



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE
LEGISLATION COMMITTEE

Reference: Consideration of Budget Estimates

THURSDAY, 6 JUNE 2002

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SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE

Thursday, 6 June 2002

Members: Senator Sandy Macdonald (*Chair*), Senator Hogg (*Deputy Chair*), Senators Bourne, Chris Evans, Ferguson and Payne

Senators in attendance: Senators Allison, Calvert, Jacinta Collins, Cook, Faulkner, Ferguson, Forshaw, Hogg, Sandy Macdonald, McKiernan and Payne

Committee met at 9.04 a.m.

FOREIGN AFFAIRS AND TRADE PORTFOLIO

Consideration resumed from 5 June.

In Attendance

Senator Abetz, Special Minister of State

Portfolio overview

Departmental Executive

Dr Alan Thomas, Deputy Secretary

Mr Doug Chester, First Assistant Secretary, Corporate Management Division

Ms Anne Hazell, Chief Finance Officer, Assistant Secretary, Finance Management Branch

Australian Trade Commission (Austrade)

Outcome 1: Australians succeeding in international business with widespread community support.

- 1.1 Awareness raising
- 1.2 Government advice and coordination
- 1.3 Services and opportunities
- 1.4 Inward investment and attraction services
- 1.5 Austrade administered grants.

Outcome 2: Australians informed about and provided access to consular, passport and immigration services in specific locations overseas.

2.1 Consular, passport and immigration services.

Peter O'Byrne, Managing Director

Margaret Lyons, Executive General Manager, Corporate

Julia Selby, Executive General Manager, Australian Operations and South Pacific

Terry O'Connor, Corporate Manager, Government, Policy and Communications

Ian Chesterfield, General Manager, Corporate Finance, Assets, Legal and Risk

Marcia Kimball, General Manager, People and Organisational Development

Erle Bourke, Corporate Manager, IT

Colin Hook, General Manager, Exporter Development

Michael Crawford, General Manager, International Business Services

Michael Vickers, Group Manager, Client Development and Ally Liaison

Lindsay Collins, Acting General Manager, Export Finance Assistance Programs

Michael Plummer, National Manager, Program Development, Export Finance Assistance Programs

Anthony Fernando, Manager, Americas Office

Peter Amey, Manager, Europe Office

Pat Stortz, Manager, South Pacific/South East Asia Offices

Jessica Ramsden Smith, Manager, Middle East Indian Ocean Office

Peter Bergman, National Manager, North East Asia Office

Greg Joffe, Corporate Adviser, Strategic Development

Department of Foreign Affairs and Trade

Output 1.1—Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity.

1.1.5 Multilateral trade negotiations

Mr Bruce Gosper, First Assistant Secretary, Office of Trade Negotiations

Mr Allan McKinnon, Special Negotiator—Agriculture

Mr Stephen Deady, Special Negotiator—Free Trade Agreements/Processed Food Market Access

1.1.6 Trade development/policy coordination and APEC

Mr Patrick Lawless, Acting First Assistant Secretary, Trade Development Division

Dr Frances Perkins, Executive Director, Economic Analytical Unit

Mr Hamish McCormick, Assistant Secretary, APEC and Regional Trade Policy Branch

Ms Ruth Adler, Assistant Secretary, Trade and Economic Analysis Branch

Mr David Garner, Director, International Economic and Finance Section, Trade and Economic Analysis Branch

Ms Angela Carey, Executive Officer, International Economic and Finance Section, Trade and Economic Analysis Branch

Mr Lachlan Crews, Executive Officer, International Economic and Finance Section, Trade and Economic Analysis Branch

Mr Charles Adamson, Executive Officer, International Economic and Finance Section, Trade and Economic Analysis Branch

Mr David MacLennan, Executive Officer, Export Credit Policy Section, Trade and Economic Analysis Branch

Mr James Bloomfield, Executive Officer, Export Credit Policy Section, Trade and Economic Analysis Branch

Mr Frank Bingham, Executive Officer, Market Information and Analysis Unit, Trade and Economic Analysis Branch

Dr Ron Wickes, Director, Trade Analysis Section, Trade and Economic Analysis Branch

Ms Lorraine Barker, Acting Assistant Secretary, Market Development and Business Liaison Branch

Mr Andrew Todd, Director, Trade Advocacy and Outreach Section, Market Development and Business Liaison Branch

Mr David Holly, Director, Information Industries and Online Access Section, Market Development and Business Liaison Branch

Mr Tim Toomey, Acting Director, Trade Liaison Section, Market Development and Business Liaison Branch

1.1.1 North Asia (including Australia–Japan Foundation, Australia–China Council, Australia–Korea Foundation)

Mr Murray McLean, First Assistant Secretary, North Asia Division

Ms Penny Richards, Assistant Secretary, North–East Asia Branch

Mr Hans Saxinger, Director, Korea Section, North–East Asia Branch

Mr James Baxter, Director, Japan Section, North–East Asia Branch

Mr Peter Rowe, Assistant Secretary, East Asia Branch

Mr Kyle Wilson, Director, China Political and External Section, East Asia Branch

Mr David McGrath, Director, China Economic and Trade Section, East Asia Branch

Ms Valerie Grey, Director, Hong Kong/Macau/Taiwan Section, East Asia Branch

1.1.2 South and South East Asia (including Australia–India Council, Australia–Indonesia Institute)

Mr Paul Grigson, Acting First Assistant Secretary, South and South East Asia Division

Dr David Engel, Director, Indonesia Section, Maritime South–East Asia Branch

Ms Kathy Klugman, Director, East Timor Section, Maritime South–East Asia Branch

Mr Graeme Lade, Director, Philippines/Malaysia/Singapore/Brunei Section, Maritime South–East Asia Branch

Dr Justin Lee, Director, Australia–Indonesia Institute

Mr Phillip Stonehouse, Acting Assistant Secretary, Mainland South–East and South Asia Branch

Ms Elizabeth Wetherell, Director, ASEAN, Burma and Cambodia Section, Mainland South–East and South Asia Branch

Mr Henry Bray, Acting Director, India and South Asia Section, Mainland South–East and South Asia Branch

Mr Jurek Juszczyk, Director, Thailand, Vietnam and Laos Section, Mainland South–East and South Asia Branch

Ms Carol Robertson, Director, Australia–India Council

1.1.3 Americas and Europe

Mr David A Ritchie, First Assistant Secretary, Americas and Europe Division

Ms Zorica McCarthy, Assistant Secretary, EU and Western Europe Branch

Mr Angus Mackenzie, Director, Western Europe Section, EU and Western Europe Branch

Ms Lucy Charlesworth, Director, EU and Institutions Section, EU and Western Europe Branch

Mr Barrie Blackburn, Executive Officer, EU and Institutions Section, EU and Western Europe Branch

Ms Leanne Cafilisch, Executive Officer, EU and Institutions Section, EU and Western Europe Branch

Ms Margaret Twomey, Assistant Secretary, Northern, Southern and Eastern Europe Branch

Mr Alex Brooking, Director, Northern, Central and Eastern Europe Section, Northern, Southern and Eastern Europe Branch

Ms Susan Allen, Executive Officer, Northern, Central and Eastern Europe Section, Northern, Southern and Eastern Europe Branch

Mr Tony Urbanski, Director, Southern Europe Section, Northern, Southern and Eastern Europe Branch

Mr Mark Fraser, Executive Officer, Southern Europe Section, Northern, Southern and Eastern Europe Branch
Dr Brendon Hammer, Assistant Secretary, Americas Branch
Mr Greg Polson, Director, United States Section, Americas Branch
Ms Sue Jorgenson, Executive Officer, United States Section, Americas Branch
Ms Cathy Raper, Director, Canada, Latin America and Caribbean Section, Americas Branch
1.1.4 South Pacific, Africa and the Middle East
Mr James Wise, First Assistant Secretary, South Pacific, Africa and Middle East Division
Mr George Atkin, Assistant Secretary, Middle East and Africa Branch
Ms Clare Birgin, Director, Middle East Section, Middle East and Africa Branch
Mr Don Cuddihy, Executive Officer, Middle East Section, Middle East and Africa Branch
Mr John Hennessy, Director, Africa Section, Middle East and Africa Branch
Mr Billy Williams, former Director, Africa Section, Middle East and Africa Branch
Mr Rohan Titus, Executive Officer, Africa Section, Middle East and Africa Branch
Mr John Oliver, Assistant Secretary, New Zealand and Papua New Guinea Branch
Ms Julie Chater, Director, New Zealand Section, New Zealand and Papua New Guinea Branch
Mr Bruce Hunt, Director, Papua New Guinea Section, New Zealand and Papua New Guinea Branch
Mr Graham Fletcher, Director, Pacific Islands Branch
Ms Anne Plunkett, Director, Pacific Regional Section, Pacific Islands Branch
Mr Rick Nimmo, Director, Pacific Bilateral Section, Pacific Islands Branch
1.1.7 International organisations, legal and environment
Dr Geoff Raby, First Assistant Secretary, International Organisations and Legal Division
Mr John Buckley, First Assistant Secretary, Ambassador for People Smuggling Issues
Mr Christopher Langman, First Assistant Secretary, Ambassador for the Environment
Mr Richard Rowe, First Assistant Secretary, Senior Legal Advisor
Mr Rod Smith, Assistant Secretary, International Organisations Branch
Mr Dominic Trindade, Assistant Secretary, Legal Branch
Mr Justin Brown, Assistant Secretary, Environment Branch
Ms Amanda Gorely, Director, International Law Section
1.1.8 Security, nuclear, disarmament and non-proliferation.
Mr Bill Paterson, First Assistant Secretary, International Security Division
Mr John Quinn, Assistant Secretary, Nuclear Policy Branch
Mr Bruce Miller, Assistant Secretary, Strategic Policy and Intelligence Branch
Mr Bernard Lynch, Acting Assistant Secretary, Arms Control and Disarmament Branch
Dr Terry Beven, Director, Nuclear Trade and Security Section, Nuclear Policy Branch
Mr John Carlson, Director General, Australian Safeguards and Non-Proliferation Office
Mr Andrew Leask, Assistant Secretary, Australian Safeguards and Non-Proliferation Office
Output 1.2—Secure government communications and security of overseas missions.
Mr Paul Tighe, First Assistant Secretary, Diplomatic Security, Information Management, and Services Division
Mr Malcolm Skelly, Assistant Secretary, Information Management Branch

Mr John Richardson, Assistant Secretary, Diplomatic Security and Services Branch
Mr Stephen Gee, Director, Security Policy and Operations Section
Output 1.3—Services to other agencies in Australia and overseas (including Parliament, state representatives, business and other organisations).

- 1.3.1 Parliament of Australia
- 1.3.2 Services to attached agencies
- 1.3.3 Services to business
- 1.3.4 Services to state governments and other agencies overseas and in Australia.

Output 1.4—Services to diplomatic and consular representatives in Australia.

- 1.4.1 Services to the diplomatic and consular corps
- 1.4.2 Provision of protection advice through liaison with the Protective Security Coordination Centre.

Ms Karina Campbell, Chief of Protocol, Assistant Secretary, Protocol Branch
Output 2.1—Consular and passport services.

- 2.1 Consular services

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division
Mr Ian Kemish, Assistant Secretary, Consular Branch
Mr Keith Gardner, Director, Consular Operations Section, Consular Branch
Mr Marc Campbell, Division Coordinator, Public Diplomacy, Consular and Passports Division

- 2.2 Passport services.

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division
Mr Bob Nash, Assistant Secretary, Passports Branch
Mr Bill Monaghan, Director, Passport Operations Section, Passports Branch
Mr John Osborne, Director, Passport Systems and Technology Section, Passports Branch

Output 3.1—Public information services and public diplomacy.

- 3.1.1 Public information and media services on Australia's foreign and trade policy
- 3.1.2 Projecting a positive image of Australia internationally

Freedom of information and archival research and clearance.

Mr Ralph Hillman, First Assistant Secretary, Public Diplomacy, Consular and Passports Division
Mr Chris DeCure, Assistant Secretary, Parliamentary and Media Liaison Branch
Mrs Victoria Owen, Assistant Secretary, Images of Australia Branch
Mr Chris Freeman, Director, Media Strategies and Internet Section, Images of Australia Branch

Output 4.1—Property management.
Mr Peter Davin, Executive Director, Overseas Property Office
Mr Kevin Nixon, Assistant Secretary, Alliance Management Branch, Overseas Property Office

Output 4.2—Contract management.
Enabling services

Items—General corporate support; human resource management and overseas conditions of service; financial and budget management; national non-secure (communication system) information technology and information management; records management; property management; executive support; training and development; evaluation and audit; internal legal and statistical services; security services.

Ms Caroline Millar, Assistant Secretary, Executive, Planning and Evaluation Branch

Ms Nicola Watts, Director, Ministerial and Executive Liaison Section

Mr Ian Biggs, Director, Corporate Planning Section

Mr Chris Marchant, Director, Evaluation and Audit Section

Ms Jemal Sharah, Executive Officer, Ministerial and Executive Liaison Section

Mr Chris Moraitis, Assistant Secretary, Staffing Branch

Ms Jane Madden, Assistant Secretary, Staff Development and Post Issues Branch

Dr Lee Kerr, Director, Management Strategy, Conduct and Coordination Section,
Corporate Management Division

Mr Richard Andrews, Director, Budget Management Section, Finance Management Branch

Mr Daniel Sloper, Executive Officer, Budget Management Section, Finance Management
Branch

Australian Agency for International Development (AusAID)

Outcome 1: Australia's national interest advanced by assistance to developing countries to reduce poverty and achieve sustainable development.

Output 1—Policy

Output 2—Program management

Administered items—Australia's aid program.

Mr Ian Anderson, Assistant Director General, Contract Services Group

Mr Bruce Davis, Director General, AusAID

Mr Scott Dawson, Deputy Director General, Asia and Corporate Resources Division

Ms Jacqueline De Lacy, Assistant Director General, Budget

Mr Paul Flanagan, Assistant Director General, Humanitarian, Multilateral and Community
Branch

Mr Mark Fleeton, Assistant Director General, Resources Branch

Ms Ali Gillies, Assistant Director General, Executive Services Group

Mr Robert Glasser, Assistant Director General, Corporate Policy Branch

Mr Peter Jensen, Director, Finance and Budget Section

Mr Alan March, Acting Assistant Director General, South Pacific Branch

Mr Titon Mitra, Acting Assistant Director General, East Asia Branch

Mr Richard Moore, Assistant Director General, Mekong, South Asia and Africa Branch

Ms Kim Murray, Budget Officer, AusAID Budget Unit

Ms Annmaree O'Keeffe, Deputy Director General, Pacific Contracts and Corporate Policy
Division

Mr Murray Proctor, Assistant Director General, Office of Review and Evaluation

Mr Charles Tapp, Deputy Director General, PNG and Global Programs Division

Mr Jason Reynolds, Manager, AusAID Budget Unit

Ms Judith Robinson, Acting Assistant Director General, Corporate Policy Branch

Australian Centre for International Agricultural Research (ACIAR)**Outcome: Agriculture in developing countries and Australia is more productive and sustainable as a result of better technologies, practices, policies and systems.**

Output group 1—Collaborative research that addresses agricultural and natural resource management problems of developing countries and Australia.

Output group 2—Trained researchers in developing countries and Australia.

Mr Michael Brown, Director, Corporate programs

Dr John Skerritt, Deputy Director, research and development programs

Mr Paul Tyrrell, Finance Manager

Department of Foreign Affairs and Trade

CHAIR—I declare open this meeting of the Senate Foreign Affairs, Defence and Trade Legislation Committee and welcome Senator Abetz, the minister representing the Ministers for Foreign Affairs and Trade, and officers from the Department of Foreign Affairs and Trade. The committee has before it the particulars of proposed expenditure for the service of the year commencing 30 June 2003 documents A and B and the portfolio budget statement for Foreign Affairs and Trade, AusAID and ACIAR. Yesterday the committee concluded its examination of Austrade and commenced its examination of DFAT trade related matters. Today the committee will examine the remainder of the Department of Foreign Affairs and Trade estimates program followed by AusAID and ACIAR.

We will complete the trade related matters and then move to questions on the portfolio overview. This will be followed by a consideration of proposed expenditure in output order commencing with suboutput 1.1.1. When written questions on notice are received, the chair will state for the record the name of the senator who submitted the questions. The questions will be forwarded to the department for an answer. The committee has resolved that the deadline for the provision of answers to questions taken on notice at these hearings will be Tuesday 11 July 2002. Minister, do you wish to make an opening statement?

Senator Abetz—No, I do not. I would like to inquire how long it is intended that we will sit today and tonight to assist in organising the witnesses.

CHAIR—We would be hopeful that we might finish before 11 p.m., but I am in the hands of my colleagues.

Senator Abetz—Senator Hogg is shaking his head. He says no, so we will be ready for a nice long day.

CHAIR—Senator Hogg says no. Well, he is a man of his word. Dr Thomas, did you have anything you wish to say?

Dr Thomas—No, not at this stage.

Senator COOK—My understanding is that the trade elements of the department are available for these estimates until about 10.30 a.m. this morning. One hopes it is sufficient time but, on a cautionary note, it may not be sufficient time for me to complete my questioning. I just register that now. Let us get to the task and see if we can.

CHAIR—I do not wish to be provocative, but you work it out with Senator Hogg. You have until 11 p.m.

Senator COOK—All I am saying is that it may not be possible to complete. There is no point in us arguing about that issue now; let us see what we can do.

Senator Abetz—Let us get on with it now and see.

Senator COOK—I was going over my notes last night. Yesterday I started by asking some overview questions, one of which was to try to get a clear idea, an apples to apples or oranges to oranges type comparison, a like-to-like comparison, on what the appropriations are for the department this year compared to last year. I think you will recall that line of questioning, Dr Thomas. Going over my notes, I am not quite sure now what the answer really is. My understanding is that there is about \$2 million less this year than last year, but that is hedged and qualified. So I ask you this question: is it possible to produce a one-page document making a like-to-like comparison so that we can clearly see what the appropriations mean for the department on a comparative basis this year to last year?

Ms Hazell—We can do that for you, Senator.

Senator COOK—Thank you very much. I also took a bit of time yesterday talking about some of the bilateral agreements and getting a sense of the department's priorities on trade initiatives. One that I omitted to refer to and that has received some publicity recently concerns New Zealand. The New Zealand Prime Minister was recently quoted as saying that she favours a common market between Australia and New Zealand. Has there been any formal approach other than the general articulation of that idea, or aspiration, and have we made any response to it?

Mr Wise—I think I got the gist of your question over the public address system as we came in. The New Zealand parliamentary committee has made a series of recommendations about the relationship. The New Zealand government has not yet responded to those recommendations. One of the recommendations was indeed that the current CER agreement be converted into an Australian-New Zealand economic community. But the New Zealand government itself has not made any announcements on that yet.

Senator COOK—What was Helen Clark referring to when she made this general comment about, as I read it, giving in-principle approval to the idea of a common market?

Mr Wise—I am not aware of the specific comment by Prime Minister Clark, but the New Zealand government has been negotiating with its Australian counterparts across a range of issues such as business law harmonisation, tax law and the like to work towards an arrangement where we do become more and more like a single market. There are obviously some areas—monetary policy clearly being one of them; questions of a shared currency—that take you into completely new territory, and there have been no discussions on that. The New Zealand itself has not made any request for such negotiations—which, of course, get you very much into the area of an economic community.

Senator COOK—So what you have been referring to is a report by a committee of some sort in the New Zealand parliament?

Mr Wise—That is right. It is a report of the Foreign Affairs, Defence and Trade committee, following an inquiry into New Zealand's economic and trade relationship with Australia. I could give you a copy of that report, Senator, if you wish me to.

Senator COOK—I would appreciate that. I seem to have mislaid my notes that were guiding my examination yesterday, but as I recall my questioning concluded at the point at which I made the observations—which I think Mr Gosper confirmed—that this creature, a free trade agreement, is a defined being within WTO rules. I think, Mr Gosper, you said that, yes, it is clearly defined, that there are differing interpretations as to how those definitions are construed but that Australia has had a consistent view of that meaning. Am I right?

Mr Gosper—Yes, Senator, I confirmed that article 24 of the GATT has provisions relating to free trade agreements. Specifically referring to article 24, paragraph 8, I noticed that there were still some differences of view within the international community about the definition of ‘substantially all trade’, the key criterion in relation to the comprehensiveness of free trade agreements.

Senator COOK—The comprehensiveness is the key feature over which there is difference.

Mr Gosper—There are many issues on which there are disagreements, but that is the key feature on which there is disagreement, yes.

Senator COOK—It is my understanding that Australia has had a consistent interpretation of what that definition means.

Mr Gosper—Yes, I understand that to be the case. We have always argued that substantially all trade must be defined in terms of the comprehensiveness of the agreement, in a qualitative sense, so that no one significant sector or potentially significant sector could be omitted from the trade negotiation.

