other files about other aspects of the matter.

**Senator HEFFERNAN**—You do not think the Wilson family is entitled to see the file of the events surrounding the death, under curious circumstances, of their son? They have not seen it yet.

**Ms Richards**—As I said, information was provided to the Wilson family in accordance with the FOI Act. There were some exemptions, and that was in accordance with the provisions of the act.

**Senator HEFFERNAN**—Fair enough. We will come back.

**CHAIR**—The committee stands adjourned.

**Proceedings suspended from 12.31 pm to 1.37 pm**

**CHAIR**—The committee will come to order. We are dealing with outcome 1 and matters arising out of South-East Asia.

**Senator Faulkner**—We have a quick issue about a matter raised earlier in the hearings today. The committee members, as you would be aware, Chair, have just had a quick private meeting about that and dealt with that matter in some detail and are satisfied that at this stage that matter does not need to be progressed. We thank committee members for their cooperation on that matter. Just for the fullness of the record I thought I would mention that before we kick off this session.

**Senator TROOD**—I would like to continue to ask a couple more questions regarding the matter that we were dealing with prior to the luncheon break, the Wilson matter. Ms Richards, I appreciate that Senator Heffernan has left various matters on notice for you to attend to.

**Senator Faulkner**—That matter has now concluded and was the one that Senator Heffernan was addressing.

**Senator TROOD**—I just have a couple of follow-up questions regarding the Wilson issue; that is all.

**Senator Faulkner**—That is fine, but Senator Heffernan has concluded his questioning on that matter.

**Senator TROOD**—Yes, I gather that.

**CHAIR**—Senator Heffernan advised me that he would not be here this afternoon.

**Senator Faulkner**—Thank you, Chair and Senator Trood.

**Senator TROOD**—I just want to be clear in my mind about the sequence of events here, Ms Richards, and to clarify something you said earlier. Recently some material was provided to the coroner, as I understand it. I thought you said earlier that material had been provided to the coroner in two tranches but that the last occasion on which the department had provided information to the coroner was 2003. Is that a correct recollection?

**Ms Richards**—No, that is not exactly the case. Perhaps I can try to clarify that.

**Senator TROOD**—Please do.

**Ms Richards**—There are a couple of separate processes involved in this matter. One is the coronial process. The department has provided information and witness statements to the coroner but, unfortunately, I do not have the historical details of those. There was a separate process under the Freedom of Information Act—a request from Mr Peter Wilson. A large number of documents, approximately 700, were released to Mr Wilson under the Freedom of Information Act. That is the process in respect of which I said documents were released in three tranches.

**Senator TROOD**—I see. That is fine. I understand that. Is it correct that the coroner either subpoenaed or requested certain documents in relation to the proceedings?

**Ms Richards**—That is my understanding, although, as I said, I do not have all the historical details of what was produced for the coroner and when.

**Senator TROOD**—This is where I want clarification, and you may need to take some of these questions on notice. What I would like to know is whether or not the department complied—clearly not in whole, but in part—with the coroner's requests for documents. Can you answer that? In other words, can you tell me whether some documents were sent to the coroner's office?

**Ms Richards**—As I have indicated, I do not have the historical details of what was supplied to the coroner and when that was supplied. Over the lunch break we have been in touch with our staff and we have initiated the work to follow up on some of those questions. Most of the files are not currently in the department. We are going to have to go back to the archives to check those details.

**Senator TROOD**—Perhaps you could take that on notice. The question I am interested in is: when documents were supplied, were they either requested or subpoenaed and, at the time of either the request or the subpoena, were any documents supplied in relation to that request or subpoena? If so, which documents remained outstanding? The second inquiry I will put to you is whether or not you have had any contact with the coroner's office from the time in which those documents were supplied? Has the coroner pressed inquiries over the last several years? Has there been no contact? Is this just the result of the department saying—and this is just speculation on my part, of course—'We will sort this out and will let you know when we've done it; it has just taken this period of time to do it.' I would just like to know the sequence of events in relation to your contacts with the coroner's office.

**Ms Richards**—I can give you some information in relation to the most recent events. I mentioned that there was an FOI request and that about 700 documents were supplied in full or in part to Mr Wilson under the FOI Act. There were approximately 157 documents that it was decided were exempt under various provisions of the FOI Act. Our general understanding is that Mr Wilson was concerned about those exemptions. The department, wishing to help the coroner bring the inquest to finalisation, initiated arrangements for Mr Wilson's legal counsel to view those documents. This is a rather exceptional procedure. We had to work carefully through the provisions of the protective security manual, and it did take a little while to get those documents into a form which could be viewed by the legal counsel and to arrange for

him to look at them. The objective of doing that was to allow him to form a view on which he could advise Mr Wilson if there were material in those documents which would have been important in the coroner's inquiries.

**Senator TROOD**—I see.

**Ms Richards**—Subsequent to that, in January we received a letter from the new coroner, who has requested access to those documents, and we are currently in the process of liaising with her office to try and make appropriate arrangements.

**Senator TROOD**—The new coroner has requested access to the 170-odd documents?

**Ms Richards**—The approximately 157 documents which were exempt under the FOI act.

**Senator TROOD**—I see. And they have not been supplied yet?

**Ms Richards**—The coroner has not yet viewed them. It probably will not be a case of providing copies, because of the sensitivities, but we are trying to look at some flexible way in which the coroner can also assure herself of the contents of those documents and their relevance or otherwise to her inquiries.

**Senator TROOD**—Are these all relevant documents other than those that have been exempted?

**Ms Richards**—I am not quite sure about the definition of the word 'relevant'. They were included in the scope of Mr Wilson's FOI request.

**Senator TROOD**—I see. From what you are saying, it sounds to me as if the new coroner has initiated a further contact with the department after a period of time—

**Ms Richards**—I think that is the case, yes.

**Senator TROOD**—and the previous coroner had not pressed the request on the department, but you are not sure about that.

**Ms Richards**—No, we have to look back in history to determine that.

**Senator TROOD**—All right. Perhaps you would take those matters on notice, as well as the wider question that Senator Heffernan left you to address, and provide answers when you are able to do so.

**Ms Richards**—Yes, we will do that.

**Senator TROOD**—Thank you. I do not have any more questions on this matter.

**CHAIR**—Okay, then. Are there further matters arising out of South-East Asia?

**Senator TROOD**—I have some stuff on South-East Asia.

**CHAIR**—I think you may as well keep asking questions on South-East Asia. When we have concluded South-East Asia, are the North Asia officials available this afternoon?

**Senator Faulkner**—I believe so, yes.

**CHAIR**—All right. Then we will probably proceed to North Asia after South-East Asia.

**Senator Faulkner**—We would need to inform Senator Ludlam.

**CHAIR**—We will; we will ask the secretary to do that.

**Senator TROOD**—I want to ask questions about South-East Asia—more particularly, Indonesia. My first question is on whether or not there has been a rescheduling of the visit, which was cancelled, of President Yudhoyono.

**Mr Richardson**—Yes, there has been.

**Senator TROOD**—There has been? Are those dates publicly available as yet?

**Mr Richardson**—No.

**Senator TROOD**—Can you tell the committee when a note and advice will be provided about the visit?

**Mr Richardson**—No, I cannot. Normally advice about visits is made public closer to the time.

**Senator TROOD**—Okay. But a visit is taking place and arrangements are in hand, anyway.

**Mr Richardson**—Yes.

**Senator TROOD**—So it will be at some stage. I want to ask some questions also about the present plight of these asylum seekers in Merak. Is that your charge, Mr Borrowman?

**Mr Borrowman**—No, that is my colleague Mr Woolcott.

**Senator TROOD**—You are just off the plane, are you, Mr Woolcott?

**Mr Woolcott**—Recently off the plane.

**Senator TROOD**—Perhaps, Mr Woolcott, you could give the committee an update about where we are in solving this impasse over the Tamils or Sri Lankans who are in the port of Merak.

**Mr Woolcott**—As you will recall, the boat has now been there some time—since October. We have been in discussions with Indonesia on a range of people-smuggling issues, but the Merak boat has come up in those discussions of briefing. It is still very much regarded by the Indonesians as their issue, and it is. It followed an Indonesian interception in their waters, and the boat is in an Indonesian dock in Merak. It is a matter which Indonesians have shown a great deal of patience over. Not much has changed. My understanding is that there were initially 255 on board that boat. Some 10 of those have now left. One has voluntarily returned to Sri Lanka and the others are undergoing processing with the UNHCR. That is my understanding. There has not been a great change in the circumstances, but the Indonesians continue to show great patience.

**Senator TROOD**—This is the boat that was intercepted at our request in October. Is that right?

**Mr Woolcott**—That is correct.

**Senator TROOD**—Clearly the Indonesians responded favourably to that request and shepherded the boat to the port of Merak—or eventually it arrived in Merak.

**Mr Woolcott**—That is correct.

**Senator TROOD**—Is it the position of the department that this is now a matter for Indonesia to resolve?

**Mr Woolcott**—That is correct, yes.

**Senator TROOD**—I see. And are you leaving the matter for Indonesia to resolve?

**Mr Woolcott**—We continue to discuss the matter with Indonesia. We provide some assistance through IOM, should they choose to disembark. That is a matter which DIAC manages with IOM. We obviously remain open to discussions with the Indonesians if they choose to seek advice from us. But the essential matter is that this is an Indonesian operation managed by the Indonesian authorities.

**Senator TROOD**—You will be aware that the Indonesian foreign minister, Dr Natalegawa, has said that Australia must be ‘part of the solution’. I think that is the quote. That suggests that he, at least, thinks that we have a role to play in resolving this matter. Would that be a fair assumption?

**Mr Woolcott**—I was in Indonesia last week for talks with the Indonesian foreign ministry. We cooperate with Indonesia in a whole range of ways. We cooperate in terms of disruption, information sharing, capacity building and, importantly, resettlement. The Prime Minister was asked a question about this during the course of the week and he indicated again that we are open to cooperate with Indonesia, as we do, in the full range of ways that we have done over the past. But it is a matter for Indonesia to find a way to get the passengers from the Merak boat to this embargo.

**Senator TROOD**—Indonesia seems to think that we are, at least, an important part of bringing a resolution on the matter. Dr Natalegawa’s statement seems to reinforce the view that he at least, and presumably the Indonesian government and the department of foreign affairs there, the foreign ministry, thinks that we need to participate in a solution to this problem. Do I misunderstand something by saying that?

**Mr Woolcott**—No. I read Dr Natalegawa’s press interview on Sky and I think he fully accepts that disembarkation of the passengers from the Merak boat is a matter for the Indonesians. We are very happy to provide a range of assistance in the background in working with IOM and any particular advice you may seek, but it is for the Indonesian authorities to manage.

**Senator TROOD**—I see.

**Mr Woolcott**—I think that comes through very clearly in his interview.

**Senator TROOD**—That comes through in what you have said and what the Australian government’s statements have been on the subject, but it seems to be at odds with the Indonesian view. Dr Natalegawa is also quoted as saying:

But yes, we hope very much that Australia will again be part of the solution to this.

That is a follow-up to the remarks he made after the *Oceanic Viking* resolution. He seems to think that, having participated as we did in the *Oceanic Viking* matter, we now have a role to play in relation to the Merak boat. Does it have a name?

**Mr Woolcott**—Yes, it is the *Jaya Lestari*, I think. I am not entirely sure about that. I will take that on notice. But it does have a name, yes.

**Senator TROOD**—We had best call it the Merak ship, perhaps.

**Mr Woolcott**—Yes.

**Senator TROOD**—He seems to be very determined that Australia has a role to play here.

**Mr Woolcott**—If you read the interview by Dr Natalegawa in its entirety and in its context, it is clear that he is very pleased with the relationship he has with Australia on people-smuggling issues. He is referring to long-term issues in which Australia does have a long-term role to play. And that is absolutely right. This is not an Indonesian problem; this is a regional problem. This is a problem for Australia. It is a problem for all of us in the region. We have made it very clear, time and time again, that we do not want to impose on Indonesia an added burden in helping us manage this issue. There needs to be a fair degree of burden sharing.

**Senator TROOD**—Has the Australian government or any of its agents had any direct contact with the people on the boat?

**Mr Woolcott**—No.

**Senator TROOD**—Any contact is through either international agencies or the Indonesian government. Is that right?

**Mr Woolcott**—We have sent a pretty clear message to the people on the boat that they should disembark, that, the sooner they disembark, the process of registration with UNHCR, the process of processing any refugee claims, can begin. So, in terms of contact with the people in the boat, we have sent a message—I think loud and clear—that they should get off the boat, but we have had no face-to-face contact.

**Senator TROOD**—Have you had any discussions with the Indonesian government about a possible settlement of the matter?

**Mr Woolcott**—We do not know who these people are. At this stage we do not know who the people are on board in Merak. We know they are Sri Lankans. We assume they are Tamils. But we do not know. Until we get a clear sense of who they are, what their claims are, it is very hard for us to talk to the Indonesian government about future issues like that. Disembarkation is the key.

**Senator TROOD**—Have you invited the Indonesian government to seek that information and provide it to you?

**Mr Woolcott**—They do not know who they are either. They have got to disembark. The Indonesian government is no wiser in this regard than we are. The first step is they have to leave the boat.

**Senator TROOD**—Yes, well, clearly they are reluctant to do that, except those who have been affected by illness et cetera, who are off the boat.

**Senator KROGER**—Have some of these people been assessed by UNHCR?

**Mr Woolcott**—We do not know. I understand that there have been claims from, I think, Sara Nathan, one of the Australians who went up there recently, that some of them had been assessed in Malaysia as refugees, but we have no independent verification of that. Essentially, before anything can happen they need to disembark. The most constructive thing I think anyone can say to these people on the boat is: get off the boat, begin the process. The Indonesians have made it very clear, and Foreign Minister Marty Natalegawa made it very clear in that interview that he has shown a lot of patience, that they will get access to UNHCR, they will get access to IOM and all that means in terms of medical care and looking after and the processing can begin. But, until that happens, it is a very unfortunate situation.

**Senator KROGER**—So Indonesia has not given any indication of those assessments that have already taken place?

**Mr Woolcott**—They do not know. It is not for Indonesia to do the assessments; it is for UNHCR to do the assessments.

**Senator KROGER**—I understand that, but UNHCR have not—

**Mr Woolcott**—They have had no access.

**Senator TROOD**—The people on the boat are refusing all access to them. Is it that you, in conjunction with the Indonesian government, have said: ‘We will not do anything about processing you until you get off the boat’?

**Mr Woolcott**—That is correct.

**Senator TROOD**—In that context, there has been no effort on behalf of any international agency to assess them while they are on the boat?

**Mr Woolcott**—Not while they are on the boat. The Indonesians have made it very clear—and it is for them to manage—that this process should begin once they get off the boat.

**Senator TROOD**—Has the Australian government made any offers to the Indonesian government or given any undertakings to or reached any kind of agreement with the Indonesian government about how the Sri Lankans will be processed if they agree to get off the boat?

**Mr Woolcott**—The Indonesians themselves have made it very clear that they will be given UNHCR access. Until that happens, until we know what we are dealing with, it is impossible to be giving any sorts of indications about Australian policy.

**Senator TROOD**—If there is to be a resolution of this matter then at some point it would seem that they are going to have to get off the boat. But what I am interested to know is whether or not you have anticipated that they will eventually come off the boat and whether, in consequence of that event, you have agreed with the Indonesian government or discussed with the Indonesian government an arrangement which will allow the Sri Lankans to be processed expeditiously.

**Mr Woolcott**—In discussions with the Indonesian government, there have been no inducements that we have provided them which they could use to get the people to leave the boat.

**Senator KROGER**—Can I seek some clarification. With this boat, didn't we ask the Indonesians to turn it around in international waters?

**Mr Woolcott**—No. The boat was in Indonesian waters

**Senator KROGER**—And the—

**Mr Woolcott**—But that is an operational question you should really have put to Customs and Border Protection. But my clear understanding is that the boat was in Indonesian waters.

**Senator TROOD**—You have not anticipated the Sri Lankans leaving the boat, and in respect of that event you have not offered any—you said—'inducements'. But you have not given any undertakings or reached any agreement with the Indonesian government about how the Sri Lankans would be processed in conjunction with international agencies?

**Mr Woolcott**—Our policy is that they need to leave the boat and that UNHCR will then process them. We have a long history of cooperation with Indonesia on people-smuggling, as I mentioned. It includes disruption, it includes information sharing, it includes capacity building and it also includes a resettlement program out of Indonesia. That is a program that has been there for many years. Obviously, as the Prime Minister answered in his response to the question in the House this week on this, we stand ready to assist Indonesia in its dealings with other resettlement countries and will assist where we can do so. But I cannot go into the details of my discussions with Indonesia on this because they are confidential between governments. I can go no further than what the Prime Minister has said.

**Senator TROOD**—You allude to the resettlement program. In your view, was the *Oceanic Viking* resolution part of the bilateral resettlement program we have with Indonesia?

**Mr Woolcott**—Yes. DIAC was asked questions about this extensively in the legal and constitutional affairs committee earlier this week, and I have nothing to add to what they said on that.

**Senator Faulkner**—As you would appreciate, Senator, that is largely a matter for the Department of Immigration and Citizenship.

**Senator TROOD**—I can see that it is largely a DIAC matter. You were in Indonesia recently in your capacity as people-smuggling ambassador. Has there been any further discussion as to how to manage an event of this kind that may take place again? Have you discussed or agreed to any protocols that might apply to a similar situation were it to recur?

**Mr Woolcott**—We are in discussion with Indonesia about a framework arrangement which will be under the Lombok Treaty. Those negotiations are continuing, and the idea is that in that framework agreement we would be looking not only at a statement of general principles but also at encapsulating some of these issues that you mention. But this is still under negotiation and I cannot go into any further detail on it.

**Senator TROOD**—I think you may have told us previously that that was in negotiation, if I recall correctly. There was a report in the *Canberra Times*—it was also in several other places—at the end of January which said that a senior department official from Indonesia remarked, 'This is the last time that we will be doing this for Australia.' If you have not seen those reports, you have probably heard of them, have you?

**Mr Woolcott**—I recall seeing that report, but I also recall that the senior official was not named.

**Senator TROOD**—That is true.

**Mr Woolcott**—And that is not the sense I get from my discussions with Indonesian officials. I think cooperation with Indonesia on people-smuggling issues remains of the highest order.

**Senator TROOD**—So your sense is that this remark by this unnamed official from the foreign ministry in Indonesia is not an accurate representation of the Indonesian government's position.

**Mr Woolcott**—That would be my view.

**Senator TROOD**—If that is the case, have you a time line in which this framework agreement might be concluded?

**Mr Woolcott**—No, there is no time line that has been set out.

**Senator TROOD**—Is the negotiation of this framework agreement a matter independent of the resolution of the Merak problem?

**Mr Woolcott**—Very much so. It is to encapsulate the wider relationship in terms of people-smuggling issues.

**Senator TROOD**—Is the framework agreement contingent on the resolution of the Merak problem?

**Mr Woolcott**—No.

**Senator TROOD**—So you do not believe that the Indonesian government is reluctant to move forward on a framework agreement until such time as this matter is resolved. You are still confident that they are negotiating in good faith notwithstanding the lack of resolution of the Merak situation?

**Mr Woolcott**—My sense is that the Indonesian government fully understand the importance of resolving and managing people-smuggling issues as a regional problem and of working very closely with us. They do not like the term 'Indonesia solution', and nor do we. We see this as a regional problem and think that they are committed to working with us. The framework agreement will encapsulate that when it is negotiated. The Merak vessel is a problem for Indonesia at this time, but nothing is hostage to that.

**Senator TROOD**—You do not think anything is hostage to it?

**Mr Woolcott**—No.

**Senator TROOD**—But would you agree that they are becoming increasingly exasperated with the situation?

**Mr Woolcott**—I think they would like the people to get off, yes—absolutely. They have shown enormous patience.

**Senator TROOD**—I agree. They do indeed seem to have been enormously patient. Would you say that now, after four months, they have got to the point of exasperation?

**Mr Woolcott**—No. Again, I am judging from what officials told us and from what I read in Dr Natalegawa's interview. Patience still seems to be the hallmark of the approach.

**Senator TROOD**—They are indeed patient. Did you go to Merak on the recent visit?

**Mr Woolcott**—No.

**Senator TROOD**—Do we have an officer there from the embassy?

**Mr Woolcott**—No.

**Senator TROOD**—Has an officer visited the port of Merak while this event has been going on?

**Mr Woolcott**—No-one from the Department of Foreign Affairs and Trade has visited the port while this has been going on, but you would need to ask DIAC whether any of their officers have at any stage.

**Senator TROOD**—Do you not know whether DIAC officials have visited the port?

**Mr Woolcott**—I do not know. They may have done at the beginning. I do not think they have been there for quite a while. They may have, but I do not know that, and that is a question that you would need to ask them.

**Senator TROOD**—But no DFAT officers have been to the port.

**Mr Woolcott**—No.

**Senator TROOD**—I take it from that that there is no plan at the moment to send a DFAT officer to the port.

**Mr Woolcott**—That is right; there are no plans.

**Senator TROOD**—If the Sri Lankans were to come off the boat, would that then be a matter for DIAC or for your department?

**Mr Woolcott**—It would be a matter for Indonesia and for the IOM, who would manage their departure from the boat, and for the UNHCR, who would manage the processing. Obviously DIAC, in view of who its partners are, would work closely with UNHCR and IOM in this regard.

**Senator TROOD**—If they were to be persuaded to come off the boat, are there facilities where they could be housed and properly and securely protected?

**Mr Woolcott**—I understand that the Indonesian government and IOM are working on that, but at the end it is their responsibility.

**Senator TROOD**—Yes, but do you understand that there are facilities nearby? Do you know whether or not it would involve some transportation away from Merak?

**Mr Woolcott**—As I said, these are questions that are best left to be answered by DIAC.

**Senator TROOD**—Do you know whether the people on board have made any conditions about the possibility of leaving the boat?

**Mr Woolcott**—Only from what I have read in the newspapers through their spokesman, Alex, which say that essentially they are looking for a guarantee of pretty rapid movement to Australia.

**Senator TROOD**—Which is not a condition you accept—

**Mr Woolcott**—No.

**Senator TROOD**—and have rejected. Do you understand that to be the condition precedent to their departure from the boat?

**Mr Woolcott**—We have not been involved in any discussions with the passengers. We can only go on what has been said publicly by their spokesman in the media, so I really cannot say more than I have.

**Senator TROOD**—But, Mr Woolcott, the Indonesian government must have kept you informed about this matter, since they are in an Indonesian port as a result of the request made by the Prime Minister, it would seem.

**Mr Woolcott**—No. The public statements they have made probably accurately reflect their negotiating position. But I have no independent verification of that; they have not told us that. We have not had discussions with them.

**Senator TROOD**—In relation to the wider negotiations that you are conducting on the framework agreement, is there a precedent for this framework agreement with any other country? Does Australia have this kind of framework agreement that you are seeking to negotiate with Indonesia with any other country?

**Mr Woolcott**—There is no exact model. We have an arrangement with Malaysia in relation to the establishment of senior level official dialogue, but there is nothing which is on exactly the same footing as what we are seeking to do with Indonesia.

**Senator TROOD**—Is it planned that this will become a model agreement that you will seek to negotiate with other countries?

**Mr Woolcott**—We are very conscious that each country represents very different challenges, so maybe not.

**Senator TROOD**—So this would be a unique part of the bilateral relationship between Australia and Indonesia.

**Mr Woolcott**—The idea is to bring it under the Lombok Treaty, which is a fairly unique arrangement in itself. The Lombok Treaty already covers off on a range of national security issues, including people-smuggling, which is referred to in the Lombok Treaty. We would look to bring it under that and its administrative arrangements which makes it fairly sui generis in itself.

**Senator TROOD**—Mr Woolcott, I think you have told the committee on previous occasions that when you have visited Indonesia you have sought to encourage or persuade the Indonesian government to strengthen their laws in relation to people-smuggling. Was that an issue that you discussed with the Indonesian government on the recent visit?

**Mr Woolcott**—They briefed us on that, and I am happy to tell you about what they said because it very much reflected what Foreign Minister Natalegawa said in his Sky interview: that the Indonesian government would like to introduce laws which would criminalise people-smuggling. The question is about the need to get that through their parliament. That is quite a complex business, and there are a number of other obviously pressing issues that they need

legislation on as well, so even with the fact that the government is keen to do it they still have a few hurdles to get over to accomplish that.

**Senator TROOD**—Have they undertaken to initiate that process?

**Mr Woolcott**—We have not asked them to give us a formal undertaking. They have said that they would like to get this legislation through, and for our purposes that is good enough. We will see what happens.

**Senator TROOD**—If that is an obstruction to this legislation, have you personally, or has the embassy, made any representations to the Indonesian parliament about their attitude to the legislation of this kind?

**Mr Woolcott**—I have not. The parliament is still fairly new; the elections were only last year. The embassy itself has been very active in terms of pushing this legislation. It was very active with the last parliament, and it continues to be very active with this parliament. But I have not made representations to any parliamentary leaders.

**Senator TROOD**—Perhaps that is something that might be considered as a possible policy option in the not too distant future.

**Senator Faulkner**—I will pass that on to Mr Smith, Senator, as a suggestion.

**Senator TROOD**—Thank you. Mr Woolcott, you are the people-smuggling ambassador—globally, I assume; you are not restricted to South-East Asia or any more narrowly? Have you visited Sri Lanka as part of your responsibilities?

**Mr Woolcott**—Yes, I have.

**Senator TROOD**—When was the most recent visit?

**Mr Woolcott**—The most recent visit was when I accompanied Mr Smith to Sri Lanka in November.

**Senator TROOD**—I see.

**Mr Woolcott**—I can give you exact date if you want.

**Senator TROOD**—Please do. I am always looking for precision.

**Mr Woolcott**—It was 9-10 November.

**Senator TROOD**—Thank you. What was the purpose of your visit to Sri Lanka?

**Mr Woolcott**—I went with a delegation led by Mr Smith which included myself; Peter Baxter, who is the Acting Director-General of AusAID; and John McCarthy, the special representative to Sri Lanka.

**Senator TROOD**—Insofar as your duties in this visit, what was the particular item that you had in mind with regard to Sri Lanka?

**Mr Woolcott**—My duties were simply to provide advice to the minister.

**Senator TROOD**—In the course of providing advice, was it contemplated that you would advise on the kind of broad framework agreement that you have been contemplating with Indonesia, was it with a view to trying to secure some kind of protocol with the Sri Lankan government, or was it an effort to try and stem the tide of boats that are leaving Sri Lanka?

**Mr Woolcott**—The focus of the visit was very much on people-smuggling issues. It was also on stabilisation issues. It was on concerns with the number of IDPs to be released from the camps and, with the progress the Sri Lankan government was making at that time in releasing IDPs, that these people had places to return to, that they had livelihood projects, that there was enough in Sri Lanka to help them resettle and to stabilise the situation in the north. They obviously had a very difficult situation with the very nasty and long civil war, so there were a range of issues that Mr Smith wanted to talk about. People-smuggling was a part of that agenda.

**Senator TROOD**—Chair, I have some questions about that contact but perhaps it is more appropriate to ask them when we get to South Asia rather than dealing with them at the moment. I think I have concluded the questions that I had in relation to Indonesia.

**Mr Woolcott**—You asked the name of the boat in Merak harbour. I now have that information. It is the *Jaya Lestari 5*. I was close, but no cigar.

**Senator TROOD**—I have a couple of questions in relation to the Americas. The question on everybody's lips is whether or not we yet have a date for the visit of the American president.

**Mr Richardson**—We do, but that is not announced until the US is ready for it.

**Senator TROOD**—I heard an announcement on the radio this morning.

**Mr Richardson**—Was it an announcement?

**Senator Faulkner**—It was speculation or a speculative announcement.

**Senator TROOD**—That may be the best phrase that could be used, but it was suggested that the visit was going to take place on 22 and 23 March. Are you able to confirm that those dates are accurate?

**Mr Richardson**—No, I am not.

**Senator TROOD**—No, I am not.

**Senator TROOD**—I see. Can you tell us when an announcement might be made?

**Mr Richardson**—No, I cannot.

**Senator TROOD**—I see. But nevertheless he is coming, and it would seem he is coming next month.

**Mr Richardson**—Yes—assuming he can get out of Washington.

**Senator TROOD**—If the snow stops falling—I assume that is a reference to the weather.

**Mr Richardson**—That is right.

**Senator TROOD**—Let us assume that the inclemencies in the American weather can be overcome. I assume that you are undertaking considerable preparations for the visit, Mr Tweddell.

**Mr Tweddell**—The preparations are, of course, the business of the Department of the Prime Minister and Cabinet.

**Mr Richardson**—With considerable input by us.

**Senator TROOD**—As I recall, on the last visit of an American president he arrived with a large retinue of aeroplanes, cars, security people, advisers, health people et cetera. Are you expecting the same retinue to follow on this occasion?

**Mr Richardson**—American presidents always travel with a large entourage for a whole variety of reasons. They do need to take into account certain security considerations which do not have to be taken into account to the same extent by leaders from other countries. They do have an enormous press corps which they have to cater for; and, being a big government and also a big country, the support team around the president is that much greater.

**Senator TROOD**—So we would expect nothing less on this occasion, presumably.

**Mr Richardson**—I think you can expect the American president to travel with, firstly, the security that he requires; secondly, the officials he needs for advice and discussion on the different issues; and, thirdly, the people to provide the particular logistical and communication arrangement that he needs.

**Senator TROOD**—Your role, at least in part, is with regard to the policy aspects of the visit, I assume.

**Mr Richardson**—That is right.

**Senator TROOD**—Do you also have a role in relation to the logistics or the protocol?

**Mr Richardson**—The lead department on that is Prime Minister and Cabinet, CERHOS of course, are responsible for the protocol. We will provide assistance wherever PM&C want us to, but our prime focus is on the policy aspects of the visit.

**Senator TROOD**—My recollection is that on the last occasion the President visited there were some difficulties with Canberra airport with regard to his aircraft landing. It caused some damage. Has that been rectified? Are we anticipating—

**Mr Richardson**—I believe that the airport at Canberra has been extended and whatever, so I would not anticipate that as an issue this time. But it was not extended for the US President; it was extended as part of the ongoing work at Canberra airport.

**Senator TROOD**—So it has been upgraded and the runway is now of a sufficiently appropriate length and of whatever grade one has for these things. So we are not expecting the trouble that we had last time. Is that right?