Senator COOK—With the words ‘free trade agreement’ tripping relatively freely from official tongues these days, when we use those words do we mean them consistent with the traditional view we have had of that WTO provision?

Mr Gosper—We do.

Senator COOK—So every time I see the minister refer to a free trade agreement, am I right in believing he means a trade agreement consistent with our interpretation of the WTO definition?

Senator Abetz—What is in the minister’s mind at the time I am not sure is something that the officials can necessarily answer.

Senator COOK—The reason I ask that is to clarify what the government’s policy is.

Senator Abetz—Given that it is a policy matter, it is more appropriate for me to possibly take that on notice, as opposed to asking an official to answer. That is the only point I am seeking to make.

Senator COOK—I am asking an official what the meaning of the policy is. I am not asking an official to make policy. I am sure, as you are following the questioning, the point is a fairly simple one. We have historically had a view of what the definition means and I am simply asking if that is how it is used in official speeches and press releases.

Mr Gosper—Yes, that is the policy position.

Senator COOK—The next issue that I want to go to is the WTO round. We now have one proceeding. Mr Gosper, could you give us an update as to where the round is at and what the outlook is for the next steps leading up to Mexico?

Mr Gosper—Progress has been mixed since November last year. A good deal of progress has been made in setting up the negotiating committees and procedures for the negotiations. However, some issues have been very difficult to progress. For instance, we had difficulties over agreement on the date for the fifth ministerial conference, which has in the last few weeks been set for 10 to 14 September next year. We are still having difficulties with agreeing on a time frame for the negotiations on industrial products. That being said, we have now established eight different negotiating groups. Meetings of those groups are proceeding. We

are at the early stage, but we do have a process engaged. The minister has in the last few weeks expressed concern about the lack of engagement on the part of some major parties in these negotiations and the need for all members to help to build momentum in the negotiations. In particular, we have been concerned with issues such as steel and the US Farm Bill that is on the table. That has been somewhat distracting for members. In summary, there has been mixed progress, but much has been done by way of process and procedure for the negotiations and that has largely been settled now. People are beginning the hardest slog of working out negotiating positions and modalities.

Senator COOK—One of the threshold concerns that was picked up in the Doha declaration goes to capacity building for countries that are not sufficiently well equipped to participate in the process. That was being addressed by the WTO. Has that been resolved?

Mr Gosper—A great deal of progress has been made on that issue over the last six months. The director-general, Mr Moore, has made it a particular priority for the WTO to give attention to this issue; he has made some senior appointments to help with the issue. The WTO has established a global trust fund of some SwF17 million, which was oversubscribed by a large margin. There is work in train to actually establish a centre in Geneva which will assist those non-accredited, non-resident small members in their representations in Geneva, as part of the WTO work. There have been a number of meetings which have talked about enhanced capacity building and technical assistance for the developing countries. It is achieving a great deal of prominence and priority in the focus of developed countries. From our perspective, we have been closely supporting all that and have made our own contributions, but we keep pointing out to all members that the most important thing we can do for the least developed and developing countries is provide greater market access to the developed countries.

Senator COOK—In this hat that was passed around between the developed countries for the global trust fund, did Australia make a contribution?

Mr Gosper—For the global trust fund, we contributed \$460,000.

Senator COOK—Was that proportionate to other economies at our level of development and size?

Mr Gosper—I have not done a strict calculation, but I believe so, yes. In addition, we contributed \$500,000 to the establishment of this centre in Geneva which will assist smaller economies.

Senator COOK—That pushes our total support for capacity building close to \$A1 million?

Mr Gosper—That is right. Of course, that comes on top of the \$20-odd million—I would have to check the figures with our AusAID colleagues—that we contribute each year to trade related technical assistance.

Senator COOK—What is commonly said on the capacity-building front is that a little training goes a long way in helping emerging economies understand the processes of the WTO and confidently deal with things as basic as making an offer, for example. Have we been providing technical assistance in addition to our financial contribution?

Mr Gosper—We have been providing technical assistance through a number of means. In particular, two weeks ago, we provided a trade policy training course for African trade negotiators in South Africa, jointly with the South Africans, over four days, with 20

negotiators from South Africa and negotiators from a dozen or so other African countries. That was focused on the negotiating requirements and how they could best approach those issues.

Senator COOK—What is the most favoured designation for this round? Do we call it the ‘Doha Round’, the ‘Development Round’ or the ‘Millennium Round’?

Mr Gosper—It is known most simply as the Doha Round but also as the Doha Development Round. Most members would concede that it has a very large development dimension. I think two-thirds of the paragraphs of the declaration have references to technical assistance or capacity building or special and differential treatment, so it is heavily focused on the needs of developing countries.

Senator COOK—You made the point in passing, and I invite you to say a little more on it, that we consistently say to major economies that a development round will work if they open their markets to developing economies, particularly—I imagine this is our text—on agriculture and textiles. I see you nodding affirmatively.

Mr Gosper—Yes.

Senator COOK—Is there anything you can tell us about prospects for that message getting through and conscientiously being addressed by some of the major economies?

Mr Gosper—I think the message is understood. I think what was important in Doha, of course, was the fact that it was not just the Cairns Group arguing for agricultural trade reform, or the US for that matter, but many developing countries as well. The fact that we had so many countries signing on to the notion of elimination of export subsidies as a particular objective attests to that, and I think it is widely recognised that such additional access will need to be provided. But, of course, there is an obvious political problem in both the EU and the US in dealing with those issues, and how that will be resolved we will have to wait and see during the negotiations.

Senator COOK—Am I not right in assuming that it is extremely unlikely that there would be an outcome to the round if the development issues were not addressed?

Mr Gosper—Indeed. The development issues in broad will be a key to this round, and agriculture in particular will be a key to this round. It is very difficult to see an outcome to a major multilateral round nowadays without agriculture. It is too much at the centre for the vast majority of WTO members to imagine an outcome without a substantial outcome on agriculture.

Senator COOK—While applauding the direction this is all pointing toward, one of the possible dangers is that we may address the needs of the developing countries but leave the agricultural needs of, for example, a developed country like Australia aside. Is that a concern?

Mr Gosper—There must be some risk if the needs of developing countries are met through means that do not provide additional market access. One of the things we are concerned about at the moment is that some developing countries have been sidetracked into this notion of a development box. In other words, they are going to deal with the situation in world markets by increasing their own protection. If that were the sort of outcome of a round, that would be quite prejudicial to our interests and the interests of the multilateral trading system.

Senator COOK—What prospects does that strand of thinking have for you?

Mr Gosper—It is a substantial strand of thinking, and it is one that we are going to have to work quite hard with. There is a substantial group of countries, particularly in Africa, which

are prosecuting such an approach, and they have some support from the NGO community. Many of the NGOs are supporting them in this effort.

Senator COOK—On that subject, I understand that the Cairns Group was courting new members among developing countries.

Mr Gosper—There are 17 members of the Cairns Group. Over the last few years, the Cairns Group has had a much more vigorous outreach program than it had previously. We have sought to engage many of the developing countries, and many of them have been engaged with the Cairns Group, including as dialogue partners, if you like. For instance, Egypt, Pakistan, India and Kenya have all sought to be invited to Cairns Group ministerial meetings as special guests to engage in dialogue with the group and talk about common messages. That is quite different from the idea of membership. Those countries are not seeking membership of the group but they are seeking to have a dialogue and an alliance with the Cairns Group on agricultural issues.

Senator COOK—I understand China has been invited to be an observer at Cairns Group meetings.

Mr Gosper—Yes, Senator. We have made that approach.

Senator COOK—Have they accepted?

Mr Gosper—Not at this point.

Senator COOK—Just before I go to the next heading, stepping back one degree, in the minister's Trade outcomes and objectives statement 2002, there occurs the sentence on page 7:

Global interest in FTAs has been motivated by a range of factors, including a desire to gain maximum short-term benefits in advance of the WTO Round, an attempt to capture strategic advantages by establishing closer links between particular countries, and an interest in trialling liberalisation in a smaller, more comfortable environment than the multilateral one.

What significance should I place on that remark? The comment is that one of the arguments for FTAs is that it provides a trialling liberalisation. The part of that that I want to particularly emphasise and talk about is the phrase 'in a smaller more comfortable environment than the multilateral one'.

Mr Gosper—I think that is just a general observation about trends in negotiation of FTAs over the last couple of decades in various parts of the world. It is an established feature of these FTAs. They normally involve relationships with close neighbours with whom we already have substantial economic relationships.

Senator COOK—That does not suggest that we do not feel comfortable in a multilateral environment?

Mr Gosper—As I say, it is a general observation.

Senator COOK—And it does not suggest that we have a preference for bilateral trade negotiation over multilateral negotiation?

Mr Gosper—It does not, no.

Senator COOK—So, if I read it that way, I would be wrong?

Mr Gosper—Indeed.

Senator COOK—I have a couple of questions on the proposed Australia-US free trade agreement. Last night, in addressing a broad question on this subject, Mr Deady made the point that of course there is no agreement yet for a free trade agreement. My understanding of the state of play at the present time—and I seek correction if I am wrong—is that Australia has made an approach for a free trade agreement, that the United States have responded sympathetically to the idea but, at this point, have not adopted the principle of an FTA between Australia and the United States. Is that a fair representation of the current position?

Mr Deady—The current state of play is close to the way you have described it. Yes, we have approached the United States proposing negotiations on an FTA, and there have been a number of discussions between the Prime Minister and the President and certainly between Mr Vaile and Bob Zoellick, the USTR. From those meetings there has been agreement from the United States that officials would examine the elements of a possible FTA to report back to ministers on progress in those discussions and how we might advance that proposal. For the United States, one of the factors that constrains the administration in moving to formally commence negotiations is the fact that they still do not have trade relations authority through the Congress.

Senator COOK—That is now subject to a meeting between the two chambers of Congress?

Mr Deady—That is correct. Versions of TPA have now passed both the house and the senate and it now goes into the conference system, as they call it.

Senator COOK—That having been said, and being precise about our language here, FTAs do not of themselves depend on trade promotion authority, do they?

Mr Deady—With regard to trade relations authority, the Congress gives the administration authority to negotiate to bring back a trade agreement—whether it be a WTO agreement or a bilateral free trade agreement—and to vote yes or not up and down on the terms of the agreement, not to examine it line by line. Theoretically, the United States could negotiate multilaterally without TPA. It really depends on the attitudes of the trading partners—whether they would be prepared to negotiate with the United States on that basis. As you recall, at the beginning of the Uruguay Round, the US did not have trade promotion authority. Countries began the negotiations. It really comes at the pointy end when those negotiations finish as to whether those agreements can see the light of day without the administration having such authority.

I think that is a similar situation with free trade agreements. At the moment, the United States is negotiating with Singapore and Chile and, again, there is no trade promotion authority that covers those negotiations. If those negotiations conclude before TPA authority is granted to the administration, they could take those agreements to Congress and have them voted on by Congress. Of course, the Congress would have the right, theoretically, to go through those agreements. So, clearly, it would be a process whereby the administration would have to deal with the Congress if it wanted to get those agreements through.

I think that is the legal situation as it impacts in relation to the TPA and United States trade policy. But whether it would now, given the close scrutiny that Congress has of, and its interest in, trade agreements, it is very difficult to see the administration entering into a formal trade agreement when the TPA is, as Zoellick has said, a top priority for the administration. They do want to get it because they do think it helps them in the very negotiations in which they are engaged, in Geneva and elsewhere.

Senator COOK—I sign on absolutely to the sentiment about the importance, significance and value of the United States having TPA, because it then creates the right framework for the round and brightens the chances of concluding to quality, on time. I think you have answered my question but let me just go back and be a bit careful with it: the fact that the President does not have trade promotion authority does not preclude the negotiation of an FTA per se, does it?

Mr Deady—That is correct. They are negotiating, as I said, with Singapore. But I would add one point on that: it is the dynamic of the trade policy debate in the United States but, in the current versions of the TPA in both the House and the Senate, there are additional notification requirements that the Congress is asking for in relation to the President entering into trade negotiations, whether they be multilateral or bilateral. So I think that dynamic is a factor in US administration thinking—how this trade agenda is at the present time, while the TPA is such an issue before the Congress and such a priority for the administration.

Senator COOK—I understand the tone and the frame of mind. But President Clinton, for example, commenced a free trade agreement negotiation with, I think, Jordan, which I think is now concluded.

Mr Deady—Yes.

Senator COOK—He did so without trade promotion authority, which is an illustration of the point.

Mr Deady—Yes.

Senator COOK—So it is a tactical or strategic consideration we are talking about, not a legal requirement, that is the reason the Americans have not responded to the Australian overtures on an FTA at this stage by agreeing to it. Is that a correct view?

Mr Deady—I think it is a trade policy issue for the US administration that they have not taken the step of agreeing to actually commence negotiations with Australia.

Senator COOK—Reading the media quite recently, I note that quite a bit has been written about this issue. The most recent and best example occurred last weekend in an article in the *Weekend Australian* by Paul Kelly, at Harvard. I would like to quote this paragraph before I ask you a question. It states:

It means the US pushes globally, regionally and bilaterally. It won't be a prisoner of any format. Zoellick says that once TPA is won, the bilateral agendas can be pursued. Free trade deals with Singapore and Chile, begun under Clinton, are first. Zoellick's plan then is to seek negotiating approval for a geo-strategic package—FTAs with the Central American nations, an Arab nation, Morocco, the five nations of the Southern African Customs Union and Australia.

I am sure you are familiar with that. As I recollect, trade representative Zoellick has referred to those countries on previous occasions in public comment. Is that our understanding of how the United States ranks Australia in its list of priorities for FTAs?

Mr Deady—It is correct that Bob Zoellick has made those sorts of comments before the Congress and elsewhere in the United States. I am not sure that listing in that order indicates any particular priority. He has made the point that he is looking at the geographic spread that you talked about and developed and developing countries. I think, of that group that you have mentioned, Australia is the one developed economy that is mentioned. If you see it in those terms you get a better picture of the sort of trade policy agenda that USTR Zoellick is looking towards.

Senator COOK—If that is not the order, what do you understand is the order?

Mr Deady—We certainly have seen and have heard Bob Zoellick say that he has, as reflected in that article and also in the public comments you mentioned, a very strong interest in negotiating a bilateral free trade agreement with Australia. I certainly think that has been reflected in the discussions that he has had with Mr Vaile and the public announcements of some of those discussions and the very fact that we are engaged in this process with officials, that I mentioned last night. We are doing quite a lot of preliminary work—exploratory work admittedly; there are limits to how far we can go because of the constraints of the TPA on the administration—but that reflects very clearly the position and the attitudes of the administration towards the negotiation with Australia.

Senator COOK—I appreciate that. But the question really was: what do we understand is the order in the queue that Mr Zoellick refers to and where does Australia rank in that order?

Mr Deady—I cannot say any more other than this: if you look at what he said and the way he talks about the reason for the bilateral and multilateral negotiations—the countries that he mentions in that list and the geographic developed-developing country spread that he talks about—then if that is the trade agenda he is looking for, the one developed country that he mentions is Australia. Of those countries he mentions, take Morocco as an example. The commercial value of a trade agreement with Australia is significantly greater than with Morocco.

Senator COOK—Singapore could possibly be a developed country too, could it not?

Mr Deady—I think Singapore and Chile are in a different category as they have, as you said, already commenced negotiations with those two countries. There are particular clauses in the TPA which deal specifically with those negotiations that have already commenced—they will not be subject to some of the notification requirements that I have mentioned to you earlier.

Senator COOK—Do we understand the US approach to all of these nations? Does it intend to address them sequentially or take them altogether—that is, take them one at time in a queue or deal with them simultaneously?

Mr Deady—I cannot comment specifically on how the US will approach those negotiations. Some of them, like the FTAA negotiations, already have time lines in the process and 2005 is the aim. There are questions about those deadlines et cetera. The administration is already negotiating with Chile and Singapore and very active in Geneva. I think it does have the capacity to negotiate on several fronts and my expectation is that they will have a trade policy program that is very aggressive. I suspect they will be negotiating not sequentially but across the range of countries agreed in the regions. The pace at which each of them moves is the thing that is partly subject to the dynamics and the negotiations themselves.

Senator COOK—So I am clear on this, you said you cannot comment and then you made an overview remark but not specific comment about whether it is sequential or altogether. Is that because you do not know or because it is not appropriate to say?

Mr Deady—I think it is an issue for the US trade representative to articulate in his trade agenda, presumably after he receives the trade promotion authority, precisely what the practical way will be that they carry forward that agenda. As I say, my comment really is that, if you are talking about whether they have the capacity to do these things, yes, they clearly do, and that is how they have operated in the past.

Senator COOK—I understand that comment on capacity, but I will go back to this point one more time. As we discussed yesterday, the minister has said that quite a lot of scoping work has been done et cetera. Clearly there have been discussions between officers on the US side and on the Australian side. Scoping work suggests developing a framework of what might be involved and a framework as to the time lines involved in concluding it. So my question about whether we know the US intends to take these FTAs sequentially or altogether or part of them together and some of them differently arises because you have had direct discussion of a scoping nature with them. Have they told us what they mean or how they mean to tackle this list and where we will rank in this list?

Mr Deady—My discussions with the United States have been, not surprisingly, in relation to the Australia-US bilateral negotiations. I have not discussed at length the broader trade policy agenda that they might be pursuing. You are right, though—and this is certainly the point I was trying to make before. The fact that the comments that Bob Zoellick has made publicly about the rank and the position that Australia is mentioned in, the fact that we are the one developed country that he refers to, the fact that we have begun this exploratory work and made some solid progress in that work all reflect the priority that the United States attaches to the negotiations with Australia. We have talked in broad terms about the modalities and the framework for the negotiations, but we have not really talked precisely about time lines or any of that, given the uncertainty and sensitivities to the United States about TPA.

Senator COOK—I have here a press release from Bob Zoellick dated 23 May last year. It is a bit dated. It appears to me that it may have a typo. The press release is entitled ‘Zoellick Praises Senate Passage of Bipartisan Trade Promotion Authority Legislation’ and it congratulates the Senate. It calls on the houses to quickly conclude their negotiations. It appears to me the year is probably wrong.

Mr Deady—It looks like it.

Senator COOK—Are you aware of this press release?

Mr Deady—I have not seen that one, Senator.

Senator COOK—We will assume I am right that the year is wrong—these things happen even in the United States apparently; they happen often in Australia too. Part of the press release states—and I happy to hand you the document:

“The President needs TPA to continue promoting trade liberalization: with the ongoing Doha global trade negotiations; in the Free Trade Area of the Americas negotiations; with Free Trade Agreements pending with Chile and Singapore; and with potential FTA negotiations with Central America, Morocco, and others.

There is in his press release, which I believe to be 23 May this year, no reference at all to Australia. Why would he have left us out?

Mr Deady—I do not know why he specifically left Australia out of that one press release. You have referred to the number of occasions where he has very clearly mentioned Australia. That list that you read is shorter than the one you read before. He talks about others and very clearly Australia is that. My point remains that, within that broad trade policy framework that he has put forward, he talks about developed countries, he has talked about Australia, the fact that we have been doing this work, that we have advanced this work and that we are well placed to actually start negotiations once that decision is made I think puts us very high on the list of priorities.

Again, my discussions not only with the USTR but with a number of the other agencies in the United States—the commerce department, the department of agriculture and into the White House—indicate that there is very strong support for negotiations with Australia. There is very strong support amongst the business community in the United States for that, and there is very strong support on Capitol Hill for those negotiations. But there is the sensitivity and still the need for the Trade Promotion Authority before the administration can move to indicate to the Congress its intention to begin negotiations with particular trading partners.

Senator COOK—You were quite right to pick me up, as you did, Mr Deady. When I read the earlier list, I was reading a list that an Australian journalist had written down during an interview with Mr Zoellick. So, when he was talking to an Australian journalist, ‘Australia’ appeared at the end of the list. When he put out a press release to the American media about 10 days ago, ‘Australia’ did not appear at all. I do not want to read any great significance into it, but it just strikes me that we do not appear to be high on the American agenda.

Mr Deady—Senator, I can only repeat that I do not agree with that. I think it is very clear that the places where he has mentioned Australia are in fact quite significant. The most significant one is in his appearances before the Congress, where he has mentioned it to the relevant committees. It is also mentioned very clearly in the President’s trade policy report for 2002. They are the specific references. They are the considered representation of US trade policy, as it is articulated by the administration. I do think that does reflect—together with all the other things I have mentioned; the very fact that we are involved in these processes with the United States in exploring these elements and doing this work—the very strong interest and the priority that is given potentially to negotiations with Australia.

Senator COOK—But, having said that, it must therefore strike you as odd that Australia does not get mentioned in his press release to the American media congratulating the US Senate on the passage of the TPA?

Mr Deady—I can only say what I have said before, that I do not see that as particularly significant, given the references we have had. Mr Vaile met again with USTR Zoellick in Mexico in the last week. They had another good discussion about this, and support for negotiations with Australia is still very strong and that was stated.

Senator COOK—We have the Zoellick list. I have a copy of two documents from the United States Senate. One, dated 6 November 2001, is a bill sponsored by Senator Baucus for a US-Taiwan FTA; the other, dated 11 March 2002, is a bill sponsored by Senator Lugar for an FTA with the Philippines. Do we regard that they are also likely to be carried and constitute part of what I might call America’s interest in developing more TFAs?

Mr Deady—I think it is the administration that would, in the end, determine which negotiations proceed. There could be any number of reasons why the senators have introduced the bills in relation to those two countries in the US Senate. The nature of the US political system is such that that is a regular event. On this issue, we would look very closely at what the administration is saying publicly and saying to us privately. The work that we are doing in that area puts us in the position that I have mentioned: very well placed, we believe, to begin negotiations once the Trade Promotion Authority is through and the administration does firmly put in place its post-TPA trade agenda.

Senator COOK—Being aware of what the sensitivities are here, and trying to observe reasonable decorum, really what we are saying is that we should pay attention to the administration’s list rather than to what senators are doing?

Mr Deady—Clearly, the relationship between the administration and the Congress is critical, but the point I would make is that there is very strong support on the hill for negotiations with Australia, and there has been a number of letters written in support of such negotiations. I think Senator Baucus has also commented on the value that he would attach to an Australia-United States trade agreement. On the whole, with industry, within the administration and on the hill, there is very strong support for negotiations with Australia on an FTA.

Senator COOK—I should move on, because I think you are being quite forceful on that and I thank you for it. Yesterday, as I said, in a press conference that Minister Vaile had about outcomes from his visit to Mexico for the APEC Ministers Responsible for Trade Meeting, in his formal remarks—and this was not in response to a journalist; this was what he had formally scripted—he said:

We did have a discussion on the work that's been since our last meeting in Washington in January by officials with regard to the FTA, and there's been some significant work—

and I would like to emphasise that: 'there's been some significant work'—

done by officials in terms of scoping up some of the issues that we need to deal with, and looking at, and time frames and possibilities in terms of if we launch a negotiation, when we could reasonably expect to conclude something.

Is it possible to advise us of the outcome of the scoping up work the department has done on an FTA?

Mr Deady—I mentioned yesterday the work that we have been doing with USTR officials. That work has involved a discussion of what a trade agreement between Australia and the United States would look like, the broad areas it would cover and how we would approach the negotiations. I think that work has been very valuable for a number of reasons. Part of the experience that we have had—and I think that the United States had in their negotiations with Singapore, if I can use that example—is that when those negotiations started a lot of that work was not done because of the nature in which those announcements were made. Both Australia and the United States in their negotiations with Singapore took a while to work out what would be the structure of the agreement. We certainly had something in our minds, the United States had something in theirs, Singapore had something in theirs and they did not quite mesh. Again, using our own example with Singapore, perhaps the best illustration of that is dealing with services, which is such a key part of those negotiations. It took until midway through last year before we had agreement from Singapore that we would, in fact, pursue a negative list approach to services, which is the reverse of what we have done in the GATTs. That is, in itself, a very liberalising step by Singapore and not easily taken, but it was an example of the sort of thing that you need to get clear. You need to get those framework issues clear before you can move ahead.

Senator COOK—This is sensible preparatory work before you move into a formal round of negotiations.

Mr Deady—I agree. I think it is very important, and that is the sort of work that I have been doing with the United States. We have identified, very broadly, the chapters that we would be addressing in a free trade agreement between Australia and United States. It has not been that difficult, because we both step off largely from the same point. The United States have their NAFTA model, which has broadly become a model of modern free trade agreements. Importantly, I think, the New Zealand-Australia CER was very much the model

for that. It addressed services broadly, and it addressed competition policy in those very early days. Now these trade agreements have chapters on all of those things.

The other key thing we were very anxious to ensure with the United States was the comprehensiveness: are we both going into this looking at a comprehensive agreement? Those are the sorts of discussions we have had, and we have cleared it: yes, that is very clearly what we mean. We will certainly be looking at a chapter on agriculture right up at the front, and chapters on general trade, tariffs, goods, rules of origin, trade remedies, safeguards and those sorts of issues—and then services, investment, e-commerce and a range of things. That is what we have done. We have also talked in general terms, and I said this yesterday and I repeat again: this has not been a negotiation; there have been general discussions about what some of the elements will be within those chapters. Rules of origin were a good example. We have talked about how we have approached rules of origin in Singapore and the United States have talked about how they have approached rules of origin. So that is the sort of discussion there has been, and I think the discussions have been very useful and beneficial in the sense that, when we do begin negotiations, we will step off at a point a good way down the road. The hard negotiations are the hard negotiations, and they cannot and will not start until agreement to begin negotiations commences.

Senator COOK—That sounds like sensible preparatory work, thoroughly done and competently explained. Can you table the document for us?

Mr Deady—I cannot table the document because there is no document. We talked about this with the United States, and there is no document. At the moment they believe there is a limit to how far they can go with this, and that is the sort of thing I have discussed. We have discussed it. We have suggested that we are prepared to put some of this down, but at this point they do not see a need for that and there is no document.

Senator COOK—How does all this exist? Does it exist in cyberspace?

Mr Deady—No, it exists in the discussions we have had. There is a very clear understanding between us. There has to be that element of trust as we move forward in this process in the way these discussions proceed. We certainly have our records. We know what we have been saying to the United States. They know what we have been saying to them. But it is premature to have that sort of document. The sorts of discussions we have been having are broad framework involving identification of the chapters. If you look at the contents page of NAFTA or the contents page of the Canada-Chile agreement, you will see the sorts of things we have talked about in broad terms.

Senator COOK—We talked earlier about transparency and openness, and it is in that spirit that I asked about whether the document could be tabled. Now there is no document. It is not in cyberspace; it exists as a set of discussions, obviously, from your own notes, one imagines—and I am not going to ask you for your notes, Mr Deady, because that would be unfair. But I am getting an awful feeling about this, because my recollection is that when I asked Ken Henry, who was then in charge of the GST task force, what the records of that task force were in working up the proposal for the GST, he told me that there were no records and he had it all in his memory. I hope we are not in a situation like that. I am fairly sure we are not.

Mr Deady—We are not in that situation. The sort of work we are doing positions us very well to be in a situation where, when we do reach the stage where the Americans feel comfortable that we can start to articulate this a bit more openly or where the TPA is through

and we actually have a situation where the President of the United States has notified his intention to begin negotiations—and that in itself involves a process—we will be able to produce a document that will give a very clear indication of the broad nature of the agreement that we are looking at.

Senator COOK—I think yesterday you said that in doing the scoping work the department had consulted with industry organisations. Could you provide to us, and you can take this on notice if you wish, a list of the industry organisations who were consulted on doing the scoping work?

Mr Deady—Yes, we will take that on notice.

Senator COOK—I am now going back to this Paul Kelly report in the *Weekend Australian* last Saturday. Let me favor you with another quote from this article. The article says:

“I’d like to have Australia’s—

that is, an FTA—

set to work after we get TPA,” Zoellick says. “But we’ve got some issues we have to resolve first.” Before the negotiations begin?

Well, yes. Zoellick articulates US fears of Aussie quarantine as backdoor protection. (A possible solution being a dialogue between the technical people.)

Are you having a dialogue within the context of the work that you have done with USTR on quarantine?

Mr Deady—I am not having a dialogue with USTR directly on quarantine. In terms of that reported comment by Bob Zoellick, there certainly has been discussion about a number of these issues and about how we might be able to build confidence in advance of the negotiations commencing. In the quarantine area, I think one issue which was very high on USTR’s agenda towards the end of last year was quarantine restrictions on exporting table grapes from California to Australia. That issue has been resolved; there is a protocol in place now. That is one issue that went through the scientific and risk assessment processes in Australia and protocols were worked up.

I understand that, in fact, the first shipments from the US under that protocol will probably be this month or next month. There are quarantine issues between Australia and the United States; the United States has requests on us and we also have a number of requests on the United States. Yes, we are involved in discussions with the United States on quarantine, and that is an ongoing process. I think what has happened—partly as a result of these discussions with the United States and also growing out of the table grapes experience, in a way—is that the recognition came down on the US side that their own internal processes in relation to some of these things were not perfect and that, for example, some of the technical discussions that were going on between AFIS, their quarantine people, and the quarantine people in Australia were not filtering through to the people in the USTR, for example. So they have attempted to improve their own consultative mechanisms. That is an ongoing process and a transparent process that we are going through in Australia. There has now been put in place regular contact between embassy staff in Washington and the USTR, the USDA and AFIS to talk about the quarantine priorities on both sides. That work is ongoing and that is the sort of process, I think, that has been a very helpful one.

Senator COOK—Is that being led by the Australian Quarantine Inspection Service?

Mr Deady—Certainly Biosecurity Australia and AQIS are doing the technical work; in the embassy it is being done by people from the trade branch including officers from AFFA. On our side there is a vet in Washington and there is also an agriculture counsellor and a trade counsellor. Importantly, on the US side, again, it is those policy people from USTR, the Foreign Agricultural Service in the US Department of Agriculture and their technicians in AFIS. I think that has improved the understanding. We have made it very clear in all of those discussions that it is not about outcomes; the outcomes are science based and we certainly refute Mr Zoellick's comments in that article about backdoor protection or whatever the words were he used. They are scientifically based.

Senator COOK—Mr Kelly said in his article:

... US fears of Aussie quarantine as backdoor protection.

I do not know what Mr Zoellick said to him, but that is what he has written; that is not in quotes.

Mr Deady—They are science based assessments and the point of these discussions has been very much that they are not about outcomes; they are about improving communication, transparency and consultation.

Senator COOK—Quarantine is a hot issue in Australia. In terms of the AQIS consultations of the nature that you have described, do you know if farm organisations have been consulted about those?

Mr Deady—What I can say there is that, within the import risk assessment processes that AQIS and Biosecurity Australia are involved in, there is extensive industry consultation as part of those processes.

Senator COOK—So they would have been picked up in those consultations?

Mr Deady—Certainly, yes.

Senator COOK—All right. I want to make this clear up front: I am not suggesting this is Zoellick's position, because the way a journalist presents an interview is the art of journalism. Having put that disclaimer in, let me just go to the way it is presented here:

“I'd like to have Australia's—

that is, the FTA—

set to work after we get TPA,” Zoellick says. “But we've got some issues we have to resolve first.” Before the negotiations begin?

Well, yes. Zoellick articulates US fears of Aussie quarantine ...

That reads to me like the US is saying: before there is lift-off on a possible FTA these quarantine issues—the allegations of US fears of Aussie backdoor quarantine—have to be settled. In other words, we have to make a down payment by sorting the quarantine issue as a threshold condition before moving into an FTA. That is how that reads. Is that the position?

Mr Deady—We have made it very clear to the United States that we are not talking about outcomes. The United States understand the science based nature of these things as well. The list of priorities on both sides is about identical. They understand that we have just as many quarantine concerns with access to the United States market as they do into Australia. So we are talking about how can we, as part of a dialogue, improve communication, improve consultation and avoid situations where there are lengthy gaps in these processes because there has been some breakdown in the communication channels between the two sides. That

is an ongoing part of AQIS's work and our work in terms of these IRAs. You are relying on scientific information from the country making the requests for the import risk assessments. That is the sort of process that we are talking about—not about clearing off quarantine issues which cannot be in any way dealt with as part of FTA negotiations or any other negotiations. The science basis of those decisions is paramount.

Senator COOK—Yes. But it reads here as if we are being asked to do something on quarantine as a precommitment or a predevelopment before an FTA proper gets under way. Is that true? Are we being asked, or are we intent on doing something in this area, or not?

Mr Deady—What we are being asked to do is really what we are doing—which on the US side, if I can say so, is perhaps as much if not more a recognition of some of the breakdowns in their own domestic consultations and communications in these areas. We are asking: how can we improve that situation so that these things can be resolved appropriately with the science in the time frames that in Australia's case are very clear and very transparent? How can we improve the dialogue to make sure that process works? That is what we have been about. That is what we have been doing with the United States as part of this work whilst TPAs is before the House. It is no different from what we have always done with the United States and with other trading partners on these quarantine issues. We have formalised it through this more regular formal contact, a regular dialogue between the embassy staff and those three agencies in the United States, to improve the process. That is what we have been trying to do and have done.

Senator COOK—I understand, and I do not want to press you unreasonably, Mr Deady, but my problem is that in the Australian system it is the executive's privilege to conduct these negotiations and sign off on an outcome without recourse to parliament. This is one of those opportunities in which there can be a bit of transparency in the process. There is a great deal of interest in this thing. So please understand that that is the reason why I am taking this very carefully.

Mr Deady—Yes.

Senator COOK—I think you are assuring me that I am not going to wake up one morning and find that we are being required to make some offer on quarantine as a condition for an FTA proceeding.

Mr Deady—That is absolutely correct. We have made it crystal clear right through these discussions and as we are going through these consultations on a number of occasions. There has not been a great debate with the United States about this because they appreciate that same situation. We are not about talking scientific outcomes or deadlines on outcomes; we are about identifying more clearly the time lines for these things and the processes. Frankly, we have found in these discussions with the United States that our own time lines and IRA processes are clearer and more transparently documented than those for the US processes.

Senator COOK—Let me go to another part of the Paul Kelly article. I am not picking on Paul Kelly either because I regard him as one of Australia's most distinguished journalists. Certainly, he and Greg Sheridan are two journalists who take an international view. While I do not agree with them all the time, many things that they do say I do agree with. Kelly goes on: Farm politics will haunt this entire process and Zoellick admits that agriculture will be the toughest part of any negotiation.

This is the bit I want to focus on:

The Australian side has been told that some areas are too hard—like sugar, where the US has set its domestic price at 18c when the world price is 6c.

Have we been told that there are no-go areas in agriculture, and sugar is one of them?

Mr Deady—No, Senator.

Senator COOK—I have a high regard for Paul Kelly and I have a high regard for Bob Zoellick and, although it is not in quotation marks from Zoellick, it appears as if in talking to the journalist he is conveying this information that the Australian side has been told. You assure me that it has not?

Mr Deady—We have not been told that; in fact we have been told the very opposite. Going back to our discussions of the scoping study and the sorts of questions you ask, a critical thing for us is that we do appreciate the situation, we know how difficult the negotiations are going to be, we know how sensitive these agricultural issues will be for the United States. That is where the barriers remain for the United States.

Senator COOK—Yes. None of us are under any illusions about that.

Mr Deady—And we certainly aren't. That is why it has been so critical to clarify. We are talking comprehensive negotiations. Nothing is excluded going into the negotiations. And that has been accepted on both sides.

Senator COOK—This figure of \$4 billion to Australian GNP over 10 years which comes out of the Centre for International Economics model depends on all of our agricultural objectives being met. If we had been told that there are no-go areas, then that \$4 billion collapses to some extent.

Mr Deady—You are right. The modelling is based on full liberalisation. If there were large sectors carved out of the final outcome, then the benefits would be less. I agree with that. But, as I say, going in we are talking about a comprehensive free trade agreement.

Senator COOK—We know this is a very hard area and we know that just now the US has voted on the Farm Bill and pumped up subsidies quite dramatically—by 80 per cent, I think—to US farmers. That is not a good look for the prospects of breaking through on agriculture.

Mr Deady—The Farm Bill is a very disappointing development in United States. As Mr Gosper said earlier, it is a factor that is weighing on the negotiations in Geneva. The subsidy programs of the United States and the Farm Bill itself are not issues that would be taken up directly in bilateral FTA negotiations. The vehicle for addressing those distortions in world agricultural trade created by the Farm Bill and by the EU subsidy programs and policies—domestic support and export subsidies—is through the multilateral system.

Senator COOK—Quite so. In fact, an FTA with the United States would of itself not address the Farm Bill or the farm subsidies paid under that bill, would it?

Mr Deady—The focus on agricultural negotiations as part of bilateral negotiations would be the market access element of US agriculture.

Senator COOK—I have encountered what I regard as uninformed loose talk to the effect, 'Don't worry about the farm bill; we'll fix that up in a bilateral FTA.' The point is that that is not possible, is it?

Mr Deady—I believe that the way to address the Farm Bill and the support arrangements—in the US, the EU, Japan and elsewhere—is through multilateral negotiations in agriculture.

Senator COOK—I believe that with you, but my question is that it is not possible to address the subsidies in a bilateral FTA, is it?

Mr Deady—Not in a fundamental way. Going into the negotiations, the market access part is one pillar of that agricultural support base. One plus that we have as a result of the Doha negotiations is that we are now looking at the prospect of these bilateral negotiations with United States going ahead whilst a multilateral round is proceeding. That is significant. I do not want to exaggerate it, because that is where we do perhaps run into problems that result in some of the things you may have heard around the traps, but I think it does give us a vehicle to talk to the Americans at another level and in another way which, hopefully, will and I believe can complement those very tough negotiations that my colleagues Mr Gosper and Mr McKinnon will be involved in in Geneva.

Senator COOK—You say, ‘Not in a fundamental way.’ Really it is not in any way, is it? How do you bilaterally exempt Australia from a general subsidy that is applied to farmers? It is not possible, is it?

Mr Deady—I do not believe it is possible in a broad sense in domestic support. Certainly, going in, we appreciate the difficulties but we do not rule out these things as possible things we might want to talk about with the United States. Export subsidies are perhaps slightly different. They are not going to dismantle their export subsidy program because we ask them in a bilateral FTA negotiation. But you would be aware of commitments that were given in relation to the EEP and DEEP and some of the ‘consideration’ that might be given to markets of particular interest to Australia. On those programs in the past, the assurance with the EU on export subsidies is also something that was a specific commitment in relation to export subsidisation. I do not rule that out going into the negotiations, as an element or an arm of the framework we would be looking to.

Senator COOK—I sign on to your earlier answer that really the only way you can address the subsidies effectively is in a multilateral framework.

Mr Deady—I agree.

Senator COOK—I am sorry to keep haunting you with the Kelly article, but he makes some points that I think deserve comment. Picking up from where I left off, he goes on:

There are three lessons about agriculture that Australia should note. First, if Australia doesn’t negotiate its own FTA with the US, then other nations will and they will steal the agricultural markets we have. Just watch the Latin Americans. So that’s a negative incentive; it’s about holding our own.

It is that argument I want to dwell on for a moment because I do not believe it for a minute. We have been through the countries that the United States is negotiating bilateral FTAs with: Jordan; Vietnam, which is less than an FTA; Singapore; Chile, which could be a Latin American country; Morocco; the Southern African Customs Union; and, if Lugar and Baucus get their way, the Philippines and Taiwan. Are any of those countries capable of stealing our agricultural markets in the United States from us?

Mr Deady—There are two points to make. The first point is that Chile is an agricultural producer and a very competitive one. If it had preferential access to the United States—in wine, for example, a very strong export industry for this country—then that is a competitive advantage that Chilean wine would have over Australian wine. That is one example. They are also producers of beef and dairy but not huge producers. The second point is the FTAA. Brazil, Argentina and Uruguay are very substantial producers of agricultural products and very great competitors already with Australia. Again, if preferential access was provided to

those countries in the United States on dairy, beef and sugar, then I think Paul Kelly has a point.

Senator COOK—You do?

Mr Deady—Yes.

Senator COOK—I want to go to both the examples that you have used: Chile on wine, and Brazil, Argentina and Uruguay on other farm products in the FTAA, free trade area of the Americas. You are aware, are you not, of what the Brazilian attitude is and what the preconditions are for an FTAA?

Mr Deady—Yes.

Senator COOK—Can you tell us what they are?

Mr Deady—The Brazilians are insisting on full coverage of agriculture, going into the negotiations. I cannot give you the precise details. If the point you are making is that those negotiations are proving very difficult, then certainly they are. They are not making a great deal of progress, and the situation with Argentina of course complicates that.

Senator COOK—Brazil, as one of those key countries—and it was a key country in getting final approval to proceed with the FTAA—has laid down all over the record that it has to be comprehensive and one offer—I forget the other condition. At least, it has laid down very stringent standards that the FTAA has to meet.

Mr Deady—Yes. That is going into the negotiations. That is my understanding of it. If the point that Paul Kelly was getting to was whether there is a defensive element in agricultural access to the United States, then I do think that there is a defensive element. Already, we see an example of that with Mexico and sugar: they do have advantages and preferential access with sugar, which have come out of the NAFTA agreement. I know there is a great debate on exactly how that is going to translate—

Senator COOK—Are we going to talk about sugar access to the United States?

Mr Deady—The fact is that it is an issue.

Senator COOK—Yes. It is one of the no-go areas that is referred to in the Kelly article.

Mr Gosper—Our belief is very much that we cannot preclude the prospect of such access arrangements being negotiated into the US market. That would definitely disadvantage our producers. We cannot preclude that possibility. It is not in our hands at all. We and our producers would not want to be in the position of having lost the competitive advantage in the US market and then worrying about trying to preserve it. So it is a strong defensive element. We cannot assume that the status quo will apply if we do nothing.