**Mr Richardson**—Canberra airport has been able to take 747s for a long time. Indeed, there have been different occasions when aircraft have been diverted from Sydney and have needed to land at Canberra. So Canberra airport has been up to scratch in that respect for some time. There was a previous occasion when a US President visited, when there were concerns about the runway—potential damage and the like—I do not know the technical details of that nor do I know the technical details of what has been done to the runway since. But I understand that there is not an issue with the President's aircraft landing in Canberra.

**Senator TROOD**—That is good. You are, presumably, developing a program at this stage for the President to visit, is that right?

**Mr Richardson**—Prime Minister and Cabinet is responsible for the development of the program, in consultation of course with the American Embassy.

**Senator TROOD**—Yes. It seems an appropriate occasion for me as a Queensland senator to invite the President to visit Queensland. Perhaps you might convey that in your policy discussions, Mr Richardson.

**Mr Richardson**—I will. I am sure he would like to cover all parts of Australia if he could.

**Senator TROOD**—I am sure he would, but I think Queensland is a special part of the country.

**Mr Richardson**—Absolutely.

**Senator KROGER**—The previous President enjoyed the Great Barrier Reef.

**Senator TROOD**—If you cannot tell us the dates or the date of the commencement of the visit, do you know at this stage how long he might be here for?

**Mr Richardson**—We know roughly the time frame in which he will be here, but, again, that is something that will be announced at the time of the visit.

**Senator TROOD**—I do not think I have any further questions on that matter.

**CHAIR**—Does that mean you have finished with the Americas?

**Senator TROOD**—I have finished with the Americas.

[2.29 pm]

**CHAIR**—I see Senator Ludlam is here. We will head up to North Asia. We will give over to you, Senator Ludlam, and we will ask those officials to come forward.

**Senator LUDLAM**—Thank you. Hello again, Mr Fletcher. Welcome back. I have a couple of questions. You will be fairly familiar with the ground that I am going to go over—the Australia-China dialogue, with particular focus on Tibet. Can you provide us with an update as to the last time that occurred?

**Mr Fletcher**—I take it you are referring to the human rights dialogue?

**Senator LUDLAM**—Yes.

**Mr Fletcher**—It took place in February 2009.

**Senator LUDLAM**—We did speak about this last time you were here. What is the proposal for the next round of those talks?

**Mr Fletcher**—We have sent a message, through our embassy in Beijing, to the Chinese foreign ministry suggesting that we work out some dates for the next dialogue. We gave them some options. They have just had a reshuffle of the senior vice-ministers in the foreign ministry and it is going to be a couple of weeks before those changes take place. I do not expect we will get an answer from the Chinese as to the date for another few weeks. We originally proposed March-April. We now think it will be April or perhaps slightly later.

**Senator LUDLAM**—Is it normal for those sorts of talks to happen once a year? Is the meeting regular or irregular?

**Mr Fletcher**—Yes, generally it is once a year. There was a time when it was not exactly once a year but the plan on both sides is to have them once a year.

**Senator TROOD**—When will the next dialogue be?

**Mr Fletcher**—We would like it to be in the first half of this year.

**Senator TROOD**—Will it be held here or there?

**Mr Fletcher**—This time it will be in Beijing. It is held in each place alternately.

**Senator LUDLAM**—How many of your staff normally attend those sorts of things and at what level do those talks occur?

**Mr Fletcher**—The level is at deputy secretary level on our side. I would have to take on notice the precise composition of our delegation, but it would be from half a dozen to a dozen people representing different agencies that relate to the human rights agenda. We are sometimes fortunate enough to have some members of parliament as part of our delegation. In fact, Senator Kroger joined us with another senator last year in Canberra.

**Senator KROGER**—I did indeed.

**Senator LUDLAM**—Are invitations to those made broadly? How do you get on the invite list for that one?

**Senator Faulkner**—Ask Senator Kroger.

**Senator KROGER**—It is very select.

**Senator LUDLAM**—Apparently. That was a serious question.

**Mr Fletcher**—I have obviously said too much.

**Senator Faulkner**—My response was flippant.

**Senator LUDLAM**—So was mine.

**Mr Fletcher**—Can I take that on notice. I am not sure how we draw the names out of the hat.

**Senator LUDLAM**—I just need to know where the hat is, thank you.

**Senator TROOD**—You also need to not ask too many questions either.

**Senator LUDLAM**—I did have the good fortune to travel with a cross-party delegation to China last year. I was not forcibly ejected at that time.

**Senator Faulkner**—On a serious note, it does depend on the nature of these delegations. There are different mechanisms. Depending on what it is, I am sure we would be able to provide some more information for you.

**Senator LUDLAM**—Are the agendas for those meetings set out beforehand? How much back-and-forth negotiation is there before you sit down at the table?

**Mr Fletcher**—We try to raise each time all of our concerns in the human rights field. In the past there have been some years where we have focused on a particular theme, but we cover the waterfront, whether it is civil and political rights, economic and social-cultural rights, international human rights machinery, what has been happening in Geneva, and we also discuss the bilateral technical activities which AusAID undertake in China under the banner of the human rights program.

**Senator LUDLAM**—At those meetings, do you raise specific instances or specific cases: for example, individual political prisoners or the like?

**Mr Fletcher**—In association with the dialogue, we do raise particular cases. That is a bit sensitive for the Chinese side. They prefer that we do not. We have worked out a way of getting it across on the day before or in association with the dialogue. It happens that we raise particular cases. But it is usually not across the table in the formal meeting. There have been cases where we have mentioned individual people across the table. We make sure that we effectively do get across our messages.

**Senator LUDLAM**—Do you remember me referring last time we spoke to a particular gentleman and his daughter who were committed to Chinese re-education through a labour camp.

**Mr Fletcher**—Yes, I do recall you asking the question. We took it on notice and we have responded.

**Senator LUDLAM**—Can you provide us with an update of his status inasmuch as you are aware of it?

**Mr Fletcher**—I have no information further to our written reply.

**Senator LUDLAM**—But you know who I am talking about?

**Mr Fletcher**—Yes.

**Senator LUDLAM**—Can I ask you—because I probably will not have the opportunity to travel to Beijing with whoever is going this time—that the case of this man and his daughter be raised in whatever manner you feel is appropriate, simply because this is the only person I know of who has raised direct concerns with the Chinese authorities about uranium mining in China and been promptly sentenced to a labour camp. I do not expect a yes or a no now, but I am asking you for the case to be put on the agenda.

**Mr Fletcher**—Thank you. I will take that on notice as well. We will take into consideration your request. It is not my call as to which cases we raise.

**Senator LUDLAM**—I understand.

**Mr Fletcher**—But we will include that on the list of cases that we look at.

**Senator LUDLAM**—Yes, I would very much appreciate if he was in the room when you are having that conversation. Is the UK bilateral dialogue roughly analogous to the bilateral human rights dialogue that we enjoy with China?

**Mr Fletcher**—It is similar. There are a number of governments that have talks with the Chinese. I think ours is the only one—or one of two—that are at that the vice-ministerial level. The British I think had one that was twice a year whereas ours is once a year. So they do differ a little.

**Senator LUDLAM**—It is my understanding that that dialogue has crashed. It was cancelled after the Chinese government executed a British national a short time ago. Do you have any information as to whether those talks are set to resume or what the status of that is?

**Mr Fletcher**—No, I do not. I will take that on notice.

**Senator LUDLAM**—Thank you. Again, I am hoping that these are not matters of opinion, but could you tell us your views on the Tibet-China dialogue, which has been stalled for a

number of years? How do you read current moves in that area? Do you have any sense of optimism?

**Mr Fletcher**—There have been talks between representatives of the Dalai Lama and the Chinese government over a period of time. They resumed I think in 2008. A further round was held just very recently in late January. I have seen the press release issued by the Tibetan representatives and also an account of the press conference that has been given in Beijing, and it is fairly clear that the positions of both sides are quite far apart. Nevertheless, both sides seem to be willing to continue to talk and, from our point of view, that is a good thing.

**Senator LUDLAM**—Certainly I am not expecting you to table the advice. I am interested to know whether you are consulted about the policy ramifications about something such as a decision made by the Prime Minister's office that the Prime Minister would not meet with His Holiness the Dalai Lama when he was in Australia towards the end of last year or is that a decision taken solely in the Prime Minister's office?

**Mr Fletcher**—The announcement by the Prime Minister's press spokesman that he would not meet the Dalai Lama during his visit to Australia was made in early October last year. We had no involvement in that decision.

**Senator LUDLAM**—So your advice is not sought about political sensitivities as such?

**Mr Fletcher**—We have provided advice to Mr Smith, the Minister for Foreign Affairs, on the Tibet issue. That is our role.

**Senator LUDLAM**—Is the Australian government doing everything it can do to pursue the cause of the Tibetan people? Do you think there are options that we should perhaps try? How confident are you that simply engaging in the human rights dialogue once every year or so is actually leading to any measurable progress at all?

**Mr Fletcher**—We do not limit ourselves to the human rights dialogue in talking about human rights issues with the Chinese government. The matter gets raised at the senior political level when ministers meet their counterparts and also at a working level between our embassy in Beijing and the Chinese authorities and here in Canberra. From time to time, as required, we raise human rights issues. The Chinese government is well aware of our views. Nevertheless, we think it is worth while for us to continue to convey them in relation to specific cases and developments.

**Senator LUDLAM**—I am just wondering what the consequences are. I presume these views are raised in the context of not wanting to harm or impact on the broader relationship that Australia has with China for trade reasons or whatever reasons. What are the consequences, if any, for the Chinese government of Australia expressing these opinions? What does it lead to? What is the point exactly?

**Senator Faulkner**—Excuse me, Senator, just before Mr Fletcher deals with that, I just indicate that in a short while I have to go down and deal with an urgent matter and possibly sign a document or two quickly. So, if I could just be excused, I will return, as they say famously.

**CHAIR**—Thank you that advice, Minister, and welcome, Senator Stephens.

**Senator Stephens**—Thank you.

**Mr Fletcher**—In the relationship with China we have a broad range of interests and we pursue them all. We can do several things at once and we do. It is not a question of: you do one thing; therefore you cannot do something else. We pursue our interests in relation to trade, human rights and all manner of issues together.

**Senator LUDLAM**—I will leave it there.

**Senator KROGER**—Having read this morning in the paper about Stern Hu's indictment on charges, I was wondering if you could update us on any briefings you have received or discussions you have had in relation to that particular case.

**Mr Fletcher**—The Stern Hu case is a consular case and Greg Moriarty has primary carriage of it.

**Mr Moriarty**—You would be aware of the press coverage this morning. I can inform senators that Chinese officials have confirmed that Mr Hu's case has been transferred to the Shanghai intermediate court. We are not in a position to say when the trial will commence or what the duration of the trial will be, as this is a very recent development. As with all legal processes, it is really not appropriate to speculate on the outcome and could be quite unhelpful to do so. We certainly continue to emphasise to the Chinese authorities the need for the case to be handled transparently and expeditiously. Our priority is to ensure Mr Hu's health and welfare are safeguarded, and we have been providing him with extensive consular support and continue to do so.

**Senator KROGER**—Do we know where he is being detained?

**Mr Moriarty**—I am not aware that he has been moved from the facility where he has been in detention for the last several months. I can seek to find out, but I have seen nothing to suggest that he has been moved in the last few hours.

**Senator KROGER**—Has there been any contact with him by any Australian officials—diplomatic staff or consular staff?

**Mr Moriarty**—We have made a number of consular visits to him, but not that I am aware of in the last 24 hours. Under the terms of our consular agreement, we have sought and been given access to Mr Hu on a number of occasions. I understand that the last visit was on 29 January and that we are seeking and assume we will be granted another consular access visit this month.

**Senator KROGER**—Are they monthly access visits that the consul is allowed to have?

**Mr Moriarty**—We have a consular agreement with China that provides for that. We have been able to make consular visits to him at around, approximately, the one-month time frame.

**Senator KROGER**—You may have answered this at the last estimates—I cannot recall—but has he been able to have any contact with his family?

**Mr Moriarty**—My understanding, under Chinese law, is not until this point. He has been able to see his legal representative and to meet with consular officials, but I do not think he has met with his family. We of course in our consular role have been able to facilitate the exchange of correspondence and messages to his family and also to provide some personal items from his family to him. I understand that is the nature of the contact so far.

**Senator KROGER**—So he is allowed to receive correspondence, photos et cetera—personal material?

**Mr Moriarty**—Personal material, yes. It is in accordance, again, with Chinese procedures. It is vetted, but he has been able to receive some reading material, he has been able to write to his family and his family have been able to write to him. Our consular officers have been able to play a very helpful role in passing those along.

**Senator KROGER**—Thank you, Mr Moriarty. I have no more questions.

**Senator TROOD**—You had a consular visit in January, Mr Moriarty—is that right?

**Mr Moriarty**—That is correct.

**Senator TROOD**—And that was the last occasion you had a consular visit?

**Mr Moriarty**—It was on 29 January, yes.

**Senator TROOD**—Was that just with Australian officials, or were you accompanied by Chinese officials?

**Mr Moriarty**—There are always a small number of Chinese officials in the room. That is fairly standard in that system. We usually have two Australian consular officials there as well.

**Senator TROOD**—How long was the visit?

**Mr Moriarty**—The visits varied quite a bit, but my recollection from reading the reports on them is that they were normally between 40 minutes and an hour.

**Senator TROOD**—Do you know how long the visit of 29 January was?

**Mr Moriarty**—No, I do not. But I imagine it would be pretty much along those lines. I am not aware of it being significantly shorter or longer than usual.

**Senator TROOD**—Have we done anything to facilitate access to legal representation for Mr Hu?

**Mr Moriarty**—We are certainly aware that he has been able to see a lawyer; he has legal advice. That is not something that we are involved in, but we are aware that he has been able to see his lawyer.

**Senator TROOD**—Are you aware of whether he has had regular contact with legal representation?

**Mr Moriarty**—I am aware that he has seen a lawyer on several occasions, but I do not know off the top of my head exactly how often.

**Senator TROOD**—Are you aware of the precise charges against him now that a decision has been made?

**Mr Moriarty**—It has just happened today, but I gather, to the best of my knowledge, that there are charges of receiving bribes and stealing commercial secrets.

**Senator TROOD**—Are there two charges, or do the two charges allege several instances in relation to each—do you know?

**Mr Moriarty**—I think there are two charges.

**Mr Fletcher**—The charges are under two articles of the criminal code. All we have been given is what Mr Moriarty just said: stealing commercial secrets, which is article 219, and bribery, which is article 163. But we have not been informed of the precise nature of the offences alleged under those two articles.

**Senator TROOD**—Will his lawyers or you be informed precisely about those charges and, if so, when do you expect to receive that information?

**Mr Fletcher**—Under the Chinese procedure, up to the date when the investigation was concluded and passed to the procuratorate, the legal teams received a summary of the case. At the same time, they signed a confidentiality agreement not to publicise that. Once the case has moved to the court system, the legal team then receives the full documentation relating to the charges, evidence, witness statements et cetera. That is when they can really get into detailed discussions with their clients about all the issues involved, but I do not expect that we will receive that.

**Senator TROOD**—Is the matter now deemed to be within the legal system—the court system?

**Mr Fletcher**—Yes, it is in the court system now.

**Senator TROOD**—As a result of these charges being laid?

**Mr Fletcher**—Yes.

**Mr Moriarty**—I have just been informed that Stern Hu is still at the Shanghai detention centre, so still at the same facility that he has been in for several months.

**Senator TROOD**—If he were found guilty, what penalties would he potentially be exposed to?

**Mr Fletcher**—We do not want to speculate on what might occur in the trial or as a result of the trial.

**Senator TROOD**—I understand that, but do the particular articles under which he has been charged have specific penalties attached in relation to the code?

**Mr Fletcher**—Yes, they do, but there is broad discretion as to the severity of the penalty depending on the precise nature of the offence. So it is up to a certain period and beyond a certain period in terms of a custodial sentence or a fine or both in one case and something similar in the other.

**Senator TROOD**—So what is the worst that he might be facing for the charges under these articles?

**Mr Fletcher**—One article has a penalty of more than five years.

**Senator TROOD**—Which one is that?

**Mr Fletcher**—That relates to bribery. The other article has a maximum penalty of seven years and a fine.

**Senator TROOD**—Do you know anything about his co-accused? I do not think they are Australian citizens, are they?

**Mr Fletcher**—No, they are Chinese employees of Rio Tinto.

**Senator TROOD**—Yes, and you have not had any contact with their particular case?

**Mr Fletcher**—I do not know.

**Senator TROOD**—Do you anticipate that, as a result of these charges, Mr Hu will be moved from the place of detention at the moment to the Shanghai facility or is he likely to stay where he is for the time being?

**Mr Fletcher**—Based on our past practice with consular cases, I think he will stay where he is until the trial.

**Senator TROOD**—And we do not know when that trial will be?

**Mr Fletcher**—No.

**Senator TROOD**—Is there some precedence which might give us some guidance as to how long it might be before he is likely to come to trial?

**Mr Fletcher**—Based on precedent, we would assume within several weeks or a couple of months.

**Senator TROOD**—That is quite a wide range—several weeks or a couple of months.

**Mr Fletcher**—That is based on advice from people that have been dealing with cases across China. My personal feeling is that it is likely to be weeks rather than longer. The Chinese have stuck very closely to the time limits in their procedural law to date without seeking further extensions which might have been possible.

**Senator TROOD**—Does the bilateral consular agreement have any provisions regarding the attendance at a trial of an Australian citizen?

**Mr Moriarty**—We will seek to attend the trial. The consular agreement does set out in article 11 that that is usually the appropriate thing to do. We will be seeking to attend the trial.

**Senator TROOD**—The Australian government is entitled to seek to attend the trial of an Australian citizen under the consular agreement, is that right?

**Mr Moriarty**—Yes. That is correct.

**Senator TROOD**—That sounded a slightly hesitant yes, Mr Moriarty. Can you provide us with a confident yes?

**Mr Moriarty**—Part (f) of article 11 says: ‘in the case of a trial or other legal proceeding against a national of the sending State in the receiving State, the appropriate authorities shall make available to the consular post information on the charges against that national. A consular officer shall be permitted to attend the trial or other legal proceedings’.

**Senator TROOD**—Good, thank you.

**CHAIR**—If there are no further questions on North Asia, we will proceed to Europe. Could those officers who have responsibility for Europe please come forward.

**Senator TROOD**—I would like to be encouraged to believe that the refurbishments in the embassy in the Holy See have been proceeding and are even perhaps concluded, and that the ambassador has been able to make use of the premises. Can you provide us with that assurance?

**Mr Maude**—I will call on my colleague Peter Davin to answer that question.

**Mr Davin**—No, they have not taken up residence in the new chancellery yet. Works are underway to complete those works, but they are not expected to actually take up occupancy until July.

**Senator TROOD**—I thought you told us last time that you were fully expectant that the works would be completed.

**Mr Davin**—I suggested we would have them completed about April; in fact, it is now July. I may have qualified at the time that we had not actually completed our documentation process; we had not gone to tender for those works. We have now and the work is now underway.

**Senator TROOD**—So there is a further delay? It was April and it is now July, we hope. I am wondering whether this work is going to be completed by the time Mr Fischer's term is actually concluded.

**Mr Davin**—I now speak with the confidence of a contract in place to have those works completed. We were not in that situation when I last appeared before the committee.

**Senator TROOD**—Has the delays been caused by the security demands that you spoke to us about last time?

**Mr Davin**—It has been a process of documentation, working through with the local authorities about what the permit requirements would be and specifying the nature of the works. That has brought us to the position where we had it fully documented and we went to tender in early December. We now have a contract in place for the works and it is underway.

**Senator TROOD**—I think you told us last time the costs have risen as a result of this delay and the unforeseen need to provide further security arrangements for the chancellery—is that correct?

**Mr Davin**—Yes, the costs have increased above the original estimates as a result of a range of security related issues and other issues associated with the nature of the building that we are working in.

**Senator TROOD**—You told us that the original budget was \$3 million and it went up to \$3.5 million. Is it still \$3.5 million?

**Mr Davin**—The original estimate we had in our budget was \$3.4 million. The final figures we now have are \$4.3 million for those works to be completed.

**Senator TROOD**—That is \$1.3 million above the original budget.

**Mr Davin**—No, it is something less than \$1 million over.

**Senator TROOD**—I thought the original budget was \$3 million.

**Mr Davin**—The provision in our budget was \$3.4 million. I think when I first appeared, and this question came up some time ago, I answered in the terms of 'approximately \$3 million' we hoped. The reality is that it is \$4.3 million. There are any number of factors contributing to that cost. It is expensive. It is the nature of doing work in Rome. I can give you details.

**Senator TROOD**—The whole enterprise is expensive, perhaps more than is justified by the representation. What are the components of the \$4.3 million?

**Mr Davin**—In the broadest terms, the actual fit-out of the offices will cost about \$1.8 million; the specific security features that are incorporated into that building, and are unique to that building, are \$1.1 million; on top of that we have other security fittings in the nature of counters and intruder-resistant barriers, and those are supplied from Australia—they are about \$750,000; and then there is the communications set up, which is also included in that figure, and that is approximately \$600,000. Some of those costs are the same whether you are establishing an office the size of London or an office the size of this in the Holy See.

**Senator TROOD**—I see.

**Mr Davin**—I should also say that the budget of \$4.3 million does include some unusual features. The first is that we are obliged to pay a VAT tax in Rome. We cannot get exemption from that, and it is at 20 per cent.

**Senator TROOD**—But I presume you knew that before?

**Mr Davin**—That is true, but as the project has gone forward it—

**Senator TROOD**—It is an ad valorem tax?

**Mr Davin**—It is an add-on tax, yes. We have also made provision in this budget for 20 per cent against contingencies. Given that it is an old building, and we may strike particular problems once we get into it, we have made fairly generous provision for that.

Finally, the budget rate that we have to use on this does not actually reflect the current budget rate. At the beginning of each year our budget rate is set for certainty in our budget processes. Given the movement in the Australian dollar, if we were actually purchasing it or going forward at the current rate the cost would be something like \$3.9 million—but we are bound by an earlier rate. So, all of those features have fed into the current budget cost.

**Senator TROOD**—Mr Wise, is this revised figure within the budget allocations, or are you now forced to seek additional or supplementation?

**Mr Wise**—No, it is covered within the existing budgets.

**Senator TROOD**—So, we are now confident about July are we, Mr Davin?

**Mr Davin**—Yes, we are confident. We have a contract and we have a completion date.

**Senator TROOD**—And presumably, we are paying rent on the premises while this work is taking place?

**Mr Davin**—That is correct, yes.

**Senator TROOD**—How much is that? That has not changed, has it?

**Mr Davin**—No. We pay €7,100 per month for this office.

**Senator TROOD**—Which is approximately how many dollars?

**Mr Davin**—At the current rate I think that is somewhere between \$11,000 and \$12,000.

**Senator TROOD**—A month?

**Mr Davin**—That is correct.

**Senator TROOD**—In the meantime, the ambassador is working where?

**Mr Davin**—He is working out of the small office that was always in Rome in the past to support our non-resident ambassador for the Holy See.

**Senator TROOD**—Have you had to extend the lease on that place in light of the fact you were unable to get into this new lease—

**Mr Davin**—Yes, we have made arrangements for that lease to continue until July, when we will vacate.

**Senator TROOD**—Have you been able to continue at the original rental?

**Mr Davin**—Yes, the rental on that small apartment is €2,600 per month.

**Senator TROOD**—That was the original lease figure?

**Mr Davin**—It is the same rent that we have been paying.

**Senator TROOD**—It has just been extended until July?

**Mr Davin**—That is correct. The lease expired in 2010 and we have made arrangements to extend it for a short period.

**Senator TROOD**—I do not have any further questions about the fit-out, but perhaps, Mr Maude, you could tell us what the ambassador has been doing?

**Mr Maude**—I would be happy to give you some sense of that. Ambassador Fischer has now been at the post for approximately 12 months, so perhaps I can give you a snapshot of those 12 months and the sorts of things that he has been doing.

**Senator TROOD**—Sorry for interrupting, time is marching away and you gave us an account up until October at the last estimates. Just tell us briefly what he has been doing since last time we met.

**Mr Maude**—Since last October? I think last time we spoke I tried to give you a kind of thematic sense of how a head of mission might go about their daily work in representing Australia's interests. Since October, Mr Fischer has continued his work to build his relations with senior Vatican officials and heads of other diplomatic missions. He has undertaken advocacy on a range of policy issues of interest to Australia. Those issues cover things that we have discussed before like human rights, interfaith dialogue, issues like food security, climate change and the like.

There has been a focus on some particular issues such as some work with the Global Crop Diversity Trust and Biodiversity International. Both institutes are headquartered in Rome. Mr Fischer has been working on some opportunities for cooperation between Australian scientists and the Vatican Observatory. He has, as all HOMs do, conducted a range of public diplomacy activities, a number of speeches, some media work and so on. He has been doing some liaison and planning for events associated with the likely canonisation of Mary MacKillop.

**Senator TROOD**—Has he done any campaigning in relation to the Security Council seat?

**Mr Maude**—The ambassador, like other Australian HOMs, does engage senior officials and other diplomatic representatives on a broad range of issues, and that includes our UNSC bid.

**Senator TROOD**—So he has been active on that front, has he?

**Mr Maude**—Yes.

**Senator TROOD**—Has he specifically been contacting any governments on behalf of the Australian government in relation to the Security Council bid?

**Mr Maude**—I would have to take that on notice—the specific details.

**Senator TROOD**—Would you mind doing that for me.

**Mr Maude**—I am happy to do so.

**CHAIR**—Mr Maude, did I read in the press that when the excavations started on the new premises there was the discovery of a set of Roman ruins?

**Mr Maude**—I am not aware of that.

**CHAIR**—It hasn't been brought to your attention?

**Mr Maude**—Not to my attention.

**Senator TROOD**—Do you mean the embassy or—

**CHAIR**—I thought that there was significant construction work related to the apartment and that they had discovered, as they went down into the bowels of the existing premises, a set of Roman ruins of some note.

**Senator TROOD**—Perhaps the department's archaeologist could answer that question for us.

**CHAIR**—They are not just your run-of-the-mill ruins—

**Mr Maude**—I am glad to see Mr Davin returning because I cannot answer that question.

**Senator TROOD**—Could you be of assistance, Mr Davin?

**Mr Davin**—It is the new offices for the Embassy of the Holy See. They are in an existing building. There has been no excavation involved in that. It is a multiuse building and they are refurbishing an apartment. So there has been no excavation or construction involved with that. They are certainly not doing anything, even to the extent of putting in new power cables or anything. That is not happening. So I am not sure if maybe somewhere else in Rome—but it is certainly not our new chancery to the Holy See.

**Senator TROOD**—That is too bad, Chair, because it might have provided us with an opportunity for cost recovery.

**CHAIR**—The report I read was suggesting that the ruins were of some note, and I was going to explore exactly what they were. But if that is not the case, it is not the case.

**Mr Davin**—There is certainly no excavation with the new chancery.

**CHAIR**—That's a shame. All right, we will return to more routine matters. If there are no more questions on Europe, we will turn to South and West Asia, Middle East and Africa.

**Senator TROOD**—First of all, has the department undertaken an assessment of the security environment in relation to India and the forthcoming Commonwealth Games?

**Mr Richardson**—The department does not undertake a security assessment itself. Clearly there are responsibilities there in respect of other agencies. We have, however, had discussions with the Indian authorities about the security of the Commonwealth Games quite recently. We have had discussions with the Commonwealth Games Federation. So, yes, we are involved in it. We do certain things but we do not do, for instance, the formal threat assessment. That is done by ASIO, and then there are a number of other agencies that are involved with us. Mr Moriarty might have the details.

**Mr Moriarty**—We are certainly in regular contact with Australian Commonwealth Games Association and have been for quite some considerable amount of time. Also, our high commission in New Delhi has briefed the association on several occasions, including during site visits. We are also going to remain in very close contact with them in the lead-up to the games to ensure they have current and accurate information on the security situation as it comes to us. That will be consistent with the advice that we also put in our travel advice for India. So we are doing several things. We are basically helping them engage with the Indian authorities, although they have very long established and very close relationships. But we are assisting with that. Then we are talking to them frequently and also as often as they like on developments and what their perceptions are of how arrangements are proceeding. We are very pleased with the nature of the relationship.

**Senator TROOD**—The ‘nature of the relationship’?

**Mr Moriarty**—With the games association.

**Senator TROOD**—I was going to say perhaps not with India more widely, but we will get to that in due course. Are you comfortable that there is security for Australian athletes and there will be at the time of the games?

**Mr Moriarty**—I am comfortable that we will provide the games association with the best advice that we have at the time about the security situation in India and in relation to those events. I am also well aware that the Indian authorities are seized of this. Arrangements are being put in place. It is for the games association to engage and for the international commonwealth games association to engage with that. Unfortunately, security threats are a part of life now, particularly with these large events. The Indian government are responsible for security at the games. They are very conscious of that. They are providing the governments of all participating countries with regular briefings on what they are doing. We are working with the Indian government, the organising committee and the Australian Commonwealth Games Association to ensure that security arrangements for Australian athletes and spectators are comprehensive and effective. We are working with them to encourage those arrangements to be the best possible arrangements to be put in place.

**Senator TROOD**—Will the security be provided by the Indian authorities?

**Mr Moriarty**—The Indian authorities are responsible for the security of the games.

**Senator TROOD**—Is there any consideration being given to the need to supplement that security by private contractors or the Australian games authority getting its own individual advice in relation to security?

**Mr Moriarty**—Certainly the Commonwealth Games Association is responsible for seeking its own detailed security advice. I understand that the AFP have offered to provide some on-the-ground liaison officers for the Australia team. This is consistent with past practice for major sporting events such as the Olympics.

**Senator TROOD**—Is that an offer to the Indian government?

**Mr Moriarty**—It is an arrangement with our association, but clearly it would be with the full knowledge of the Indian authorities.

**Senator TROOD**—Has our association accepted that offer?

**Mr Moriarty**—It is an arrangement with our association, but clearly it would be with the full knowledge of the Indian authorities.

**Senator TROOD**—Has our association accepted that offer?

**Mr Moriarty**—I understand those arrangements are being worked through.

**Senator TROOD**—And that is being done with the approval of both the Indian government and the Commonwealth authorities?

**Mr Moriarty**—Those are matters that are still very much being worked through, but certainly those intentions have been conveyed.