CHAIR—I might interrupt you there, Senator Cook, and adjourn the meeting.

Senator COOK—I am sorry to say I still have a number of questions. I acknowledge that the department has to go, so I am happy to fold at this point, but would like an opportunity to continue my examination at some future time. I do not know what the arrangements are for a spillover.

CHAIR—There is no spillover, and the only time, if the departmental officials were to be available, would be either later tonight or some time this afternoon.

Senator COOK—I have to be honest with you and say that I do not think we will complete the rest of my questions within an hour.

CHAIR—If the officials are available, you can work out with Senator Hogg how you divide up the time—that is not a concern of mine—but do you wish to set a time for the officials to come back?

Senator COOK—Can I, through the secretariat, consult with the officials about their availability and finalise my availability and put together something that I can consult with Senator Hogg about over lunch, because I know he has a thick folio too. I need to indicate, dealing with this frankly, that we may have to talk to the party managers about additional time.

CHAIR—Certainly quite a lot of talking has gone on already, but I wish you well with the whips.

Mr Gosper—Can I quickly clarify an answer I gave earlier. Senator Cook asked whether China had been invited as an observer to the Cairns Group ministerial meeting and I replied in the affirmative. They have been invited as a guest.

CHAIR—Thank you, Mr Gosper.

Mr Lawless—Yesterday, Senator Cook asked me some questions about the TOOS. I have the answers here now. I would like to table those.

Senator COOK—Thank you indeed.

CHAIR—Thank you.

Proceedings suspended from 10.32 a.m. to 10.48 a.m.

CHAIR—Senator Hogg, I understand you have some questions of an overview nature, and then we will move on to the outputs.

Senator HOGG—What is the increase in this year's budget over last year's budget?

Ms Hazell—It is a decrease, Senator.

Dr Thomas—If you are talking about departmental profits, the full appropriation for DFAT is an increase in the next financial year of \$36.325 million. That is for departmental and administered funds allocated to us. Departmental funding itself for next year's budget is \$4 million less than in 2001-02.

Senator HOGG—I will be guided by you as to where I should go. I am a little confused about one entry. Is table 3.1 on page 57 the correct place to get an overview of what is happening within your budgets?

Ms Hazell—As we said yesterday, that is the place to get an overview of the appropriation from government and the other revenues for the department.

Senator HOGG—And that includes both departmental and administered?

Ms Hazell—No, it does not. Those figures are only departmental. You have to go to a note. Table 3.7, on page 63, is the equivalent table for administered.

Senator HOGG—That is what I thought. I note in table 3.1—and I will refer to table 3.7 as well—at the line 'Net foreign exchange gains' that the estimated actual in 2001-02, the budget estimate in 2002-03 and the estimates for the out years are all zero. If one looks further down, under the heading 'Expenses from ordinary activities' and at the line 'Net foreign exchange losses', the years 2001-02 and 2002-03 and the out years are all zero. The same seems to apply in the administered expenses as well. Is there any reason for that?

Ms Hazell—In the portfolio budget statements, we do not separately estimate for net foreign exchange gains or losses. Any estimate is netted off against the expense. The treatment in the accrual budget arrangements for net foreign exchange gains and losses is different from the treatment in the annual report for actuals under Australian accounting standards. This is the difference between what we call government financial statistics, which are based on the budget, and the Australian accounting standards.

Senator HOGG—Just taking pages 57 and 63 as examples—that is, tables 3.1 and 3.7—why do you include a line in both of those tables for either gains or losses when there is nothing to be recorded against them? Is that a reasonable assumption?

Ms Hazell—The requirement for the layout of these tables is set by the Department of Finance and Administration. That was a line item in there, even though the requirements on how we calculate the figures do not require us to have a figure in there.

Senator HOGG—It makes it difficult for me, if I want to go from here to the annual report. I did take that opportunity. I did look into the annual report and, again, I ran into the same difficulty. When I looked at performance—and I presume I am at the right place—it referred to net foreign exchange losses in 2000-01 of \$2.332 million and net foreign exchange losses in 1999-2000 of \$2.097 million, and it also referred to a note. Unfortunately, on reading the note, I found it as useless as—I will not complete the sentence but you can—and I do not know why the note was there. It would have helped if something a little more expansive had been included in the note. When it says ‘net foreign exchange losses’, is that different from what might appear in the PBS somewhere?

Ms Hazell—That figure of 2,332,000 is the net of the losses and the gains that we made during the year. In some currencies we may very well make a gain; in some currencies we make a loss. That figure in the annual report, in the actual financial statements, is the net difference between the two. If we had made, for example, a net foreign exchange gain for the year, you would have seen a line under ‘Revenues—net foreign exchange gain’.

Senator HOGG—So there was a loss in both the departmental expenses and the administered expenses, as I read the annual report for last year, in foreign exchange. Is that correct?

Ms Hazell—Yes.

Senator HOGG—Whilst there is no amount covered within the budget—and you say it is subsumed elsewhere within the budget I presume—would there be an allocation for either expected foreign exchange gains or losses for the 2002-03 financial year?

Ms Hazell—At this stage at budget time there is no allocation in our appropriation. Our adjustment for within year forex gains or losses is an adjustment process during the additional estimates process, the reason for that being it is based on the full financial year proceedings outcome.

Senator HOGG—Thank you for that. Having received that explanation, I have had the advantage of having a look at responses from DOFA in respect of questions from Senator Conroy. Senator Conroy was asking about foreign exchange risk and he received a response in respect of the 12-month supplementation for foreign exchange movements. They listed a number of departments. I can supply you with the figures if you like, but I am sure you will be familiar with them. The table across the top lists the budget 2001-02 and additional estimates 2001-02. So there is the inference there, at least, that somewhere embedded in the 2001-02 budget documentation was an amount for foreign exchange movements within the

department of foreign affairs. They list Defence, Austrade, the Australia-Japan Foundation—and I am sure that Senator Conroy in his normal rigorous style would have had a lot of other departments listed as well. Are you telling me that, whilst the answer from DOFA indicates that there was an amount of \$42.5 million embedded in the 2001-02 budget, there is no amount embedded within the 2002-03 budget?

Ms Hazell—To clarify, I was talking about within year forex adjustments not yet in the budget. We also receive another parameter adjustment for foreign exchange which is called ‘foreign exchange rebasing’. It reflects the difference in purchasing power between one year and the next depending on movements in what they call the budget exchange rate, which is set by the Department of the Treasury. If the Australian dollar appreciates against overseas currencies, that adjustment would obviously be downwards because our purchasing power has improved, and vice versa the same: if the dollar depreciates we get an upward adjustment to maintain our purchasing power. That adjustment is in the PBS; it is an adjustment to our base for each year and it goes through automatically like that. The within year forex adjustment is a lagged adjustment that comes through at additional estimates and it is for the movement in currency during the year.

Senator HOGG—I accept that. In their advice to Senator Conroy, DOFA indicated that at the additional estimates last year—for 2001-02—there was \$9.8 million. I can understand that, that is supplementation; but, as I said, they already indicated that there was a figure of \$42.5 million in the 2001-02 budget, which they added up to be a total of \$52.3 million for supplementation last year. I understand how there will be movements in the figures during this year, and I would expect that there will be figures when it comes to the additional estimates, but my recollection is that at the additional estimates last year that figure of \$9.8 million was not evident in the documentation that was presented under the foreign affairs additional estimates statement. What I am trying to get, Ms Hazell, is some sort of understanding—and I accept what you are saying—as to where the amount is, or if there is an amount, in this year’s PBS for foreign exchange movements. Where is it? Can I identify it? It is not an insignificant amount. I am wondering also whether that amount occurred last year. I could not find the figures in the annual report. The net figure in the annual report was \$2 million, and I think it was \$190,000 in the administered expenses. Those line items in the annual report did not in any way, to me, reflect the movement in currency. It just seems that, for greater transparency, there is a need to have those figures fleshed out in the 2002-03 figures so that we can check where the movements have gone in the next financial year.

Ms Hazell—It might be easier if I provide on notice a detailed list of the adjustments on foreign exchange. They are included in the ‘Revenues from government’ line in table 3.1.

Senator HOGG—Where in the ‘Revenues from government’ line?

Ms Hazell—Where it says \$681,995 million. They are included in there. Some of the figures that I think Senator Conroy has received in answer to his question on notice include ongoing base adjustments, because each year, as foreign exchange rebasing is applied, it is not just applied to the next year but applied to all the out years. So I will need to go back through two or three years to get you a consolidated figure.

Senator HOGG—All right. Can you take that on notice and give me the figures for the last three years? Also, are you in a position now to tell me how much out of the \$681 million or thereabouts in table 3.1 and—I do not know where one would find it in table 3.7—

Ms Hazell—We do not receive foreign exchange supplementation for administered appropriations as a matter of course. If there is a foreign exchange movement in administered appropriations, either it is reflected in increased appropriation or we need to go to the Advance to the Finance Minister during the year.

Senator HOGG—Are you in a position to indicate how much of that \$681 million is allocated for foreign exchange movements this year?

Ms Hazell—Technically, none of that amount at this stage is allocated for foreign exchange movements. This is the issue between forex rebasing to maintain purchasing power and within year foreign exchange movements. At this stage, we do not have an amount in that appropriation for within year foreign exchange movement. What I was offering to provide on notice was details of the adjustments to our base to retain our purchasing power over the last three years.

Senator HOGG—I know this is a question that you are not able to answer because it was an answer supplied by another department, but it seems curious that, in their answer to Senator Conroy, they indicated there was an amount of \$42.5 million for supplementation for movements in the 2001-02 year and, then, in the additional estimates a further \$9.8 million. I understand the undertakings you have given me; it is just that when I look at another portfolio budget statement that I have a little familiarity with—and they say familiarity breeds contempt—I could at least see the movements for foreign exchange in the Defence budget. But that is not apparent in your documentation. As I say, DOFA have responded in the sense that they have indicated an amount they consider embedded in your budget, and I know that is their answer, but I am concerned as to why you do not consider that amount embedded in your budget in the same way they do.

Ms Hazell—There is an amount embedded in our budget; it depends how you define it. The reason for taking the question on notice is that I wish to double-check the figures—because they go back a number of years and I do not have those figures there—and then I can show you what component reflects the change in our purchasing power over the years. But I cannot comment on the accuracy of that figure right now; I do not have all the documentation with me.

Senator HOGG—For your benefit, I can tell you—and I can give you photocopies of these if you like—that it was question on notice No. F11 in the Senate Finance and Public Administration Legislation Committee. The other question was question No. F12. One related to the period 2001-02 and the other related to the period 2000-01. So you are not even able to give me some expectation as to whether the amount you are looking at this year is in the order of the \$42 million that it was in the previous years?

Ms Hazell—I think it is, but I need to check it.

Senator HOGG—I accept that, but you work with figures of that order in your supplementation in terms of exchange movements.

Ms Hazell—Yes. The forex rebasing, though, is only adjusted year by year, and the adjustments you may incur from one year to the next are not normally of that order. You will see much smaller movements as the dollar moves.

Senator HOGG—Given that there are movements in foreign exchange and given that you report those movements in the annual report, in the interests of transparency and ease of people such as me, why wouldn't you also try to isolate those figures in the PBS when it is put out? I am not asking Foreign Affairs to become currency speculators and to try to predict

what will happen with currencies to any great extent over the next 12 months, but in terms of transparency it seems to me that it makes it a heck of a lot easier for us if you have the line item and you identify it there because, in turn, you then identify it in the annual report. As I say, the figures in the annual report do not bear any resemblance to the figures given by DOFA in another hearing.

Ms Hazell—The figures in the annual report reflect the actual foreign exchange losses. Given that we receive supplementation for some of the foreign exchange movements, it would be expected that the figure we show as a loss or a gain is not the same.

Senator HOGG—How much supplementation do you receive? Is that the difference between what you receive by way of supplementation and the actual losses you have borne?

Ms Hazell—That is basically it. This is the difference between the supplementation or the appropriation we have received and the amount of expense that we have relating to foreign exchange losses—in other words, losses over and above what we were given supplementation for.

Senator HOGG—But we as a committee or as a parliament see the difference; we do not see the figure of what you budgeted to lose and what you were given supplementation for—or it could be the other way around, what you budgeted to gain and what you actually gained, in which case you could have overstepped the mark in estimating. I presume under those circumstances you would have to hand back.

Ms Hazell—Yes. If we do not require the funds for foreign exchange losses and we make a gain instead, we do hand it back. Some of the foreign exchange variations are detailed in the additional estimates statements. When there are changes made at additional estimates for foreign exchange, they are set out there as the variations and what they are for.

Senator HOGG—All right. I still come back to the question I raised: is there a reason why that could not be included within the PBS when it is tabled such that people like me, when we want to try and track these things, can go down the path to see what has happened?

Ms Hazell—I will take that on notice and see whether we can provide a table in the portfolio budget submission similar to that which we provide in the additional estimates statements. As I understand it, due to the way the budget arrangements are set up, there is no scope to amend table 3.1. It would have to be some information additional to that table.

Senator HOGG—If it is there and it has been put there for a very good reason, it just seems natural that it have an amount against it such that we could make some sense of what you are doing.

Senator FAULKNER—Could I ask the department for a brief overview of its involvement in countering people-smuggling.

Dr Raby—Our involvement in countering people-smuggling has been focused mainly on the international or foreign policy dimensions of the issue. It is very wide ranging. We also meet, and have met for some time, regularly with the Department of Immigration and Multicultural and Indigenous Affairs. Also, as I have explained on previous occasions, during the *Tampa* and post *Tampa* events we participated in the PM&C IDC and led the DFAT *Tampa* task force. Our involvement, though, obviously continues heavily on the foreign policy aspects.

We also led on the organisation of the very successful recent Bali Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime.

Since Bali we have been active in trying to raise the issue of people-smuggling in other international fora, including in relevant UN bodies. There may be other aspects. The department has appointed an ambassador for people-smuggling issues who is heavily engaged in the post Bali conference follow-up.

Senator FAULKNER—Is the ambassador based in Canberra?

Dr Raby—Yes. He is part of my division.

Senator FAULKNER—As you rightly say, some of the issues in relation to the *Tampa* and post *Tampa* events have been covered in other fora, so I do not want to cover them again today. I was interested in your mentioning your involvement with the Department of Immigration and Multicultural and Indigenous Affairs. Could you briefly outline what the nature of that has been and how that is organised on an ongoing basis?

Dr Raby—It is at a number of different levels, as you would probably imagine. There is a formal, regular meeting at the deputy secretary level. I should say that relations with Immigration go well beyond just people-smuggling. There are major issues of property overseas and overseas post management—DIMIA has a big number of officers posted in missions around the world. These formal meetings deal with a number of issues in addition to people-smuggling. Below that regular, formal contact there is ongoing contact at the officer or desk level on the whole range of issues. We would always consult with them and vice versa on the international dimensions of this issue.

Senator FAULKNER—Who would the desk officers be reporting to, though, on this issue? I do appreciate the point you make that you have broader involvement with Immigration. I am just focusing on countering people-smuggling.

Dr Raby—The desk officers on this issue report to me through my colleague Rod Smith, who is the head of the International Organisations Branch. We have a section in my division which deals with people-smuggling, illegal immigration and refugee matters.

Senator FAULKNER—Where are the inputs there coming from—from posts and so forth?

Dr Raby—Posts are the normal course of information.

Senator FAULKNER—Of course, you also have the activity in the posts themselves, haven't you?

Dr Raby—Yes, indeed.

Senator FAULKNER—I would like to explore in more detail the role the Jakarta post has in this. You can explain to me whether it is best to do this now or in one of the outputs. I will seek your guidance on that so we can perhaps save time.

Dr Raby—I would be guided by Dr Thomas on that.

Dr Thomas—We can do that now.

Senator FAULKNER—I would be interested, in the first instance, in understanding how countering people-smuggling activities is being coordinated in your Jakarta post.

Dr Raby—In the Jakarta post, the coordination is directly overseen by the ambassador, who is very heavily involved in all of this, it being a major priority for the government. There is a coordinating group within the post, which meets regularly and brings together all of the key agencies. Off the top of my head, we are looking at perhaps as many as eight different

agencies in Jakarta that have a direct interest in this issue. So that is the central coordinating mechanism in the post.

Senator FAULKNER—Are you able to say what those agencies are?

Dr Raby—Yes—DIMIA, AFP, Customs, Defence, DFAT. I think AusAID has involvement, and there may be other agencies as well.

Senator FAULKNER—Is it a DFAT officer that is chairing this coordinating group?

Dr Raby—It is the ambassador.

Senator FAULKNER—How often does that group meet?

Dr Raby—It meets very regularly and it can almost be in regular session when there is a major issue that needs to be addressed. It is a very effective group. It is ad hoc, in that sense, but it meets with a great frequency when the need is there.

Senator FAULKNER—What is the function of the coordinating group?

Dr Raby—To make sure that information is shared amongst all the agencies, that there is a consistent, coordinated strategy to respond to these issues and that all home departments are fully in the information loop.

Senator FAULKNER—What I do not understand—and you might explain it to me—is whether these activities are directed out of the coordinating group in Jakarta or from elsewhere.

Dr Raby—Like any post, or any group in a post, people respond to, react to and are directed by instructions from Canberra. Those instructions may come from different agencies, but they are discussed and consistency is maintained—which is one function of this group—by a meeting at the post.

Senator FAULKNER—It seems to me that if you have a range of different agencies working on this then it is a good idea that you have coordination in Jakarta. That sounds eminently sensible. I am interested in the inputs that go into the coordinating group and where they come from. You said it was Canberra. Can you be a little more specific than Canberra? Canberra is a big place.

Dr Raby—Just from the relevant agencies. There are different dimensions to these issues—for example, if it were representations to the host government then it may well be on a particular issue and we would coordinate a position within Canberra. The principal line of communication would be from the department, possibly from me, to the post. Then that would be brought into that group and acted upon and discussed on that basis.

Senator FAULKNER—But are you coordinating the inputs or are they coming from a range of areas outside Jakarta—from what you described as Canberra? Are you coordinating inputs via the task force or whatever it might be—agencies in Australia—and going through you to the ambassador in Jakarta for discussion at the coordinating group?

Dr Raby—Yes, I was trying to explain that. Depending on what the issue is, it may be coordinated by us or it may be coordinated by DIMIA. It depends on the aspect of the operation and what is involved. There will be times when agencies will report directly and instruct their offices directly in a post. But, to the extent that those instructions require coordination in the post, the coordinating mechanism in the group will be called together and they will discuss the instructions.

Senator FAULKNER—How formal are the discussions and meetings? Are notes and minutes taken and that sort of thing?

Dr Raby—I think I was also trying to convey a picture of a group that meets as needed. It can be quite regular if the need is there. But it is quite flexible and informal in the way it operates. It is not a formally constituted mechanism. It is something that happens in many posts on a range of different issues if there is a need to have a well-coordinated effort in the post.

Senator FAULKNER—But, as far as DFAT is concerned, you at least keep a record of what the inputs are from Canberra?

Dr Raby—Certainly, all of our cables are kept. We have a policy, essentially, that formal instructions are to be conveyed by cable.

Senator FAULKNER—So are you able to tell me which people in the post in Jakarta are working on countering people-smuggling?

Dr Raby—The specific individuals or the agencies?

Senator FAULKNER—Both.

Dr Raby—I could take that on notice. We can provide you with the information.

Senator FAULKNER—And what their roles are?

Dr Raby—Yes.

Senator JACINTA COLLINS—Just on that point, can you tell us when the ‘children overboard’ inquiry will receive responses to our questions on notice from quite some time back on a number of these issues?

Dr Raby—I cannot give you date, but the questions have been prepared and they are with the minister at present.

Senator JACINTA COLLINS—How long ago was it that they landed in the minister’s office?

Dr Raby—It was 30 May—that is what is on my copy. There was, if you recall, a big number of questions—

Senator JACINTA COLLINS—Related to many of these issues, too, which is why I am asking why they are taking so long. You are now saying to Senator Faulkner that there are further matters you want to take on notice.

Dr Raby—Yes.

Dr Thomas—This is a question relating to names of individual staff members in an embassy abroad. We have 500 staff abroad and we cannot recall them all off the tops of our heads.

Senator JACINTA COLLINS—I appreciate that, but I am also querying when we can anticipate having before us the answers to our questions on notice from the ‘children overboard’ inquiry and thus prevent us needing to ask some of these questions in this process. I think it is a reasonable question.

ACTING CHAIR (Senator Ferguson)—They are with the minister.

Senator JACINTA COLLINS—I got my answer.

ACTING CHAIR—These officers cannot give—

Dr Raby—This particular question was not asked at the inquiry.

Senator FAULKNER—No, I am aware of that. One of the problems in these situations is that answers sometimes beget further questions, as you all know. When senators accept that questions are placed on notice, it obviously means those answers have to be considered before further questions are asked, in the broad. Is anyone able to help with what the practice is in the Jakarta post when there is a visiting minister—what records are kept, what meetings are attended, all those sorts of things?

Dr Thomas—It is standard practice for any ministerial visit to any embassy abroad that any formal calls on host ministers or other bodies are always fully documented and records kept. Major conversations of significance are usually cabled to Canberra.

Senator FAULKNER—What about discussions held in-house in the post? I appreciate the point you made, Dr Thomas, and I probably understood that background. What happens about meetings or discussions that might be held between a minister and those in the post as opposed to someone from the host government or from outside the post?

Dr Thomas—That would vary on occasion. Post officials might make a note for file if they felt the need for it—if it was a complicated issue or something on which they thought a record should be kept. Generally speaking, post officials certainly brief and have significant discussions with visiting ministers and so forth and most of that would not be recorded in writing.

Senator FAULKNER—If I nominated a minister and a visit to Indonesia, to Jakarta, what detail would DFAT be able to provide me in relation to that ministerial visit? There are obviously two issues here. I am interested in understanding whether your approach is different if it is your own minister—in other words, Mr Downer, or whoever the foreign minister may be—as opposed to another minister.

Dr Thomas—I do not think so, not in my experience of posts. A ministerial visit is a ministerial visit and we have fairly standard procedures for organising and documenting those visits.

Senator FAULKNER—So what information is kept at the post in relation to a minister other than your minister? In this case I am interested in visits to the post by the Minister for Immigration and Multicultural and Indigenous Affairs. What sort of information would you be able to provide in relation to any such ministerial visit? You do not need to deal with it in the specific; you can deal with it in the broad if you like. What sort of material do you keep on file and what might be able to be made available and the like?

Dr Thomas—Generally speaking, the post would receive a copy of the brief that has been prepared in Canberra for the minister and the travelling party. The post would certainly have full copies of all records of conversation which have been documented and they would be sent back to Canberra. There might be some notes for file; there might not be, depending on whether there is a need to record things. That would be pretty much the sum of the documentation.

Senator FAULKNER—What about itineraries and things like that?

Dr Thomas—All of that is kept. Full copies of official programs and appointments and so forth are kept. If it is a ministerial level visit, usually the host government produces a booklet with the entire program in it, but we also produce our own.

Senator FAULKNER—In relation to a visiting minister, what sort of material would you be able to make available to a committee like this?

Dr Thomas—I would need to know what you are after in particular.

Senator FAULKNER—I am asking what you see as being reasonable to be provided.

Dr Thomas—Most of the records of conversation would be classified, because they would be information provided to us in confidence by host government ministers or authorities and so forth and generally that would not be for release. But, as always, we are able to provide details of things like programs, appointments and so forth.

Senator FAULKNER—I would be interested in programs, appointments and itineraries for the visits of the Minister for Immigration and Multicultural and Indigenous Affairs in June and August, if that is possible. There was certainly a visit in June and I understood, from evidence given by the Department of Immigration and Multicultural and Indigenous Affairs, one in August. Would you be able to confirm that?

Dr Thomas—We would certainly have copies of the itinerary and the program. I suspect it is up to the Minister for Immigration and Multicultural and Indigenous Affairs as to what is released in terms of the detail.

Senator FAULKNER—We have just been through that, and that was the point of my questioning.

Dr Thomas—We hold copies of it, but it is not our information. They are not DFAT documents; they are DIMIA documents, if it is their minister.

Senator FAULKNER—Your copies are DFAT documents, are they not?

Dr Thomas—No, they are DIMIA documents. DFAT documents are documents we produce.

Senator FAULKNER—So notes for file, for example, from your officers about either meetings with your staff of the post or meetings outside the post are DFAT documents, are they not?

Dr Thomas—Yes.

Senator FAULKNER—How do you make a judgment about what of that material, if any, can be provided?

Dr Thomas—If they are records of conversations with ministers, it would really be up to the relevant minister to decide what of that document might be released.

Senator FAULKNER—So these decisions are not made by your agency but made by the home minister's agency?

Dr Thomas—Yes, the agency of the minister who is the subject of the conversation.

Senator FAULKNER—I am trying to understand how you have approached this in the past.

Dr Thomas—A DFAT generated document would be a matter for discussion in DFAT and if it had ministerial content or significance it would be a matter for the ministers themselves. Similarly, if it were a document relating to a minister from another portfolio, it would be that minister's decision what could be released on the public record.

Senator FAULKNER—That is one level, and then you have another level of whatever might be occurring within the post itself—records that might be taken by staff of the post.

Dr Thomas—What I am talking about generally is classified information. There is also some information that is not classified. We, like all agencies, are governed by the Freedom of Information Act. People can make requests for documents that we have produced or anyone else has produced and those requests are considered in line with FOI criteria.

Senator FAULKNER—I appreciate that. Are you aware of any requests for documentation made in relation to the visits of Mr Ruddock in June or August 2001?

Dr Raby—I am not aware, Senator. It may not have been August. I think the visit may have been early September.

Senator FAULKNER—I have not followed it through. I think there was a bit of uncertainty about precise dates.

Dr Raby—If that was the visit the three ministers—Reith, Downer and Ruddock—undertook, that was in early September.

Senator FAULKNER—So there was a separate ministerial visit by Mr Ruddock in June?

Mr Grigson—That is correct.

Senator FAULKNER—And then his next visit to Indonesia was with the other two ministers in early September?

Mr Grigson—Correct—6 to 7 September.

Senator FAULKNER—I was more interested in the normal approaches at the post to records of conversation and those sorts of things and how you dealt with those sorts of records and files. They are held at the post as opposed to being sent back to Canberra at some point. Is that right?

Dr Thomas—Everything is sent back to Canberra—records of conversation et cetera. As I said, many of them are cabled. But the post keeps a copy of everything it generates.

Senator FAULKNER—I know that, but what about a note for file, for example: would that stay on file in the post in Jakarta or would it eventually come back to Canberra?

Dr Thomas—It would depend. Sometimes it would just stay on the file in Jakarta for officers at the post there to refer to. If they thought there was some follow-up action or people in Canberra needed to know more detail, occasionally a note like that would be sent back.

Senator FAULKNER—So, again, there is no hard and fast guidance on this sort of thing?

Dr Thomas—It is a matter of judgment really for the ambassador or for other officers at the post who needs to know and who, if anyone, needs to take any follow-up action. If there is something to be done by Dr Raby's division, the note will certainly come back to Canberra so that it can be drawn to his attention and the necessary action can be taken. If it is just for action at the post, it will stay there.

Senator FAULKNER—I will look at the answer to the question on notice that I have asked and follow that up at a later stage. One issue that has received some public comment, if not notoriety, relates to an individual by the name of Enniss, who has had an association with the Australian Federal Police. This has had quite considerable media publicity. Are you aware of that, Dr Thomas?

Dr Thomas—I am aware of that.

Senator FAULKNER—It has also been canvassed at the estimates committees in other portfolios. Has Mr Enniss had any association with the Department of Foreign Affairs and Trade?

Mr Grigson—Not that I am aware of, but I would like to check for you.

Senator FAULKNER—Thank you. If you could establish that during the day, I might be able to follow through if there was any. But I think some certainty on that would be helpful. How much do you see countering people-smuggling as a priority for your operations at the moment, particular in South-East Asia?

Dr Raby—It is one that has grown in importance over the last couple of years. I think it is fair to say that, for most posts in South-East Asia, it is of considerable importance. Obviously, that depends on where the posts are located with respect to the movements of people. But, as a general comment, it is one of substantial and growing importance for our work overseas.

Senator FAULKNER—Has the Minister for Foreign Affairs provided you with any instructions or directives that have focused more attention and departmental resources or activities on countering people-smuggling? As you said, it is a growing priority. It is not unique to your department, of course; it is true in a range of other departments and agencies.

Dr Raby—Dr Thomas may have a view on this.

Dr Thomas—There is no directive as such. But the minister established the office of Ambassador for People Smuggling Issues, and that has to be serviced by our department. That makes it clear that it is a priority for the government. In addition, the minister made a bid for and got some extra funds to fund our continuing operation on Nauru for part of the next financial year. Those signals make it very clear to us that this is a priority issue for us.

Senator FAULKNER—One thing that has occurred since the last round of budget estimates is that ASIS is operating under its new legislative framework. It is very early days, and I understand that, but in relation to the new legislative framework is there any early review of that at this stage or any assessment of how it is working?

Dr Thomas—Not to my knowledge.

Senator FAULKNER—I mean from a DFAT perspective. As I say, I do appreciate that it is very early days. I just wondered whether any assessment had been made at this point.

Dr Thomas—No.

Senator FAULKNER—Do you know of any plans at a portfolio level to have a look at this in the future?

Dr Thomas—No, I am not aware of any at the moment.

Senator FAULKNER—Obviously there are other review mechanisms—I appreciate that—but I wondered whether there would be any portfolio review of that.

Dr Thomas—As a matter of course, every year we have a review of how DFAT relates to all parts of its portfolio. It will be looked at it in that context, of course, but there will be no special review.

Senator FAULKNER—We also have additional powers for the minister in relation to ASIS. That is fair to say, isn't it?

Dr Thomas—I think so. These are really matters you would need to address to ASIS itself.

Senator FAULKNER—With respect, I think they are matters that have a broader portfolio implication. I am asking this from a ministerial perspective. I am not keen to go into specific details in relation to ASIS; I am looking at it from a portfolio and ministerial perspective. I think they should properly be asked in the overview. Frankly, I do not intend asking them of ASIS at all. In fact, if you really want to know, I am deliberately not asking them of ASIS.

Dr Thomas—I am really not in a position to comment at all on intelligence matters or on ASIS's operations.

Senator FAULKNER—With respect, I do not think this is an intelligence matter. As I say, it has a broader portfolio implication. That is what I am speaking of. I am not going into operational matters in ASIS and do not intend to. It seems to me that issues such as review of the new legislative framework, the issue I have just raised with you about additional powers, are straightforward and, I would have thought, uncontroversial and not crossing over the line in any sense. I am not suggesting that you are suggesting that it is; I just want to be clear with you that this is the perspective from which I am asking. So no review has taken place from a portfolio perspective and none is planned. We can say that?

Dr Thomas—That is correct.

Senator FAULKNER—Specifically, in relation to the powers under the new legislation, is it true that, in terms of the functions of ASIS, section, 6(1)(e) of the Intelligence Services Act says:

(1) The functions of ASIS are:

- (e) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

Can someone confirm that that is the case? That is the legislation.

Dr Thomas—That is what is says, Senator.

Senator FAULKNER—Are you aware that included in section 6(2) is this:

The responsible Minister may direct ASIS to undertake activities referred to in paragraph (1)(e)—which I have just read to you—only if the Minister:

- (a) has consulted other Ministers who have related responsibilities ...

That is in the act too, is it not?

Dr Thomas—Yes.

Senator FAULKNER—So there is no secret about any of this—this is an act of parliament—my question to the minister, not to the portfolio, is whether that part of the act, that is, the capacity for ministerial direction, has been utilised since it was enacted.

Senator Abetz—I do not know, but I will take that on notice.

Senator FAULKNER—Can someone at the table help me? I appreciate that you do not know, Senator.

ACTING CHAIR—Has this already been enacted?

Senator FAULKNER—Yes. Is it not called the Intelligence Services Act? It is Act No. 152 of 2001. Think how painful the other 151 were.

ACTING CHAIR—I was not sure whether you were talking about a proposed act.

Senator FAULKNER—No. It is an act; it is not a bill. Can someone in the department help me with that, please? I want to know whether, under the new legislation, that power has been utilised.

Dr Thomas—I am unable to help you. I am sorry, we do not know. It is a question we would have to refer to ASIS.

Senator FAULKNER—Could you find out for me?

Senator Abetz—We can take that on notice. I do not profess to be a specialist in this area, but there may be some difficulties in providing a response to that. But we will take it on notice and deal with it as best we can.

Dr Thomas—ASIS reports directly to the minister and the sort of question you are asking is really a matter for the minister and ASIS. Departmentally, we really cannot comment on these matters.

Senator FAULKNER—I did suggest that my question was directed to the minister, with the incapacity of the current minister to answer the question. The minister who we have with us at the moment has pointed out to us that he is a minister in the DOFA portfolio.

Senator Abetz—Not Do Fa. I like that, Senator Faulkner.

Senator HOGG—You will all get it right one day.

Senator FAULKNER—Like Senator Hogg, I am consistent in the way I pronounce the acronym.

Senator Abetz—It is one of those occasions where I prefer your consistency as opposed to Senator Hogg's consistency.

Senator JACINTA COLLINS—That is rare.

Senator Abetz—Yes, it is rare.

Senator HOGG—Is this a new unity ticket that is emerging, Senator Abetz?

Senator Abetz—Yes, like the Senator Conroy-Senator McKiernan one I heard about the other day.

Senator FAULKNER—So I would like you to take that on notice. I would also like you to take on notice if there have been any instructions or directives to ASIS under the act in relation to people-smuggling.

Senator Abetz—We will take that on notice, with the same caveat that I expressed before.

Senator FAULKNER—When Dr Thomas makes the point that I might have a capacity to ask ASIS questions, I am not aware that ASIS will be coming before the committee. Is it planning to come before the committee? Can anyone assist me with that? It is coming before the committee.

ACTING CHAIR—ASIS is output 6. I am sorry; I was engaged in a discussion with my colleague.

Senator FAULKNER—There are witnesses. Because my questions are only broad ones I do not want to go to other matters.

Senator Abetz—All I am seeking to do is adopt a cautionary approach to this so that it is not seen that I am committing my fellow minister.

Senator FAULKNER—We are both adopting a cautionary approach.

Dr Thomas—I may be mistaken but I believe there is a different committee which looks at intelligence agencies. I think that committee would probably be the forum for such things rather than ours.

Senator FAULKNER—It is I think the Parliamentary Joint Committee on ASIS, DSD and ASIO. But not before this committee.

ACTING CHAIR—They are not due to come before this committee.

Senator FAULKNER—That is what I thought. Having now established that they are not due to come before the committee—I did not think I had misunderstood that—I would appreciate it if I could receive an answer to those two questions on notice. In other words, I think that the only way it can be dealt with by a member of this committee is to ask the questions of you, Senator Abetz, representing the minister—

Senator Abetz—Yes.

Senator FAULKNER—and ask you to respond. I think you are clear on what I am asking: whether section 6 (1)(e) of the act has been utilised and specifically under the new legislation whether that part of the act has been utilised. Then I am keen to know whether there have been any directions issued in relation to countering people-smuggling activities and, if so, what they are.

[11.52 a.m.]

CHAIR—We move now to output 1.1, Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity. We will commence with 1.1.1, which is North Asia.

Senator FAULKNER—In relation to this particular output, Mr McLean, can you assist me with a general question: is it the department's assessment that North Korea is part of the 'axis of evil'?

Dr Thomas—I will answer, Senator. We of course have diplomatic relations with North Korea. We have re-established those, and they are setting up an embassy in this capital city. We would not use that sort of language, but I would say that, on the sorts of thoughts that were encapsulated in President Bush's speech, we share some similar concerns about North Korea's missile proliferation. Those concerns are in terms of its developing its own missile program both for its own uses and especially for the sale of missiles to third countries. We have made clear to the North Koreans on many occasions that that remains high on the agenda of issues of concern to us. We have also made it very clear that any further incremental advances in the bilateral relationship will depend on their making some genuine efforts to address those security concerns which we and a number of other countries have.

Senator FAULKNER—You said that you would not use this sort of language. Can you explain that to me? Why is that the case?

Dr Thomas—That was the choice of language of a foreign head of government. If we were writing a speech on a similar issue we would talk about the same sorts of concerns but we would probably couch it a bit differently.

Senator FAULKNER—You talk about the North Korean missile programs: are you able to say anything to the committee about the status of those missile programs and whether they are nuclear, chemical or biological?

Mr Paterson—I do not have full details of the programs, as we understand them, in front of me, but it is clear that North Korea has a very well-developed missile development program including short, medium and long range missiles. The medium range are the Nodong missiles and the long range are the Taepodong series of missiles, the latter—which is under development—being an intercontinental ballistic missile potentially in its range. Behind that, they have a nuclear research program which has been of particular concern. That program is currently frozen under the framework agreed between the United States and North Korea in the term of the Clinton administration.

As part of that, as you would know, the United States and other partners agreed to meet North Korea's legitimate energy needs, in part through the provision of two nuclear power reactors for which construction has begun in North Korea. But various stages of that construction will depend on North Korea meeting certain scrutiny by the IAEA, the International Atomic Energy Agency, of its past nuclear program. In addition, there are some intelligence concerns that North Korea both has a chemical weapons program and has undertaken some research on biological weapons programs.

Senator HOGG—Are they selling the technology, the missiles or both? And to whom are they selling them?

Mr Paterson—I think it would be inappropriate to be definitive on this, because the amount of information we obviously have on that does not make that fully clear. We are absolutely confident, however, that they have had a missile export program for a number of years and that the destinations for these have largely been countries in the Middle East.

Senator HOGG—None in Asia or the region?

Mr Paterson—No.

Senator FAULKNER—The DPRK has been identified as one of those countries included in the 'axis of evil'—that is right, isn't it?

Mr Paterson—Yes.

Senator FAULKNER—Is there any inconsistency there, do you think? I note, Dr Thomas, your assurance that it is terminology that Australia would not use. Was that a departmental comment?

Dr Thomas—It was a departmental comment. As I say, we share the sentiments which are encapsulated in the speech but we would not necessarily use that form of language. Our minister has said that publicly.

Senator FAULKNER—Is it possible that some might interpret sharing those sentiments and re-establishing diplomatic relations—in 2000, I think it was—as inconsistent?

Dr Thomas—I do not think there is any inconsistency at all. The reason we re-established diplomatic relations was to lend our support to international efforts to support the South Korean government's policy of engagement—the sunshine policy—with North Korea. We were not alone; as well as us, a considerable number of Western European governments re-established relations around that time. We are not a key player in this dispute, but we thought it was an important gesture, in solidarity with South Korea, to support their efforts to re-engage with North Korea. We still believe that is well worthwhile; and our broader longer term agenda is to bring North Korea in from the cold.

Senator FAULKNER—The other element of this is that it is fair to say that there is a real humanitarian crisis in DPRK. That is something the department identifies, doesn't it?

Dr Thomas—It does, and Australia has contributed substantial assistance through the World Food Program, for example, for humanitarian aid in North Korea. Mr Paterson mentioned the nuclear reactor program or KIDO, and Australia has also contributed quite generously to that, to meet the country's energy needs.

Senator FAULKNER—The World Food Program issued an urgent warning on 30 April this year concerning the worsening famine in North Korea. Is any Australian response planned to that announcement of the worsening situation?

Mr McLean—This is a matter for AusAID to respond to, since they are the people who manage this issue, but we are very well aware of the warning the World Food Program put out recently, and there is a significant shortfall in the amount they believe is necessary to tide over, as it were, the North Korean economy, and particularly the people in the forthcoming period.

Senator FAULKNER—I accept the point Dr Thomas has made about the UN World Food Program, but I could not see any announcement or suggestion that there had been any Australian contribution to humanitarian relief since the middle of last year. I may have missed something, so could you let me know.

Mr McLean—I will have to take that on notice but obviously Australia has been a consistent contributor to World Food Program activities in North Korea; I just do not know what the most recent date of any donation has been. Again, we will check with AusAID on that.

Senator FAULKNER—You would know if anything had occurred since that urgent warning on 30 April this year, wouldn't you?

Mr McLean—Again I would have to speak to AusAID on that. I have no information that we have specifically responded to that since 30 April.

Senator FAULKNER—I suspect that is the case, because there has certainly been no public announcement that that has occurred. If you can take that on notice, that is fine. For the purposes of background information, would you mind telling me what contributions might have been made for the financial years 1999-2000, 2000-01 and 2001-02? You will probably need to coordinate that with your colleagues in AusAID, but if you are able to do that we would appreciate it.

Senator HOGG—I have another question in respect of nuclear, chemical, biological and missile programs. What representations are we making in our region to put pressure on North Korea to slow down their programs in some cases or to cease them in other cases?

Mr Paterson—We have made representations to North Korea now for a number of years. Obviously this has become a little easier as we have moved to resume diplomatic relations with them. North Korea's foreign minister visited Australia last year and—

Senator HOGG—I am thinking more in terms of what we are doing with our regional neighbours rather than in a direct sense—obviously in a direct sense one will have an impact. But whatever the North Koreans do on their home soil will affect the region in the broader sense. I am just trying to get a feel for what we are doing in the regional sense, as a part of the region and a participant in the region, to put a different sense of pressure on them in terms of these programs.

Mr Paterson—We have raised this matter with China in particular, believing China perhaps better positioned than most countries to exercise some contact and influence with

North Korea on these issues. We have also raised it with Japan, but the state of Japan's relations with North Korea means that that is not a particularly productive route. The other thing we have done is we have supported North Korea's entry into the ASEAN regional forum, where it now sits alongside all the other nations of the Asia-Pacific. That gives us another opportunity to engage with them and with their delegations. We also discuss this with regional partners in the context of the International Atomic Energy Agency in Vienna.