**Senator TROOD**—The Indian government has not expressed any concern about the fact that the Australian games association has been in contact with the Australian police and would feel comfortable if it had the assurance of the attendance of Australian police?

**Mr Moriarty**—I am not aware of any reservations.

**Senator TROOD**—The Indian government has not expressed to you any concerns about this matter?

**Mr Moriarty**—Not to me.

**Ms Stokes**—We are not aware of them. The Indian High Commissioner did ring me to ask for information about a newspaper article. I explained to her what the background to the article was and indicated to her that there was still some distance to go in having the arrangement sorted out with the Indian authorities.

**Senator TROOD**—So this matter is actually not settled.

**Ms Stokes**—No, it is not. As Mr Moriarty said, it is still being worked through.

**Senator TROOD**—Do you anticipate this being done soon? Is this just one of those things that keep going until such time as the games begin?

**Mr Moriarty**—Security is a constantly evolving thing. The games association and the AFP are going to work through this arrangement. Then it will need to be bedded down with the relevant Indian authorities. I expect it will take some considerable time. I do not wish to try to guess about when arrangements will be finalised, but I think it is everybody's intention to try to put these arrangements in place and in good order before the games.

**Senator TROOD**—Do you know how many AFP officers the games association is contemplating?

**Mr Moriarty**—No, I do not know.

**Senator TROOD**—That is not a matter that has come to your notice, is it?

**Mr Moriarty**—No, it is not. I suppose it is really a matter for the AFP, but we are certainly being kept abreast of developments, at least in general.

**Senator TROOD**—Is there an AFP officer stationed in the High Commission in Delhi?

**Ms Stokes**—There is not.

**Senator TROOD**—I will go on to the wider relationship with India. Perhaps, Ms Stokes, you can tell us of the most recent efforts that have been made to try to repair this relationship, which seems to be in some distress at the present time.

**Ms Stokes**—Many steps have been taken by the Commonwealth government as well as state governments. In fact, I think nearly all states and territories have been working closely with the Commonwealth government to address a range of areas that are relevant to this issue. There are many steps taken. I am not quite sure that you will want to hear me list everything. The Foreign Minister addressed parliament in a statement the other day—you are probably familiar with that—and in that he made a comprehensive statement about the steps that have been taken. We have also briefed the Indian High Commissioner on the steps that have been and are being taken. The steps fall into a number of categories. There are additional law enforcement actions taken by the state and territory governments. There are improved visa and educational arrangements to improve the quality of education and to ensure that there is integrity in the visa systems. We have also established most recently a high-level regular meeting with the Victorian government. We, DFAT, are coordinating with all states and territories to get information on assaults to the Commonwealth government and the Indian governments as soon as there is information about them available.

**Senator TROOD**—Is there a departmental committee that has been created to try and address this problem?

**Ms Stokes**—Yes, there still is. A task force chaired by PM&C was established last year.

**Senator TROOD**—There is an interagency task force?

**Ms Stokes**—Yes, that is right. It includes states and territories in many of those meetings.

**Senator TROOD**—How frequently has that task force met?

**Ms Stokes**—Last year it met, I would say, on countless occasions—I do not have the figure, but many times. It started meeting several times a week last year and it has met on a needs basis, so there is not a set time for it.

**Senator TROOD**—At what level is the representation on the task force?

**Ms Stokes**—It has been chaired by the National Security Adviser or his deputy. In the case of DFAT, attendance has almost always been at SES level.

**Senator TROOD**—Have you been the delegate or the representative on that task force?

**Ms Stokes**—Yes, myself or my branch head.

**Senator TROOD**—What level have the states been represented at?

**Ms Stokes**—It is varied. My understanding is that for the states that have large numbers of Indian students the level has been quite senior—from the premier’s department. In many cases, the police forces have also been participating.

**Senator TROOD**—We do not seem to be making a lot of progress in repairing this relationship, notwithstanding all the work of the task force, representations that have been made, ministerial visits and the efforts of a diligent high commissioner in Delhi. As of the last week to ten days, the press and public reaction to the problem in relation to Indian students in Australia has been disastrous. There does not seem to have been a significant improvement in the perception of the way in which the Australian government and perhaps, more particularly, the Victorian government is handling this situation. It seems to me it is the Australian government that is copping it here. There is not much confidence that we are handling this matter very well. Would you regard that as a fair characterisation of the situation?

**Mr Richardson**—I would not. I think there is a genuine issue with the way Australia is regarded in India at present, and there is not going to be a quick fix for that. We will pursue a range of short- and long-term strategies. We are, to some extent, hostage to what happens on the ground, particularly in respect to incidents that may or may not occur in Melbourne and how they are reported in the Indian media. There are dynamics at play in terms of our reputation, which we do not have direct control of. There is no magic bullet. There is not a quick fix. But we are taking a lot of steps, starting from the ground up.

The Victorian police have put more resources on the ground. They have addressed concerns relating to security at particular train stations in Melbourne. They have improved surveillance coverage and they have improved lighting and the like. There has been a real outreach by the Victorian government in respect of the Australian Indian community. Our high commissioner in New Delhi, Peter Varghese, has been especially active. He has made himself available to the media consistently in terms of addressing issues. He has done op-ed pieces. The Australian government significantly assisted in the big Australian Indian festival that took place in Parramatta in January and that was relayed back into India. Indian journalists have visited Australia under our auspices. So there is a lot that is being done, but it is not a situation where we can change perceptions overnight. We are going to have to work away at this quite persistently over the next while.

**CHAIR**—I have been following this in the press and I have noticed the range of high-profile assaults and the like, particularly in Victoria. There has been the odd incident or reference in other states, but I am not aware of any major violence in, for example, Western Australia, Queensland, South Australia, the Northern Territory or the ACT. I am not saying it has not occurred, but there seems to be a repetition of events in Victoria. I have noted press commentary, particularly in the *Australian* of late, ascribing more responsibility down there and elsewhere. Is that comment accurate, or do we have a problem right around Australia on this issue? I do not see it around the rest of Australia.

**Mr Richardson**—There have been some incidences elsewhere. For instance, there was an incident in Brisbane a couple of weeks ago which was covered in the *Australian* newspaper on the Saturday of two weeks ago. That was picked up in the Indian media and covered. While most of the focus has been in respect of Victoria in Melbourne, there have been some other incidences elsewhere.

**Senator Faulkner**—Chair, I would like to add to what Mr Richardson has said, because I think the question you ask is an important one. I am sure an official at the table will correct me if I am wrong, but my understanding is the situation is as you understand it in Victoria, in relation to incidents involving the safety of Indians. It is important to say that police are investigating any and all incidents nationwide. It is certainly my understanding that there have been arrests not only in Victoria but also in New South Wales, in Queensland and in South Australia.

**Senator KROGER**—Ms Stokes, to clarify, you mentioned meetings or a dialogue with the Victorian government. What was that?

**Ms Stokes**—We have set up jointly with the Victorian government a consultative mechanism meeting twice a week, involving the Commonwealth government and the Victorian government.

**Senator KROGER**—What is the purpose of that?

**Ms Stokes**—To discuss these incidents, to look at the steps that need to be taken and to improve flow of information.

**Senator TROOD**—Secretary, you say there is no short-term fix here. Anybody who has been looking at this issue would almost certainly agree with you that it is a very difficult situation we face. What then do you think we need to do? What sorts of strategies have we been considering to try and address the long-term damage to the relationship which is a consequence of these attacks?

**Mr Richardson**—I think I have touched on some of the key ones. One is what happens on the ground and improving security on the ground; I think that is important. Another is in Australia, reaching out to the Australian-Indian community. In terms of India itself, I think the statement made by the foreign minister in parliament on 9 February was very important in indicating unambiguously the concern that the Australian government feels. It also set out steps that we have taken. In addition to that statement by the minister, we provided an aide-memoire to the Indian High Commission earlier this week following a commitment made by the foreign minister to his Indian counterpart in London a couple of weeks ago which set out in quite precise terms what we were doing on the ground and what we were doing more broadly. So that communication is going on government to government at a very senior level down. In addition to that, there are issues relating to our reputation and standing in India. I think I have mentioned some of the elements of the program that we are following there, but we will not turn it around quickly.

**CHAIR**—We will come back to this issue.

**Proceedings suspended from 3.31 pm to 3.51 pm**

**CHAIR**—We are still dealing with issues relating to India.

**Senator TROOD**—Mr Richardson, I note your remarks before the afternoon tea break about the situation in India. Would you mind saying how serious you think this situation is for our bilateral relationship with India.

**Mr Richardson**—I think both countries attach great importance to the bilateral relationship. It is clearly a relationship that encompasses a whole range of matters that go

beyond students per se. We are working very hard to seek to ensure that the student issue does not dominate and drive the relationship. As I mentioned earlier, I think there has been damage to our reputation and standing. I do not think there is any denying that. We have been taking steps to address that. We are standing back at the moment to see what else we might do and we are exploring that amongst ourselves, other departments and the like. In terms of the relationship as such, the minister outlined that very well in his statement to parliament. I think the relationship is still in a reasonable place.

**Senator TROOD**—A reasonable place. Do you think that the perceptions of Australia in India have changed significantly as a result of these events particularly around these assaults?

**Mr Richardson**—According to our High Commissioner in New Delhi there has been a shift. That shift has been negative.

**Senator TROOD**—Do you think it is a shift right across India?

**Mr Richardson**—I do not know the extent to which it is a perception shared across the country evenly. Certainly, it is very evident in the Indian media and amongst some commentators. So it is still significant regardless of how far it has gone geographically.

**Senator TROOD**—Do you propose to undertake any surveys to try and determine precisely how widespread the impact of these events has been?

**Mr Richardson**—We have a whole set of options currently being worked through. I do not believe that is yet one of them, but that is something that we can take on board.

**Senator TROOD**—Are you considering, for example, some activities in the area which might be broadly described as public diplomacy to try and advance the situation?

**Mr Richardson**—Yes, we have already done a fair effort in public diplomacy, but we are going to have to increase our efforts in that area and we are going to have to keep at it for quite some time. We are seeking to promote positive messaging, which reaches out to the Indian public more broadly. Part of that was supporting the conference in Sydney in January which was broadcast to India. We have been working on deepening our relationship with the Indian media. As I mentioned before, we have been bringing journalists and the like out. We are bringing a greater number of opinion leaders to Australia too. So we have an active public diplomacy effort that has really been underway for some time; it has not just started. But every so often, we stand back and look at what we are doing and we ask what more we can do, and that is the space that we are currently in.

**Senator TROOD**—The Indian High Commissioner in Australia has returned home. Is that a temporary departure?

**Mr Richardson**—I met with her earlier in the week. On the day of her departure she was expecting to be back here within a couple of weeks. She is going back there against the background of the Indian parliament meeting and obviously she needs to brief her own government personally. Certainly, the expectation is that she will be back.

**Senator TROOD**—Are you confident that she understands the extent of the efforts the federal government, Victorian government and relevant agencies are undertaking to try and address the situation?

**Mr Richardson**—She is a very fine person and I think a very fine professional. She had an opinion editorial piece in the *Age*—I think it was yesterday or the day before. That opinion editorial piece showed some understanding of the real efforts being made.

**Senator TROOD**—At one point, she said publicly that she thought Australia was in denial about the nature of this problem.

**Mr Richardson**—Yes, at one point she might have—I do not know.

**Senator TROOD**—Do you think that now represents her view?

**Mr Richardson**—I cannot speak for her. She certainly does not consider Australia to be a racist country. However, she has been concerned about the attacks on the Indian student body, and that is perfectly understandable. She has been especially concerned that some of the attacks have been racially motivated according to the police—which is clearly the case. She has been concerned to get more accurate data on attacks in respect of the Indian community in Australia. I think she has a well-rounded appreciation of the situation here, at the same time she is paid to represent her own government. I cannot talk on her behalf.

**Senator TROOD**—Have you been able to determine the impact of these events on the student market from India, at this stage?

**Mr Richardson**—There has been a drop in visa applications to study in Australia from India. I think the Department of Immigration and Citizenship would probably have the statistics on that. Of course, the changes that the Australian government announced the week before last in respect of study in Australia will have an impact.

**Senator TROOD**—Has it had any wider impact on the number of Indians who have come into Australia for other purposes—in other words, on the movement of people back and forth? Do you discern any reluctance on the part of (a) Australians to travel to India to pursue business activity, or (b) Indians coming to Australia for purposes other than education?

**Mr Richardson**—That is a very fair question. I have not looked at those statistics, which are held by the Department of Immigration and Citizenship.

**Senator TROOD**—I see. Ms Stokes, do you have any information on that?

**Ms Stokes**—I do not have data on the overall numbers going from Australia.

**Senator TROOD**—What has been the number, the quantum, generally speaking, of people from India coming to Australia? Does anybody know?

**Ms Stokes**—I do not have that data.

**Mr Richardson**—I will get it. I should know it.

**Senator TROOD**—There was a report in the newspaper—several newspapers, I think—and on *ABC News*, that the family of Mr Nitin Garg was very unhappy about the way the news of the assault upon him—the murder—was communicated to them. I think there was some criticism also of the way in which his body was subsequently treated. Have there been any discussions or protocols or procedures put in place to avoid what they plainly saw as a very unsatisfactory situation occurring again?

**Ms Stokes**—The care for an Indian who dies overseas is a consular case for India. The expectation would be ordinarily that the Indian government and the Indian high commission would facilitate the communication with the family. We have had some discussion with the Indian high commission just to get the facts right about who told whom when. And, in this case, it appears that the police told the family.

**Senator TROOD**—Victoria Police?

**Ms Stokes**—Yes, because they were able to get some information. So the chain of communication was perhaps not the norm, but the information got to the family as quickly as it could.

**Senator TROOD**—Have you reached the view that there is nothing that needs to be done to improve communication at this point?

**Mr Richardson**—I think, as Deborah said previously, communication is one of the issues that different committees have been addressing. I think that over recent months we have learnt some lessons and we have been improving the communication flow—both within our own system and also to the Indian government.

**Senator TROOD**—That is all I have on this.

**CHAIR**—Are there further questions on India?

**Senator KROGER**—Yes. I would just like to follow up a couple of matters in relation to Victoria, not only because I am a Victorian senator and therefore have a particular concern but also because it is obviously a bigger problem in Victoria. Ms Stokes, I would just like to take you up on your explanation of the twice-weekly meetings that are being held with people from the Victorian government. From Victoria, who actually is engaged in those meetings?

**Ms Stokes**—For the first meeting, the secretary of the Department of Premier and Cabinet in Victoria chaired the meeting, and the secretary of DFAT was there, as was the National Security Adviser from the Commonwealth.

**Senator KROGER**—How many of those meetings have been held?

**Mr Richardson**—The meeting at that level was once. The subsequent meetings—and I should put ‘meetings’ in inverted commas—have in effect been telephone hook-ups between officials here in Canberra and officials from the Victorian government, and they have been held twice a week since the principals got together. SES officers have been involved in those meetings each time, and principals are going to get back together again within a couple of weeks in Melbourne.

**Senator KROGER**—When was that first meeting, that principal meeting?

**Mr Richardson**—I know it was on a Friday, not last week but the week before.

**Senator KROGER**—Thank you very much. At that meeting or subsequent phone hook-ups, has there been advice as to how many more police have been, to put it loosely, ‘put on the beat’?

**Mr Richardson**—The Victorian police commissioner, who was present at the first meeting, advised—which I think is something which Premier Brumby has also stated publicly—that an additional 120 police had been allocated over the past 12 months.

**Senator KROGER**—Was there any indication that those police had been deployed in targeted areas?

**Mr Richardson**—Yes. They have done a lot. Some have been deployed in targeted areas. They have paid particular attention to security with train travel late at night. They have looked carefully at security in and around certain railway stations in Melbourne where some of the attacks have occurred, and they have also looked at lighting in some of the streets leading up to the railway stations. I have got no doubt that they have made a serious effort.

**Senator KROGER**—Was there any discussion about increased security for taxi drivers in Victoria?

**Mr Richardson**—We certainly did not discuss that at that meeting.

**Senator KROGER**—In Victoria we are actually blessed with very strong Indian communities that contribute hugely in the state and they are a very important fabric of our state and our society. Have there been directed efforts to engage the Indian community on the ground in collectively dealing with this issue?

**Mr Richardson**—I am told by both the Commonwealth Department of Immigration and Citizenship and the Victorian Department of Premier and Cabinet that, yes, that has happened. What form it has taken and the detail of it I do not know.

**Senator KROGER**—I only raise that because they are a very active, robust community and I would think they would be able to be very helpful in addressing some of the media issues in India through their very extensive networks. Is that an avenue we have explored?

**Mr Richardson**—We have, and we continue to. I think that sort of engagement that you talk about is really quite important. I do not think we can do enough in terms of engaging communities that feel threatened in any way. I think that both the Victorian and Commonwealth governments have been doing that. In terms of people within the Australian Indian community expressing their own views back to India, that is something we have been in discussion on.

**Senator KROGER**—We also have, as you no doubt are well aware, a very high ratio of overseas Indian students. Has consideration been given to any public or university based discussions on campus in the tertiary sector?

**Mr Richardson**—Yes, I think there have been some discussions on campus relating to security—in fact, I know there have been. I do not know the detail. You did mention a point that I think should be made to the committee, and that is that Melbourne has a very big proportion of the Indian students studying in Australia. That is obviously relevant. One of the difficulties we have across this area is the absence of reliable statistics, because, by and large, my understanding is that Australian police forces do not collect statistics in relation to assaults and the like in respect of specific nationalities.

**Senator KROGER**—So, if an assault is reported, there is no description of that assault from which you could draw down statistics to determine whether it was considered to be race inspired?

**Mr Richardson**—Right. The fact that an attack has been racially motivated has normally come from the person attacked. The mere fact that the victim of a crime is of a particular

ethnic origin does not automatically mean that the crime is racially based. So the question of whether it is racially based or not is dependent, initially, on the claim made by the person who was the victim and, secondly, the subsequent police investigation.

**Senator KROGER**—It would be interesting to know, if it is available, what activity on the ground in the education sector is happening to address the whole gamut of concerns and considerations and improvements, not only to the safety of the universities themselves but with support groups that are perhaps being put together on campuses for overseas students, particularly those in relation to the Indian community at the moment.

**Mr Richardson**—The Victorian government has, I think, over the last few weeks announced the establishment of what I will call a student ‘hotline’, although it is not actually called that—a dedicated line where students can ring in. I believe that certain tertiary institutions have in fact revisited security on their campuses in terms of both looking at physical security arrangements and talking to students, particularly foreign students.

**Senator KROGER**—I will just put on the record that many Victorians would be pleased if consideration were given to stronger security for taxi drivers, because that is a very real issue in Victoria and, given the number of taxi drivers of Indian origin, that is certainly an area about which there is a lot of concern and speculation. So it would be good to see something in that regard as well.

**Mr Richardson**—Okay. Thank you.

**CHAIR**—Thank you, Senator. Are there any further questions on South and West Asia?

**Senator TROOD**—I have questions on Sri Lanka. Ms Stokes, how many people are now left in the detention camps in the Tamil areas?

**Ms Stokes**—We have about 106,000 internally displaced people who still remain in 15 camps in Sri Lanka.

**Senator TROOD**—How has that number changed over the last month or so? Has there been any significant decline in the numbers of people in the camps over the last few months?

**Ms Stokes**—There was quite a lot of movement after we met last time, but it has slowed recently. One of the main obstacles remains the landmines in the areas to which people would be returned. That is a major obstacle at the moment.

**Senator TROOD**—Do you understand that problem to have the consequence that there is unlikely to be any significant decline in the numbers of people released in the near future?

**Ms Stokes**—I do not have a very precise sense of that. Obviously, if it is going into the demining—and Australia is contributing to that effort as well—I do not know what the rate is likely to look like in the period ahead.

**Senator TROOD**—Do Australian officials from Colombo visit the camps on a regular basis?

**Ms Stokes**—They have visited the camps. Since we last met, Mr John McCarthy visited camps as well as Mr Baxter, who is the acting head of AusAID. Australian officials also visited camps in late August. So we had visits in November and also in August. The UN Under-Secretary General for Humanitarian Affairs, John Holmes, visited camps in November

and issued quite a report on what he observed. Since December the freedom of movement for the internally displaced persons has improved. They have introduced a pass system that allows the internally displaced persons temporary release from the camps for a period of up to two weeks and this allows for movement.

**Senator TROOD**—Are you satisfied that the circumstances inside the camps with regard to access for aid agencies—about which there was a long-term criticism—and the media to an extent have improved?

**Ms Stokes**—With respect to aid agencies, the situation has improved. It is still not as we would like it. It is a mixed situation. The UN organisations seem to have good access. But, with respect to non-government organisations, it is mixed and patchy.

**Senator TROOD**—What is the basis of the Sri Lankan government's claim that these non-government agencies should be prevented from getting access?

**Ms Stokes**—I do not have that information. The ICRC has access to some camps, but not all camps. I gather that there are discussions between the ICRC and the Sri Lankan government about the nature of their relationship.

**Senator TROOD**—Has the Australian government made representations to the Sri Lankan government about these matters?

**Ms Stokes**—We have made it very clear that we want the ICRC and also UN organisations to have good access to the camps.

**Senator TROOD**—When did you last make representations on that theme?

**Ms Stokes**—I do not have that information here but my understanding is that our mission makes these points regularly. Mr Smith, the foreign minister, has made these points publicly on numerous occasions. We also need to be mindful that in the areas to which the internally displaced persons wish to return, the areas that they came from, not only landmines but also the living conditions there are an issue. This is another factor. There needs to be somewhere for these people to live because in many cases there has been destruction.

**Senator TROOD**—You sound as though you are being an apologist for the Sri Lankan government on this matter.

**Ms Stokes**—No. I think we are very conscious that there is a big reconstruction effort that is needed, and this has been a major focus for Australia.

**Senator TROOD**—Do you mean it is a focus for our representations or do you mean it has been a focus for more practical considerations, such as aid?

**Ms Stokes**—Both.

**Senator TROOD**—What is the size of our aid package to Sri Lanka?

**Ms Stokes**—I think it is probably best if you ask AusAID that, because a big part of the money obviously comes from the humanitarian funds.

**Senator TROOD**—I see. Mr Woolcott referred earlier to his visit to Sri Lanka in relation to people smuggling. What is the Sri Lankan government's view on (a) the practice of people smuggling—do they take a view that the boats that are coming out of Sri Lanka are largely the

result of people-smuggling activity?—and (b) what steps have they agreed to take, if any, to try to prevent these boats from departing?

**Mr Woolcott**—Cooperation with the Sri Lankan government on people-smuggling issues has been very strong in the last few months. The Sri Lankan navy has done a number of interdictions, we work very closely with the Sri Lankan police and, of course, Sri Lanka also participates in the Bali process. The cooperation with Sri Lanka has been very solid across the board.

**Senator TROOD**—Does the Sri Lankan government see it as its responsibility to try to prevent people departing Sri Lanka—to stop leaving refugees departing? In your view, do they take this seriously as a policy problem?

**Mr Woolcott**—Yes, they do.

**Senator TROOD**—Do they institute naval patrols? Are they concerned to prevent boats departing? Are they pursuing people who may be known to be people smugglers or in the trade, or people who have some sort of association with this ghastly trade?

**Mr Woolcott**—The focus is very much on the people-smuggling syndicates in Sri Lanka. We work closely with them in terms of information exchange in relation to those syndicates.

**Senator TROOD**—How determined do you think they are to try and address the problem?

**Mr Woolcott**—My sense is that the cooperation has been excellent, particularly from the Sri Lankan navy and from the Sri Lankan police.

**Senator TROOD**—So this is a mission the Sri Lankan navy takes seriously, does it?

**Mr Woolcott**—Yes.

**Senator TROOD**—To what extent do you know that they take it seriously?

**Mr Woolcott**—There have been a number of successful interdictions conducted by the Sri Lankan navy, and there have been—that we are aware of—very few boats in recent times that have reached Australia directly from Sri Lanka.

**Senator TROOD**—Do they have any statistics? Do you have any statistics about the interdictions that have taken place; the boats that have been turned around and the ones that have not been allowed to get to sea because of the activities of the Sri Lankan navy?

**Mr Woolcott**—These are operational and intelligence matters and they are best put to the operational agencies—if they are able to answer them.

**Senator TROOD**—There is no Australian operational agency that I can think of that ought to be operating in the waters off the Sri Lankan coastline.

**Mr Woolcott**—No, that is absolutely right. But the Australian Customs and Border Protection Service is the operational agency in charge of our operational activities and our cooperation at the operational level, as well as the AFP, of course, which works directly with its counterpart. Questions like that are best put to those agencies, rather than—

**Senator TROOD**—I see. Are you saying to the committee that you think there has been something of a falling off in the number of boats leaving Sri Lanka?

**Mr Woolcott**—All I can say is that there has been a falling off in the number of boats reaching Australia directly from Sri Lanka in the last few months.

**Senator TROOD**—Have you assessed or tried to assess the impact of the elections on the Tamil community? Most of the asylum seekers that have come out of Sri Lanka are, of course, Tamils. Have you made an assessment as to the consequences of the election for those people leaving Sri Lanka?

**Ms Stokes**—There is also going to be another election in Sri Lanka soon, for the parliament. I think all I can comment on is the presidential election that has happened so far. Of course, we have a re-election of the president. In that sense we expect, to some degree, continuity, but as Australia has made very well known we want the Sri Lankan government to put a lot of priority on the issue of reconciliation. This is obviously a high priority from our perspective, so that all Sri Lankans can see that they have a future in Sri Lanka.

**Senator TROOD**—The Sri Lankan government does not seem to be very receptive to this message of reconciliation.

**Ms Stokes**—We continue to encourage them to be receptive to that idea. We want them to give a priority to that, and that is what the international community is saying to Sri Lanka. The Sri Lankan government have made statements that they also give it a priority. But obviously actions are important, and resolving the situation in the IDP camps is a part of that and having these people return to their home regions is very important.

**Senator TROOD**—Is it an act of reconciliation to arrest General Fonseka?

**Ms Stokes**—I am not sure that I fully understand your question.

**Senator TROOD**—You know that he has been arrested, obviously.

**Ms Stokes**—Yes, of course. Our view on the arrest is that we want the rule of law and proper processes to be followed and we want it to be done as quickly and transparently as possible.

**Senator TROOD**—What do you understand his offence to have been?

**Ms Stokes**—I am not sure that I have that here with me at the moment. I do not know.

**Senator TROOD**—If it is available and known, perhaps you could take that on notice and let me know. Have you made any representations to the Sri Lankan government about the arrest of General Fonseka in any way?

**Ms Stokes**—We have. The high commission has registered our views that we want the rule of law followed in a transparent manner.

**Senator TROOD**—That is sensible enough, I suppose. Have you expressed any view on the contribution that his arrest might make to the reconciliation process?

**Ms Stokes**—General Fonseka, as far as I am aware, does not represent Tamils per se.

**Senator TROOD**—No, that is my understanding.

**Ms Stokes**—We are concerned that his arrest might lead to tension and conflict, and certainly we do not want to see that. So we would urge calm.

**Senator TROOD**—Has that been a result? There have been some press reports—

**Ms Stokes**—There have been press reports and we are waiting for an update from our high commission on that. I do not have that here.

**Senator TROOD**—Is the view of the Australian government about the situation in Sri Lanka a view which is shared by many members of the international community?

**Ms Stokes**—That is a very general question. We work very closely with other countries and we have good dialogue with them about the situation in Sri Lanka.

**Senator TROOD**—In relation to the Tamil communities in Australia, have you or officers of the department met the members of the Tamil community to allow them to express their views about their concerns, which I know they have, about Tamils in Sri Lanka?

**Ms Stokes**—Yes. We have met them periodically.

**Senator TROOD**—How often have you met them?

**Ms Stokes**—I do not have it here, but in the time that I have been in the division it has happened on numerous occasions. Mr Smith met members of the Tamil community last year.

**Senator TROOD**—What has been the consequence of those representations?

**Ms Stokes**—The consequence of what?

**Senator TROOD**—The representations by the Tamil community. What have you done as a result of those representations?

**Ms Stokes**—I would say that we see those meetings as the vehicle for us to explain the approach that the Australian government is taking to the issue and to hear their concerns. In some cases their concerns coincide with ours, relating to political reconciliation and a concern about the people in the camps.

**Senator TROOD**—Well, they have concerns about reconciliation. My understanding is—and I have had some contact with them—that they also have concerns about the treatment of people in camps in relation to access, aid matters and media exposure, and of course some also have more serious concerns about what they see as the policy of the Sri Lankan government on the Tamil community. I am not in a position to make judgments about those, but they have certainly made quite serious charges in some cases about humanitarian—perhaps even international criminal—activity. Have you made any representations to the Sri Lankan government about any of those matters?

**Ms Stokes**—You have mentioned quite a few things there. A priority for us has been access by international organisations to the camps. A priority for us has been freedom of movement for the IDPs. On both of those issues there has been improvement in Sri Lanka. It is still not where we would like it to be. With respect to reconciliation, we take every opportunity to underline the priority and the fundamental importance of that.

**Senator TROOD**—In most of the answers you have given, Ms Stokes, you have made the point that the Australian government is disquieted. You have used terms such as that the situation is not where you would like it to be. There are a range of expressions you have used which suggest that the Australian government is, to at least some extent, concerned about the situation in Sri Lanka and, indeed, concerned about the policy that the Sri Lankan government is pursuing towards its Tamil minority. My question is: have you ever reached the point where

you felt it necessary to call in the Sri Lankan high commissioner and express those concerns? Have you ever expressed very directly the concerns you have about this?

**Ms Stokes**—Yes, we have done so on countless occasions through our mission in Sri Lanka, through Mr Smith's conversations with his counterpart, Mr Bogollagama, and through public statements. We are in frequent contact with the Sri Lankan high commission here.

**Senator TROOD**—There are a wide range of people in Australia who are concerned about the approach the Australian government has taken to this matter. Indeed, they do not think it has been strong enough. Neither the representations that have been made in Colombo, or perhaps to the high commission here, nor the activities we have undertaken at an international level have been strong enough to respond to what some members of the Australian community see as a dire situation in Sri Lanka. Do you think those concerns expressed in that community are unfair?

**Ms Stokes**—The situations in the camps have been bad and the situation has been bad. It has improved but it is not as good as we would like it to be—in fact, we do not want there to be any camps. But, while we have this situation where people cannot return home because of landmines, it would seem they are going to be in camps for some time yet. So it is important that the conditions in the camps be as good as they possibly can be. That is a concern that we repeatedly register with the Sri Lankan government.

**Senator TROOD**—Has the Sri Lankan government given you any indication as to how long they think this policy of detaining people will continue?

**Ms Stokes**—You mean the camps?

**Senator TROOD**—Yes.

**Ms Stokes**—They had given a time frame last year that they would have the camps emptied by the end of January, and that deadline obviously has not been met. The advice of our mission is that they have run into some real problems with the landmines.

**Senator TROOD**—Not only has it not been met, they have not even moved half of the people, have they? The figure was in the vicinity of 180,000, wasn't it?

**Ms Stokes**—One hundred and sixty-one thousand have been returned to their district of origin, so in fact the majority have left the camps. We have 106,000 left. The fact is that many of those who have returned to their district of origin are still in temporary shelters or with host families or in transit camps. So there is a big reconstruction effort that has to be undertaken, and we are very keen to support that.

**Senator TROOD**—Is there any proposal on the table for the international community to engage the Sri Lankan government to try and address this problem over the long term? You keep referring to the problem of landmines. I take it that your constant reference to it is a reflection of the fact that you see this as the single most important problem or restraint.

**Ms Stokes**—No. I did not say that it was the single most important thing, but it is obviously a constraint.

**Senator TROOD**—But every time I ask you about why it is we are not making a lot of progress on removing people from these camps, the particular issue that comes up is the

problem of landmines and the fact that people cannot be returned to their homes because of the threat and the danger of landmines. Is it your view that that is the main difficulty which is preventing the freedom of these people from these camps?

**Ms Stokes**—I do not know if it is the main problem. I know it is a major one.

**Senator TROOD**—I assume you are getting regular communications from the high commission.

**Ms Stokes**—We are.

**Senator TROOD**—What other constraints are there?

**Ms Stokes**—I think I mentioned some of them to you: the absence of infrastructure in the communities to which they would return.

**Senator TROOD**—Is there a program in place to try and address that problem?

**Ms Stokes**—There are a number of activities in place to try to address those.

**Senator TROOD**—Are they activities undertaken by the Sri Lankan government or by the international aid community?

**Ms Stokes**—The Sri Lankan government and the Sri Lankan government in conjunction with the international aid organisations. A number of programs are being developed with the international financial institutions, the multilateral development banks, the World Bank and—

**Senator TROOD**—Are we making any bilateral contribution to that activity?

**Ms Stokes**—I recommend you ask AusAID that. I know that AusAID has been working closely with the two banks, talking closely to them about it.

**Senator TROOD**—But, as far as you understand it, you are confident that we are making a contribution to try and remove the threat of landmines that is there.

**Ms Stokes**—Yes.

**Senator TROOD**—I do not think I have any further questions on Sri Lanka.

**CHAIR**—Are there any further questions on the South and South-West Asia or the Middle East and Africa?

**Senator TROOD**—We are in Ms Stokes's rather large domain, aren't we? Ms Stokes, I want to draw your attention to a remonstrance or a protest that the Syrian government lodged late last year regarding some passages in the annual report about nuclear programs.

**Ms Stokes**—I will ask my colleague Ms Rawson, from the International Security Division, to talk about that.

**Senator TROOD**—Ms Rawson, are you familiar with this passage in the DFAT annual report for 2008-09 which reads in part:

In our role as a member of the IAEA Board of Governors, we registered Australia's strong concern about the nuclear programs of Iran, the DPRK and Syria, and urged that those states cooperate fully with the IAEA and comply with their international obligations.

That is from page 130, the fourth paragraph up from the bottom.

**Ms Rawson**—I do not have it in front of me, but I am sure you have read that out correctly.

**Senator TROOD**—I am grateful that at this stage in the day you are happy to accept that on faith. Is your branch perhaps the author of that paragraph?

**Ms Rawson**—Yes, we would have prepared that paragraph.

**Senator TROOD**—Can you tell me what that means, particularly ‘we registered Australia’s strong concern about the nuclear programs’? Of course, I am concerned about Syria. What was in the mind of the department when it put that particular passage in its annual report?

**Ms Rawson**—What was in our minds was that, as you will recall, in 2008, I think it was, concerns emerged about the possibility that Syria had been constructing a clandestine nuclear reactor. You will recall that military action was taken by Israel against that reactor. When it emerged that indeed all the indications pointed to that having been the construction of a nuclear reactor, the IAEA took up that issue and has issued at least a couple of reports on the situation. I suppose the bottom line is this. The most recent report I have reference to is from last year, but certainly that report confirmed that Syria was not cooperating with the IAEA’s investigation to determine the nature of the activities at the suspected covert nuclear site.

As well as the issue of the construction activities, once the IAEA’s investigations had revealed that there had been some particles of uranium discovered at the site, Syria had been asked to answer a number of questions about the construction, asked about the evidence at the site in terms of uranium particles and asked to provide additional information. They had been asked to provide better access and they had not done so. So essentially they were not in compliance with the obligations which they undertook in their agreements with the IAEA, and that is the basis for the paragraph in the report.

**Senator TROOD**—So you were factually reporting, in your view, the objective circumstances as you saw them?

**Ms Rawson**—Yes.

**Senator TROOD**—Have the concerns which are reflected in that paragraph changed since it was written?

**Ms Rawson**—No. I cannot recall offhand when the last report of the situation was, but certainly we have not received any reporting from our mission in Vienna to indicate that Syria has moved to provide the information and overall cooperation which the International Atomic Energy Agency has been seeking from it.

**Senator TROOD**—So your anxieties continue, it would be fair to say—would it?

**Ms Rawson**—The concern about their failure to comply with the request from the agency continues, yes.

**Senator TROOD**—Did you receive any representations from the embassy of the Syrian Arab Republic in relation to this passage?

**Ms Rawson**—Certainly there have not been any representations direct to my division. There may have been a formal communication, but I would have to take that on notice to be confident of giving you a fully correct answer.

**Senator TROOD**—My understanding is that the embassy wrote to the Prime Minister expressing its alarm at the passage that appeared in the report, saying that the statement was political and unfounded, to say the least. Have you seen that letter to the Prime Minister?

**Ms Rawson**—No, I have not.

**Senator TROOD**—It is a letter of a page and three-quarters. It goes on to contend that Australia did not say any word of condemnation or even criticism to Israel when it violated Syrian sovereignty and shelled a military site in Syria last year. You have not heard of those concerns the Syrians have about the passage?

**Ms Rawson**—No, I have not. As I said, I have not seen the letter.

**Senator TROOD**—Secretary, are you aware of any representations having been made to the department by the Syrian government or the Syrian embassy here on this subject?

**Mr Richardson**—Not since I started work on 13 January.

**Ms Rawson**—My staff may have received this. I have not seen it and I will take it on notice.

**Senator TROOD**—Would you mind doing that. I assume that, if you have received no representations on this, you have felt no need to respond to the concerns which are reflected in this letter.

**Ms Rawson**—As we have said, personally neither Ms Stokes nor I have received representations, but that does not mean that there have not been any representations. My understanding—from your comments—is that the letter is addressed to the Prime Minister, so we would not have responded to that.

**Senator TROOD**—The original letter is directed to the Prime Minister, but it has also been ccd to a long list of individuals, including your two ministers, the President of the Senate, the Speaker of the House and, indeed, Senator Forshaw of the committee who was good enough to circulate it to members of the Joint Committee on Foreign Affairs, Defence and Trade of the parliament. So it is in wide circulation, Ms Rawson, and I have to say I am surprised that, it being in such wide circulation, it has not come to your attention.

**Mr Richardson**—What date is the letter?

**Senator TROOD**—26 November. So you at least are absolved, Secretary.

**Mr Richardson**—It is not a case of being absolved. I am just interested.

**Senator TROOD**—If you have not seen it, then obviously you cannot respond to its contents. At least I draw it to your attention as expressing some concerns. I am not supporting the claims in the letter at all, but they do represent some concerns in regard to a government with whom we have relations on a matter which is contained in the department's annual report. It is slightly unusual to have it circulated in quite the way it has been. So it might be something that you need to look into.

**Ms Rawson**—Certainly.

**Senator TROOD**—Chair, I think that is all I have in this part of the world.

**CHAIR**—We will now proceed to questions on international organisations and legal issues.

**Senator LUDLAM**—Is this the right place to ask the officers about the arms trade treaty.

**Ms Thorpe**—That is under international security.

**Senator LUDLAM**—We will deal with that a little bit later. Okay, we will pass on that for the moment. What about the Export Finance and Insurance Corporation, EFIC?

**Mr Richardson**—That is the trade area. That is later on in the evening.

**Senator LUDLAM**—What about the ACTA, the Anti-Counterfeiting Trade Agreement? That is foreign affairs?

**Senator Faulkner**—That is trade. That is tonight too.

**Senator LUDLAM**—We are getting through them very quickly? International nuclear weapons policy? Actually, I think there is a special spot for that too. I will wait.

**CHAIR**—That would be national security, nuclear disarmament and non-proliferation.

**Senator LUDLAM**—That is me, then. I will hold.

**CHAIR**—That is all your questions? Very good, Senator Ludlam. Take that example, Senator Trood!

**Senator TROOD**—I have some questions on the Asia-Pacific community idea. Mr Borrowman, this may not be so much your concern as that of Ms Thorpe and Mr Wise, because I want to inquire—initially, anyway—about the costs of the conference in Sydney in December.

**Ms Thorpe**—Are you inquiring about how much the conference cost?

**Senator TROOD**—Yes, the cost of the conference.

**Mr Richardson**—It cost about \$831,000.

**Ms Thorpe**—It was \$835,659, to be precise, as at 10 February. As I explained earlier, sometimes invoices trickle in.

**Senator TROOD**—Can you give me a breakdown of those costs?

**Ms Thorpe**—I can give you some indication of the sorts of things the money was spent on. Airfares for the delegates were about \$560,000. Accommodation was about \$92,000. There are a whole lot of other items, but those are the main costs.

**Senator TROOD**—That is about \$650,000, which leaves us a couple of hundred thousand dollars short.

**Ms Thorpe**—I can give you some other indications, because I have a very detailed breakdown and I do not want to go through every single line. The venue hire was about \$34,000, and we paid for transport. The coaches were about \$18,000 and associated with that was another \$20,000, so you are looking at about \$28,000.

**Senator TROOD**—What was the \$20,000 for?

**Ms Thorpe**—The \$20,000 was for transport related to the conference. There are two lots of transport costs that I have here.

**Senator TROOD**—There was a long list of invitees to the conference. What was the basis upon which people were invited to the conference?

**Mr Borrowman**—There was a steering committee which oversaw the preparation for the conference. The invitees were drawn from the countries and people that the special envoy, Mr Woolcott, had visited during the course of his consultations.

**Senator TROOD**—Was that an interagency steering committee?

**Mr Borrowman**—That is correct.

**Senator TROOD**—Which agencies were represented on that?

**Mr Borrowman**—The steering committee was chaired by DFAT, by the acting secretary at the time. It included Mr Woolcott, Dr Michael Wesley, the Prime Minister's office, the foreign minister's office, PM&C and DFAT.

**Senator TROOD**—When invitations were extended to those who were invited, was an offer made to pay for fares and accommodation—in other words, to pay all the costs associated with the conference?

**Mr Borrowman**—I can take you through that. I can tell you that the Australian government funded accommodation and breakfast for all delegates to the conference. The Australian government funded airfares, including taxes, visas and travel insurance for all overseas non-government delegates to the conference. The government also paid for the travel of no more than two government delegates from each of the 21 governments invited, with the exception of the following countries: Canada, Japan, Korea, New Zealand, Singapore and the United States.

**Senator TROOD**—Why were they exceptions?

**Mr Borrowman**—Because essentially they could fund their own.

**Mr Richardson**—Also some countries have their own rules. For instance, in the US it would be difficult for administration officials to accept funding by a foreign government.

**Mr Borrowman**—The government also funded the travel to the conference of one Australian non-government delegate who was a panellist in one of the breakout sessions. All other Australian non-government delegates funded their own travel. The government paid for the accommodation of non-Sydney based delegates.

**Senator TROOD**—I understand that the co-chairs of the conference were Dr Wesley and Mr Woolcott—is that correct?

**Mr Borrowman**—That is correct.

**Senator TROOD**—Were they paid a fee for their contribution to the conference?

**Mr Borrowman**—I will have to check that for you. I will get back to you on that.

**Senator TROOD**—Can you enlighten us on that subject, Ms Thorpe?

**Ms Thorpe**—I can speak only about Mr Woolcott. I do not have the information on the other chair so I cannot tell you whether or not he got paid, but Mr Woolcott did it as part of the contract he had with us at that time.

**Mr Borrowman**—Yes, it was part of Mr Woolcott's contract to chair the conference; I do not know about Dr Wesley.

**Senator TROOD**—Perhaps you can just check whether or not—

**Ms Thorpe**—I know that definitely with Mr Woolcott it was part of the contract.

**Senator TROOD**—There was a special allocation in relation to this activity of the department, as I recall, a special budget allocation in relation to the Asia-Pacific community activity. Was it 2009-10?

**Ms Thorpe**—No, Senator, we received funding in 2008-09. At additional estimates, we received \$546,000.

**Senator TROOD**—Ms Thorpe, what is now the total cost of the Asia-Pacific community activity within the department? Can you tell me that?

**Ms Thorpe**—I am not quite sure what you mean. I have told you the figure for how much the conference cost us. The other main expense—

**Senator TROOD**—What I mean is that, over successive estimates, we have discussed the costs involved in pursuing the Asia-Pacific community policy. I know we have discussed, on many occasions, the cost of Mr Woolcott's early contract and I think I am right in recalling that he is now on a subsequent contract?

**Ms Thorpe**—His contract was completed at 31 December.

**Senator TROOD**—Yes, but I think there was a second contract.

**Ms Thorpe**—We have had two contracts. The first one was from August to January and there was the second one.

**Senator TROOD**—I remember that. There were costs associated with his travel and there were costs associated with departmental individuals who were assigned to assist him with his activities. Over time you have given me this information and what I would like now is a full accounting of the costs so far in relation to the Asia-Pacific community policy. So it is the Woolcott contracts, the costs of staff, the now \$835,000 in relation to the conference itself et cetera. Can you tell me what that total figure is at the moment?

**Ms Thorpe**—I would like to take it on notice. I have some numbers here but I have not added only the parts up.

**Senator TROOD**—You need to do a few sums, but I would like to know the full cost of—

**Ms Thorpe**—Senator, I find it very difficult. When we give you the answer, we would give you all the direct costs. In terms of our own staff time, that would become very complicated.

**Senator TROOD**—I understand that, but I think at one stage you did have a figure determined. There were two staff, I think, weren't there?

**Ms Thorpe**—We previously gave you information on staff that were accompanying him. Part of the funding we received during 2008-09 was for some staff to support Mr Woolcott, but—

**Senator TROOD**—Can you tell me whether all of those funds have now been expended in relation to this policy?

**Ms Thorpe**—Yes, they have been. They were basically for our activities in 2008-09 and, yes, they have been primarily expended.

**Senator TROOD**—I see. So that allocation is now finished?

**Ms Thorpe**—That is right. We received the funding to deliver the outcome and that is what we have done.

**Senator TROOD**—If you would get onto your calculator at some stage and—

**Ms Thorpe**—add it all up for you.

**Senator TROOD**—Thank you, I appreciate that. Mr Borrowman, as a result of the conference, where does that leave the proposal—this grand plan the Prime Minister has in relation to the Asia-Pacific community idea? What is the status of this policy now?

**Mr Borrowman**—Senator, the status of the policy is that it still remains a high government priority. The Prime Minister is considering the next steps in light of the outcome of the conference.

**Senator TROOD**—I see. Have you given thought to ‘What next?’ in the matter?

**Mr Borrowman**—Yes, Senator, thought has been given to next steps and, as I say, the Prime Minister is considering his options on that.

**Senator TROOD**—Has a report gone to the Prime Minister in relation to the conference?

**Mr Borrowman**—That is a question you would have to ask PM&C, Senator. Sorry, I stand corrected by the secretary. Mr Woolcott did a report, but with respect to briefing that is something that you would have to ask PM&C.

**Senator TROOD**—I see. He has done a report to the Prime Minister?

**Mr Borrowman**—Yes.

**Senator TROOD**—Has that been made public?

**Mr Borrowman**—No.

**Senator TROOD**—Has any thought been given to making that report public?

**Mr Richardson**—You normally would not. Reports of that nature to a prime minister are not normally made public.

**Mr Borrowman**—There is, however, a public record with a summary of the conference.

**Senator TROOD**—I think I have seen that on the conference record. I have seen the public record. I was not clear whether that was actually a document that was sent to the Prime Minister as well. There is a separate document for the Prime Minister’s attention, is there?

**Mr Richardson**—The Prime Minister received a report from Mr Woolcott which, consistent with normal government practice, would not be made public.

**Senator TROOD**—Does it remain the case that the earlier report that Mr Woolcott delivered to the Prime Minister has not been made public either?

**Mr Richardson**—I believe that to be the case.

**Senator TROOD**—Do you know whether any consideration has been given to releasing either of these reports or some version of them perhaps?

**Mr Richardson**—It would surprise me if consideration has been given to it.

**Senator TROOD**—Or even to a public version of them which might be—

**Mr Richardson**—It would surprise me, although, from memory, Mr Woolcott has given several public speeches. The Prime Minister has talked about the APC initiative regularly. So it is not as though government thinking is not available publicly. There is quite a bit on the public record.

**Senator TROOD**—Mr Woolcott's second contract has been concluded. Is there now any plan to engage Mr Woolcott in relation to perhaps a third phase with regard to the community idea?

**Mr Richardson**—What Mr Woolcott might now do is still under discussion.

**Senator TROOD**—So there is consideration given to the next steps, as Mr Borrowman—

**Mr Richardson**—There is consideration being given to the next steps and there is consideration also being given to what the government might next seek of Mr Woolcott.

**Senator TROOD**—Mr Borrowman, were you at the conference?

**Mr Borrowman**—No, I was not. My predecessor in this position, Dr Brendon Hammer, attended the conference.

**Senator TROOD**—And he is not in town. He has been moved on to—

**Mr Richardson**—Mr Hammer is now in Tokyo.

**Senator TROOD**—That is unfortunate.

**Mr Richardson**—I do not think he would agree.

**Senator TROOD**—I do not mean for him personally. I am sure he is absolutely delighted to be in Tokyo, although I suspect the challenges of dealing with the new Japanese government might be taxing him, like most members of the mission there. Mr Borrowman, you were not there, but are you aware of some of the concerns that delegates expressed at the end of the conference as to the results that were recorded in a bullet point form? Have you had a report on the conference round-up at all?

**Mr Borrowman**—I am aware of concerns that were expressed about some aspects of the summing up by one of the co-chairs of the conference, yes.

**Senator TROOD**—What do you understand those concerns to be?

**Mr Borrowman**—I understand those concerns to be the use of the term 'concept of powers' and the proposal to use an eminent persons group as the next stage. I also understand

from personal discussions subsequently with a number of the most vocal of the participants at the conference that their objection was to the assumption that there was unanimity around these points—that there was agreement to these points—whereas they had not in fact been discussed in any great detail. So it was a rejection not of the points themselves but of what was taken to be a claim that there was general support at the conference for them. Again, having spoken to a couple of these people, I understand they were much happier with the final version of the report that we have just talked about that went up on the website. So, yes, I am aware of those concerns but they were confined to very specific aspects of the summing up of one of the co-chairs.

**Senator TROOD**—Can I take it that the concerns that were expressed about the possibility of an eminent expert persons group is not now part of the proposal that is being considered in relation to Next Steps?

**Mr Richardson**—No, because all of that is still in the mix—still under consideration—and the concern of one participant does not necessarily drive what the Australian government might subsequently decide.

**Senator TROOD**—And nor should it. I was not at the conference but from my discussions with several of the participants I have had accounts of the conference and the energetic, robust, final session—I think it can be described as that. From the accounts I have received, in any event, it was not just a participant. There may have been one participant—I think the Singaporeans were among them; perhaps it was that participant. There were in fact expressions from others that the outspoken participant reflected the views of a wider range of participants at the community.

**Mr Richardson**—Certainly the report on the conference will be one of the factors which the government will consider in working through Next Steps.

**Senator TROOD**—I see.

**Mr Borrowman**—Might I also add that in fact the proposal for an eminent persons group was proposed by the former Prime Minister of Korea Dr Han. So it was an idea that was brought forward by one of the speakers and participants at the conference.

**Senator TROOD**—Which particular proposal was that?

**Mr Borrowman**—The eminent persons group.

**Senator TROOD**—It did not find favour with the group, I think.

**Mr Richardson**—With some delegates.

**Senator TROOD**—Yes. Well, some—quite a number.

**Mr Richardson**—Where you have over 20 countries represented and over 100 delegates, if you are going to have a decent conference that is worth anything then you should have some differences.

**Senator TROOD**—Yes, I would agree with that. Do we have a timeline for Next Steps, Mr Borrowman?

**Mr Borrowman**—No, we do not have a fixed timeline.

**Senator TROOD**—I see. Finally, where does the Prime Minister's vision here fit with the equally ambitious plans of the Japanese Prime Minister with regard to the Asia-Pacific community?

**Mr Richardson**—Mr Borrowman will correct me if I am wrong, but I think they are quite different. Japan's proposal, at least initially, suggested that the United States may not be part of their consideration, whereas we believe it is essential that the United States be part of any regional architecture.

**Senator TROOD**—It is difficult, the way estimates is organised, to have a region-wide discussion about this sort of thing. Secretary, perhaps you are the person to ask whether or not you see a position for the APC idea in the context of the assessment that is taking place on the regional architecture. Can you see at the moment how the policy proposal of the Australian government might be realised in the context of the debates that are taking place in relation to the existing framework and the existing regional structure?

**Mr Richardson**—The core and the essence of the Australian government's thinking in respect of regional architecture is very simple, and that is that at present there is not a single forum in which the relevant countries within the region can discuss a full range of security, political, economic and other matters. As you know, APEC is confined to economic matters but India is not part of APEC. You have the East Asia Summit but the United States is not part of it.

I think the Prime Minister's starting point is very reasonable. He made it very clear he was thinking medium and longer term. He realised that his proposal would not happen overnight. I think there is a certain flexibility in respect of a government's thinking about how we might achieve what I think is a very sensible goal of having the key players in a regional forum in which all issues can be discussed.

**Senator TROOD**—We are going to run out of time. This is a seminar worth continuing although we cannot do it here, Mr Richardson.

**CHAIR**—Okay, we will now turn to questions on national security, nuclear disarmament and nonproliferation.

**Senator LUDLAM**—We will start off close to home with ASNO. I gather from reading a UN press release that ASNO has just lost its assistant secretary to the IAEA office in New York. Can you confirm that and let us know whether Dr Shaw has been replaced?

**Ms Rawson**—I can confirm that Dr Shaw has been appointed to the position in New York—the IAEA representative there. He has not yet been replaced. There has been a selection process undertaken for that but an appointment has not been made as yet.

**Senator LUDLAM**—When do you anticipate you will fill that position?

**Ms Rawson**—I don't know when that will occur.

**Senator LUDLAM**—Okay, but you have begun recruiting. Also while we are on recruiting, in mid-January there were some newspaper advertisements advertising for the position of Director-General of ASNO. Are we shortly to be invited to a farewell party to Mr Carlson as well?

**Mr Wise**—Mr Carlson will be retiring mid year. As you said, Senator, the position has been advertised and that process is under way to find a replacement.

**Senator LUDLAM**—At the first couple of sessions of these that I attended, Mr Carlson was able to come to the table. Is there a reason why he has missed the last two?

**Ms Rawson**—This time, again, he is overseas on official business.

**Senator LUDLAM**—Will we be given the opportunity to speak to him one last time at the May estimates session?

**Ms Rawson**—I don't know what his commitments are for the rest of the time. I am sure he would hope and plan to be here but to some extent of course his schedule is driven by overseas commitments, meetings and conferences which he is not entirely at liberty to direct the timing of.

**Senator LUDLAM**—I realise that—

**Senator Faulkner**—You have made the point and I am sure the secretary has that on board. We will have a look at it for you because, of course, as you appreciate, we do know when the department will be before the budget estimates—so we will ask the secretary to keep that in mind. Obviously we cannot give a guarantee, but if it is at all possible we will certainly try and do it.

**Senator LUDLAM**—I recognise that it is a position that involves a lot of international travel, but—

**Senator Faulkner**—That is the difficulty, Senator, but obviously your flagging it in this way might possibly mean that if it allows for some flexibility, we have it on board.

**Senator LUDLAM**—Last time we spoke, we discussed ASNO's analysis and advice to the government regarding reporting about Burma's suspected nuclear program. Are you aware of a subsequent paper by the Washington think tank ISIS, the Institute for Science and International Security, who have also reported on the issue? Has ASNO conducted an analysis of that report?

**Ms Rawson**—No, not that I am aware of. Certainly I am aware of the report itself and I am sure ASNO colleagues have read it also. Our view would be—and I say this from my own division's perspective—that it is a very well-researched and good analysis of the situation. The institute has a very good reputation in these areas. I cannot go through it line by line and say, 'Yes, that's right,' but overall it is a very authoritative analysis of the situation.

**Senator LUDLAM**—Can you tell us anything further about ASNO's activities or the tracking of this issue? Have they issued any further advice to government or been requested to do any work in that area?

**Ms Rawson**—I stand to be corrected and I will check the record, but I do not think that since we last appeared at the committee there has been any new information that would have caused us to provide any further advice to government.

**Senator LUDLAM**—Can you confirm that Burma is interested in joining the Asia-Pacific Safeguards Network?

**Ms Rawson**—Yes, I understand that interest has been expressed. It was not to us. My understanding is that a comment was made in the context of discussions with the IAEA, but there has been no direct communication that I am aware of—certainly not with us or with other members of the network.

**Senator LUDLAM**—So there is no formal application pending or anything like that?

**Ms Rawson**—No.

**Senator LUDLAM**—Does the Australian government have a policy either way?

**Ms Rawson**—There has been no formal application or invitation to Burma to join the government. Australia would reach a position if and when an application was made.

**Senator LUDLAM**—You are not able to inform us in advance of what the government's position will be if such an application is to come forward?

**Ms Rawson**—The government has not come to a position on it, so, no, I cannot.

**Senator LUDLAM**—I would like to shift to North Korea. With just a little bit of history, can you confirm for us that, in August 2001, ASNO conducted a safeguards training course designed primarily to assist the DPRK to develop its national safeguards system and that, at the time, that was funded by AusAID?

**Ms Rawson**—I would have to take that on notice. I am aware, in general terms, that safeguards training was undertaken by Australia at one stage, but I do not have the details of that with me, so I cannot speak to them. If I may, I will take that on notice.

**Senator LUDLAM**—If you could. I will just put two dates to you. The August 2001 safeguards training course is the first one. Secondly, from 30 September to 4 October 2002, also with funding apparently provided by AusAID, we conducted a nuclear accountancy training course for the North Korean regime. The reason I am asking this is that subsequently the DPRK withdrew from the non-proliferation treaty and pursued the course that the international community is still grappling with. How much do you believe the DPRK learned from this safeguards training that was provided by Australia?

**Ms Rawson**—I cannot answer that question; I will have to take it on notice. I will just reiterate the point you made, Senator, that it was safeguards and nuclear accountancy training.

**Senator LUDLAM**—At which point the regime withdrew and basically violated all of those agreements. I just wonder how much we inadvertently assisted them in being able to do that. Has any analysis of that subsequently been published or written?

**Ms Rawson**—I am not sure. I think it would not have assisted them. The purported withdrawal from the treaty was done under the provisions of the treaty. I do not think any training would have been relevant to their decision to declare that they were withdrawing from the treaty.

**Senator LUDLAM**—I will leave it to you to find out whether any analysis has subsequently been done on teaching the regime about how the international safeguards, monitoring and security regimes operate and then subsequently assisting them subsequent to their withdrawal from the treaty. In a similar vein—and I suspect you will also need to take this on notice—I am looking for a list of countries to which Australia sells uranium, with

which we have bilateral agreements, which have ever had safeguards or inspections postponed or cancelled due to political turmoil. To your knowledge, has that ever occurred?

**Ms Rawson**—I do not know the answer to that. I will take that on notice.

**Senator LUDLAM**—Within your domain—whatever you are able to tell us about your participation—could you update the committee regarding the government's response to the report of the International Commission on Nuclear Non-proliferation and Disarmament.

**Ms Rawson**—As you would obviously know, the report of the commission was launched in Tokyo, then received by both our Prime Minister and the Japanese Prime Minister at that time. At the launch the Prime Minister certainly welcomed the report and acknowledged the valuable contribution that it would make, particularly to achieving progress on nuclear non-proliferation and disarmament. The Prime Minister also said that the government would frame its response to the report's recommendations during 2010, particularly in the lead-up to the NPT review conference. DFAT, in consultation with other relevant agencies, is working on a possible response to the report for the government's consideration. The government, as well as deciding on the response itself, will decide on the timing and form of that response. I am not in a position at this stage to say when that will be, although I just reaffirm that the Prime Minister did say in the lead-up to the review conference that it would be over the next few months, but I cannot give you a definite timing when that would be available.

**Senator LUDLAM**—The commission made a number of proposals and recommendations. Am I able to seek your views or the position of the department on individual recommendations?

**Ms Rawson**—I could say what I hope is our current position, but the government has not yet formed its response. So, rather than going over the recommendations in a way which may be regarded as pre-empting the response, my preference would be not to do that.

**Senator LUDLAM**—I will submit these on notice so as not to tie up the committee's time and move on just in case you come back and are not able to tell us anything. During the last estimates session I asked you, 'Do we know at which plants the uranium is intended to be enriched' in China? We had Dr Shaw at the table at the time and he said yes. I do not believe we have had that information returned to us. Can you provide us with an update?

**Ms Rawson**—I thought that response had been provided to you. I think it was question 37. The response to that, as far as I know, was pursuant to annex B of the Agreement between the Government of Australia and the Government of the People's Republic of China on the Transfer of Nuclear Material. The facilities under the Delineated Chinese Nuclear Fuel Cycle Program eligible to enrich Australian-obligated nuclear material are—and you will have to forgive my pronunciation—

**Senator LUDLAM**—Do you want to table that one?

**Ms Rawson**—I shall.

**Senator LUDLAM**—I will not put you through it! I would probably mangle them pretty badly as well. Is your reading of it that Australia will not be provided with a breakdown of which material is enriched where; they have just provided us with a list of plants which may or may not enrich the material for China?