Senator HOGG—Would you relate to us your assessment of the response that came from the Chinese?

Mr Paterson—It has not been a single instance; we have taken this up periodically with the Chinese over the years, including in our regional security dialogue with them and at other appropriate opportunities. China have heard us out; they have responded positively. I think they have cautioned us about the extent of the influence they might have in North Korea, but they have been quite constructive and quite helpful on the matter.

Senator HOGG—Are any inspection teams currently allowed into North Korea to look at any of the areas that we are questioning you about?

Mr Paterson—The missile program is not subject to inspection at all.

Senator HOGG—I accept that.

Mr Paterson—Parts of the nuclear program were declared, on their construction, to the International Atomic Energy Agency and are covered under a safeguards agreement. However, that has not been operative for some years because North Korea, in breach of its safeguards agreements, refused to allow those inspections to be continued. That was part of what the United States took up in terms of the agreed framework discussions. As I understand it, an IAEA team is either presently in or about to go to North Korea to resume discussion on access to both declared and so-called undeclared facilities at the main North Korean nuclear establishment at Yongbyon.

Senator HOGG—What about chemical and biological? Is our assessment based on hearsay? Is there a real need for some form of international monitoring to take place to substantiate whether there are programs in existence or to substantiate that there are no programs?

Mr Paterson—North Korea of course does not accept that there are programs in these areas. I would need to check as to its status under the chemical weapons convention. There are no verification provisions under the biological weapons convention. I will check and get back to you on the issue of the status under the chemical convention.

Senator HOGG—I will be asking some questions about the biological weapons convention later.

CHAIR—Thank you, Mr McLean and Mr Paterson.

[12.09 p.m.]

CHAIR—We will now move to 1.1.2, South and South-East Asia, including the Australia-India Council and the Australia-Indonesia Institute.

Senator FAULKNER—Mr Downer on the *Sunday* program last week, when asked about the latest intelligence on the situation between India and Pakistan, said it 'remains intensely serious' and then went on to say it 'does look as though it, for the moment, is stable. I wonder if that is still the current DFAT assessment.

Mr Grigson—Yes, it is. We have nothing to add to that at this point.

Senator FAULKNER—I imagine you would be putting some significant departmental resources into monitoring the situation there, and I assume the assessment you have just provided to us is well made. Given the circumstances that we are all aware of, I would be interested to know, in the first instance, what sort of departmental resources are being applied to that current situation.

Mr Grigson—Different aspects are handled in different parts of the department. For instance, in my division we are looking very closely at the bilateral relationship aspects. Within the consular area, they are looking very closely at the circumstances of Australians in both countries. The corporate management area, in consultation with various security areas, is looking at the circumstances of our own staff in both countries. There is also a role, of course, for the International Security Division, given the nuclear perspective.

Senator FAULKNER—How many staff have you got in New Delhi and Islamabad?

Mr Grigson—We have recently reduced staff. In New Delhi at the moment we have 16 and there is also an officer remaining in Mumbai. In Pakistan we have nine still in place.

Senator FAULKNER—What was the staffing establishment from which those numbers were reduced?

Mr Grigson—I would need to get the complete numbers for you.

Senator FAULKNER—Can you give me just a broad picture of how significant those changes have been and over what—

Dr Thomas—Mr Moraitis is the head of Staffing Branch.

Senator FAULKNER—I was just interested in understanding the number of staff that are left and when those decisions were made to ensure that that occurred.

Mr Moraitis—Just to confirm what Mr Grigson said, there are nine officers remaining in Islamabad; 17 non-essential staff departed. That would give the total of about 26 in Islamabad. In New Delhi we had 35 non-essential staff depart and 17 are remaining—so that is the total there.

Senator FAULKNER—When did those staff depart?

Mr Moraitis—They would be departing at the end of this week, over the weekend.

Senator FAULKNER—Is it fair to say that that has occurred as a result of the current tensions?

Mr Moraitis—Correct.

Senator FAULKNER—In its entirety?

Mr Moraitis—In the case of Islamabad, there are certain elements as well which have led to other factors.

Senator FAULKNER—And what would those other factors be?

Mr Moraitis—They are to do with security in Pakistan.

Senator HOGG—Are they all foreign affairs staff that are left?

Mr Moraitis—No. The head of mission in both posts decides what an essential staff component is, and that could include DFAT, Defence, DIMIA and some other agencies.

Senator HOGG—So there is a mixture of agencies there? It is not simply foreign affairs staff? Would that include the military attaches in both places?

Mr Moraitis—Yes.

Senator FAULKNER—In the event of the unthinkable, of some sort of nuclear conflict, has any DFAT planning been done in relation to either evacuations from India, Pakistan and surrounding areas or, more broadly perhaps, environmental damage in and impact on Australia itself?

Mr Kemish—In this public hearing, I can only say that our contingency planning takes account of all scenarios. Consistent with standard practice, we do not talk about the detail of our contingency planning. We take account of all scenarios, and I can confirm that we are speaking to a range of parties, including—on a daily basis—marker governments, which include the United States, the United Kingdom and Canada. We are in constant touch with the Department of Defence and a range of other organisations within Australia.

Senator FAULKNER—Beyond what you have just said, what are you able to indicate to us about contingency planning, including its priority in terms of the department? I imagine that that is not a matter that you would be uncomfortable sharing with us. I do not want to trample into areas that are not appropriate, but can you indicate to us what sort of priority this currently has in terms of your responsibility and role within the department?

Mr Kemish—It has very high priority; in terms of my responsibility, it has top priority. As head of the consular area of the department, I have been working pretty much exclusively on this for the last several weeks. It is also, clearly, a priority for our embassies; for the remaining staff in both countries. When we talk about essential staff, to a very large extent we mean that they are essential for the provision of services and support for the broader Australian community in these countries. There are other factors, but that is very much the key priority. I can also say that our contingency planning approach rests in considerable part on ensuring that Australians have good advice about risks in good time, so that they can take responsibility for themselves. Part of the reason we do not like talking about details of contingency planning is because we want Australians to take responsibility for themselves at times like this.

Senator FAULKNER—Without going to individual scenarios, are you able to say to the committee what broad areas your contingency planning is covering? I do not want to go to the individual scenarios—you were able to tell us that it covered all scenarios. But, in the broad, are you able to share a little more information about the generality of your contingency planning?

Mr Kemish—I can really only repeat what I have said, Senator. It is a planning approach that takes account of all scenarios we can think of, including worst case scenarios. It is a planning approach which involves working with a very large range of parties, both within Australia and outside Australia. It is cognisant of the potential impact of various scenarios beyond the immediate regions of India, Pakistan and the border regions.

Senator FAULKNER—Are we able to say whether the threat of war is actually decreasing? Is there any change to those threat levels at all?

Mr Grigson—We remain gravely concerned about the circumstances. We think that the risk of conflict is significant. We continue to pressure both sides—as do other governments—to show restraint.

Senator FAULKNER—I appreciate that, but what I am asking is whether there has been any change to those threat assessments.

Mr Grigson—No. We are still gravely concerned. The risk of conflict is significant.

Senator FAULKNER—Are you able to identify when the department established that heightened level of threat assessment?

Mr Stonehouse—I think we went into a state or stage of grave concern beginning on 14 May, when there was a very significant terrorist attack in Kashmir leading to the death of about 32 people, many of whom were military service personnel families. From that point, I think the red alert started. That condition remains. That is our assessment at the moment.

Senator FAULKNER—When did the foreign minister last visit New Delhi or Islamabad? Can someone assist me on that?

Mr Stonehouse—Mr Downer was there on 20 to 23 April.

Senator FAULKNER—Something I think you can share with us is the sorts of representations the government might have made on the Kashmir issue. Perhaps one of the officers can briefly outline that to us.

Mr Grigson—There have been a number of representations made. Mr Downer has spoken to both his Indian and Pakistani counterparts. He directed the acting secretary at the time to speak to the Pakistani and Indian high commissioners here. We have continued to make clear our views in terms of requiring the Indians to show some restraint and the Pakistanis to do what they can to stop crossing over the line of control.

Senator FAULKNER—Perhaps you could take on notice—or you may have the information available—when and to whom those contacts took place.

Mr Grigson—Certainly.

Senator FAULKNER—If you do not have the information available—

Mr Stonehouse—I think we can say to you, Senator, that those contacts took place in the last two weeks. The first was by the acting secretary, David Ritchie, who called in the Indian and Pakistani high commissioners one by one. Mr Downer was overseas at the time and when he came back he made telephone calls to his Indian and Pakistani counterparts. That would have been about a week or so ago; they were very recent contacts.

Senator FAULKNER—Mr Grigson, you indicated that these representations are ongoing.

Mr Grigson—They are. The posts in both places continue to make representations as required. Indeed, our secretary is in India at the moment at senior officials' talks and will be making the same points.

Senator HOGG—On the commencement of the India-Pakistan nuclear tests, we withdrew our military attaches and we took some time before we restored them to both centres. Has that, in any way, inhibited our capacity to operate with both India and Pakistan in terms of the relationship? Is it something that we may still be in the process of rebuilding, given the difficulty of the circumstances that currently exist—that they are not necessarily conducive to that?

Mr Stonehouse—We restored our defence relationship with India at the beginning of 2000 and with Pakistan in September last year, after the September 11 attack in the United States, and I think it is fair to say that our relations with both countries are now fully normalised. The

fact that we suspended our defence relations in response to the 1998 nuclear tests is something which is in the past, and we have moved on from there.

Senator HOGG—It has not weakened our influence?

Mr Stonehouse—No, I do not believe it has.

Senator HOGG—I was curious about that.

Senator FAULKNER—Is an element of your contingency planning the amount of information that is publicly provided to those who are in the region, those who might be considering going to the region and those who remain in Australia? How do you make the assessment about the appropriate level of public and private flow of information?

Mr Kemish—An important principle here is that we work to ensure that Australians have access to our advice, as early as possible, about what they should do in the context of a deteriorating security situation. We clearly do not take risks in providing travel advice and the advice that our own high commissions in these countries provide us with is an important element in making judgments about what our advice should be. But that is clearly not the only source of advice. We are mindful of the positions taken by other governments in providing advice to their citizens and in this particular pass, as it happens, we have been moving rather uniformly—sometimes slightly ahead, sometimes slightly behind—the advice provided by the governments of the United Kingdom, the United States and Canada in particular.

Senator FAULKNER—On the broader issue of environmental threats, particularly in Australia itself, do you seek advice of other agencies in terms of that?

Mr Kemish—Yes, we do.

Senator FAULKNER—Which other agencies have been involved in that contingency planning?

Mr Kemish—There is an area within the portfolio called ASNO and a colleague might be able to help me on the details here. The acronym stands for—

Dr Thomas—The Australian Safeguards and Non-Proliferation Office. It is part of DFAT these days.

Mr Kemish—They are a source of expertise and a window into other scientific areas within the country and are able to help us in making the kind of assessments that you are talking about.

Senator FAULKNER—Are you saying that that sort of planning is carried out in another section of the portfolio?

Mr Kemish—The planning overall remains under my responsibility. What we are describing here is another source of advice.

Senator FAULKNER—That is what I am interested in. Those advices are coordinated in another part of the portfolio, is that it?

Mr Kemish—The advice is coordinated in my part of the portfolio.

Senator FAULKNER—What advices have been sought and provided on that issue? That is all I am asking.

Mr Paterson—I expect your question is cast in terms of a possible nuclear exchange in the event of hostilities.

Senator FAULKNER—It was, Mr Paterson.

Mr Paterson—In providing advice to our consular branch, we have been consulting the Australian Safeguards and Non-Proliferation Office, which is within our portfolio and located within the department; the Australian Radiation Protection and Nuclear Safety Agency, ARPANSA; and the Australian Nuclear Science and Technology Organisation, ANSTO. They have been our principal sources of advice. We have also drawn on the assessments of the intelligence community, in particular ONA and the Defence Intelligence Organisation, as well as on consultations with close partners such as the United States and the UK. So we have drawn on a fairly wide range of sources.

Senator FAULKNER—Is anyone able to make any statement at all on any possible impact on the Australian mainland in the event of such a nuclear conflict? By the way, I have the background of Mr Downer's weekend public statement on that and I appreciate the qualifications he was making, which I thought were in that regard sensible. But I wondered whether you were able to provide any information to the committee beyond that.

Mr Paterson—It is not within the realm of expertise of this department to make scientific judgments about the possible extent of fallout. The advice we have received generally points to catastrophic effects at the area of impact of any nuclear exchange, and how fallout was spread beyond that would depend very much on weather patterns and wind patterns. In broad, the advice coming to this department is that by and large that would affect areas of the Northern Hemisphere. It would be detectable in Australia by well below any level that represented any threat to public health and safety in Australia.

Senator FAULKNER—I appreciate the point that you make about the technical assessments made and absolutely accept it but nevertheless I think it is reasonable to ask you this in terms of your contingency planning role. No doubt your contingency planning is in part dependent on those technical assessments. That would be right, wouldn't it?

Mr Paterson—That is correct. In terms of the advice we would provide to our consular branch, at this point the area where we would be concerned about public health and safety would be in particular India and Pakistan. It would be very difficult at this point to go beyond that and say there would be a health risk or a safety risk in countries beyond that. There could be in certain meteorological circumstances, but at this point that would be very difficult to predict.

Senator FAULKNER—Thank you.

Mr Moraitis—Can I just clarify figures on the total contingents. They were 14 in Islamabad and 28 in New Delhi before the evacuations.

[12.34 p.m.]

CHAIR—We have finished South and South-East Asia. There are no questions on 1.1.3, Americas and Europe. We move to 1.1.4, South Pacific, Africa and the Middle East. I welcome Mr Wise and his assistants.

Senator FORSHAW—Could you give me an update on the current security situation in the Solomon Islands?

Mr Wise—I think it best to talk first of all about Honiara, the capital. The security situation there continues to be marked by high levels of lawlessness and criminality that affect mostly, but not entirely, the Solomon Islanders themselves. The situation in other parts of the Solomon Islands is much more settled than it was. The ethnic conflict, which was causing

large casualties and enormous economic dislocation as well, has in large measure been settled by the Townsville peace agreement and the activities that flow from that. But you do have in Honiara, in particular, a situation of—and the Solomon Islands government agrees with this—unacceptable levels of lawlessness.

Senator FORSHAW—There was a peace agreement signed in Townsville. Would you say the situation is better, worse or much better? How would you rate it?

Mr Wise—The situation has changed. The peace agreement that was signed in Townsville played a major role in bringing to an end the inter-ethnic conflict, the conflict between the people of Guadalcanal and Malaita. But what has happened for a variety of reasons is that the levels of just straight lawlessness have increased. So the crime you have now is, on the whole, not of an inter-ethnic nature; it just reflects a breakdown in law and order, brought about in large measure by the fact that the Royal Solomon Islands Police Force throughout the ethnic conflict became compromised and has lost a lot of the capacity that it had before. We, in particular—but some other donors too—are working with that police force to try to lift its capacity, but it is going to be a long, slow process.

Senator FORSHAW—To put it succinctly, you say it has changed, but it is still serious. It has not improved all that much, other than what you have said.

Mr Wise—In Honiara. I should just qualify that a bit. What you did have is large numbers of people being killed—in excess of 100 people, I think—during the inter-ethnic conflict. We are certainly not seeing those numbers of fatalities now, because of the law and order situation. It is much, much less than that. The source of those fatalities is now just a breakdown in law and order rather than ethnic conflict.

Senator FORSHAW—What is the position with disarming the various parties in this conflict? Can you tell us how many weapons have been collected under the amnesty, and how many remain at large?

Mr Wise—Yes, I can give you some figures on that. The latest figures that I have seen are that we now have in containers in the Solomon Islands a total of 2,020 weapons. In addition, just within the last couple of weeks another 122 police weapons were returned to the police armoury. So that is the number of weapons that are there. A large number of those weapons are homemade weapons. I do not have the exact figures with me but you still have more than 400 modern weapons unaccounted for.

Senator FAULKNER—How many is ‘more than 400’?

Mr Wise—It is somewhere between 400 and 450, I think. I can get you a more accurate figure. That is easy to do, because they did know how many weapons were in the police armoury and they know how many have been returned. But there were those recent returns of 122, which I think bring the figure down.

Senator FAULKNER—This is done by the International Police Monitoring Team, the IPMT. They do audits of that, don’t they?

Mr Wise—They do audits of the police armoury, yes.

Senator FAULKNER—The coup was in June 2000, so when was the first audit done?

Mr Wise—Audits have been done on a fairly regular basis but I am not sure when the first one was done.

Senator FAULKNER—But some time after June 2000, obviously.

Mr Wise—Yes.

Senator FAULKNER—Yes, there are a lot of homemade weapons; but there are a lot of high-powered weapons that are missing from the police armoury, too, aren't there?

Mr Wise—From the police armoury, only professional weapons are missing. No homemade weapons.

Senator FAULKNER—I did not mean to suggest that they were from the police armoury. There are high-powered weapons missing from the police armoury.

Mr Wise—Indeed.

Senator FAULKNER—And most of them are still missing, aren't they?

Mr Wise—Yes. I have some additional figures: the number still unaccounted for is 460, after the 122 were returned on 24 May and 29 May.

Senator FAULKNER—And were those 122 all high-powered weapons?

Mr Wise—Yes, they were professional police weapons. I am not sure, and I do not want to get into an area—they were the sorts of weapons that police forces have. To be honest, I just do not know the specific details.

Senator FAULKNER—Do you know what types of weapons the 460 are?

Mr Wise—I do not know, but it is known. I just do not have that information with me.

Senator FAULKNER—Have any of those sorts of weapons been returned?

Mr Wise—Yes. As I said, 122 of that sort of weapon were returned in late May. There were some earlier returns, but I do not know the numbers. Do you, Mr Fletcher?

Mr Fletcher—It was a handful.

Senator FAULKNER—How much has been spent on this?

Mr Wise—On the IPMT itself, it is \$8.2 million. But we have, of course, given other assistance to the police process above what has gone to the IPMT.

Senator FAULKNER—I would have thought that it was more than \$8.2 million.

Mr Wise—Just on the IPMT itself it is \$8.2 million. The support for the peace process since the Townsville peace agreement was signed has been about \$20 million. We have given support to civil society of over \$4 million, and another \$7.6 million for a community peace and restoration fund. Separately, but complementary to the police process of course, is our commitment through the law and justice program of another \$5.1 million. We are supporting a UNDP program to demobilise special constables, which is another \$1.5 million, and around \$5 million was committed in support of the national elections.

Senator HOGG—In spite of all of those funds having spent, by your own description there are still high levels of lawlessness and criminality in Honiara.

Mr Wise—Yes, but, as I said, the basis of that criminality is different from the situation we had before the Townsville peace agreement was signed.

Senator HOGG—But the position elsewhere seems to have been settled.

Mr Wise—That is right. What you had before the Townsville peace agreement was signed was a country on the verge of civil war. The Townsville peace agreement overcame that.

Senator FORSHAW—What are the methods that have been, and are being, used to try to get these weapons back?

Mr Wise—There are several methods. The Solomon Islands government announced that the amnesty that applied to people who handed over weapons would expire on 31 May. That led to the handing of those 122 police weapons I mentioned but another—

Senator FORSHAW—You said 460 before, I think.

Senator FAULKNER—Yes, 460 high-powered weapons.

Mr Wise—Those are the weapons that are left unaccounted for.

Senator FAULKNER—Yes, unaccounted for.

Mr Wise—Yes, but accounted for are an additional 786 that were handed in since this program over the last five or six weeks. These are homemade sorts of weapons.

Senator FAULKNER—Yes, that is right, but things were nicked in the first place. Yes, there are a lot of handmade weapons but what did the audit originally show about how many of the high-powered weapons were missing?

Mr Wise—I do not have the exact numbers with me but I can get them for you.

Senator FAULKNER—Well—

Mr Wise—You have heard that a handful was handed in earlier, another 122 recently and there are 460 left unaccounted for.

Senator FORSHAW—But hand weapons can be handed back. We are talking particularly about very high-powered weapons, and it appears Amnesty has not been all that successful in getting a substantial number of those back.

Mr Wise—Indeed, and that is a reason for the continuing levels of lawlessness: weapons are still in the society.

Senator FAULKNER—Tens of millions of dollars have been expended on this, and 460 high-powered weapons are missing. I must admit I thought I had heard a figure of about that number missing in the first place. I am worried that either very little or virtually no progress has been made for the expenditure of a great deal of money. I do not know; I am not in a position to make a professional assessment of this at all, but it seems to me to be an out-and-out failure.