**Ms Rawson**—I am sorry. That question goes beyond the level of my expertise. We can take it on notice, and I am sure ASNO will be happy to provide an answer.

**Senator LUDLAM**—If you are able to table that it will be appreciated. Since the last time we spoke the latest IAEA annual Safeguards Implementation Report has revealed that there have been no safeguards inspections in Russia. Can you confirm that there have been no safeguards inspections in Russia since at least 2001?

**Ms Rawson**—That is my understanding, yes, but let me check my notes on that. Apart from an inspection of fresh fuel destined for use in the Bushehr nuclear power plant, we are not aware of the IAEA performing any safeguards inspections in Russia since 2001, as you said. The IAEA does, however, plan to conduct inspections at the Angarsk International Uranium Enrichment Center. I do not have the timing for that, but I understand that is the intention.

**Senator LUDLAM**—That is something foreshadowed.

**CHAIR**—I am going to have to interrupt you there, Senator Ludlam. The time for the discussion of this section has now concluded. Did I interrupt you halfway through answering, Ms Rawson?

**Ms Rawson**—No, but I was going to ask your indulgence just to refer back to a question from Senator Trood earlier on the Syria issue. It is really a matter of correcting the record.

**CHAIR**—I will just say, before I turn to you, Ms Rawson, that the time for discussion of DFAT matters has now concluded, so I will hand over to you to go back to that earlier point.

**Senator Faulkner**—I would like to ask leave of the committee to make a short statement, which might mean that there is a follow-on statement from other members of the committee. This relates to a matter of very great interest to the committee, which is the issue surrounding the *HMAS Success*. I have advised the committee members.

**CHAIR**—We will let Ms Rawson fix up that point and then we will return to you, Minister.

**Ms Rawson**—Senator Trood asked a number of questions about the Syrian ambassador's letter to the Prime Minister. I said that I had not seen that letter, and I think that still stands as correct, but the relevant section in my division had indeed seen that letter. My understanding is that a reply to that letter has gone from the chief of staff in Mr Smith's office to the ambassador.

**Senator TROOD**—Is it intended that it be made public?

**Ms Rawson**—Correspondence usually is not made public, so that is not the intention. What the ambassador chooses to do with it is, of course, his own decision.

**Senator TROOD**—Thank you for providing me with that information.

**CHAIR**—Thank you, Ms Rawson. That brings to a conclusion our discussion on DFAT matters.

**Senator Faulkner**—There is some additional information.

**Mr Wise**—Senator Trood asked this morning who accompanied Mr Smith on his visit to Africa. He was accompanied by a senior media adviser, a departmental liaison officer from his office, the head of the Africa branch in the department and the acting Director-General of AusAID. Senator Trood also asked some questions about Mr L'Estrange. On 13 August the Prime Minister announced that Mr L'Estrange would leave his position and be replaced by Mr Richardson. Mr L'Estrange went on leave from 24 August and continued on leave until his resignation from DFAT, which was effective from midnight 14 December. A few days before that the Prime Minister announced that Mr L'Estrange would be the founding executive director of the National Security College. I was also asked about the salary received by Mr L'Estrange during that period. Between 24 August, when he went on leave, and 14 December, when he retired, he received a gross salary of \$121,115.86. He did not receive any allowances during that period. Senator Trood also asked how many DFAT staff are in the embassy at Kabul. The answer is that as of 11 February there are seven A-based and locally engaged staff at the embassy in Kabul.

**Senator TROOD**—Seven A-based and—

**Mr Wise**—Locally engaged staff.

**Senator TROOD**—So is it a total of seven or seven each?

**Mr Wise**—It is a total of seven.

**CHAIR**—Thank you, Mr Wise.

**Senator Faulkner**—I have asked leave of the committee to make a statement—and it will not be a long statement—about a matter that I know is of great interest to the committee because of its interest in issues surrounding HMAS *Success*. I also obviously acknowledge that there might be other committee members who would like to say something. If I could have leave of the committee to do that, I would appreciate it.

**CHAIR**—Leave is granted.

**Senator Faulkner**—I thank all the members of the committee who have facilitated me making this statement. I was very keen to do this given the committee is currently in session. The members of this committee have had a close and longstanding interest in military justice issues. I wanted to take this opportunity to inform the committee of a recent development which is relevant to the committee's interests. In the interests of transparency, I particularly wanted to do this now, which is the earliest opportunity I have had. The development relates to the various inquiries into allegations regarding sailors on board HMAS *Success*. The Chief of the Defence Force, Air Chief Marshal Houston, has just issued a press release—and I have provided copies of that press release to members of the committee—announcing that he is calling a fresh inquiry into matters surrounding HMAS *Success*. Its terms of reference will be comprehensive and include a complete review of the circumstances surrounding the range of matters arising from the equity and diversity issues on board HMAS *Success* and subsequent inquiries. The inquiry will be independent; it will be carried out by a senior retired judge.

The CDF, I can assure the committee, is proposing to consult with the Senate Foreign Affairs, Defence and Trade References Committee before finalising the terms of reference for the fresh inquiry. This announcement by the CDF follows a decision by Navy to set aside the

administrative inquiry which was carried out into equity and diversity issues on board HMAS *Success*. That inquiry has been set aside because a legal review which was instigated as a result of complaints made by some of the sailors removed from HMAS *Success*. It concluded that the inquiry was flawed due to bias. As a result, the current adverse administrative action initiated against three of the sailors concerned will not proceed, since it depended on the findings of the inquiry. I should say that, as I understand it, this does not affect any ongoing inquiries by the ADF investigation service.

Needless to say, along with the CDF, I am extremely disappointed that this inquiry has been found to be flawed. It is critically important that the inquiry processes followed by defence are beyond reproach and meet the highest legal standards. We owe it to the men and women of the ADF whose careers and lives can be directly affected by inquiries such as these.

Of course, I am aware that this committee has delivered a series of reports in recent years on aspects of the military justice system. Many of the committee's recommendations have been implemented, but these developments indicate that more needs to be done in relation to the administrative inquiry process followed by Defence. The independent inquiry which the CDF has just announced will identify the areas in which our current procedures are deficient and it will recommend appropriate changes. I also expect that the Senate committee currently inquiring into the incidents on HMAS *Success* will also identify issues of concern.

As Minister for Defence I will make it my priority—one of my highest priorities—to fix these problems. We need better procedures and we need better processes, and I can assure the committee that I will take whatever action is necessary to implement them. Chair, it is my intention throughout the process that I have outlined to consult with the Senate committee. Of course, I have no intention in any way of limiting those matters that are being considered by the committee. I know that senators from both sides of the chamber share a very strong interest in ensuring that our military justice system works effectively and protects the interests of those whom it serves. I intend to make sure that this happens.

Chair and members, I appreciate the opportunity to—as I say, at the earliest opportunity I have had—to say these few words in these circumstances, given I know the importance of these matters to members of the committee.

**CHAIR**—Thank you, Minister, for those comments.

**Senator FERGUSON**—I have just a couple points of clarification. Firstly, this is likely to be a lengthy inquiry. As the terms of reference and the framework have not quite been put in place, can you just clarify the status of the three sailors whom we have been talking about and who are being inquired into? Will they be returned to normal duty or are they likely to be shore bound?

**Senator Faulkner**—That would certainly be my expectation at this point. While I have not received a formal briefing on that particular matter, that is certainly my expectation in the circumstances that have been outlined. Subject to any further or better advice, that would be my expectation. What you have to understand is that for the last couple of days I have been sitting in this committee room and these matters are currently effectively unfolding, but that is certainly my understanding.

**Senator FERGUSON**—If it is any different, if you or the CDF could let the committee know.

**Senator Faulkner**—I would be very happy to do that.

**Senator FERGUSON**—At our last report, a number of inquiries had been within the Defence Force as a result of the actions on HMAS *Success*. Is this overall inquiry going to replace all those diverse and separate inquiries or will some of those continue to take place?

**Senator Faulkner**—I believe the situation, subject or any further advice, is that, as you would appreciate, there are some ongoing inquiries being conducted by the ADF investigation service. I do not think it affects those inquiries. It may well have an impact on any other inquiries that are being conducted by defence. I can assure you that, in these sorts of circumstances, I will take the responsibility of assuring that we have a very sensible coach in relation to this. That is why I wanted to take the earliest opportunity to brief the committee on this situation.

**Senator FERGUSON**—Thank you. I am sure all the other members of the committee are very pleased with this turn of events.

**Senator TROOD**—As the chair of the references committee, can I say a couple of things. First, Minister, I think I speak on behalf of the committee in saying that we welcome your willingness to be transparent and open in relation to this matter. From the very beginning, you made it very clear that you are determined to address this matter in a fair and proper manner. You also made it clear that you are determined to provide your support to the committee in its inquiries. On behalf of the committee, I thank you for that.

May I also say—I probably speak for the committee in this respect—that I am profoundly disappointed with this development. I am profoundly disappointed in this development in relation to the particular individuals affected and I am profoundly disappointed in the context of the efforts that this committee and that the defence department have made over a long period of time to rehabilitate the military justice system. This seems to me to be yet another indicator of the considerable progress that has yet to be made in trying to incorporate a culture of fairness and justice within the Department of Defence. It seems that we have a very long way to go before we can all be confident that the system of justice within the defence department is as we would wish it to be.

Finally, the committee will of course work with the CDF and it will work with the minister in trying to address these matters. We look forward to consulting further on the consequence of these developments and constructively dealing with the impact that they might have in the near future.

**Senator Faulkner**—I thank you for your comments. I think there is a very strong degree of unity of purpose in the parliament towards ensuring that our military justice system works effectively, fairly and efficiently, and does the job in terms of protecting the interests of all members of the ADF. I certainly acknowledge that that is the case and appreciate the points that you have made.

It has been my intention to ensure that this committee is fully apprised of developments. Senator Trood, you would be aware that that has gone to the extent of private briefings for

you, as chair, as circumstances evolve and develop. You, as chair of the references committee and Senator Bishop, as chair of legislation committee have been able to be fully informed of progress.

**CHAIR**—Thank you, Minister. I now call representatives of AusAID to come to the table.  
[5.53 pm]

#### AusAID

**CHAIR**—I welcome Senator Stephens to the table and officials from AusAID. Senator McEwen.

**Senator McEWEN**—I have some general questions about AusAID and some more specifically about Papua New Guinea. The first is about Australia's commitments to global food security. Can you outline our current commitments to global food security and what has been the impact of the global financial crisis on Australia's commitments?

**Mr Baxter**—Australia is very concerned about the very high number of people who are suffering from hunger and malnutrition. As you are probably aware, food prices increased by a global average of about 24 per cent over the period 2007-2008. Australia has made a number of responses to the food crisis. Initially, Australia announced a \$50 million, one-off contribution to the World Bank's food crisis program. That is money that is being spent in Senegal, Cambodia, Vietnam, Zimbabwe, Sierra Leone, Solomon Islands and Kiribati on social safety net programs for the poor and technical assistance for national governments and farmers. That assistance was used, amongst other things, to buy seeds, tools and fertiliser to help immediately stimulate food production. The fund helps the poorest of the poor; these are people who live on less than \$2 a day and who spend up to 80 per cent of their income on food. The government is also taking a comprehensive approach to addressing global food security and in the last budget announced a \$465 million food security initiative, \$100 million of which has been earmarked for Africa. That money will be used to increase investments in agriculture research and development with our partner agency, the Australian Centre for International Agricultural Research, as well as programs that will be managed by AusAID to support rural development for vulnerable communities who are most likely to go hungry in times of crisis.

**Senator McEWEN**—So the \$465 million is over what period of time?

**Mr Baxter**—It is over a four-year period.

**Senator McEWEN**—You mentioned some of that going to Africa. Do we have a breakdown by country or region of where the rest of it is allocated?

**Mr Baxter**—I can certainly get you that detail. I do not have it in front of me at the moment. I am sure that in the course of the hearing I can get that for you.

**Senator McEWEN**—So in the context of the global financial crisis Australia is continuing with its commitment to global food security.

**Mr Baxter**—Absolutely. One of the features of the global financial crisis is that, while a number of developed economies are coming out of recession that was created by the global financial crisis, the impact on developing countries is still being felt and will be for some

time. So, in addition to the funding that I have spoken about, AusAID continues to monitor very closely the impact of the global financial crisis on areas such as the provision of basic services in developing countries.

**Senator McEWEN**—Thank you for that. I would now like to go to a question about the recent ANAO report into AusAID which I am sure you have all read.

**Mr Baxter**—Indeed.

**Senator McEWEN**—It makes a point of how difficult it is for the government, through AusAID, to ascertain where it is going to put its aid funding dollars. I note from the report that there are currently 954 aid initiatives and 1300 or so aid activities going on. How does AusAID determine where it is going to put its money? What are the criteria and how does that tie in with the MDGs that we are committed to?

**Mr Baxter**—In terms of where AusAID puts its money, we, like all other agencies, go through the normal budget processes. We develop new policy proposals for consideration by our minister, and those proposals are the result of a number of processes. Firstly, they are the result of our close consultation with the partner governments that we work with around the world. The core of our funding is concentrated in the Asia-Pacific, but we are also doing more in other geographic areas such as Africa. We also consult widely with other agencies within the Australian government that develop proposals that are eligible to be classified as fundable by official development assistance. You have agencies like the Australian Federal Police, for instance, who often have ODA-eligible proposals that will be brought forward.

We very much tie the proposals that we put forward to clear performance benchmarks and particularly the achievement of the Millennium Development Goals, as you have mentioned. A good example of that is in the Pacific region, where over the last few years Australia has developed Pacific Partnerships for Development with almost all of the countries that make up the Pacific Islands Forum. A key feature of those partnerships for development is tying our programs to greater progress towards the achievement of the Millennium Development Goals. They are very much at the forefront of what we do.

We of course have very longstanding development assistance relationships in our region with countries like Papua New Guinea, Indonesia, countries of the Pacific Islands Forum as well as countries in South-East Asia and beyond. There is an annual process where we will talk to the governments of those countries, we will evaluate the progress that we have made in the previous period and we will look ahead and jointly decide what priorities we will implement. They are then worked through our own budget process, and the government decides, at the end of the day, the allocation of funding for the aid program.

**Senator McEWEN**—Do we rank the MDGs in order of priority at all?

**Mr Baxter**—We do not, but it is probably fair to say that we provide funding for some of the MDGs which would be over and above some of the others. The government has decided that education will be a flagship of the aid program. We currently spend around 20 per cent of our total program on education related activities. The achievement of the MDG that relates to universal primary education is a key priority for Australia and in our bilateral programs. If you look at maternal and child health, that is another area where we have always had a traditional focus. About 18 per cent of our program is spent on health related initiatives, with

a particular focus within the health budget on achieving MDGs 4 and 5 on maternal and child health. There is greater focus on some areas than others but, across the MDGs, we would be funding activities in many of our key countries to achieve all of the MDGs.

**Senator McEWEN**—Is that 18 per cent on child and maternal health, by which I guess you mean MDGs 4 and 5?

**Mr Baxter**—That 18 per cent figure is on health overall. Within that, we have a particular concentration on maternal and child health but not exclusively so, because we do work on HIV-AIDS, malaria, tuberculosis and a whole range of other things.

**Senator McEWEN**—Has that 18 per cent gone up or down recently?

**Mr Baxter**—It has increased in line with the overall increase in the aid budget in recent years.

**Senator McEWEN**—Is it possible in the AusAID budget to work out what amount of the overall budget is going to each MDG and then by country for each MDG?

**Mr Baxter**—Yes. It would be a considerable amount of work but, in a general sense, I think we could produce something that made very clear where our concentration of effort was under the various MDG categories.

**Senator McEWEN**—I think that would be very useful, possibly for our years to 2011-12 or something like that.

**Mr Baxter**—If I could take that on notice I would be very happy to produce something like that for you.

**Senator McEWEN**—I think it would be very useful for our interactions with overseas governments as well so that we could track exactly what MDGs Australia is giving priority to.

**Mr Baxter**—Another point to add is that we produced a report, which was published and publicly available in August, on tracking the progress of our Pacific island partners towards the MDGs. That is now going to be a regular annual report that will be produced by the Pacific Islands Forum secretariat. So there will be some very precise data available to measure the progress of individual countries that we provide assistance to in the Pacific region towards those MDGs.

**Senator McEWEN**—I mentioned before those activities that are reported in your annual report—the 954 initiatives and the 1,300 activities. Are they flagged ‘This is MDG 4’ or 5 or whatever?

**Mr Baxter**—Not specifically, no. But they are all very much designed to facilitate more rapid progress towards the MDGs. A good example of that is in the design of the expansion of our aid program into Africa. We are very conscious of the very patchy performance of sub-Saharan Africa towards the MDGs, so we are focusing on areas where we have particular expertise, and maternal and child health is one of those areas. So they do inform the way in which we design programs.

**Senator McEWEN**—Just talking about child and maternal health: your annual report mentions the increased focus on MDGs 4 and 5 in Papua New Guinea. Given everybody’s

concern about the high maternal mortality rates in PNG, what specific measures have been taken to help PNG reduce the rate of maternal mortality?

**Mr Baxter**—We certainly agree with your concern and the general concern about the high levels of maternal mortality in PNG. We are very much committed to working with the government of PNG to improve the situation, and it is an urgent priority of our partnership for development. What we have done is that AusAID has indicated its readiness to support the recommendations of a ministerial task force report on maternal health in PNG, which I understand is currently awaiting official endorsement from the government of PNG. There are recommendations in that ministerial task force report to improve the training of community health workers to deal with obstetric care.

We are also supporting activities to train rural health workers to be able to identify and manage health complications early in pregnancy and to provide family planning services; the development of health promotional materials and activities that can be disseminated into rural areas, including by radio, community theatre, songs and print materials, in particular to increase community awareness about the danger signs in pregnancy and to promote the use of skilled birth attendants. We are conducting a review of the midwifery program at the University of Papua New Guinea. We are providing funding for training in maternal and child health for diplomas in community health at the University of Papua New Guinea. We funded obstetric care training at Buka hospital in Bougainville and, in October and November of last year, eight rural health workers participated in training to improve their skills in conducting antenatal and postnatal checks. We are providing maternal health advisers to selected provinces and five technical advisers within the national Department of Health.

There is a very long range of things that I could continue to list, but we have a very active program in this area. We recognise that it is a very pressing and urgent need and we are determined to do what we can to work with Papua New Guinea to redress the situation.

**Senator McEWEN**—Is AusAID playing any role in assisting or supporting the PNG government to increase women's representation in its parliament and in other areas of governance?

**Mr Baxter**—The whole issue of gender equity is one that informs the design of our programs overall, and we do have leadership programs to promote the role of women in society as well as a commitment to addressing the pressing issue of domestic violence against women, not only in PNG but in other parts of Melanesia. There are programs that are funded by AusAID which encourage interaction between political parties in Australia and political parties in partner countries which aim to train representatives so that they are better able to undertake their roles. In general, we focus our scholarship and training programs in a way that promotes gender equity, so there is equal allocation of scholarships and other leadership awards to both men and women in Papua New Guinea. So we are certainly focused on ensuring, in training for leadership positions, that women are equally represented on those programs.

**Senator McEWEN**—Excellent. Thanks very much, Mr Baxter.

**Senator BOSWELL**—In the October 2009 estimates it was stated that no new requests for funding projects with a family planning component had been received since the publication of

the new family planning and aid program guiding principles in August 2009. Since then have any requests been received?

**Mr Baxter**—Since the release of the new guiding principles, AusAID has approved five new activities by non-government organisations with family planning components, covering Papua New Guinea, East Timor, Fiji and Ghana. Those activities provide much needed reproductive health and family planning services to those countries. None of the activities that are conducted under those programs cover abortion services, and the NGOs that have been funded are International Needs Australia and Marie Stopes International Australia.

**Senator BOSWELL**—Could you provide details of those projects, including whether or not they have been approved, what agency requested funding, what country the project would operate in—you have just done that—and what services were proposed?

**Mr Baxter**—We would probably be able to give you that now. I will ask my colleague Mr Proctor.

**Mr Proctor**—As the acting director-general said, there have been five activities. Four of them have been through approved plans for the NGO funding process, ANCP, and one is funded through a bilateral program in East Timor. In brief, the first of those is by the NGO International Needs Australia in Ghana, which is undertaking work to develop a new health centre for general clinical and maternity services and providing community health activities on family planning and sexually transmitted diseases, and providing reproductive health education. They are training people to do family planning counselling education and contraceptives outreach and they are equipping new traditional birth attendants to provide family planning advice. In the case of East Timor, Marie Stopes, through the NGO funding program, will be working in eight districts to increase access to reproductive health information and services. In detail, that is availability of affordable and acceptable access to sexual and reproductive health information, services and contraceptives. That is probably to provide information to at least 1,000 clients a month, including information on sexually transmitted diseases and HIV.

**Senator BOSWELL**—In the case of Marie Stopes, they are a recognised abortion provider, and I am surprised that they are in Timor. It would be against the laws of the country to provide abortion there, but are there restrictions or do you have a watching brief on them?

**Mr Proctor**—We have posts in most of these countries. They do monitor activities. We also have an agreed plan. Marie Stopes's proposal has no abortion component to it and, as you said, abortion is illegal in East Timor.

**Senator BOSWELL**—At the October 2009 estimates it was suggested that sex selection abortions could not be funded under guidelines even if they were legal in a country concerned because of the provision that limited funding to providing the same range of reproductive health and family planning services for women in developing countries as are supported for women in Australia. It was implied that sex selection abortion was not available in Australia. However, in a question on notice AusAID was unable to provide specific information about any such ban on sex selection abortion in Australian law. My research indicates there is no such ban and that sex selection abortions in fact do take place in Australia. Could AusAID

please clarify whether or not the guidelines absolutely ensure that AusAID money will never be spent on providing sex selection abortions overseas?

**Mr Proctor**—The guidelines refer very strongly to the Cairo Declaration on Population and Development which explicitly says there should be no sex selection activity.

**Senator BOSWELL**—The law in some Australian states explicitly permits abortion on the grounds of disability in the unborn child. However, in Queensland it seems that abortion on this ground is not legal. Do the guidelines permit the use of Australian aid money to fund abortions of disabled unborn children overseas?

**Mr Baxter**—The guiding principles make clear that the prevention of unwanted pregnancies is the highest priority of our family planning funding with every attempt being made to minimise the use of abortion as a family planning method. AusAID does not provide funding for the type of treatment that you mentioned. You can be confident that AusAID funding is not used for that purpose.

**Mr Proctor**—Senator, could I go back to your earlier question about countries. The other countries with recently approved programs that you talked about have very similar activities in outreach to provide broader access to family planning which as the acting Director-General has said is really the key point here, particularly in reducing maternal mortality and ill health. In a number of these countries these activities will help to equip community based service providers to be able to provide more access to modern contraceptives and advice on referrals for things like IUDs. Marie Stopes is a big provider around the world of access to contraception. It has been active in other countries including Burma where there is a huge problem of maternal deaths and illegal abortions. There again solely they are providing greater access by women to contraception, ideally, in a number of cases reducing that burden of death.

**Senator BOSWELL**—In answer to a question on notice last Senate estimates you provided a breakdown by name of country and name of organisation that money is going to. I think you did the same today. Could you please provide details of how much money is given to each organisation for family planning? You may have to take that on notice.

**Mr Baxter**—We will take that on notice.

**Senator BOSWELL**—Thank you.

**Senator HANSON-YOUNG**—I would like to continue with the topic of family planning and the aid program, the guiding principles. Since the announcement of these new principles in March 2009 can AusAID please give me an outline as to what actual new funding has been made available for these family planning activities, where it is happening and a bit of a breakdown. I have specifically asked for the new funding.

**Mr Baxter**—The guiding principles were actually released in August of last year.

**Senator HANSON-YOUNG**—Yes, sorry, they were announced in March 2009.

**Mr Baxter**—No activities were funded until the guiding principles themselves were put up to inform that. Since that time as I mentioned to Senator Boswell we have agreed to fund five new NGO activities in PNG, East Timor, Fiji and Ghana. Mr Proctor can give the breakdown of the funding for those if you would like.

**Senator HANSON-YOUNG**—Thank you.

**Mr Proctor**—In that list Ghana is \$49,000, Fiji is \$94,000, PNG is \$93,000 and \$100,000 is to Timor-Leste for the Marie Stopes activity. The separate bilateral activity in Timor-Leste will account for \$400,000.

**Senator HANSON-YOUNG**—Could you repeat that last bit?

**Mr Proctor**—There is \$400,000 for bilateral activity to increase access to family planning in East Timor. On top of that, other increases in funding have been made through increased contributions to UNFPA.

**Senator HANSON-YOUNG**—That was one of my next questions, because I was going to be asking specifically about the \$15 million over four years, which I understand is linked to that, if I am not mistaken. Would you be able to give me the outline of who, where and which countries will receive the \$15 million over four years, and where will this be assisted in terms of the family planning activities?

**Mr Proctor**—I cannot give you a precise \$15 million sum. Can I indicate to you a significant part of that will be achieved just through an increase in contribution to UNFPA—something in the order of \$7 million over this year and next two.

**Senator HANSON-YOUNG**—So a considerable amount of that will go into increased funding regardless, but it is not necessarily linked to the family planning activities. Is that what you are suggesting?

**Mr Proctor**—No. With the UNFPA, at least half of the activities are directly related to assisting with family planning and reproductive health. What I actually meant was that the figure will be far higher than \$15 million. Partly there is increased funding, particularly in the case of Timor-Leste, but of course what has also happened is that NGOs have more flexible guidance on what they will pursue within their existing programs. Over the next two years there will also be increasing assistance to family planning through our bilateral activities but often as part of broader health development spending. That is why it is hard to give you a precise figure.

**Senator HANSON-YOUNG**—But could you take that on notice and come up with something?

**Mr Baxter**—Certainly. We will be able to give you a very clear indication. As Mr Proctor said, there are discrete family planning activities that we fund with that new provision of \$15 million over four years, but in some cases in our broader health funding there is a family planning component which may be drawn from money that is allocated to general health assistance to partner countries. So what we can do is take that out. The \$15 million was an additional amount to boost the level of funding that the government provides for family planning activities overall. We were, prior to that \$15 million being provided, undertaking some family planning activities within the general health component of the aid budget. So what we will do is look at the health component of the aid budget and isolate those areas that fund family planning activities.

**Senator HANSON-YOUNG**—Can I ask why the decision was made? When that money was announced, it was not announced by the minister in terms of being an add-on to the

existing funding. Why was the decision made to pass it on to programs that way instead of directly through AusAID sponsored activities?

**Mr Baxter**—I am not sure if I understand the question.

**Senator HANSON-YOUNG**—You are saying that the way this money will now be distributed is through the UN organisation and through that committee, through the work that they do. I understand you are saying that a lot of the work they do is family planning directed. I am just wondering what the decision was based on to funnel the money through that avenue instead of perhaps AusAID picking their own specific activities.

**Mr Baxter**—In many sectors where we work in the aid program there is a mixture of bilateral and multilateral activities. Part of the answer to that is reach—working through multilateral agencies that have representation in a broader range of countries than AusAID is currently represented in. That enables us to get greater reach for the program. In areas that we have outlined where we have made some decisions—Fiji, PNG, East Timor, for instance—we have very significant aid programs already and we are able to implement programs working with NGO partners very easily. So it is really a division of labour, if you like, and multiplying the impact we have by using whatever method is most appropriate to get the benefits to the broadest range of people.

**Senator HANSON-YOUNG**—So you are confident then that the \$15 million would be spent most effectively through that avenue as opposed to if you had chosen to partner with other organisations?

**Mr Baxter**—It is a mixture. We think that we get broader reach and maximum impact by using a variety of delivery methods. Some of those will be AusAID working directly with partners and some of them will be providing funding for multilateral agencies. So, yes, we are confident that we get the best impact.

**Senator HANSON-YOUNG**—I have one final question which relates to the remarks made by the US Secretary of State, Hillary Clinton. She spoke at the 15th anniversary of the International Conference on Population and Development, which I am sure you are aware of. When she gave this speech there was quite a lot of attention given to it in relation to her specific call to reduce maternal and child mortality and prevent millions of unwanted pregnancies, in her words; and needing to do that through a further commitment to and emphasis on reproductive health, family planning activities and access to that type of advice and service. I am just wondering for AusAID in the forward planning if there is any particular take-up of that call to action, considering that obviously we do work quite closely with the United States in a number of partnerships and through NGOs that are often headed by the US. How has AusAID responded to that call to action?

**Mr Baxter**—We certainly agree with the statements that were made by the Secretary of State, particularly that access to family planning is one of the most effective approaches to reducing maternal deaths due to the very high number of unsafe abortions that are performed each year—the estimate is something like 20 million. About 68,000 women die each year through those unsafe abortions and 220,000 children lose their mothers that way. So we are very much conscious of the scale of the problem, and that is why the government has decided to increase funding for family planning activities above previous levels. As Mr Proctor has

pointed out, it is likely that the level of funding that we will provide to family planning activities will significantly exceed the \$15 million that was announced by the government.

**Senator HANSON-YOUNG**—At current levels, what percentage of the health programming budget is spent particularly on family planning issues?

**Mr Baxter**—I do not have that number but it is something that we could do get for you.

**Senator HANSON-YOUNG**—That would be great, thank you.

**Senator LUDLAM**—I might put one question to you on Haiti and then I will come back to you after the break with a bracket of questions on Burma. Could you provide us with an update, anything at all you can tell us, about the Australian presence in Haiti and what AusAID is doing in particular?

**Mr Baxter**—The situation in Haiti, as you know, is a disaster of unprecedented scale. At last report, there were an estimated 270,000 deaths, over 300,000 injured, almost four million people affected and more than 1.2 million people in spontaneous settlements. About half a million people have left the capital. What makes this disaster quite different from other natural disasters that have occurred in recent decades is that in the case of Haiti 70 per cent of the capital was destroyed and a very significant number of government personnel were killed or injured. I think the latest figure we have seen is that 92 UN personnel who were present in Haiti have been confirmed dead and many hundreds have been injured. So this is unprecedented on many levels. Unfortunately it is the largest single event to cause the loss of life of UN personnel in the history of the United Nations. So that is just by way of backdrop. It is a very concerning situation.