Mr Wise—I think that misrepresents the purpose of the IPMT. The IPMT went there for two main purposes. One was to provide a level of confidence so that the provisions of the Townsville peace agreement were implemented, especially to provide a level of confidence through its support for the indigenous Peace Monitoring Council. As I said, the interethnic conflict has ended. What you have now is a different situation, so it did succeed in that regard. Its other role was to monitor collections of weapons. The IPMT did not go out and collect the weapons themselves; that was not its role. Its role was simply to make sure that those weapons were secured when they were collected.

Senator FAULKNER—But they have not been—at least not the vast majority of them.

Mr Wise—A lot of the violence that was perpetrated during the interethnic conflict was indeed perpetrated by handmade weapons, and there are 2,020 of those in storage. In addition, there are the police weapons that have been handed in.

Senator FAULKNER—Sure, but we do not know what the first audit said about the numbers of missing high-powered weapons, because you do not have that available.

Mr Wise—I can get that for you.

Senator FAULKNER—Yes, but you do not know now. We know there are 460 missing now, and I must admit that I thought I read somewhere that it was around that number or not many more. I might be wrong about that but I do not think so. So that element of it appears to have been an out-and-out failure. That seems to be a reasonable point to make. You would not be happy with the fact that there are 460 high-powered weapons out there.

Mr Wise—Naturally. No-one is happy about that.

Senator FORSHAW—Who is collecting them?

Senator HOGG—I was going to come to a related point to that. What is preventing them from coming back?

Mr Wise—The main thing preventing them coming back is that the former militants from the Malaitan side who have the weapons say that they are reluctant to hand them back until one of the leaders of the Guadalcanal side agrees also to hand back the weapons held by his people. There is a stand-off in that regard. But they are not using the weapons against each other at all; they are simply still holding them. As yet, there is not a level of confidence on either side to encourage them to give the weapons back.

Senator HOGG—What will trigger the handing back? I do not know whether you can have a Mexican stand-off in the Solomon Islands but that is what we have, and so long as a Mexican stand-off is maintained, nothing will be achieved. There must be something that will cause that stand-off to break. Who will break it?

Mr Wise—The Solomon Islands government has set that 31 May deadline for the amnesty with a view to anyone being left with a weapon now being no longer eligible for an amnesty. It is a criminal offence, and the plan of the Solomon Islands government is that those people will now be liable to the law. Separately from that, I should add that there are continuing efforts by people within the government, associated with the government and in civil society to try to get some sort of reconciliation efforts in place.

CHAIR—On that point, Mr Wise, we will adjourn for lunch.

Proceedings suspended from 12.50 p.m. to 2.00 p.m.

CHAIR—I shall shortly be welcoming back Senator Abetz, the minister representing the Ministers for Foreign Affairs and Trade. I welcome back officers of the Department of Foreign Affairs and Trade. We are presently considering output 1.1.4, the South Pacific, Africa and the Middle East.

Dr Thomas—Senator Faulkner asked this morning whether the department had had any former connections with a Mr Ennis. We are in a position to give an answer on that now. My colleague Mr Grigson can give an answer.

Mr Grigson—Further to the question you asked this morning, the only contact we can find is some consular assistance that we provided in 1999 following a consular case involving Mr Ennis that came up.

Senator FAULKNER—Consular assistance?

Mr Grigson—Yes. We have had no other contact with him.

Senator FAULKNER—Where was that?

Mr Grigson—That was in Indonesia.

Senator FAULKNER—Are you able to say what consular assistance you provided to Mr Ennis?

Mr Grigson—Certainly. We made some representations on his behalf. He was detained over a particular matter. I am somewhat restricted, by the Privacy Act, on the detail I can give you.

Senator FAULKNER—That is the only contact the department has had with Mr Ennis?

Mr Grigson—Indeed. That is the only contact.

Senator FAULKNER—Can you just give me the time frame—when that commenced and when that concluded.

Mr Grigson—He was detained in June 1999 and released, I believe, in December.

Senator FAULKNER—And since that time there has been no contact with Mr Ennis?

Mr Grigson—That is right.

CHAIR—Thank you, Senator Faulkner.

Senator HOGG—Following on from an answer you gave prior to lunch, Mr Wise, you noted 31 May, I believe, as the deadline for the amnesty for the handing in of weapons. That obviously has now passed. What action is being taken in the wake of that date passing?

Mr Wise—As far as I am aware, no action so far. I certainly have not seen any reports of any action.

Senator HOGG—What action could be taken? Would it be a matter of forcibly disarming those who have the weapons?

Mr Wise—It is a matter for the Solomon Islands government to bring charges against people who have weapons. I should just make it clear that the international peace monitoring team itself did not have a role in disarming people at all. They were not armed. They were unarmed.

Senator HOGG—But they had a role in monitoring, didn't they?

Mr Wise—In collecting and monitoring, yes.

Senator HOGG—But, as you said, there are 460 weapons—and we are talking about more sophisticated weapons—that are unaccounted for. If they had a role in monitoring, why withdraw the team when they are really needed there to account for this substantial cache of weapons which is still out there in the general populace?

Mr Wise—As I said, the team were not responsible for collecting the weapons—simply monitoring the collection and making sure they were safely stored. Arrangements have been put in place for the Solomon Islands government and more particularly the Peace Monitoring Council, the indigenous peace monitoring unit, to take over that role of monitoring.

Senator HOGG—Will they have the capacity and the confidence of those in the process to be able to do that?

Mr Wise—Yes, we believe they will, and we are boosting our support for the Peace Monitoring Council to help them to take on this new task.

Senator HOGG—In what way are you boosting support?

Mr Wise— We are proposing to put some extra personnel on attachment from Australia into the Peace Monitoring Council to help them to take over this new function.

Senator FORSHAW—Who makes up the Peace Monitoring Council?

Mr Wise—First of all there are councillors who are prominent Solomon Islanders. It was originally led by the first Prime Minister of Solomon Islands, Sir Peter Kenilorea; the deputy leader, the former Speaker, Paul Tovua; and then there were a range of prominent community leaders—some church people and other community leaders. They have monitoring teams out in the field as well, and they follow the directions of the Peace Monitoring Council itself.

Senator HOGG—Who determined that the role of the Peace Monitoring Team was not to disarm the locals?

Mr Wise—First of all, it flows from the peace agreement which was signed in Townsville in October 2000. It was something that was determined between Australia, New Zealand and the Solomon Islands government. We never proposed that we would have armed-people in the Solomon Islands able to disarm people who are heavily armed.

Senator HOGG—We never advocated for one moment that the Peace Monitoring Team would actively engage in doing the disarming?

Mr Wise—Never.

Senator HOGG—Thank you.

Senator FORSHAW—Given that the 31 May deadline has expired and there are still all these weapons out there, who are you and the monitoring council relying on to take steps to recover them? You have said that it now becomes a criminal offence. Is it the police force?

Mr Wise—Yes.

Senator FORSHAW—There have been a range of assertions made by various commentators that there are problems within the Solomon Islands police force and that members of it are perhaps contributing to the problems. How is this going to play out if that is the case?

Mr Wise—You have struck on a very important point. It is going to be very difficult for that to happen smoothly, but it is an issue for the Solomon Islands government, with support from donors, to do what it can to strengthen the police force so it can perform its function.

Senator FORSHAW—Is the situation improving in the police force?

Mr Wise—It is improving slowly, but it is improving from a low base.

Senator FORSHAW—What are we doing to try to help that process? We are spending a lot of money; what are we doing and what are we achieving?

Mr Wise—We have a law and justice project, which AusAID conducts with the Royal Solomon Islands Police Force. So far that has cost \$5.1 million and the total cost is in the order of \$17 million. We are also giving support for the UNDP program to demobilise special constables. The Australian Federal Police provide some technical support through the people they have at our high commission in Honiara.

Senator FORSHAW—You referred earlier to the Peace Monitoring Council. Isn't it the case that the council recommended that the police field force be disarmed?

Mr Wise—It is not just the council; I think other parts of the Solomon Islands community have advocated that as well. Whether it is still a view of the Peace Monitoring Council or not, I really do not know, but there was a period when they had a public campaign advocating the disarmament of the peace police field force.

Senator FORSHAW—You have acknowledged that it was certainly recommended at one stage. What do you say to the claims made on the ABC *Four Corners* program recently—I understand by a former member of the International Peace Monitoring Team—that pressure was applied by the Australian High Commission on the IPMT to withdraw its plan to disarm the police field force? Are you aware of those claims?

Mr Wise—The IPMT never had a plan to disarm the police field force or to disarm anybody. It was there simply to monitor the collection of weapons.

Senator FORSHAW—Are you aware of the allegations *Four Corners* make?

Mr Wise—I am not aware of the program itself, but I think on the ABC web site there were some claims made.

Senator FORSHAW—And that is your response to it, is it, that the IPMT did not have a plan?

Mr Wise—The IPMT has never had a plan to disarm the police field force.

Senator FORSHAW—Was there pressure applied by the Australian High Commission on anyone to back away from that type of proposal?

Mr Wise—The Australian High Commission, the International Peace Monitoring Team and the Australian government generally have had a role in trying to do what they can to assist Solomon Islands efforts.

Senator FORSHAW—That was not the question I asked, with all due respect.

Mr Wise—I am getting to that. The point is that the efforts to disarm are ultimately a responsibility of the Solomon Islands government. It is a sovereign country. We said we would do certain things to try to help them to do that and we have done that. We have coordinated our efforts very closely between the IPMT, the Australian High Commission, the Peace Monitoring Council and the Solomon Islands government. The Peace Monitoring Council, I should add, is not an arm of the Solomon Islands government.

Senator FORSHAW—But I did ask what your response was to claims that the Australian High Commission applied pressure, whether it was on the IPMT—which you say was not relevant—or in any other way.

Mr Wise—The Australian High Commission has not applied pressure to anybody.

Senator FORSHAW—There is just one other issue. You referred earlier to the costs associated with our support for implementing the peace agreement and you gave some figures. I think it would be helpful—and you could take this on notice—if you could give us a list setting out all the various costs, including projects associated with strengthening law and justice and so on. I was particularly interested also that apparently we had a warship stationed off the coast of Guadalcanal for nine months. Is that correct?

Mr Wise—We did.

Senator FORSHAW—How much did all that cost?

Mr Wise—That is a Defence cost—you would need to ask them. But Australia and New Zealand used to rotate, if you like, the positioning of a warship in the vicinity of the Solomon Islands for a period of probably nine months.

Mr Fletcher—Until September.

Mr Wise—Until September last year.

Senator FORSHAW—Would it be appropriate for you to follow through and see if you can get those details? We can put a question to Defence as well, but it might help you in providing us with your overall summary.

Mr Wise—Certainly. We will ask Defence.

Senator FAULKNER—Is there any departmental involvement in the Asia/Pacific Group on Money Laundering meeting that is going to be held in Queensland next week? I realise this is primarily an NCA issue—I think it is an NCA issue—but I wondered what DFAT involvement, if any, there would be.

Mr Wise—It does not come under my responsibility. The department does have some involvement—

Senator FAULKNER—Am I in the wrong output?

Mr Wise—I think you are in the wrong area for that.

Senator FAULKNER—Just point me in the right direction. I thought it might come in here because of the regional issue.

Dr Thomas—I think it is under 1.7.

Senator FAULKNER—Okay, I will deal with it then. There is no problem.

Senator ALLISON—Is it possible to get some advice about the current political situation in the Islamic Republic of Iran? How would you characterise the current political situation there?

Mr Wise—There is a continuing tussle between the reformist parliament, with considerable support, it seems to us, from the broader Iranian community, the judiciary in particular, and the intelligence services. It is an uneven sort of progress. On balance, the reformists have been able to make some headway over the last few years since the election of President Khatami.

Senator ALLISON—What about human rights issues in Iran? Are dissidents from the reformist groups being imprisoned? What is the current arrangement?

Mr Wise—It is an uneven picture. Human rights issues are part of that tussle and the parliament has within it people who try to improve the human rights situation in Iran. There are reactions from the hardliners in the regime. There are still some issues of very genuine human rights concern in Iran. It is a long way yet before we will have a situation where you could say that it is an acceptable human rights situation in many respects.

Senator ALLISON—So there are political prisoners at present in Iran? Do we know how many there are?

Mr Wise—I would not be able to put a number on it. There are people who are being held—I am not sure the charge would say—for their political beliefs but there are reformers in Iran who would say that these people are indeed being held for that reason.

Senator ALLISON—I often get messages, emails and letters from people about human rights for women in Iran and public stonings are some examples of that. Is there an up-to-date summary of what you understand the situation to be there?

Mr Wise—We do not have anything here with us, but we could seek to get you some information on that.

Senator ALLISON—Has our foreign minister made representation to Iran on these issues in recent times?

Mr Wise—Yes, he does make periodic representations, and our embassy in Teheran does so also.

Senator ALLISON—There is a suggestion of a forthcoming delegation to Iran. Would the department be supportive of Australian parliamentarians going to Iran?

Mr Wise—Yes, very supportive. As I have said, it is in the parliament where there are some genuine reformers who have made some headway in political progress in Iran. I think at the moment an effort is being made in Teheran just to identify some dates for a parliamentary delegation to go.

Senator ALLISON—How is Australia going with regard to an agreement with Iran on returning asylum seekers who are deported for one reason or another? What is the current status?

Mr Wise—That is really not an issue for this department as much as it is for the Department of Immigration and Multicultural and Indigenous Affairs, but I can say that Mr Ruddock was in Iran a few weeks ago and had some negotiations there. At officials level there has been follow-up to that. The Iranian foreign minister will visit Australia on 18 and 19 June. That will feature in his meetings, and he does have a meeting scheduled with Mr Ruddock.

Senator ALLISON—So does the Department of Immigration and Multicultural and Indigenous Affairs rely on Foreign Affairs advice about the situation in those countries to which we deport asylum seekers?

Mr Wise—Yes. We work very closely with the department of immigration on all migration issues, including the question of people returning there.

Senator ALLISON—Is it possible for the committee to have a copy of the most recent advice on Iran to the department of immigration?

Mr Wise—It is not something that is available readily. That is just through continuing dialogue between the two departments, both here and at posts.

Senator ALLISON—So this is informal; there is not a written briefing available?

Mr Wise—Not that I am aware of.

Senator ALLISON—There was a specific case of an Iranian who was returned last year and, by all accounts, disappeared after arriving at the airport. Are you aware of those circumstances? What advice did you provide with regard to the likely dangers associated with that return?

Mr Wise—I think that question is better directed to the human rights sections of our International Organisations Branch who deal with specific cases, unless Mr Atkin has something to add.

Mr Atkin—No.

Senator ALLISON—As a general rule, your department would not follow through on those that are returned to Iran; you would not seek to follow up on their safety or otherwise?

Mr Wise—As I understand it—I may be mistaken in this—the people who have returned to Iran so far have indeed returned voluntarily. The negotiations we are having with Iran at the moment are about people who do not want to return voluntarily.

Senator ALLISON—The case that I cite is one such case of voluntary return, but it is my understanding that the basis of that voluntary agreement was that, on return, this person would not be thrown in prison or killed or otherwise. You are not aware of that?

Mr Wise—If you could provide us with the details of the specific case, we will get back to you.

Senator ALLISON—It is Mr Nasser Sayadi Estabahnati. It is my understanding that he was returned last year but was not sighted after he reached the airport.

Mr Wise—We will get back to you on that specific matter.

Senator ALLISON—Thank you. It is my understanding that his brother is currently being deported by ship. Some would argue that he is in an even worse situation, having been identified in the media and quite publicly, so he would be well known to the Iranian authorities as someone being forcibly returned. Perhaps you could get some advice on what the department says about that.

Mr Wise—Certainly.

Senator ALLISON—And also the follow-up. I am happy to put questions to the human rights section. If you could indicate what the process is by which you trace people who are returned not just to Iran but to other countries as well, that would be useful as well.

Mr Wise—Certainly.

Senator HOGG—I have a question on the Middle East. What is the government's position on the current dispute between Israel and the Palestinian Authority?

Mr Wise—The government obviously remains very concerned about the situation in the Middle East and takes opportunities as they arise to encourage all parties to return to negotiations and improve the security environment so those negotiations can go ahead productively. In that context the government has on various occasions called upon all parties to forswear violence and to bring an end to what is really senseless conflict in Israel and the Palestinian territories.

Senator HOGG—I applaud that. No-one likes to see the violence that is taking place there. Are there any special initiatives that the government is taking to try and intervene in the dispute which will play a positive role towards assisting the end of the dispute? I understand that of itself it will not be ended by just one party.

Mr Wise—Yes. Mr Downer told the head of the Palestinian delegation, some Arab ambassadors and the Israeli foreign minister that Australia stands ready to consider any practical ways in which we can support those more centrally involved in their efforts to resolve the crisis.

Senator HOGG—When was that said?

Mr Wise—Probably two months ago.

Mr Atkin—Six weeks to two months ago—the period of particular intensity then.

Senator HOGG—Given the ongoing escalation of the dispute, are there any special initiatives?

Mr Wise—The government has let it be known that it is available to help in practical ways if those more centrally involved see a way in which Australia can help but, as was contained in one of your earlier questions, it is very difficult to see any one initiative from outsiders leading to any breakthroughs here. I should add that Australia continues to provide humanitarian assistance to the Palestinians. Most recently we provided an additional \$1 million to help those suffering from the recent violence, and total aid flowing to the Palestinian territories and Palestinian refugees in surrounding countries for 2001-02 amounts to about \$10.5 million.

Senator FORSHAW—Do those offers of assistance include agreeing to provide peacekeeping forces as part of an international force that is being at least proposed by Yasser Arafat and some if not all the other Arab countries?

Mr Wise—The question of international monitors arises periodically in the various attempts to find some kind of breakthrough in the Middle East crisis, but so far those have been thwarted and there have been no specific proposals calling for outsiders to provide monitors on the ground.

Senator FORSHAW—The proposals have been rejected by Israel and I understand they are certainly not supported by the United States at the moment. We could discuss this for hours, but we do not have the time now. What is the position of the government or of Minister Downer on that proposal? Is there an official position?

Mr Wise—As far as I am aware, there has been no official position, because the issue is at this stage still hypothetical.

Senator HOGG—Is there an official position on what will provide a lasting solution? There are a number of views around as to what might; I am wondering if there is a government view?

Mr Wise—The government's view is that the outlines of a resolution would involve two states, Israel and Palestine, side by side, living in peace and security. Beyond that general description of what a resolution might look like, there is a lot of water yet to flow under the bridge before we get there.

Senator HOGG—The government does not have any view about the current incursions by the Israelis into Palestine?

Mr Wise—I think you will see that Mr Downer and I think the Prime Minister, too, have spoken several times about the violence that has occurred over recent months, deploring that, calling for an end to terrorism and the creation of conditions so that these incursions into the occupied territories do not occur.

Senator FORSHAW—Can I take you back to this issue of peacekeepers for a moment. You say that no specific proposal has been put forward yet, and I understand that in the context of the UN or agreements between the parties, but Minister Downer made statements in April that Australia would be prepared to play a more active role, bearing in mind our experience in bringing peace to parts of the Asia-Pacific region. One would be justified in reading into that at least that our experience in parts of Asia has been to provide peacekeeping forces—in Cambodia, East Timor and so on. Then, on 19 April, he backed away from that, saying that was not really his position at that point. Then on 21 April, Senator Hill, said:

If countries such as us could be helpful, whether it's in ... peacekeepers or whatever—then that's what we want to do.

I appreciate that there is no formal agreement to have peacekeepers or a monitoring force—or however one wants to describe it—but this issue is constantly raised, at least by the Palestinians. Do we have a position on that type of proposal or are we just saying that we will do whatever we can to help?

Mr Wise—I would make two comments on that. The first is just to repeat that it is still just a hypothetical situation. The second is that, where peacekeepers have been deployed by Australia, they have been deployed into areas where there has been an agreement on the parties at conflict for a peacekeeping operation. That agreement does not exist yet in the Middle East.

Senator FORSHAW—I am aware of that, Mr Wise. The concern we have is that mixed signals may be being sent about what attitude Australia might adopt to that proposal—which, in turn, has certainly led to Israel expressing their concerns to us about that. At least in some people's minds, it is identified as taking a position that the Palestinian Authority and the Arab countries have promoted constantly and that in this conflict people get put on one side or the other. Secondly, the history of peacekeeping forces in the Middle East is not good in terms of this conflict. The US is very well aware of that and, I understand, very reluctant to be going down that path, certainly not for a long time.

Mr Wise—There are of course peacekeeping forces in various parts of the Middle East already.

Senator FORSHAW—They are in Lebanon, yes.

Mr Wise—We contribute to those—to the MFO, for example.

Senator FORSHAW—I have some questions about Zimbabwe. Can you give me an assessment of how you saw the security situation in Zimbabwe in the lead-up to and during the conduct of the elections in March?

Mr Wise—There are several reports—including from the Commonwealth Observer Group; I think there were four Australian representatives on that—that pointed to some very genuine concerns about the security situation during the election campaign and on the voting day as well. The government has, on several occasions, spoken about the concerns it had about the environment in Zimbabwe, including the security environment, during the election campaign.