Australia has provided \$10 million for immediate assistance in Haiti. We have channelled that through credible and effective international organisations with a long history of working in Haiti. We have provided \$1 million to the International Federation of Red Cross and Red Crescent Societies, \$4½ million to the World Food Program, \$1 million to the UN Office for the Coordination of Humanitarian Affairs, \$1 million through the Caribbean Disaster Emergency Management Agency and \$2½ million to six Australian non-government organisations which have the capacity to provide emergency assistance on the ground.

We have also deployed a small team of Australian Defence Force air traffic controllers at the request of the United States to assist in making the airport work more efficiently. As you know, there is an enormous amount of air traffic and it has been a problem in the early stages. So we are giving practical assistance there. We have deployed an Australian expert to work with UNOCHA in Haiti and we have been discussing three further deployments with the UN—one to UNICEF and two to the WFP—of Australian personnel. We have made it clear to the UN that we are very happy to consider further requests for Australian personnel if there is a requirement to do so.

In addition to the \$10 million I mentioned, Australia has made an initial commitment of \$5 million for the longer-term reconstruction assistance to Haiti following the completion of needs assessment. The government has made a decision that Australia will be represented at a senior level at a conference that will be held we think in New York at the end of March where the international community will come together and look at the needs assessment and the

long-term reconstruction and recovery needs of Haiti and make pledges of support to help that effort to reconstruct the country.

**Senator FORSHAW**—In relation to the groups, you talked about international organisations and then later on you talked about a number of Australian NGOs. Would you be to provide the committee with the names of those various organisations—

**Mr Baxter**—Yes, I have got them here now.

**Senator FORSHAW**—We are about to suspend for a short break. Perhaps you could provide a list to the committee.

**Mr Baxter**—Yes, I am very happy to.

**CHAIR**—Thank you. I have also received two documents that were tabled by Mr Wise from DFAT so we will formally accept those now.

**Proceedings suspended from 6.32 pm to 7.35 pm**

**CHAIR**—We welcome back officers from AusAID.

**Mr Baxter**—Before the break, Senator Forshaw asked me break for the names of the NGOs that we were supporting in Haiti. They are Oxfam, Care, Caritas, Save the Children and World Vision. Those are the Australian NGOs that we are providing funding to. If I could also clarify: I mentioned that Australia had announced the deployment of five Defence air traffic controllers to assist in Haiti. Those officers have been deployed but have not yet arrived in Haiti. They are on their way.

**Senator FORSHAW**—Could I clarify: for those Australian organisations you just mentioned, I think you said the figure was—

**Mr Baxter**—\$2.5 million.

**Senator FORSHAW**—Earlier in the answer the answer that you were giving to another senator, you mentioned \$10 million, which I think you said is delivered through UN or international agencies?

**Mr Baxter**—That is right. There is \$7.5 of the \$10 million through a variety of either UN agencies, the International Red Cross or the Caribbean Disaster Emergency Management Agency, and \$2.5 million through the six Australian NGOs. That makes the \$10 million.

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

**Senator FERGUSON**—I want to ask some questions about our education program in Indonesia. Are any of the officers aware of Mr Rob Cannon, who is regarded as an international education specialist in Jakarta? Is there anybody who knows Mr Cannon?

**Mr Baxter**—No, Senator.

**Senator FERGUSON**—I had better read you a little of the email that I received. I do know Rob Cannon, and I know that he has been involved in international education in Indonesia for more than 20 years. Part of that time I thought was with AusAID but he certainly has done some work with USAID as well, in education programs. He sent me this email on 15 January this year:

This week I received a request from a senior AusAID officer in Jakarta to meet, which I will do on my return to Jakarta on 28 January. The agenda is unknown at this stage, but it may be connected with my concerns about the ESSP ...

**Mr Baxter**—The Education Sector Support Program.

**Senator FERGUSON**—Yes. The mail goes on:

The only ESSP documentation I have seen has been released by GRM in Brisbane. This is an operational planning TA, a copy of which is attached. The contents of this document confirm the worst fears of several experienced professionals in Indonesia about the poor quality and irrelevance of what is to be implemented in the name of Australia. One example is the intention to be able to assist every district in Indonesia, nearly 500 in total. This approaches pure fantasy. I can provide many other examples if necessary.

Are you aware whether or not this meeting with a senior AusAID officer in Jakarta took place on 28 January?

**Mr Baxter**—No, Senator. I am not aware of that.

**Senator FERGUSON**—I am going to have to dig a bit deeper then and explain to you some of the problems that he says exist in the Education Sector Support Program.

In brief, can I say that it is argued that the conception of the ESSP as stated in document is seriously flawed. This document provides ample evidence of a lack of understanding about the present operation of education in Indonesia, of its governance and of the fundamentals of good development practice and lessons learned from prior donor assistance to the sector. There is a major misunderstanding about how Indonesian education is managed in the decentralised environment that began in 1999. Throughout the ESSP document the term ‘government of Indonesia’ is used in a sense that equates it with the central government in Jakarta. In the decentralised system this is not so.

The government of Indonesia includes provincial and district government, particularly the latter in the case of education. So it is simply wrong for the document to state in paragraph 2.4: ‘Training will be provided to district based Ministry of National Education officials and school supervisors.’ These officials belong to the district governments not the central Ministry of National Education. This statement demonstrates the fundamental misunderstanding of the decentralised nature of education in Indonesia.

Could you comment on those criticisms of your program as provided by ESSP?

**Mr Baxter**—I will make a general comment before asking my colleague Mr Moore, who is the deputy director-general of the Asia Division to comment in detail. We do have a very large and successful program in Indonesia promoting greater access for Indonesian school children to school facilities and also to train school officials across the country. You will recall that after the tsunami of 2004 there was a very significant increase in our program in Indonesia, and education has been very much a focal point of that. I was in Indonesia late last year and met with many officials from the Indonesian government, and certainly the only commentary that we heard on our education support was very positive from the government of Indonesia. On the specific program, I will ask Mr Moore to make some comments.

**Mr Moore**—We will certainly respond on the details of the suggestions you have put to us. We have been working for several years with the government of Indonesia, particularly constructing new junior secondary schools in a partnership with local communities, the governments of Indonesia and Australia. This has been tremendously successful. We have

completed the construction of 2,000 schools and this has led to an increase in the availability of nearly one-third of a million extra school places. This scheme is seen by all commentators that I am aware of as having been a tremendously successful partnership.

It is true that we are thinking ahead, and we are in dialogue with the government of Indonesia about the next phase of its expansion programs for the education sector. As part of that, we are talking about additional school construction to build on this physical work that we have done very successfully. We are also working with the education authorities at the centre and, as you say, at the provincial level to strengthen the quality of school management and teacher education, and to make sure that when we get more children into those school places that they get a decent education. The Education Sector Support Program is a whole-of-sector multipartner program. We are one player in this. It is led by the government of Indonesia and it is currently a draft program which all parties are scrutinising and seeking to enhance the quality of. It is very advantageous to have the comments and critique of expert advisers because we want to put that into the process. I am confident that what we do in the next period and what Indonesia does will take us forward in delivering quality education for a large number of additional children in Indonesia.

**Senator FERGUSON**—I am not sure that you have not reinforced the criticism when you keep talking about the government of Indonesia. Rob Cannon is an Australian who has lived there for 20 years on and off. As I see the significant criticism, he says the misunderstanding permeates the whole design concept because education in Indonesia is so decentralised. He says there is no evidence in the document that district government, which has the main responsibility at that level for education, has or will be consulted in the design and implementation of the activities. He also is quite critical in saying that the program will have no sustainability once Australian funding ceases in each of the individual projects and if the district ownership of the program is not developed. You seem to be talking about the government of Indonesia all the time and not necessarily the district government.

**Mr Baxter**—As a general point, we are the largest bilateral donor of grant aid to Indonesia. We understand very well the decentralised nature of the Indonesian government system and have worked not only under that system but with both the provincial and central governments in Indonesia to assist the building of capacity at all those levels of government. So I do not think it is correct to portray the Australian government or AusAID as unaware of the way in which the Indonesian governmental system operates. I accept the criticisms that have been given to you. We have a program that is a bit more than \$400 million a year that we are implementing across Indonesia in a variety of provinces and in a variety of sectors. It is viewed very positively by governments in Indonesia at both the provincial and central levels, so I think we do have a good understanding. We welcome comments that people want to make and constructive criticisms of our programs. Obviously we will take on board and be very interested to see those criticisms that have been provided to you. But I just want to make clear we do have a lot of experience in working at all levels in Indonesia and with all levels of government.

**Senator FERGUSON**—I ask this question because Rob Cannon is a person I know quite well. I have known him for 30 years—not that I see him very often, but I do know him. He is highly regarded, and I know that he has done a lot of work with USAID as well in the last few

years. His concern is about getting value for money in the expenditure that we have within the aid program, so I think his criticisms are constructive. There are a number of other distinct suggestions and criticisms that he made. If I was to provide what he considers to be weaknesses in the program in the form of questions on notice, could we get a response as a committee to the suggestions that he makes where things might be strengthened or to criticisms that might be invalid? Some of his criticisms might be quite invalid. Rather than me going through the whole lot of these—and there are 14 points that he makes—if I put them in as a series of 14 questions on notice, would you have time to investigate them more deeply? Could you also, as an additional question on notice, inform me whether or not a senior AusAID official did meet with Mr Cannon on 28 January or thereabouts and of the outcomes of that meeting? I know it is not that long ago, but I would be surprised if the meeting did not take place, because I knew he was going back on the 27th. As you know, in an Indonesian election they elect governments, provinces and then the district, and the total responsibility in the long run resides with the district government, which is different to a lot of other places.

**Mr Baxter**—We would be very happy to take those questions on notice and give you detailed answers. I mentioned I went to Indonesia at the end of last year. One of the things I did was to go and look at the reconstruction program that we have started jointly with Indonesia at the district level in West Sumatra for schools that had been flattened or destroyed as a result of the earthquake. So we were obviously working very closely with the district officials to reconstruct the schools and so have a good understanding of how that system operates. But we are happy to look at the criticisms that have been levelled and give you detailed answers, and we are happy to get information on whether the meeting occurred and what the outcome of the meeting was.

**Senator FERGUSON**—I would like to know. I went to Banda Aceh myself a couple of years ago and saw the wonderful work that is being done up there. I know it is not easy, especially right in Banda Aceh itself where some people want to put things back where they might get blown over again by a tidal wave.

I will just have to redo them in question form. I will make sure you get them in the next day or two. I am aware of the short time that we have tonight and I just don't think it would be fair for me to take it up going through all these questions when I can give them to you and you can give considered answers.

**Mr Baxter**—Certainly.

**Mr Moore**—We will be very happy to do that, but if I may very quickly respond on two points just to offer some level of reassurance: it is not only in the area of education but in other service delivery elements where this question of the decentralisation of decision making and responsibility and the decentralisation of resources is critical. So we are actually working on the whole system of public financial management. We are working with the department and the Minister for Finance and Deregulation to try to ensure that there is sustainability in the financing and that the resourcing that gets down to the provincial levels matches the authority that has been delegated to that level of government.

**Senator FERGUSON**—As a matter of fact, I think I can do better than you wait until I redo these. I will, in the form of a question, give you the paper that is sent to me. I think that will be adequate for you to get the answers developed from. There are 14 points in it.

**Mr Moore**—Thank you.

**Senator LUDLAM**—I would like to address the issue of our work in Burma. I said this earlier when we had the department at the table but I will repeat it. I want to put my acknowledgement and support on the record for the lifting of our aid budget to Burma—in the minister's speech of 8 February. Can you give us a bit of an idea of where this sits within our priorities, at least funding wise? The minister has indicated we are taking our total aid budget to around \$50 million a year. Where does that place it within the relative range of aid to different parts of the world?

**Mr Baxter**—It is a significant program. I guess, by way of comparison, in the region we provide about \$120 million to the Philippines in bilateral assistance, so Burma is about half of that. But it is a significant program.

**Senator LUDLAM**—It is certainly a significant increase on historical levels, so it is greatly appreciated. As I mentioned before, I spent a couple of days in January in Mae Sot on the Thai-Burma border and the Australian aid budget and presence in Burma is absolutely appreciated by the people up there. You run into Australian volunteers wherever you go up in that part of the world. So I wanted to provide that feedback. I know we do not actually have anybody stationed in that border area but our work there is acknowledged and appreciated.

Can you give us, historically I suppose, a bit of a profile of where our aid money into that country actually goes geographically? How much of it goes in through Rangoon and how much of it is making its way elsewhere?

**Mr Moore**—Obviously, in the most recent past a large proportion of our assistance has been responding to the post-Nargis situation and so it has gone into the delta region. This year we estimate that about \$10.7 million will be used for Nargis related reconstruction. In ongoing relief last year the figure was more than double that—it was about \$25 million.

We have longstanding programs of assistance to areas like the northern Rakhine state on the other side of the country which, as you know, is also home to very disadvantaged communities. There are special efforts required by international partners to reach the Rohingya populations. We work with a wide variety of non-government organisations and international bodies of repute who endeavour to reach all affected communities in the country. As you know, that is easier at some times than others and easier in some parts of the country than others. But we certainly endeavour to make sure that our assistance does not in some way get trapped in and around Rangoon. We certainly plan there and dialogue there, but the partners with whom we work endeavour to reach out to affected communities throughout the country.

**Senator LUDLAM**—Okay, but in recent times our focus has been on the Irrawaddy Delta and the regions that were hardest hit?

**Mr Moore**—We have had that particular focus post Nargis.

**Senator LUDLAM**—With the lifting of the aid budget into the country, is there any thinking being done or foreshadowed as to where that is best placed?

**Mr Moore**—Certainly we have been giving that thought, and in particular we think that there will be substantial scope to build on what we have already been doing. There has been a particular emphasis on health, on education and on rural livelihoods. The last one, in particular, we think we will be able to do a lot more on. We will work with other international partners to try and put into the hands of farmers and fishers the means to lift their own incomes: getting them additional seeds and access to credit and some basic rural infrastructure so it makes it easier for them to get their goods to market—things of that ilk.

When we are thinking about affected communities we are cognisant of the fact that there are displaced people within the country and people who have been pushed across the border. As you know, we have been providing assistance to the Thai-Burma Border Consortium for many years. We were able to lift that slightly over the last couple of years. Last year it was a million dollars' worth of assistance we were able to provide. And when we come to think about the additional assistance we will be looking at our capacity to assist more in that area as well.

**Senator LUDLAM**—Wonderful. I am going to go to the issue of cross-border aid later, but for now I am just talking about the fact that we can fund, and indeed we have been funding for a number of years, a lot of very important work for the displaced people who have come over the Thai border and are in the vast refugee camps on that side of the border. With the \$1 million you mentioned, roughly what has that been as a total proportion of our aid budget historically—say, over the last year or two?

**Mr Moore**—Of the budget in Burma? You would really have to go back before the Nargis cyclone in order to make that a representative proportion. In that case it would probably be somewhere between five and seven per cent historically—that sort of order of magnitude.

**Senator LUDLAM**—I do not know at what stage your thinking is in assessing where best to place the additional funds that Australia is considering putting into that country, but I suppose I—however is the politest way to do this—state as strongly as I possibly can that the border area, particularly the Thai-Burma border area, is coping with the impacts not just of a collapsed economy and a nasty regime but of a war. I think we can change the proportions of the funding that we are spending, if there is extra money in the pot, to provide greater resources to the groups that are up there, as other countries have been doing for years. There is a very high degree of coordination and probably accountability, I presume you are finding, with the TBBC and they are making a lot out of very little up in that part of the world. For the aid that we do send in through Rangoon, what checks and balances do we have in place to ensure that it is not inadvertently advantaging the regime?

**Mr Moore**—First and foremost, we do not put our assistance in the hands of the regime. It is all delivered through reputable partners on the ground who have experience and knowledge. That is the first thing. We have our own people on the ground. We have two A-based AusAID officers. We have increased that since the cyclone. In addition, we send officers to participate in monitoring. Today there are AusAID officers on their way to Burma to conduct monitoring exercises with the UN and also to take forward the planning for this additional assistance.

The sorts of people that we are working with in Burma would be extremely well-known to you—including Red Cross, CARE Australia and UNICEF. All these players have very robust systems for planning delivery of assistance and for monitoring it. They report to us; we scrutinise those reports. We go with them on monitoring visits into the field; we go separately. And we do vetting and verification exercises. We are very confident that, even though it is a very difficult environment, we are able to account for Australian assistance in Burma and to make sure that it is getting into the hands of those who need it most.

**Senator LUDLAM**—That is great. Does AusAID have staff permanently based out of our embassy in Rangoon?

**Mr Moore**—We have two Australian based staff members there, plus support staff.

**Senator LUDLAM**—I have a couple more questions. I know Senator Kroger has given way, in particular, which I appreciate. Can you tell us what the government is considering in terms of immediate assistance to the roughly half a million displaced people in Burma's eastern states?

**Mr Moore**—Senator, you and I know that those people are the hardest to reach and access is an ongoing problem. We work with our partners in order to take advantage of increased access wherever possible, but there are large numbers of people, perhaps half a million, who essentially are receiving very little or, obviously, no assistance at all—or, in fact, harassment—from the government.

**Senator LUDLAM**—The point I am making, I suppose, is that the only assistance, the only health care, and the only news of the outside world that they are receiving is brought in in backpacks by people working on the Thai side of the border. This is funded by some of our partners in distribution of aid, and Australia is one of the few countries up on the border that does not fund that work. Can you tell us—and I did put this question earlier to the department—anything at all about AusAID's thinking on the value of funding cross-border aid, as many of our partners do up there?

**Mr Moore**—My first response would be the point that I have just made. We fully agree with you that there is a significant community of people who lack services, so we share that concern. However, the policy of taking assistance across the border is one that successive Australian governments have deemed as inappropriate, and the current government remains of that view. It is a matter of judgement about the costs and the benefits. Different countries put the weights in different places. The concerns for us are, first and foremost, that this is not legally sanctioned, people are going into a conflict zone—

**Senator LUDLAM**—Sorry, just to pull you up there, they are coming out the conflict zone to collect supplies and equipment and take it back.

**Mr Moore**—Sure. But they are also frequently accompanied—for reasons that we all understand—by protagonists in the conflict. My understanding is that up to 12 cross-border workers have died in the course of providing cross-border relief, so it is a dangerous operation. As soon as we provide supplies that go cross-border we have no capacity to monitor those whatsoever. For these reasons, we, the European Union, and, I believe, Japan, have judged that we cannot be party to those efforts.

**Senator LUDLAM**—Can you confirm for us, though, that you do recognise the value of the Australian government funding the work up on the border and that, whether or not we are funding the crossing the cross-border activities, at least we could be more greatly resourcing the work of the people who are up there?

**Mr Moore**—I would hope that we would be able to do that in the future.

**Senator LUDLAM**—Thanks very much. We will continue this conversation in a few months. It is greatly appreciated. I would just like to thank Senator Kroger for making way earlier.

**Senator KROGER**—I would like to go back to the ANAO audit that was raised much earlier on. I want to turn to some of the disturbing elements of that which essentially suggest that AusAID has a problem with transparency, accountability and communication. I want to get your comments in relation to how you intend to address the six recommendations that it makes on devolution, country program aid, technical assistance, whole-of-government coordination, monitoring and evaluation, and external reporting.

**Mr Baxter**—Would you like me to go through our response to each of the recommendations?

**Senator KROGER**—That would be great, and if you have a time frame that you have put to those that would also be informative.

**Mr Baxter**—The first thing I would like to say is that we welcomed the ANAO report and, in particular, I would draw attention to the overall conclusion of the report, and that was:

... since 2005, AusAID has managed the expansion of the aid program in a way that supports delivery of effective aid.

While we recognise that there were some deficiencies in AusAID's administration that were brought to our attention, the overall finding of the report was positive in terms of its assessment of AusAID's capacity to manage a scaled-up aid program.

AusAID has agreed to the six recommendations made by the ANAO, and we are progressing with the implementation of measures to address the issues that were raised in those recommendations. In terms of the time frame in which we are doing that, the answer is: as soon as possible. AusAID staff have already undertaken a number of actions to improve our performance in the areas that were highlighted by the ANAO. The progress of the implementation of our response to the recommendations is monitored by the agency's audit committee, which is chaired by one of the deputy directors-general and they report to the AusAID executive, which I chair. So there will be very senior and close oversight of our implementation of measures to address the recommendations.

The first recommendation related to better support, program management, human resource management, analysing the key drivers behind high staff turnover and developing strategies to increase the length of time staff spend in roles and increasing the management responsibilities of locally engaged staff where appropriate. It is certainly true that AusAID's rate of internal movement is higher than over public service agencies. One way that that is being addressed is to implement a policy that staff will be expected to stay in their positions for at least two years unless there are compelling operational reasons that they should not. Some of those

compelling operational reasons which would impact on that two-year rule would include things like the need to react rapidly to natural disasters. Last year when we had, simultaneously, major flooding in South-East Asia, tsunamis in Tonga and Samoa and an earthquake in West Sumatra in the same week, obviously it is all hands to the wheel and we pull people out of areas that are not as pressed and we put them onto higher priority tasks. But we recognise that this is an issue.

**Senator KROGER**—Just before you move on to the next thing, what are the reasons that you have identified for the high staff turnover?

**Mr Baxter**—As I say, part of it is the nature of our business, where we are asked to respond quickly to unforeseen events like natural disasters. We live in a region that has more natural disasters, unfortunately, than any other region on earth—as evidenced by our experience last year in dealing with them. There was a tsunami in 2004 and there was Cyclone Nargis in Burma more recently. So there are a series of events that occur that require us to be flexible in the way in which we deploy our staff.

**Senator KROGER**—Are you suggesting that staff are leaving because of the stresses involved in having to be—

**Mr Baxter**—I am particularly talking about the length of time staff are spending in roles, rather than people leaving the agency itself.

**Senator KROGER**—Okay.

**Mr Baxter**—In terms of our overall staff turnover, I do not think that there is an enormous difference between AusAID and the broader public sector average in terms of separations, if that is what you are talking about.

**Senator KROGER**—That is what I was actually referring to—the actual turnover for staff and the loss of accumulated experience, knowledge and skills.

**Mr Baxter**—I am not aware of our separations being at any significantly higher rate than other agencies or departments in the public sector. We are also undertaking a new workforce planning process at the moment which will include a staff mobility policy requiring staff to remain in their jobs for a two-year period. In response to the ANAO's comments on looking to increase the management responsibilities of our locally engaged staff at posts, we have certainly done this. We have some quite senior locally engaged staff in posts like Jakarta and Port Moresby, but there are some constraints to the seniority of the roles that we can give locally engaged staff. One of those is security: only Australian citizens can get security clearance to see sensitive information which may impact on the way in which we design our programs and deliver them. There is also an issue of financial regulations under the FMA Act. Only Australian public servants can exercise delegations to spend public money in certain circumstances. So they are not AusAID imposed constraints; they are public-sector-wide imposed constraints. But the principle of ensuring that our locally engaged staff have good career paths is something that we are very determined to manage in an appropriate way.

**Senator KROGER**—So you think that there is a limitation on how far you can increase the level of support at a local level so that you are giving more work at a local level rather than bringing in contractors or whoever to undertake programs?

**Mr Baxter**—The relevant public sector legislation places limits on us, both from a security perspective and from a financial management perspective. But working within that system, AusAID has probably more senior staff engaged locally than any other department overseas because we do employ, as program experts, nationals of the countries in which we deliver our programs and they undertake quite senior roles. That is particularly the case in our two largest posts, which are Jakarta and Port Moresby. In each of those posts we have around 100 locally engaged staff fulfilling a wide variety of roles.

**Senator KROGER**—Has that type of program with those specific partnerships and a greater focus on developing local staff happened largely through the PPDs?

**Mr Baxter**—With the PPD type approach, one of the things we are doing much more in a country like Indonesia is delivering our aid through the Indonesian government systems rather than establishing projects that are done in parallel to the Indonesian system. So when we work on education and health, we work with the education and the health departments in Indonesia to strengthen their systems while at the same time delivering particular programs, whether they are a focus on basic education or on a particular aspect of health care. That requires us to have a much higher level of dialogue with the partner country about their policies and how our programs can align with their policies. So we have to have a deeper understanding of those government systems. Clearly engaging capable local staff gives us a much better knowledge base from which to operate.

The second recommendation talked about AusAID needing to make country and regional strategy more central to aid allocation and thereby improve selectivity of aid investment. It also recommended that AusAID completes strategies for all major country and regional programs, keeps them up-to-date and builds on the framework provided by the Pacific Partnerships for Development, including indicative multiyear resource allocations in all country and regional strategies. We agree that there is a need to improve AusAID's performance in that area. We are on track to have new country strategies in place for all our major country and regional programs by the end of this year. Currently of the top 20 recipient countries in regions for Australian assistance, 11 have country partnership or country strategies in place, four more will be finalised by June and the other five by the end of this year.

It is not always appropriate for us to have a government partnership or a country strategy approach agreed with the host country. Zimbabwe is a good example. We are not going to negotiate with the Mugabe regime on how we provide assistance to Zimbabwe. Fiji would be another example that I would give—and Burma, which we have been talking about tonight. So there are exceptions but, in general, where that is possible, we recognise that that is the best approach. We are also developing a new way to develop our country program strategies to ensure that the expertise and the views of all of the agencies in the Australian government have input into those processes.

The third recommendation talked about increasing the use of partner government systems in delivering aid. I have just mentioned that we are doing that a lot more. Basically that comes down to a risk management decision in many cases. In some countries where there are high levels of corruption or low levels of capacity in partner government systems, it is not an effective way to deliver aid where you have a choice between making an intervention in the

health sector through a central government system which could be very slow or cumbersome or working with the NGO community, including church groups, to actually get aid into a village to fix a particular problem. So there are assessments that you have to make.

**Senator KROGER**—Would PNG be one of those?

**Mr Baxter**—In some areas, yes. The area of HIV-AIDS I think is a good example where most of our work is done outside the government system and it proves to be effective. But, as I say, it is largely a risk management and a capability assessment process. As you would know, the overall international trend is towards doing more through partner government systems. Take a place like Afghanistan. At the recent London conference there was an agreement by donors to try and channel up to 50 per cent of aid going into Afghanistan through the Afghan government system. Our response to that as the Australian government was to say that we welcome that aspiration but we want to see a lot of improvement in the way the Afghan government system operates before that would be an appropriate way in which we could channel our aid. We are also developing a new policy and management framework to provide more guidance to staff on how to make decisions as to when it is appropriate to work through a government system and when there might be other alternatives which are more appropriate from either an effectiveness or a risk management perspective.

The fourth recommendation really related to strengthening our monitoring, evaluation and management of the aid program, particularly by publishing management responses to all major reviews conducted by the Office of Development Effectiveness—we have certainly agreed to do that—and publishing an annual program of evaluations that the Office of Development Effectiveness is going to undertake at the start of the year. We have agreed to do that and we will start that in the next financial year.

**Senator KROGER**—So that is a self-evaluation—

**Mr Baxter**—Yes.

**Senator KROGER**—of various areas within AusAID and various programs, I presume?

**Mr Baxter**—Yes. The Office of Development Effectiveness reports directly to me and is separate from the rest of the agency in that sense, and it publishes evaluations of different aspects of our program as well as publishing an annual review of development effectiveness.

The next recommendation talked about strengthening our external reporting and developing additional performance indicators in our portfolio budget statement. We have agreed to do that and agreed that we will develop additional performance indicators on a broader range of aspects of agency performance, such as the number of country programs with an approved strategy in place. Where we publish this additional information on monitoring of our performance is an issue we are still considering—whether it is in the annual report or in the portfolio budget statements. Those issues will be considered by government and a decision made. We already include a number of performance indicators in the PBS, including overall development results; outputs for specific activities, like the number of schools we have constructed in Indonesia under our education program; whether or not, under our own assessments, 75 per cent of activities achieve a satisfactory rating; and whether our strategy objectives are fully or partially achieved, but we recognise that there is a need for us to do more to improve our performance reporting.

The final recommendation talked about improving transparency and accountability for aid program expenditure. It talked about obtaining clarification from the Department of Finance and Deregulation on the way in which AusAID uses administered expenses for departmental purposes and the current approach to classifying administered expenses. It said that if the current processes are going to be continued then we should disclose in the annual report 'details of the program, role and cost of APS and locally engaged staff funded from the administered appropriation' as well as other costs like travel, accommodation, IT et cetera.

We have been working with the department of finance to develop guidance in this area, and we hope that that work will be finalised in time for implementation in the next financial year. We have been following the guidance that was released by the department of finance in 2007 as the way in which we classify administered and departmental expenses, and that has been accepted over the period since 2007 in successive audits of our financial statements, which in every year have been approved without qualification by the ANAO. It is a broader issue than AusAID, but AusAID present, I think, some unique challenges because of the way in which we have to incur expenses to deliver the aid program. Obviously, we need people and other resources to deliver the aid program. As I said, we hope that we will finalise our work with the Department of Finance and Deregulation and have a new system in place for the next financial year.

**Senator KROGER**—Thanks, Mr Baxter, for that thorough overview. In conclusion: from what I have read, there is a suggestion that AusAID will probably double by 2016, I think it was—something like that. Do you think that these recommendations, if implemented, would provide the strategic, targeted focus that is necessary to ensure that aid is most effectively delivered on the ground, as opposed to a lot of that being consumed in what is called—what is the term you used?

**Mr Baxter**—Technical assistance?

**Senator KROGER**—Technical assistance, that is it.

**Mr Baxter**—I think one of the very positive things about the ANAO report is that it has given us, if you like, a health check of some areas of our management that we need to improve. There is no question that we accept that we can improve our performance. You are right in that the trajectory of the aid program is going to be a very significant increase over the next five to six years. We have to put in place, and we are putting in place, the mechanisms that will enable the agency to ensure that that funding is not only used effectively but used in such a way that it is easy for the parliament and the Australian public to understand where the money goes, what results we have achieved with it and what the processes are by which we make decisions on the allocation of those funds. So, yes, I agree with that.

**Senator KROGER**—I am very pleased to hear it, because, as you so articulately put it, given the number of natural disasters that you have been dealing with, the stresses on the system seem to be increasing as opposed to retreating. I have further questions—shall I continue?

**Senator HEFFERNAN**—Did you eloquently read out a report that you have written that is available on the web?

**Mr Baxter**—We have responded to the ANAO recommendations, yes.

**Senator KROGER**—I will turn to the Office of the Deployable Civilian Capability that has been announced, where the government have indicated that they are going to spend \$52 million on the project. Could you just expand on that for me? Over what period of time is that \$52 million to be deployed? Do you have that information?

**Mr Baxter**—Yes. The funding is provided for five years. It is over a five-year period.

**Senator KROGER**—I understand that there was going to be a civilian force of some 500 people. Is that right?

**Mr Baxter**—Yes. There was a decision made by the government in November last year to call this new facility the Australian Civilian Corps. That is what it is known as now. The government has tasked AusAID with having register of 500 Australians built-up over time so that we have a capability to deploy up to 100 people who are part of the Australian Civilian Corps. The government has asked AusAID to have an interim capability in place by 31 March this year and to have a civilian corps fully operational by the end of this calendar year. So we have been busily preparing to meet those deadlines over the past few months since the government made the announcement to establish the civilian corps.

**Senator KROGER**—Are you actually going through the recruitment of those civilians?

**Mr Baxter**—We are. We are going through, firstly, the set-up phase of the office itself.

**Senator KROGER**—Which is out of where?

**Mr Baxter**—It sits in AusAID. The office of the Australian Civilian Corps will have 21 staff. We have staffed 16 positions so far. People who make up the office of the Australian Civilian Corps have been drawn from a number of government departments, not just AusAID. We have secondees from the Department of Defence, the Department of Prime Minister and Cabinet, the Australian Federal Police and other agencies that have capabilities that we want. They are also from the Attorney-General's Department because there will be legal issues related to deployment. So it will be very much a whole-of-government facility that will be housed in AusAID and will be deployed from AusAID.

We plan in the middle of this year to seek public expressions of interest to be part of the register. Obviously we will go through a vetting process and select the people that we want and the kind of skills base we want. The people who will be on the register will have a very broad range of skills, from people who are good at starting up a public financial management system after a disaster to people who are good at fixing a town water supply. There will be some very practical skills. Then the government will make decisions on deployments in response to either situations after conflict has ended or situations following natural disasters. They are the kind of circumstances that we would look to deploy in.

**Senator KROGER**—Will those civilians be volunteers or will they be paid?

**Mr Baxter**—They will be paid. They will be drawn from the Commonwealth public sector, the state governments, the private sector, NGOs and a whole range of areas. It is skills we are looking for rather than people from particular areas. They will be seconded formally to AusAID and therefore paid as AusAID employees when they are deployed under the civilian corps.

**Senator HEFFERNAN**—What is the hourly rate?

**Mr Baxter**—I cannot tell you that at the moment.

**Senator HEFFERNAN**—Have a guess.

**Mr Baxter**—I would not like to guess.

**Senator HEFFERNAN**—You are a cautious person.

**Senator KROGER**—Chair, do you want me to go on for a couple more minutes?

**CHAIR**—We only have about one minute left and then we are going to switch over to Austrade.

**Senator KROGER**—I have a number of questions, but I am happy to put them on notice.

**CHAIR**—Put them on notice, if you like.

**Senator KROGER**—Can I just ask one more? It is a really quick one.

**CHAIR**—Yes, you may.

**Senator KROGER**—It is in relation to the Minister for Health and Ageing and the Prime Minister announcing they were going to donate some of our swine flu vaccine to Pacific island countries. I was wondering whether that had been done.

**Mr Baxter**—I will ask my colleague, Mr Proctor, who looks after our health sector, to answer. I am certainly aware of the program.

**Mr Proctor**—To the best of my knowledge it is being done; I could not guarantee that it has been completed. It was part of a broader effort which also provided some funding through WHO and others to assist the distribution of these vaccines once they are in the country. Unless others have some knowledge of it, it might be better just to give you a quick response on notice.

**Senator KROGER**—That would be good, because I am interested to know, firstly, if they had been delivered, secondly, whether they had been taken up—because I know the take-up rate of them has been fairly slow here—and, thirdly, what the outcome of it was. It would be good to know the three aspects of that.

**Senator HEFFERNAN**—Could you give us, on notice, the pay and conditions and terms of employment of the so-called volunteers in that—

**Mr Baxter**—Of the civilian corps?

**Senator HEFFERNAN**—Yes—which includes, as you said, people drawn from the Public Service et cetera as volunteers.

**Mr Baxter**—Certainly. We will give you an answer to that.

**Senator HEFFERNAN**—How are you a volunteer if you are paid?

**Mr Baxter**—That was not a word that I used; it is not a volunteer service.

**Senator HEFFERNAN**—Would you give us the pay and conditions.

**Mr Baxter**—I will give you the process that we are going through to determine that.

**Senator HEFFERNAN**—You do not have the pay and conditions up yet?

**Mr Baxter**—Obviously it will vary, depending on where we deploy. If we deploy people—

**Senator HEFFERNAN**—Could you give us the details of the pay and conditions, wherever the deployment.

**Mr Baxter**—Okay.

**CHAIR**—Thank you, Mr Baxter, and I thank your officials for attending this evening and being of assistance to the committee. I now ask that the officials of the Australian Trade Commission and the relevant areas of the Department of Foreign Affairs and Trade come to the table.

[8.31 pm]

### **Australian Trade Commission**

**CHAIR**—Welcome, Mr Yuile, and officers of Austrade. I also welcome the return of Mr Richardson. We are going to start with Senator Heffernan and some questions on BSE.

**Senator HEFFERNAN**—Could I be informed as to what role, if any, Austrade have had in negotiations, communications and in any other matters of interest with the US and Canadian governments on the importation of beef into Australia?

**Mr Yuile**—I am not aware of any contact that we have had with the Canadian government. It would have been through the high commission, I would imagine.

**Senator HEFFERNAN**—Austrade has had no dealings at all with this decision—had no role to play, no communication?

**Mr Richardson**—DFAT does.

**Senator HEFFERNAN**—I just thought I would check to see if you blokes had a role to play. I have to say that it is the biggest ambush in the agricultural history of Australia.

**Mr Richardson**—I have some comments on BSE which I would like to make at the appropriate time.

**Senator HEFFERNAN**—The time would be as good as any now.

**CHAIR**—You might as comment now, Mr Richardson, because this stuff is going to be about BSE.

**Mr Richardson**—Thank you very much. I would like to give a statement on BSE. If you can indulge with me, it is a little long.

**CHAIR**—Proceed, Mr Richardson.

**Mr Richardson**—Really, it is against the background of the attention which has been given to the BSE issue in different Senate committees over the past week. Given the interest and involvement of DFAT in respect of BSE I would like to take this opportunity to clarify and also provide further information.

The policy rationale for the change in BSE policy is contained in various documents and submissions by departments including DFAT. The process followed in coming to the decision was a full and detailed one in which the safety of the Australian people and of our food supply, as well as animal health, were the uppermost considerations. A comprehensive range of meat industry and health stakeholders were consulted. An independent expert, Professor John Matthews—an eminent scientist with 40 years experience—provided a report indicating

that the risks to human health of a change in policy were negligible, provided the appropriate risk mitigation strategies were in place.

The report was peer reviewed and endorsed by expert scientists under the National Health and Medical Research Council. The three lead departments on the issue—the Department of Agriculture, Fisheries and Forestry; the Department of Health and Ageing; and the Department of Foreign Affairs and Trade—have worked closely together to ensure that all aspects of the change have been carefully dealt with. I believe we are on a very firm footing to proceed with a policy change on 1 March this year.

Some questions have arisen as to whether the appropriate risk assessment for beef import purposes will be carried out. The food standards authority for Australia and New Zealand—FSANZ—has indicated that it will finalise its protocols before 1 March 2010 and has confirmed that it will consult with industry in the development of those protocols. The Red Meat Advisory Council will act as the contact point for those consultations. The Food Standards Authority Australia New Zealand will undertake rigorous risk assessments on a country-by-country basis of countries that wish to export fresh beef products to Australia. In addressing fully the human health issues through the FSANZ food safety risk assessment process, the animal health issues related to BSE will also be appropriately dealt with.

The first way, through live animal imports, is not an issue as the new policy applies to the import of fresh beef and will not allow imports of live cattle from countries that have had BSE. The second way, through cattle eating fresh beef, is also not an issue because no imported beef cuts, bone meal or canned meat are fed to Australian cattle. A ban has existed against such practices in Australia for 13 years. There is no viable pathway for Australian animals to contact BSE from safe imported fresh beef, therefore a separate import risk analysis process for animal diseases is not necessary in this instance.

Aside from having to meet the requirements of a rigorous risk BSE assessment, any country wishing to export beef to Australia will need to meet all other quarantine requirements related to fresh beef imports, including strict import conditions for animal diseases such as foot and mouth. Comparisons have been made with the importation of pig meat and the question being asked is why an import risk assessment is conducted for pig meat but is not being conducted here. The answer is that we did not have existing import conditions for pig meat whereas we do for beef.

In addition, other important elements of the FSANZ risk assessments will include any animal traceability system in place in the country making an application; feeding, abattoir and surveillance practices; and the quality of the veterinary services in a country. On traceability, if Australian government authorities are not satisfied that a sufficient level of traceability exists, judged in the context of the overall import assessment, this is likely to have a strong bearing on whether a beef import application will be rejected. We expect this issue will be discussed fully in consultations between FSANZ and industry in the coming weeks. It is also important to note that in-country assessments will be carried out where necessary to ensure that the proper risk mitigation strategies are in place.

The view has also been put that this decision is driven purely by trade concerns. That is inaccurate. Trade considerations are one of a number of key issues considered in the policy

change but not the sole issue. Peak industry groups support the change, the science has moved on since 2001 when the current policy was put in place and, as shown by Professor Mathews' report, the policy can be changed while assuring a very high level of safety to the Australian population.

The change will also provide assurances that Australia continues to abide by its international trade obligations. A number of trading partners complained over a long period that Australia's 2001 policy was no longer consistent with the science, the relevant international standard or Australia's WTO obligations. There was a strong risk, if the policy was not changed, of a WTO dispute challenge. Canada has already initiated action against Korea. The issues in that case are very similar to the ones we would face, and in fact Australia's current approach is more stringent than Korea's.

A WTO dispute, if lost, would have adverse ramifications for our beef export trade, currently valued at around \$5 billion. We are the second largest beef exporter in the world, supplying four per cent of the world's beef. The change in policy negates this possibility while ensuring a high level of food safety to the Australian people. We do not expect a large increase in the importation of fresh beef into Australia as a result of the policy change, given the Australian beef industry's competitive position on world markets. Historically, Australia has imported very little beef or beef product, even before the bans on BSE affected countries were put in place. For example, in 2001 beef imports from the United States were worth just \$1.6 million and from Japan just \$148,000.

**Senator HEFFERNAN**—What was the dollar worth?

**Mr Richardson**—Historically, there does not appear to be a clear relationship between the strength of the Australian dollar and imports of beef into Australia, including from the United States. Australia has imported very small quantities of beef and beef products even during periods when the Australian dollar was strong against the US dollar.

In asking for the change in policy, industry has also raised concerns regarding the possible impact of a case of BSE in Australia—

**Senator HEFFERNAN**—That's garbage.

**Mr Richardson**—which could end up in the banning of Australian beef from our shelves. This is because our WTO obligations require us not to discriminate between the way we deal with Australian products and the way we deal with imported products.

The point has been made, and it is true, that the states and territories, not the Commonwealth, have the power to enforce Australian food standards. However, the clear principle remains. It does not matter what level of government makes a decision that breaches international trade rules, Australia would still be in breach and exposed to a possible dispute. It remains that Australia would likely be in breach of its WTO obligations if it did not ban the sale of domestic beef in the event of a case of BSE in Australia. It is strongly in the interests of an export dependent country like Australia that we work within our WTO obligations. The changed policy rectifies this and removes the risk of WTO challenge which could have major consequences for Australian agriculture. At the same time the policy change will maintain the highest human health standards and the safety and integrity of Australia's food supply. That is my opening statement.

**Senator HEFFERNAN**—That is great. Who was the author of that?

**Mr Richardson**—The authors were departmental officials working on—

**Senator HEFFERNAN**—What department?

**Mr Richardson**—The Department of Foreign Affairs and Trade working with Mr Crean's office.

**Senator HEFFERNAN**—Thank you very much. That is exactly where it was driven out of. In terms of the decision to import beef into Australia where there is a substantial change of circumstance in global trade without an import risk analysis, how do you defend that?

**Mr Yeend**—I think there have been import conditions in place for beef for some period of time dealing with animal health.

**Senator HEFFERNAN**—But since that happened there has been a serious change of circumstance. We do not know whether the wasting disease that is in the deer population in Canada, which has now spread into northern America, will extend to cattle. We do not know how it spreads and we do not know what to do about it. There is a change of circumstance.

**Mr Yeend**—There are procedures in place. With respect to the import of fresh beef there are import conditions in place. They have been longstanding. There are procedures to deal with these animal health concerns. This is a policy related to the issue of the import of fresh beef and it is a human health issue. As we have made clear many times before these procedures and the change will still ensure that, in terms of both animal health and human health, there are the highest levels of measures in place to ensure—

**Senator HEFFERNAN**—I surrender on that because we will not be here all night. You could not tell us the other day what the protocols would be that would surround an application to bring beef in. When will you know that? Why will you not consult the industry? Why will you not bring it back to the parliament?

**Mr Yeend**—As we said on Friday and as you would know it is FSANZ that has responsibility for the protocols. They are being worked on at the moment. The intention is still for the protocols to come into place on 1 March. As has just been said in the statement delivered industry will be consulted in the finalising of those protocols.

**Senator HEFFERNAN**—Industry has said to me that they are going to drop their support of the government's proposition which was decided as we know at a secret meeting where they were sworn to confidentiality on 28 July last year. Professor Matthews, as you know, was given two weeks to come up with a scientific justification for this. His own report says he did not have enough time to go to all the references. He says that in the report. This is a disgrace. Anyone involved with it is a disgrace. It is an absolute hijacking of the rights of Australia's beef growers to swear the industry reps to confidentiality so that they could not talk to anyone else including the opposition or the growers they represent and then for them to be hijacked by the minister saying that this was driven out of the growers when we know there were over 30 pieces of correspondence between the Canadian government, the US government and the department of trade to try and enforce this deal. Could I ask you what are the other issues besides trade that are involved in this decision?

**Mr Yeend**—In answering that question, I would like to address some of the things that you have said, because I think they do not represent what the actual situation has been. Firstly, in terms of industry, we have made clear repeatedly to you in our written submissions and the submissions of other departments that there was and has been detailed consultation with industry. I think we have set out clearly the extent of that consultation and we have indicated that industry—

**Senator HEFFERNAN**—The consultation was on the basis that the industry representatives would not talk to the industry. Do you agree with that?

**Mr Yeend**—The—

**Senator HEFFERNAN**—And Mr Brown from the—

**Mr Yeend**—As—

**Senator HEFFERNAN**—Cattle Council requested the government present the details of this before any decisions were taken to industry at large and to the opposition, and the government refused to maintain confidentiality.

**Mr Yeend**—As has been said before, the industry consultation process was conducted by the Department of Agriculture, Fisheries and Forestry. We did not have carriage for that. There was a meeting on 28 July. I think they have provided a response to the Senate rural and regional affairs committee on this issue of confidentiality. Yes, there were some requests for confidentiality. Nevertheless, these bodies are representative—

**Senator HEFFERNAN**—This is a quaint exercise—

**Mr Yeend**—of industry. They are peak industry bodies. We have detailed all the industry bodies that have been involved. They represent their members, and, as such, when we consulted with them, as we have detailed, they wrote to the government, to Mr Burke, on two occasions requesting that the policy be reviewed with a view to changing the policy, because they had a number of concerns. Those concerns—

**Senator HEFFERNAN**—On the basis that there would be an import risk analysis.

**Mr Yeend**—There is, as we have said, a very high level—

**Senator HEFFERNAN**—There is no import risk analysis process.

**Mr Yeend**—of risk assessment taking place. I think we have tried to answer—that was your first question—

**Senator FORSHAW**—Chair, I have a point of order. I actually did not hear that answer, which was probably pretty relevant, because Senator Heffernan interrupted at the critical point. Mr Yeend, would you repeat what you just said.

**CHAIR**—Thank you, Senator Forshaw, for raising that point. The point you raise is quite correct. Senator Heffernan, we are all aware of the importance you attach to this issue, as does the government. We are going to allow you to ask questions. We simply ask and insist that you extend the same courtesy to the officials that we give to you. Let them answer the question.

**Senator HEFFERNAN**—Fair enough.

**CHAIR**—Mr Yeend, could you answer the question, please.

**Mr Yeend**—As I was saying, I started by indicating that there has been industry support for a review of the policy. In fact, in their submission to the inquiry that has been set up in the Senate rural and regional affairs committee, the industry's position in support of the policy change being reviewed against sound scientific principles has remained unchanged for four years. So that was one of the factors driving the change. Another factor was that, since the ban was put in place in 2001, the science has moved on. There have been quite significant developments in the science. Subsequent reviews have been done by the government, and it was decided, following the approach from industry, that there would be another review. That review was done by Professor Matthews. It was done within a time frame that gave—

**Senator HEFFERNAN**—Two and a half weeks.

**Mr Yeend**—sufficient time to prepare—

**Senator HEFFERNAN**—In his report he says he did not have time.

**Mr Yeend**—a very comprehensive report that found that the policy could be changed in a way that ensured that there was still negligible risk associated with the change in policy. I think we have also been very clear throughout this process that there were trade considerations. A number of our trading partners raised concerns with the current ban. They think it cannot be justified scientifically. Professor Matthews's report would seem to suggest that there is some element of truth to those concerns.

Importantly, we were in a position where we could change the policy, ensuring that there were the utmost standards to ensure food safety, human health and animal health concerns were addressed and that we could change the policy. In doing so, we were meeting industry's requests and we were changing the policy in a way that would help address the trade concerns that had been raised. As the secretary has said, at the outset there was a real risk of a WTO challenge. The consequences of a WTO challenge would be quite serious. The industry was aware of that. It made sense to change the policies to deal with and remove that risk, while at the same time doing it, as Professor Mathews had shown, in a way that caused a very, very, very low level of change to the risk from the current policy.

**Senator HEFFERNAN**—Professor Mathews's report says, 'I haven't had enough time to consider this because I haven't been able to go to all the references.' As he said, he had 2½ weeks based on risk analysis rather than precautionary principle. As I said the other day, when did you change from precautionary principle to risk analysis? What was the instrument that you used to put the ban on originally, and what is the instrument you are going to use to take the ban off?

**Mr Yeend**—Firstly, with regard to Professor Mathews, there was sufficient time for him to complete. He completed the report and submitted it to the government. In doing that, I am not aware of there being any concerns about the length of time. He is a very experienced, eminent scientist who has been working—

**Senator HEFFERNAN**—In the report he says that he was not given time to go to the full references that he could have gone too. Do you agree?

**Mr Yeend**—I am not—

**Senator HEFFERNAN**—Familiar with the report?

**Ms McCarthy**—Senator—

**Senator HEFFERNAN**—So you are familiar with the report and he is not.

**Ms McCarthy**—I am familiar with the report, but I cannot recall exactly that statement being made. What I can recall is Professor Mathews's very clear response to you on Friday, indicating that he was working from 37 years of experience in this area and also that he would not have changed the report in substance if he had had more time.

**Senator HEFFERNAN**—All of that is true, but what he did not go to was when the government decided to change from precautionary principle to risk analysis. In 2½ weeks he built a report which completely bypasses the industry, other than the industry reps, who are the mob who go to the cocktail parties. You say that the issue other than trade is that the industry wanted it. On the basis that there would be a risk import analysis done for each application, they agreed. To take up Senator Forshaw's point, on Friday the panel said there will not be an import risk analysis process. Is that right or wrong?

**Ms McCarthy**—There will not be a formal regulated import risk analysis process undertaken for animal health issues in this particular instance, because—

**Senator HEFFERNAN**—I just wanted you to confirm that, because the industry is spewing.

**Ms McCarthy**—Can I just finish what I am saying?

**Senator HEFFERNAN**—You can do whatever you like.

**Ms McCarthy**—That is because there are in place already import conditions for the import of beef into Australia. Those conditions will be revised according to which country wishes to import-export its beef into Australia. For example, if a country does get an acceptable BSE assessment from the FSANZ process and it wishes to import-export its product to Australia, then it will also need to have in place, in development with Biosecurity Australia, relevant import conditions relating to other animal diseases of quarantine interest.

**Senator HEFFERNAN**—Why can't those decisions and that protocol come back to the parliament to be tested? What is the reason for that? Every other time it does.

**Ms McCarthy**—I do not believe that the IRA process—the import risk—

**Senator HEFFERNAN**—Excuse me.

**Ms McCarthy**—I would have to refer this to DAFF.

**Senator HEFFERNAN**—Do not fall into that trap—it does. For the last eight years, the committee that I chaired looked at every import risk analysis process and tested it, sent it back, tested it and sent it back, but we are not going to do it this time. Why is that?

**Ms McCarthy**—Senator, the decision has been made by the relevant authorities that an import risk analysis—a formal, regulated import risk analysis—is not required for animal health in this instance.

**Senator HEFFERNAN**—We will see about that.

**CHAIR**—We have the answer: a decision has been made.

**Ms McCarthy**—The rigorous risk assessment that will be done by Food Standards Australia New Zealand will adequately address animal health issues with regard to BSE.

**Senator HEFFERNAN**—Let us just go to this. We were told, and Professor Mathews' report says, that in the case of a variant human outbreak—a BSE variant outbreak—if there is surgery, there is no capacity known to humans to sterilise instruments at the present time; they have to be destroyed. I asked the question the other day—not to you personally, but the panel bypassed it: 'What happens in an abattoir, when you have blood and guts and everything all over the place, if you kill an animal that has BSE?' As you know, there is no such thing as a BSE-free herd and there is no such thing as a BSE-free region, because there is no such thing as a live test for BSE. The only time you know they have it is when they are dead. How do you decontaminate an abattoir if they have killed a BSE animal?

We have not got enough vets in Australia to supervise our own industry. We—the government—attempted to take off the 40 per cent subsidy on quarantine inspections here because we could not afford it, yet we are saying that we are going to go over and supervise, with our people, quarantine in all these places. There is no national livestock identification. Last Friday you confirmed, Ms McCarthy, that there will not be the need for a national livestock identification requirement of equivalence in the countries that want to export to Australia. Why is that?

**Mr Yeend**—Senator, the issues that you are raising now are well beyond my capacity to answer as an officer of the Department of Foreign Affairs and Trade.

**Senator HEFFERNAN**—Thank you very much. I am aware of that, but the difficulty for me is that we were here the other day and the Health guy would say, 'Well, that's not for me; that's for that bloke down there,' and you have already done that today.

**Mr Yeend**—Excuse me, Senator. Today I think we have tried faithfully to—

**CHAIR**—Senator, the official has advised that he does not have the ability to answer the question. The second point is that these are health issues related to animals, not trade issues. These officials cannot be expected to answer—

**Senator HEFFERNAN**—But this decision was driven by Mr Crean's office, out of Trade.

**CHAIR**—It may have been.

**Senator HEFFERNAN**—It was driven by there; there is a plethora of correspondence to that effect, which is in camera.

**CHAIR**—That may be the case, but the official has advised that he does not have the ability to answer your question. If he cannot answer, he cannot answer.

**Senator HEFFERNAN**—But I have to say that Mr Richardson raised this in a lengthy statement.

**CHAIR**—He did.

**Senator HEFFERNAN**—Why make the statement unless you can answer the questions that the statement raises?

**Mr Richardson**—Chair, I might add that the advice of the relevant departments here has been unchanged for some years. In fact, they first made recommendations along these lines a few years back.

**Senator HEFFERNAN**—They did indeed, Mr Richardson. In 2005, I knocked it on the head in a meeting for Sydney airport.

**Mr Richardson**—That is right.

**Senator HEFFERNAN**—We are going to knock it on the head again.

**Mr Richardson**—No—

**Senator HEFFERNAN**—Can I just ask—

**Senator FORSHAW**—Hang on; let him finish his statement.

**CHAIR**—We will close down if you do not want to. Do you want to close down?

**Senator HEFFERNAN**—No.

**CHAIR**—Well, let him finish his answer.

**Senator HEFFERNAN**—Righto; he is not a sook.

**Mr Richardson**—No, I am fine.

**CHAIR**—Do you have a question, Senator Heffernan?

**Senator HEFFERNAN**—I do indeed. On the question of the risk analysis: how can you determine, with no risk analysis, where the beef comes from in the licence application to import beef into Australia if there is no identification? There is a cross-border trade between Uruguay, Paraguay and Brazil; between Mexico and the United States; between Canada and the United States; and between India and God knows where else—all illegal. You say that you are going to come up with the protocols in two weeks time but you will not show them to industry and you will not show them to the parliament; you will be the font of all knowledge. You do not know what they are now, although no doubt someone is working on them. If you have not got full traceability, how the hell can you tell the status of a beast that is hanging in an abattoir if you cannot trace where it came from?

**Mr Richardson**—Traceability is an important part of it. Indeed, in my opening statement I did make the point that traceability would be an important element in that determination. If it cannot be properly traced it will not meet the test.

**Senator HEFFERNAN**—But for God's sake, Mr Richardson, why can the government or the department or the bureaucrats not test the human failure aspects of it with the practical industry, rather than the theory of a scientist—as we glowingly demonstrated with the import application success of bringing in the beef from Brazil, when there were no foot-and-mouth-free zones yet? The scientists said it was okay. There was an OIE tick on the box.

**CHAIR**—Do we have a question?

**Senator HEFFERNAN**—I just want to know how the Department of Trade could agree to something without testing it in the market, as it were. Why have you not got the courage, if necessary, to take it to the industry to test the protocols? Why is all this being done and signed up to confidentiality: 'Don't talk to the industry'? Bear in mind that 40 people—

**CHAIR**—Can we have the question please, otherwise we will close down.

**Senator HEFFERNAN**—I want to know why the industry is not allowed to have a look at the protocols before the protocols are announced?

**Mr Richardson**—Normally, as you would be aware, when government consults with industry it consults with peak bodies. That is not an unusual thing to do.

**Senator HEFFERNAN**—My difficulty is that you are saying it is going to go back to RMAC. RMAC is now run by a bloke called Justin Toohey, who, at that barbecue out here in the side yard, said to me, ‘We agreed to the confidentiality because we knew you fellas would oppose it.’ I declare an interest; I have cattle. I think that is an absolute ambush of agriculture, and I wonder why you still cannot tell us the protocols. You said you did not know them, because you had not established them, but do you know the protocols now?

**Mr Richardson**—I think I said in my statement that the protocols would be in place following industry consultation by 1 March. So by then—

**Senator HEFFERNAN**—We have got two weeks!

**CHAIR**—Order! Stop interrupting.

**Senator STEPHENS**—I think we have really exhausted this line of inquiry. I do not think that the officers can offer any other assistance.

**Senator HEFFERNAN**—I just want to go to the meat-off-the-shelves policy, which is associated with this and which Mr Richardson used in his statement. The meat-off-the-shelves policy—the excuse, besides trade; meat-off-the-shelves is one of the reasons you gave—is a furphy. If the industry really wanted to, they could have had mandatory SRM removal. SRMs are removed for 90 per cent of our exports to Korea, America and Japan already. The renderers opposed that. The industry would not do a cost-benefit analysis of mandatory SRMs, and you did not impose one on them. New Zealand refused to sign up to—and they have got the same status as us as a meat-off-the-shelves policy.

**CHAIR**—Senator Heffernan, is there a question?

**Senator HEFFERNAN**—The meat-off-the-shelves policy has got nothing to do with the Commonwealth.

**CHAIR**—Senator Heffernan, you can ask a question or I will close down now.

**Senator HEFFERNAN**—I am coming to the question.

**CHAIR**—No, you are not going to give a speech any longer.

**Senator HEFFERNAN**—I am not giving a speech.

**CHAIR**—Okay, then. The committee stands adjourned and will resume at 9.30 pm.

**Proceedings suspended from 9.09 pm to 9.09 pm**

**CHAIR**—The committee will resume now.

**Senator FERGUSON**—I think there needs to be a little more decorum taken than to say that you are going to adjourn until 9.30 pm and then saying—

**CHAIR**—We have resumed. Senator Kroger.

**Senator FERGUSON**—Hang on. I do not know why it is that every estimates at nine o'clock on a Thursday night you start to assert some authority which I do not think you have.

**CHAIR**—Do we have questions?

**Senator FERGUSON**—Yes, you do have questions, but you did say just a few minutes ago that you were going to adjourn until 9.30. We have now resumed.

**CHAIR**—We are reopening because Senator Heffernan has just left.

**Senator FERGUSON**—I request a small meeting of the committee. A short meeting.

**CHAIR**—All right, then.

**Proceedings suspended from 9.10 pm to 9.13 pm**

**CHAIR**—The committee will resume its deliberations and Senator Ferguson has some questions.

**Senator FERGUSON**—Mr Richardson, can we have a copy of your opening statement? Would you table it?

**Mr Richardson**—Certainly, Senator.

**Senator FERGUSON**—It is a lot easier than trying to find it in *Hansard*.

**Mr Richardson**—Yes, understood.

**Senator FERGUSON**—The policy change that you announced tonight, is this the first occasion on which this policy change has been announced?

**Mr Richardson**—Not tonight. I believe it has been discussed during the week, hasn't it, Tim.

**Senator FERGUSON**—I was not aware until today.

**Mr Yeend**—The announcement that the government was proceeding to make the change to policy was announced by the three relevant ministers, the minister for agriculture, the minister for health and the minister for trade, on 20 October last year.

**Senator FERGUSON**—Is tonight's statement by Mr Richardson the first time it has been clarified or did they make a similar statement?

**Mr Yeend**—No, the departments, including the Department of Foreign Affairs, have provided detailed submissions to the inquiry that has been set up by the Senate Rural and Regional Affairs Committee. Certainly DFAT has provided a detailed submission, much more detailed than the shorter statement delivered today. Given that many of the matters relate to the health portfolio and particularly the food standards authority, FSANZ, and to the department of agriculture, they have also provided detailed submissions, as have a range of industry groups in the process to this inquiry. As I tried to say tonight, very importantly, through the very extensive consultation with industry and their written submissions to the Senate inquiry, they are supportive of the policy direction that the government is taking. That has been reaffirmed through hearings through the inquiry and as recently again as this week. So the industry is supportive of the change.

**Senator FERGUSON**—One of the reasons that I raised it is that as far as I was concerned I was caught unawares by the fact that a statement about BSE was going to be made. In his defence, I think Senator Heffernan was taken unawares by the statement tonight too, which led to the discussion, if you might call it that, that took place. So that is one of the reasons. I think sometimes these if these sorts of announcements are going to be made at the commencement on a particular issue rather than a broader statement, perhaps we need a little bit of prior notice.

Chair, I want to ask a couple of questions about export market development grants before I go to a couple of other things. In 2008-09 the program had a \$50 million shortfall. The government provided an additional \$50 million in the 2009-10 budget, as I understand it, and backdated it to cover that shortfall. Correct me if I am making any statements that are not true. The 2009-10 budget also contained a separate \$50 million for EMDG but that only covers the additional cost of the measures taken by the government to broaden eligibility for the scheme and not the underlying shortfall. The \$50 million injection was for 2009-10 only and not for the out years. Would I be right in supposing that the EMDG scheme faces a shortfall of up to \$50 million in 2009-10 still, and \$100 million in 2010-11 and subsequent years?

**Mr Yuile**—Senator, I will invite Ian Chesterfield, who is the general manager of the EMDG program, to comment. I would say that you are correct, there was \$50 million appropriated for this year's budget according to the undertaking given by the government at the time of the election. You might recall at that time the government undertook to expand the program, to undertake a number of measures to expand and enhance the program, and it is also undertook to put \$50 million in this year's budget representing cover for those changes. What it was not aware of when it came to office is that there had not been any additional appropriation for changes made in 2006, which flowed through then into the 2006-07 grant year, which is paid in 2007-08. That is where the shortfall occurred. There was last year, you are also correct, additional money which the government made available to the scheme and that was also in the context of the fiscal stimulus package. I will ask Mr Chesterfield to comment further.

**Mr Chesterfield**—As Mr Yuile said, as part of the election commitments the government increased the budget for EMDG and the provisions for the scheme for the 2009-10 financial year and we are currently processing those claims. They injected at the end of the year extra money into the scheme to cover the shortfall in the last financial year, which was the \$50 million that was applied in the budget that year.

Moving to your question on the shortfalls: to be honest with you, we are not in a position to know what that situation looks like at this stage. We are dealing with a 15 per cent increase in claim numbers, to 5,149 claims this year, and a 20 per cent increase in claim value. But we have got a whole lot of new provisions in the scheme and we have got very late lodgement as a result of the changes, we think, that occurred up to 30 November.

**Senator Stephens**—Chair, could I just interrupt? I am sorry, but it is an extraordinary distraction having Senator Heffernan walking behind us.

**Senator HEFFERNAN**—I am leaving the room!

**CHAIR**—Perhaps you could repeat your last few comments, Mr Chesterfield.

**Mr Chesterfield**—As I was saying, there are new provisions in the scheme. We have had late lodgement associated with the scheme, which means that we have got less understanding of what is actually happening this financial year with the grants. And we had more carryover from last year that we focused on processing at the beginning of this year. So, at this stage, we are only 3,100 claims into the 5,150. To be honest with you, I cannot tell you what the likely shortfall would be in terms of quantum.

**Senator FERGUSON**—But you are sure there will be a shortfall?

**Mr Chesterfield**—I think there will be a shortfall, yes. Last year we spent \$194 million.

**Senator FERGUSON**—It is quite conceivable the shortfall could be \$100 million, isn't it?

**Mr Chesterfield**—No. I do not think so. The total value of claims this year is \$269 million, in terms of the total claimed value. Then we assess those claims and there is a difference between the amount claimed and the amount assessed. So it cannot possibly be a \$100 million shortfall this year.

**Senator FERGUSON**—How do you propose to cover the shortfall?

**Mr Chesterfield**—That is a matter for the government to decide, or it is covered by the provisions in the scheme under the first tranche and second tranche payments. The way that works is that there is a \$50,000 initial payment that is given to all recipients, if they have got that much claim value, and then the second tranche payment is paid at the end of the financial year, averaging out the money that is left over at the end of the financial year on a percentage basis to claimants that have an entitlement for the second tranche.

**Senator FERGUSON**—Has Austrade made any first tranche payments this year?

**Mr Chesterfield**—Yes. So far we have made 3,100.

**Senator FERGUSON**—What is the total value of that?

**Mr Yuile**—Senator, I think you are aware that the system that has applied over a number of years is that the government makes a determination that is called an initial payment ceiling, which it makes in advance of the financial year. That, as Mr Chesterfield said, is \$40,000, \$50,000 or \$60,000, and so claims up to that amount obviously are fully paid.

**Senator FERGUSON**—This year are your first tranche payments all \$50,000?

**Mr Yuile**—No. It is up to \$50,000.

**Mr Chesterfield**—The amount that we have paid so far is \$113.01 million, as at last week.

**Senator FERGUSON**—What was the total budget—\$269 million, did you say?

**Mr Chesterfield**—No. That is the total claimed value.

**Senator FERGUSON**—So what is your budgeted amount?

**Mr Chesterfield**—It is \$200.4 million, including administration expenses of five per cent, which amounts to \$10.2 million.

**Senator FERGUSON**—So you have got \$200 million and you have paid out 3,100. That is only the first tranche and you are up to \$113 million. It sounds as though you are going to be awfully short, doesn't it?

**Mr Yuile**—As Mr Chesterfield said, claim value is one thing, the assessed value is another.

**Senator FERGUSON**—Yes, I understand that.

**Mr Yuile**—Equally, you would not be surprised that the claims which are more straightforward are typically the ones that are paid first. The more complicated claims, requiring more assessment and more audit, are the ones which are audited and adjusted. That is a typical process and that is why you might get some early high payments but then you might have others which are lower. What Mr Chesterfield is saying is that, as a result of the changes which the government introduced in 2008, this is a new experience for us because there are additional parameters now in terms of eligibility. We do not want to be precipitous—and we are not in a position to say at this point—in saying what we think those second tranche payment will be and, therefore, what shortfalls might be involved. We need to finish that assessment work and, of course, discuss it with the minister before he makes an announcement about that in the first quarter.

**Senator FERGUSON**—Can you just repeat how many have been assessed already and how many are left—3,100?

**Mr Chesterfield**—It is 5,149 claims and, roughly—these figures are about a week old—3,100 claims that we have processed, which leaves around 2,050.

**Senator FERGUSON**—When would you hope to finalise those claims?

**Mr Chesterfield**—They will be finalised by around the middle of June.

**Senator FERGUSON**—This year?

**Mr Chesterfield**—Yes. There is a requirement to go through a process called 'balance distribution date', which is about determining that second tranche payment.

**Senator FERGUSON**—So by the next round of estimates—the first week in June I think it is—you would have a fair idea of how many remain, how many first tranche payments have been made and the value of those first tranche payments, wouldn't you?

**Mr Chesterfield**—Yes.

**Senator FERGUSON**—I think we will leave it until then. I have got quite a few other questions, but Senator Ludlum has been waiting for quite a while and I am happy to cede to him for a short burst.

**Senator LUDLAM**—I have a couple of questions that I would like to put to the Export Finance and Insurance Corporation, if they are in the room? Alternatively, people who could speak to the ACTA negotiations?

**Mr Tighe**—I am not from EFIC but I will do my best to respond to questions about EFIC if you wish.

**Senator LUDLAM**—Some of this may have to go on notice if you are not intimately involved in the workings of EFIC. Are you aware of an Oxfam report published recently

which contained some criticism of EFIC for not adequately incorporating environmental, social and human rights considerations into its funding decisions?

**Mr Tighe**—I was not aware of an Oxfam report; I was aware of one by Jubilee.

**Senator LUDLAM**—I am not sure that is the same one, but I will provide a reference for you after the hearing, if you like, so you can track it down.

There are two case studies in that report, including a very large LNG project in PNG, which has received backing from the Australian government to the tune of about ½ billion dollars via an EFIC loan—actually, the URL here does indicate that it is a Jubilee report, so we are talking about the same one. What steps have the minister or EFIC taken since the publication of that report to address any of the concerns that were raised there?

**Mr Tighe**—EFIC is also aware of the report, obviously. It would dispute some of the findings and the claims made in the report, and I think it would argue that it does have quite well-developed environmental and social policies which include public disclosure arrangements. As I understand it, that was the main sense of the criticisms in the Jubilee report.

**Senator LUDLAM**—They certainly were part of the concerns that they raised. They have also advised us that freedom of information applications have been denied to EFIC's national interest account loans to ensure that degree of transparency and accountability which you are referring to. How is the denial of those reports in keeping with those principles of good governance that I presume you are eager to uphold?

**Mr Tighe**—EFIC had complied with FOI requirements in accordance with the act and in accordance with its own act. You may or may not be aware that there is a secrecy provision within the EFIC act which relates to the fact that EFIC deals with a considerable amount of commercial-in-confidence information. Please forgive me, I am not a legal expert or an expert on EFIC. As I understand it, that provision is designed to protect the board of EFIC, which is an independent board, from the sorts of provisions that it has to meet to handle the confidential information that is provided to it by the partners with which EFIC deals in the commercial world.

**Senator LUDLAM**—If those agreements are shrouded behind commercial-in-confidence considerations, the Jubilee report has made some serious claims and criticisms of that project we are discussing at the moment. EFIC has said, 'We disagree.' How is the public to evaluate who is right in this case?

**Mr Tighe**—The points I make to you, and they will be on the public record, is that EFIC has a good record. It uses the accepted international standards when it looks at assessing environmental and social impacts. These are standards set by bodies such as the Organisation for Economic Cooperation and Development and the International Financial Corporation. It has also voluntarily joined other standards which are not mandatory for it to belong to such as the Equator Principles and the United Nations Environmental Program Finance Initiative. EFIC would argue that it complies with the accepted and authoritative international standards for assessing environmental and social impacts, and on public disclosure.

**Senator LUDLAM**—Has EFIC published any human rights impact assessments, social impact assessments or environmental impact assessments undertaken with regard to that project? Is there anything in the public domain that shows what the thinking was behind the funding of that project in particular?

**Mr Tighe**—The PNG project?

**Senator LUDLAM**—Yes.

**Mr Tighe**—My understanding is that they do comply with the disclosure requirements in the OECD and IFC standards, and that includes making publicly available the information they receive from the project participants on environmental and social impacts.

**Senator LUDLAM**—Okay, that is published. Does EFIC undertake any of its own assessments or does it rely on the proponent or the host government to undertake those for us?

**Mr Tighe**—My understanding is that it relies primarily on the information it receives from project proponents. But also, if it is dissatisfied with that, it will seek its own information or perhaps undertake its own analysis.

**Senator LUDLAM**—Have you done so or has EFIC done so in this case? The project sparked very serious tension and conflict in the region regarding, primarily, land access and benefit sharing agreements. In the last couple of days, I understand that five people have died in shooting incidents in project land related conflicts. What does EFIC do when a project of this scale starts to go bad?

**Mr Tighe**—My understanding of the deaths in Papua New Guinea is that the PNG police force have said that they are not related to the project. I am not sure that that is necessarily a relevant factor. In the government's assessment of these projects, it makes a requirement of EFIC that EFIC is satisfied that the environmental and social standards have been met, and it is satisfied.

**Senator LUDLAM**—Do we have any diplomatic staff on the ground to conduct our own evaluations or do we have to take the word of the PNG police force?

**Mr Tighe**—Its own assessment of the deaths in Papua New Guinea?

**Senator LUDLAM**—For example, the shooting deaths that are allegedly project related.

**Mr Tighe**—No, we would not second-guess the PNG police on that issue. It is a matter for the PNG police to investigate.

**Senator LUDLAM**—Are you aware of allegations that they are project related?

**Mr Tighe**—I have seen media reports of such, yes.

**Senator LUDLAM**—So there was a phone call to the PNG police and the agency was satisfied at that time that there was no further cause for investigation?

**Mr Tighe**—I think there was a public statement from the PNG police.

**Senator LUDLAM**—So there was no formal contact by the Australian government?

**Mr Tighe**—Not that I am aware of, no.

**Senator LUDLAM**—Really. Are there specific conditions in addition to the Australia-PNG joint understanding and the sovereign wealth fund agreement that was attached to the loan? If so, what are they and will they be made public?

**Mr Tighe**—The conditions of the loan are commercial-in-confidence. The joint understanding has been made publicly available. It refers also to other activities that the government has been running in Papua New Guinea related to our development cooperation program and our ongoing cooperation with the PNG government on a range of issue related to governance in Papua New Guinea.

**Senator LUDLAM**—Can you respond to the alleged harassment of local communities by police and security forces engaged to protect the LNG PNG project assets? What safeguards are in place, if any, to ensure that Australian loans are not contributing to conflict? You would be aware, obviously, the PNG police department is protecting this investment—it is a huge development—and they are, I suppose, alleged to be directly involved in some of the conflicts that are occurring. You do not seem to do much more than take a press release from the police department on face value, or is there more behind the scenes that we are not aware of?

**Mr Tighe**—I am sorry, Senator, but you are putting to me unsubstantiated allegations, again.

**Senator LUDLAM**—Have you done anything to substantiate them? These are fairly serious allegations.

**Mr Tighe**—To substantiate them?

**Senator LUDLAM**—Yes.

**Mr Tighe**—No, I have not done anything to substantiate them.

**Senator LUDLAM**—Not you, personally. I realise you are here in a representative capacity. Has the agency or anybody involved with the half-billion-dollar loan done anything to substantiate these very serious allegations?

**Mr Tighe**—There have been substantial assessments done of the environmental and social impacts of the project, including the impacts on landowners and they have been done—

**Senator LUDLAM**—Was that prior to start-up or since then?

**Mr Tighe**—They are ongoing.

**Senator LUDLAM**—When was the last time they were assessed?

**Mr Tighe**—I do not know. I do not have that particular piece of information with me.

**Senator LUDLAM**—The violence that I am referring to I believe has occurred within the last week or so—or not long ago; perhaps a fortnight—would you be able to undertake to find out for us, on notice if you will, when was the last time any officer or agent of the Australian government made any inquiries as to whether our half-billion-dollar loan is contributing to these sorts of impacts on the ground or whether you are completely satisfied—

**CHAIR**—Senator Ludlam, EFIC is a financing agency—

**Senator LUDLAM**—Yes.

**CHAIR**—engaged in commercial negotiations and the like, as we are all aware. You are asking now questions of things that occurred in a foreign country where the police of that country have released statements. You have asked Mr Tighe a very difficult question. I think it would be appropriate for Mr Tighe to refer that question on notice for consideration by the minister, as it clearly involves agencies other than EFIC or the department of trade. I suggest that is how we handle that.

**Senator LUDLAM**—That is all right. I am more than happy to concede that. I agree that they are very difficult questions. What I am trying to find out—and then I will close on this subject—is: what has occurred, in relation to this project specifically, by way of validation of the claims and the allegations that are being made, if any? If there is none, then that will be the answer. I am also asking about the policy—and whether that policy is under review—about what we do when significant investments on this scale run into the sorts of difficulties that this project appears to have hit.

**Mr Tighe**—As I mentioned before, there was a very substantial and comprehensive process of assessment of the environmental and social impacts of the project. That was a factor going into the government's consideration of the provision of EFIC support.

**Senator LUDLAM**—Yes. I do not see that that has any relevance whatsoever to the question that I just put to you about what happens—what validation we do post fact. I understand that the assessments took place originally and now we have shooting deaths involving security forces and what appears to be quite serious land access issues around that project. What happens when the assessments that EFIC conducts originally do not, perhaps, catch the contingencies or predict the sorts of outcomes that occur? What do you do when that starts to occur?

**Mr Tighe**—You seem to be assuming that the deaths are associated with the project.

**Senator LUDLAM**—I am acknowledging that these are allegations. I have no proof either way. I am asking whether the Australian government has done anything to validate them, either way. It appears, apart from the reading of a press release, that that has not occurred. As the chair has suggested I will ask you to take that on notice and return any information you can to us.

**CHAIR**—No; I was not suggesting that. I was suggesting that the issues of the question be referred to the minister to see if it is appropriate for the department to answer.

**Senator LUDLAM**—All right. Understood. Okay, that is a distinction that I had not made. Minister, can I put that to you? I hope that we will not get back, in a couple of weeks time, the answer that, no, it was not appropriate. If this is not the right minister to put this question to then I am hoping for a reference to the right person. I will leave it there.

**Senator FERGUSON**—I want to ask a couple of questions about our current state of play with bilateral trade agreements, if we have the right people at the desk. I particularly want to ask about our state of play with Japan trade agreements and the attitude of the new Japanese government. I do not expect to get long fragmented answers; I just want to see where we are up to because I am getting tired too.

**Mr Yuile**—Those questions are obviously appropriate for this hearing and for our colleagues at Department of Foreign Affairs and Trade. Are there other questions for Austrade?

**Senator FERGUSON**—No, the only questions I have left are to do with the FTAs.

**CHAIR**—So non-FTA staff may leave?

**Senator FERGUSON**—Non-FTA staff can go.

**Senator LUDLAM**—I have a couple of questions relating to Anti-Counterfeiting Trade Agreement—ACTA.

**Senator FERGUSON**—ACTA is under the free trade agreements.

**Senator LUDLAM**—It is, but I want to be sure we do not send those staff home.

**Mr Yuile**—I will stay in case something comes up.

**CHAIR**—Staff who are dealing with free trade agreements and the AFTA should remain and other staff can go.

**Senator FERGUSON**—I really just want an update. I am particularly interested in the attitude of the new Japanese government and their enthusiasm—or otherwise—for a free trade agreement.

**Ms Adams**—I recall at the last estimates that we did agree it would be interesting to come back next time and see how the trade policy of the new Japanese government was playing out in our FTA negotiations. You will recall that Minister Crean made a visit in October and met with other relevant ministers, including the agriculture foreign ministry and the METI minister. Minister Crean was very encouraged by those conversations. The new Japanese government were making very clear their hopes and intentions to make progress with free trade agreement negotiations that Japan is involved in. We then had the next round of negotiations, the 10th round, in Tokyo in November. On the one hand I would have to say that the new government's approach to trade policy, including FTAs, is still not totally clear. There certainly were some welcome acknowledgements in the negotiations of the government's stated commitment to concluding comprehensive high quality free trade agreements. The negotiations are proceeding on the basis that the hard market access issues will be seriously negotiated. While I cannot point to any particular—

**Senator FERGUSON**—What do you call the hard market access? Are you talking, for instance, about agriculture market access?

**Ms Adams**—Yes.

**Senator FERGUSON**—Do that first this time and worry about the others afterwards.

**Ms Adams**—We will continue to negotiate very seriously on those difficult issues so they are not being taken 'off the table', if you like.

**Senator FERGUSON**—How would you describe the progress? Is it at a snail's pace or a tortoise's pace? It is certainly not at a hare's pace, is it?

**Ms Adams**—There are different components of the negotiations. A lot of the work covers a lot of different issues and steady progress is being made on the drafting of the text of the

agreement—on some of the important issues in services and in investment areas, for example. But it would also be true to say that on agriculture market access it is very slow.

**Senator FERGUSON**—It always is with all of our trade agreements—just about.

**Ms Adams**—Yes. With these very key and important export markets that do have some high barriers to agriculture trade it is difficult for those barriers to be removed quickly.

**Senator FERGUSON**—What about updates with China? I was particularly wondering whether or not extraneous matters, such as Stern Hu cases and all of those things, where a bit of tension has developed between the two countries, have impacted at all on any negotiations with China.

**Ms Adams**—The China FTA negotiations proceed on their own path. There are similarly quite difficult market access issues within those negotiations. Other issues do not come into the FTA negotiations and the pace thereof.

**Senator FERGUSON**—Supposedly not.

**Ms Adams**—From my point of view as the negotiator, the issues in the negotiation and the progress therein are determined by the issues under negotiation themselves.

**Senator FERGUSON**—What about Korea?

**Ms Adams**—We are moving very quickly with the Korean negotiation. We have had three rounds and we are about to have the fourth round in mid-March, in just a few weeks, in Seoul. We are making very good progress on the chapter text of the agreements, which, as you know, is very important.

**Senator FERGUSON**—Are there still 31 chapters?

**Ms Adams**—I do not think it is 31. I do not have that in front of me. I think it is about 21 chapters—very comprehensive and wide ranging. So we are making very good progress. The market access negotiations are not moving quite as fast as the text negotiation, but we are very hopeful that we will be able to keep up the good progress on Korea.

**Senator FERGUSON**—Is it as difficult as Japan?

**Ms Adams**—I think it is a different situation with Korea because Korea, having negotiated big agreements with both the United States and the EU, have some templates, if you like, and they have already found ways to come to grips with the decisions that need to be taken to enter into these agreements, so there are some examples to follow; whereas Japan has not done a free trade agreement with a big agricultural exporting country before. So it is a little bit newer ground to break in Japan, if I could put it that way.

**Senator FERGUSON**—Are New Zealand attempting a free trade agreement as well with Japan, do you know?

**Ms Adams**—They have not started negotiations with Japan.

**Senator FERGUSON**—They have one with Chile, don't they?

**Ms Adams**—Yes, I believe so.

**Mr Yuile**—As do we.

**Ms Adams**—Yes, as do we.

**Senator FERGUSON**—Who do you think is going to be first over the line—or isn't that a fair question—out of Japan, China and Korea?

**Ms Adams**—On current indications I expect Korea to be concluded more quickly, although things can change in these negotiations.

**Senator FERGUSON**—I think on that positive note I might stop.

**CHAIR**—Are there any further questions on trade?

**Senator LUDLAM**—Yes, Chair. I put a couple of these questions to the representatives from Attorney-General's and they said that Foreign Affairs and Trade were the lead agencies in negotiating the anticounterfeiting trade agreement, ACTA.

**Mr Yeend**—That is correct.

**Senator LUDLAM**—Thank you for coming back, Mr Yeend; sorry we kept you up so late. Can you tell us generally what types of intellectual property rights the ACTA treaty is seeking to cover? I am just looking for a brief overview. There is not a great deal in the public domain, as you would be aware, apart from leaks. I am trying to get an idea directly from you as to what this agreement is intended to cover.

**Mr Yeend**—I would be very happy to set things out for you. This anticounterfeit trade negotiation was commenced in 2007. Australia took a decision to join the negotiations in February 2008 following an extensive consultation process with stakeholders.

It is a plurilateral negotiation involving 11 countries and the objective is to reach an agreement that will address counterfeiting and piracy issues and to strengthen international protections against commercial scale counterfeiting and piracy. These are issues of great significance. The OECD, for instance, has reported that trade in counterfeit and pirate goods is growing rapidly with an estimated \$250 billion in 2007. Certainly when we conducted the consultation process to take the decision to join the negotiations, many of the stakeholders expressed great concern at the level of counterfeiting and piracy and were supportive of Australia entering a negotiation like this, which was looking to address those issues.

Also, Senator, in your question you seemed to suggest that there is not much information out there about this negotiation. I know there has been quite a lot of media coverage suggesting that. I would like to put on the record that the Department of Foreign Affairs and Trade has taken extensive steps to consult throughout the process of negotiations. We have a lot of information on the website. We have called for submissions. There is an open position that anyone who wants to put a submission forward at any time is able to do so. We have consulted with over 100 stakeholders. We have provided quite detailed information on the DFAT website, as well as holding regular meetings with anyone who has an interest. Despite what has been in the press, suggesting that there is not a lot of information out there, I would not agree with that. A lot of information has been put forward by the department to let people know what has been happening and what the objectives of this negotiation are.

**Senator LUDLAM**—I do not want you to list the entire hundred but could you give us a brief rundown of the kinds of stakeholders—you could name a couple, if you can—your

principal stakeholders, who you consulted with and who consulted with you prior to the decision taken to join these negotiations?

**Mr Yeend**—I do not have a list but we certainly can provide that. I think in fact those submissions were placed on the DFAT website at the time we were making the decision. I can certainly provide you with the list. As I said, from those who chose to put forward in a submission—and obviously anyone with an interest in the issue was able to put forward a submission—the strong sense was that we should participate in the negotiation. I think that the Minister's portrayal has made very clear that we are just participating in the negotiation and that before there was any decision to sign up to a final agreement, there would of course be the full consultative procedures through the JSCOT processes, as with any other agreement we are planning to sign up to.

**Senator LUDLAM**—I am not sure I would call in consultative. It is a committee I sit on. The normal process of treaty making is that JSCOT gets those treaties after they have been signed and effectively we are asked to comment and just pass them—not sign necessarily but certainly negotiate. Apart from on a couple of rare occasions that I am aware of where you would really call that process consultative, we get the treaty at the end of the pipe not at the beginning.

**Mr Yeend**—That is correct—obviously, if you are on the committee. As I have said there are processes in place, as with any trade negotiation, to ensure that there is regular consultation with anyone with an interest in the issue through a range of measures, as I have already set out.

**Senator LUDLAM**—Can you tell us, without giving away the secret stuff, the balance of concern amidst those negotiations about counterfeiting? I presume you are talking about currency counterfeiting, or are there other kinds that the treaty is seeking to deal with? Most of what I have seen in the press reporting on the issue has not concentrated on that at all. It has concentrated on things like file sharing and the other side of the stuff that you were telling us about before. So how much of it is really about counterfeiting, and counterfeiting of what?

**Mr Yeend**—I probably would need to provide you some additional information on the precise kinds of counterfeiting that we are talking about. In terms of counterfeiting and piracy, what is being discussed spans a number of issues, including enforcement issues—civil enforcement, criminal enforcement, border measures and international cooperation between the parties to the agreement. They are the kinds of areas in terms of the specifics of the kinds of counterfeit and piracy issues. It is not a problem to provide you with additional information on that. I am happy to do that.

**Senator LUDLAM**—Thank you. That is great. We do not need to go into too much detail tonight. Again, some of the concerns that have been raised with me—and presumably with you or the department—as well—is that the treaty does seek some kind of binding commitments around non-commercial file sharing. You would be aware that this is reasonably topical in Australia at the moment because of the findings of the iiNet case quite recently. Is non-commercial file sharing under scrutiny in these negotiations? For our purposes, what kind of definition do you use to make the distinction between commercial and non-commercial file sharing?

**Mr Yeend**—In answering that question I would first say that, again, a lot of the press reports have been misleading. The suggestion that the level of detail that these negotiations have gone into include the discussion of draconian penalties or measures being taken to deal with file sharing is overexaggerated. Certainly the approach we have been taking into this negotiation is that we already have very high standards of protection in these areas that take the appropriate balance between the interests of copyright holders vis-a-vis users. We have our own robust system already in place and the ACTA negotiation is not going to do anything to see the space that we have to set our own policies in these areas be changed in many ways. That is certainly the strategy that we have taken to the negotiation. This negotiation is about trying to get agreement between a group of countries in a way that strengthens combating piracy and counterfeiting in the countries involved in the negotiations but also importantly in a way that we hope will see other countries, particularly in our own region, taking an interest in the negotiation.

**Senator LUDLAM**—I have two more questions, and then I will leave you be. In your opening remarks you mentioned an amount which you said counterfeiting and piracy costs. Was that to the global economy or to Australia? Can you just give us that figure again and the context in which you meant it.

**Mr Yeend**—Sure. It is an OECD report—*Magnitude of counterfeiting and piracy of tangible products*. The publication date was November 2009. The international trade in counterfeit and pirated goods is growing rapidly, with an estimated value of up to \$250 billion in 2007.

**Senator LUDLAM**—That is in US dollars presumably?

**Mr Yeend**—Yes.

**Senator LUDLAM**—Thanks for that. Finally, can you just describe to us why these negotiations are taking place outside the WIPO—the World Intellectual Property Organisation—framework? Why are they off to one side in a specific framework?

**Mr Yeend**—Australia participates very actively in WIPO negotiations, but in this instance there are a group of countries that were interested in moving more quickly to put in place a system that addresses these counterfeiting and piracy measures. I do not think that participating in ACTA in any way suggests that we do not pay attention to WIPO or indeed to the World Trade Organisation, where you have the TRIPS agreement, and we participate actively there as well. It is not dissimilar to the approach we take in other trade negotiations. Sometimes we think through bilateral or plurilateral work we can perhaps move more quickly, but at the same time we are moving in a way that is complementary to what our objectives are in the multilateral bodies as well.

**Senator LUDLAM**—Would it be an unkind suggestion to put to you that this is an attempt by the major powers—and there are some pretty serious players around the table in the ACTA negotiations—to checkmate the status of discussions in WIPO, which are moving too slowly, and to present whatever comes out of these agreements as a *fait accompli* to the rest of the world?

**Mr Yeend**—I do not think that is a fair characterisation. There are 11 participants in this negotiation. They are all equal parties. Certainly we have a very strong say in this negotiation.

As I said, a key interest we have out of the negotiation is reaching an agreement that may hold some appeal to other members or other countries and that could see the agreement grow in that way. We would see this as being complementary and assisting discussion in these areas in WIPO and other international intellectual property bodies.

**Senator LUDLAM**—Thanks very much. I am sure we will hear more about this one.

**Mr Yuile**—I understand that earlier today Senator Ian Macdonald raised some questions in relation to a press release by Ausveg regarding support for a trade exhibition which was held in Berlin. We are chasing down information on this fair and whether there were any discussions or approaches to Austrade in relation to that exhibition. In the interests of trying to respond as promptly as possible to the committee, I would like to make a couple of comments. If we have further information we will obviously pass it on.

Firstly, as far as trade and investment exhibitions, fairs and displays are concerned, typically there are many more possibilities for participation in any one year than we have resources to support, so judgments need to be made at the beginning of every year with respect to exhibitions and fairs, their likely impact and the support of broad based industry or enterprises. Secondly, in relation to horticulture, Horticulture Australia Ltd is a principal ally for us as we look at promotions and which ones we will support or get involved with if there is, again, a broad based interest. For example, in Hong Kong there is a Fruit Logistica, the same name as the fair in Berlin, which we have supported with Horticulture Australia over the last couple of years. There is clearly a track record there, but I do not know whether in relation to Ausveg there were any discussions with us with respect to the exhibition in Berlin that Senator Macdonald raised.

The third point I want to make was that in the press release, which I have just been able to get this afternoon, Ausveg spoke about industries wishing to be involved and how they needed to pay their own way in this particular event. I simply note that is the case for all our exhibitions. Industry and firms pay their own way. Clearly there is support at the exhibition, but industries pay for that engagement. They are of course eligible, if it is eligible expenditure, to apply for EMDG support. I just wanted to make those few comments in the interests of giving the committee and Senator Macdonald at least an initial response. If we have more information we will pass it on.

**CHAIR**—Thank you, Mr Yuile. Thank you, Mr Richardson and officers of the organisation, for attending all day today. Thank you, Minister.

**Committee adjourned at 10.04 pm**