Senator FORSHAW—Thank you. Mr Downer made some comments on 4 March, when shadow minister Kevin Rudd was actually en route to Zimbabwe to participate in that Commonwealth Observer Group. Mr Downer particularly criticised him, claiming that he was undermining the observer process because he had called before he left Australia for the imposition of immediate sanctions. Are you aware that these reports of Minister Downer's were reported widely in the Zimbabwe media, particularly in the *Zimbabwe Herald*?

Mr Wise—I am aware.

Senator FORSHAW—It was effectively used, wasn't it? Certainly, President Mugabe's regime seized on these comments to attack the credibility and, later, the findings of the Commonwealth Observer Group—amongst a lot of other things. He did that, didn't he?

Mr Wise—He did, but President Mugabe has a record of distorting comments and making rather outlandish claims about the views of other countries on the so-called democratic process in Zimbabwe.

Senator FORSHAW—For instance, on 21 March the Minister of Foreign Affairs of Zimbabwe, Dr Mudenge, in speaking about a decision to suspend Zimbabwe from the Commonwealth, said that the whole report of the COG was flawed, and he particularly referred to what he claimed were biased contributions from Mr Rudd—certainly picking up on the allegations made earlier by Mr Downer and, as I said, reported in the Zimbabwe press.

Mr Wise—There is unanimity of views, as far as I am aware, between all the Australians who participated in that observer group and the Australian government on the state of that election.

Senator FORSHAW—I put it to you that the shadow minister Kevin Rudd was on his way to Zimbabwe to be part of this Commonwealth Observers Group and he was criticised by our foreign minister right at that time over his support for sanctions. I might say that sanctions had been supported by many other people some time before.

CHAIR—Senator Forshaw, I think that is a question better directed to the minister. I do not think you can expect officials to answer these sorts of questions.

Mr Wise—I can make a factual point, though, Mr Chair, and that is that at the time Mr Downer made those comments, as Mr Rudd was going off to Zimbabwe to observe the elections, the Commonwealth had made a decision to defer the question of sanctions until they had the report of the Observers Group on that election.

Senator Abetz—I do not profess to have any great knowledge in this area, and my intervention may prove me right in that regard, but Mr Rudd was going overseas, as I understand it, to be part of a delegation to observe certain events. As a result of those events, the Commonwealth may have made some determinations, including sanctions. But Mr Rudd, prior to going to observe, had come to a determination in his own mind that sanctions ought to be applied, and that therefore allowed people in Zimbabwe to question how objective he would be in his assessment—given that the Commonwealth had, as I understood it, deferred the decision on sanctions.

Senator FORSHAW—So you agree, Minister Abetz, that Minister Downer was actually raising here his concerns about whether or not Mr Rudd had prejudged the issue? That is what you have just said.

Senator Abetz—No, I am not.

Senator FORSHAW—Then what are you saying?

Senator Abetz—It is just a question of the wisdom, if you are going somewhere to determine a certain set of events—and you are being asked to judge them objectively and, as a result of the judgment you might cast on that, sanctions might come into play—of observing before you go that you are already of the view that sanctions ought to apply. It does not necessarily enhance the credibility of your claim to look at these things objectively. That is all.

CHAIR—You might ask a whole range of questions about the flawed nature of the election, its aftermath and the issue of a suspension from the Commonwealth. But the game has moved on and, in terms of political questions, I do not think it is appropriate to ask the officials to comment.

Senator FORSHAW—You are entitled to your view, Mr Chair, but I am getting at a point here. The minister at the table has just made a very enlightening comment—

Senator Abetz—As always!

Senator FORSHAW—because what happened, Minister, is that in January and in February, before the team even left to go to Zimbabwe, Minister Downer firmly put on the record his indications that sanctions, including smart sanctions, could well be imposed by Australia. According to your criteria, Minister, he should not have opened his mouth.

Senator Abetz—No, ‘could well be imposed’ is I think a different set of words to ‘should be imposed’. I am no expert in this area, but the language that is employed in these circumstances can be very important. Just because it sounds like something does not mean that it is necessarily the same.

Senator FORSHAW—Those nuances would have been picked up and explained by the media in Zimbabwe, would they?

Senator Abetz—I am sure those nuances would have been accepted by people elsewhere, even if they are lost on you.

Senator PAYNE—I fail to see how this is actually progressing the estimates, to be honest.

Senator FORSHAW—If you allow me to ask this question, we can move to another topic. The report essentially declares that the elections were not free and fair. Sanctions have not been imposed as yet. Are you able to tell me why?

Mr Wise—We are keeping alive the option of sanctions. They have not been ruled out. The key is the timing and the context of imposing them. We are coordinating very closely with a range of international players, including the EU, the United States, the UK, Canada and other members of the Commonwealth, all of whom strongly endorse the approach we have taken. The only criticism we have had of our approach to Zimbabwe has come from the government of Zimbabwe. The Prime Minister, as the chair of the Commonwealth troika, was part of sending a strong message to the government of Zimbabwe on 19 March by suspending Zimbabwe from the councils of the Commonwealth. The Prime Minister said at that time that he did not see us implementing sanctions in the near term.

What has happened meanwhile is that special representatives of the presidents of Nigeria and South Africa, under the mandate of the troika headed by the Prime Minister, have brokered talks in Zimbabwe between the government and the opposition. They agreed to an agenda on 8 April. They were supposed to resume on 13 May, but that resumption was halted by the Zimbabwe government. Presidents Mbeki and Obasanjo are continuing their efforts to promote reconciliation between the parties in Zimbabwe and the Australian government has been supporting that. At the most recent Commonwealth Ministerial Action Group meeting in Botswana on 16 and 17 May the Ministerial Action Group, in its final statement, said that it remained seized of the issue and supported the ongoing efforts of the presidents of Nigeria and South Africa to achieve reconciliation. That said, we have no illusions about how difficult the situation still remains in Zimbabwe.

Senator HOGG—Neither have we, because we continue to be peppered with a range of emails, which undoubtedly you have access to as well, describing the atrocious conditions that apply. It would seem that the regime may only well stand up and take notice when a successful sanction regime is initiated.

Mr Wise—That is a matter for judgment.

CHAIR—You said the final communique from Botswana. Does that mean the final communique of the Ministerial Working Group?

Mr Wise—It was the final communique of the Commonwealth Ministerial Action Group or CMAG.

CHAIR—Does ‘final’ mean that there will not be another one?

Mr Wise—What I mean by that is the document that came out finally at the end of the meeting.

CHAIR—The talk of imposition of sanctions against Zimbabwe begs the question as to what sanctions we might impose. What legitimate sanctions might we impose against Zimbabwe?

Mr Wise—Mr Downer has mentioned publicly that if we did go down the sanctions route we would be imposing what has been referred to as smart sanctions—that is, trying to target the sanctions at the regime itself rather than the ordinary people of Zimbabwe who, as you know, are already suffering quite a lot. Any humanitarian assistance we are now providing would continue and the Prime Minister announced additional humanitarian assistance when he was in London on 19 March. If we did go down the sanctions route, we would be looking at things like visa and travel bans, closing off accounts for members of the regime and those sorts of things.

Senator FAULKNER—On a different area but in the same subprogram, I wondered if you could identify the program components of the Pacific solution within the portfolio. I assume it comes under this particular subprogram; would that be right?

Mr Wise—The so-called Pacific solution really comes more under the program dealing with efforts to tackle people-smuggling rather than our relations with the countries of the South Pacific.

Senator FAULKNER—Fair enough. This is a good tutorial.

Dr Thomas—It is the next subgroup—subgroup 1.1.7

Senator FAULKNER—That is also 1.1.7?

Dr Thomas—Yes.

Senator FAULKNER—So that means that, if there are any questions related to Nauru and PNG that might be broadly associated with the Pacific solution, they are better dealt with there; would that be right? Are you happy with that, Dr Thomas?

Dr Thomas—Yes.

Senator FAULKNER—I am happy to assist.

CHAIR—We have finished with 1.1.4. We now move to 1.1.7. Before you start, Senator Faulkner, Senator Payne has a couple of questions that she wants to ask.

Senator FAULKNER—I know that I can only speak on behalf of the opposition senators.

Senator PAYNE—It is all right, Senator Faulkner; mine are in sub-output 1.1.7.

[2.46 p.m.]

CHAIR—I call on the officials for sub-output 1.1.7, International organisations, legal and environment. I welcome you, Dr Raby, and your officials.

Senator PAYNE—I hope I in fact do have the right section. My questions go to the Australia-Vietnam human rights dialogue of last week. Dr Raby, you led our delegation?

Dr Raby—Yes, that is correct.

Senator PAYNE—Who were the other members of the delegation?

Dr Raby—The delegation comprised DFAT officers, officers from the Attorney-General's Department, Professor Alice Tay, who is the President of HREOC—

Senator PAYNE—I think she was devastated to be taken away from the Legal and Constitutional Legislation Committee estimates by being in Hanoi.

Dr Raby—and an additional officer from HREOC.

Senator PAYNE—By whom was Vietnam represented in the dialogue?

Dr Raby—Vietnam was represented by the foreign ministry, the Ministry of Public Security, an officer from the Prime Minister's office and their equivalent of Attorney-General's.

Senator PAYNE—The department or the individual—the Attorney-General or officers from the department?

Dr Raby—Officers from the department which is their equivalent of our Attorney-General's.

Senator PAYNE—What were the activities of the dialogue?

Dr Raby—The dialogue took place over two days. The first day consisted of basically discussions across a range of issues. The morning session dealt with issues of common interest in the international system, principally multilateral issues and a range of UN related matters. Also in the morning session we discussed the commission on human rights. Then in the afternoon session we dealt exclusively with human rights issues. On the second day we called on a number of agencies from the Vietnamese government and also from the national assembly. They were basically thematic calls: women's rights, ethnic matters and so on.

Senator PAYNE—Did the dialogue at any stage canvass the impact of HIV-AIDS in the region on human rights issues?

Dr Raby—That was not raised.

Senator PAYNE—I do not recall whether Vietnam participated in the ministerial conference on HIV-AIDS at the end of last year, I think it was in October; do you know if they did?

Dr Raby—I know the conference, but I am not sure. It was organised by AusAID. We could check that for you.

Senator PAYNE—Of the human rights issues that you said were discussed on the afternoon of the first day, can you narrow those down for me a little?

Dr Raby—They were issues dealing with minorities, the death penalty, legal practices, conditions of detention and the rights of women and children.

Senator PAYNE—This was the first of such dialogues in Vietnam, wasn't it?

Dr Raby—Yes, it is the first time we have had a dialogue like this with Vietnam.

Senator PAYNE—Is it something that Australia viewed as productive?

Dr Raby—Yes, we thought it was very worth while. We are very pleased with the way in which the Vietnamese engaged us. They took it very seriously. The exchange was fairly frank.

Senator PAYNE—Was it in Vietnamese with interpreters?

Dr Raby—No. On the first day it was all done in English. All the interlocutors on the Vietnamese side spoke English. On the second day when we called on different agencies most of that was via interpreters. There was a real willingness to engage us on these issues.

Senator PAYNE—What is the follow-up plan out of the dialogue?

Dr Raby—Principally we are looking forward to meeting them again. We would envisage that would be in Australia. We see this as having been the first step in a confidence-building exercise. We are only the third country that Vietnam has had such a dialogue with—the other two being the United States and Sweden. Our dialogue, though, was more comprehensive in terms of agenda and also the fact that we had non-government representation on our delegation, to the extent that HREOC can be described as non-government. We had the very clear indication from them that they thought it was a constructive exercise and that they would be prepared to meet us again. We have not set a date. There was also a great deal of interest in human rights national institutions and a very long and productive exchange on HREOC and how that operates. They have expressed an interest in perhaps an early visit to study HREOC and the way we have approached national human rights institution building.

Senator PAYNE—Is it proposed to hold another of these dialogues in the next 12 months—to do these annually? You indicated that would be in Australia. How would you see that progressing?

Dr Raby—At this stage, as I said, we are still in a confidence-building process. It is very new for Vietnam. We would envisage that it would certainly be in Australia. That is our hope, and that would make sense. Our expectation is that it would be in the next 12 months.

Senator PAYNE—My final question goes to cost. I do not imagine that it was a very expensive proposition anyway, aside from the travel process, but were the costs borne by the Australian government or the Vietnamese government?

Dr Raby—We each paid our own expenses.

Senator PAYNE—Thank you.

Senator FAULKNER—There are a couple of issues, Mr Chair, that we have held over to this subprogram. I was asking—I do not know if you heard, Dr Raby—a few minutes ago whether I could be told what, if any, the involvement of DFAT was in the preparations for the Asia/Pacific Group on Money Laundering secretariat meeting that is occurring in Queensland next week might be.

Dr Raby—Before I take that, if you are agreeable I would like to give you an answer on a question you left us with from the morning session—

Senator FAULKNER—By all means, yes.

Dr Raby—concerning the group in the mission in Jakarta that coordinates on people-smuggling issues. We have been back to Jakarta. I was wrong when I said that there may have been up to eight agencies. The fact is there are four agencies. The portfolios represented on what is called the Inter-Agency Co-ordination Group on People Smuggling are DFAT, AFP, DIMIA and Defence. I think I might have mentioned this morning that Customs was also an agency, but I am advised by Jakarta that that is not the case. The individuals representing these agencies change over time and sometimes change from meeting to meeting, depending on availability of officers, so there is no particular individual in any fixed or permanent way representing the agencies. Their role is to represent their agency's views and to share information and assessments which may be available to those individual agencies.

Senator FAULKNER—Their role is what? Say that again.

Dr Raby—Their role is to represent their agency's views, and to share information and assessments which may be available to those individual agencies, meaning that different agencies may have particular information, or have an assessment of the situation on the ground through their normal work, and they bring that to the meeting and share that information and their own assessments.

Senator FAULKNER—But this is something that happens in the post, right?

Dr Raby—Yes.

Senator FAULKNER—That is helpful information, and thank you for providing it. I was interested in where it might report to and obviously what inputs it might have. I think you are saying to me that fundamentally the inputs are local, are you?

Dr Raby—Yes.

Senator FAULKNER—Which is fair enough, but I think that is a little different to what I might have understood from this morning.

Dr Raby—Maybe we should be clear on this. There would be two broad sets of inputs, if you like. They would be primarily dealing with local inputs, information they pick up in-country, whichever way they do it. Secondly, there would be discrete tasking from time to time of officers from their own agencies, from Canberra. I think there was a bit of confusion, perhaps, on my side this morning in responding to your question. I think we need to be clear, though. In a post there are those essentially two different sets of inputs of information—the in-country information and the tasking and exchange that happens in the normal course of events with Canberra.

Senator HOGG—Is there a formal agenda for the meeting or is it just an ad hoc arrangement each time?

Dr Raby—It is ad hoc, convened by the ambassador or the deputy head of mission, depending on whether the ambassador is in Jakarta or not.

Senator HOGG—So there is no record of the meeting kept?

Dr Raby—No.

Senator FAULKNER—What about the tasking? There would be a record available of the tasking, wouldn't there? This is not the in-country tasking; this is the tasking from Canberra.

Dr Raby—The way the tasking from Canberra operates, the group is not tasked as a whole. There is no tasking of this group. What would happen, for example, if we had some information on some activities of people smugglers, is that the follow-up request would come from, possibly, DFAT or DIMIA. We, maybe in Canberra, would consult with DIMIA, or DIMIA with us, but that would go directly to the post. In a post like Jakarta—indeed in most posts—cables are available to all officers in the post. That would just then be on the basis of the tasking. The coordinating agency, the coordinating group, would be convened and the tasking from Canberra would be discussed.

Senator FAULKNER—Yes, but in what form does the tasking come?

Dr Raby—Cable.

Senator FAULKNER—Just cable?

Dr Raby—In almost all cases, as I explained this morning, we have a clear directive in our department that all formal tasking of posts is by cable. There is always some leakage in that, in that there is some communication by email, but the formal tasking of a post is by a normal cable.

Senator FAULKNER—You would not be aware of what occurred at the Senate estimates committee with the AFP, but you may well be aware—or someone in your division may well be aware—of one of the objectives of the AFP, in part under its Law Enforcement Cooperation Program. Let me quote the objective directly from the Australian Federal Police's portfolio budget statements 2002-03, page 220:

... improving the ability to combat transnational crime threats to Australia by disrupting and dismantling such activities in source and transit countries ...

Are you or any of your officers aware of that objective?

Dr Raby—I wasn't aware of it as explicitly as that, in those exact words, but I am aware that that is an operational objective of the AFP.

Senator FAULKNER—You say you are not aware of it as explicitly as that, and that is fair enough; it is buried away in the portfolio budget statements. What is your awareness of that general policy imperative?

Dr Raby—The AFP are represented in a number of posts in this part of the world. They are active in post-wide coordinating committees such as the one I have been describing in Jakarta. The AFP were very active in the Bali regional conference. That conference had a very strong disruption aspect to it. The head of the AFP was present in Bali and a number of his colleagues were there too. It was a very useful opportunity for the police to exchange information and engage on disruption activities with respect to people-smuggling.

Senator FAULKNER—Are you able to say in the broad what your understanding of 'disruption activities' is?

Dr Raby—No. I think that is best directed to the AFP. It is in their area of responsibility and it is also an operational matter, which I would not wish to be drawn on.

Senator FAULKNER—I think you are quite right not to go into AFP operational matters and I would not want you to do so; hence, I asked the question in the form I did and I thought it was fairly carefully worded. But let me ask it in another way because I do not think it is fair for me to ask you to go to matters that relate to AFP activities: what, if any, DFAT directives, guidance or other objectives are there in relation to disrupting and dismantling activities in the area of people-smuggling? Is this only, from your understanding, an AFP objective or is it more broadly something that your department has a role in?

Dr Raby—This morning's answers indicated what the role of the department is. For us, action against people-smuggling is an important priority, and I think Dr Thomas made that point this morning. We have appointed an Ambassador for People Smuggling Issues. The Bali conference had disruption activities as its central theme. Our good diplomatic offices are used to facilitate contacts between agencies or approaches to other governments at senior levels, so we are engaged in that way. There is also close coordination on these matters when there is a particular case and our DFAT offices will be present if there are court cases under way in the region on these matters—it is a fairly engaged exercise. There are particular agency responsibilities and, I guess, in this area ours is more of a facilitating or coordinating role.

Senator FAULKNER—If it is a fairly engaged exercise, what I am trying to understand is what these disrupting activities are and what it means more broadly. I do not want to ask you or expect you to talk to me about the AFP or anyone else's operational matters. I do not want to trample into that area and I think I made that quite clear this morning. But I do want to understand what that means as far as the department is concerned in terms of that broad directive. And as you described a moment ago the ministerial conference is fairly engaged in that exercise, so I think it is a reasonable question for me to ask you, given that this is a matter that DFAT is dealing with.

Dr Raby—Yes, but what I have just said was part of the answer—raising the critical profile of this issue, making representations to governments to encourage them to legislate to raise this as a priority amongst their police, working with local authorities, exchanging information and exchanging intelligence information. All those activities are part of this exercise to stop people-smuggling.

We have had a major publicity campaign running out of the embassy in Jakarta. We have placed articles in the vernacular press in Jakarta. We have even had T-shirts made up and distributed on the docks in Indonesia and places where people smugglers are active to encourage local Indonesian fishermen not to crew these boats. So it is a very wide range of activities ranging from high-level government representations. It runs the whole gamut through public affairs activities, through intelligence and information exchange and just about anything else that is necessary to advance that objective.

Senator FAULKNER—Yes. That is helpful. Let us take the issue of getting T-shirts made up. Was that a DFAT initiative or was it someone else's initiative?

Dr Raby—It was an issue that just came out of the coordinating group in the embassy in Jakarta.

Senator FAULKNER—Who paid for it?

Dr Raby—It would have come out of post funds, I would imagine. Mind you, getting a T-shirt made in Jakarta and printed is a relatively inexpensive exercise.

Senator FAULKNER—Yes, I know that and I am not saying it is an expensive exercise at all. I am wondering which agency is responsibility for it. I am trying to understand what disrupting these activities in-country means and I do not know a great deal about it. That is why I am asking you about it and I learn a little more about it each time I come to the table at an estimates committee. I have just learnt a moment ago that someone—and I am not saying it is a bad idea; it is probably a very good idea—is distributing T-shirts around the docks, getting locals to wear them and discouraging locals from crewing these vessels. I am not saying that is a bad idea. I am just wondering about these ideas, and you have told me where the idea generates from: it generates from the interagency coordination group. I then asked if DFAT was paying for it or was someone else paying for it—you tell me.

Dr Raby—I did. It came out of embassy funds.

Senator FAULKNER—What else has come out of embassy funds for disrupting?

Dr Raby—I can give you an indication if you want to or—

Senator FAULKNER—Yes, I would really like to hear it.

Dr Raby—I could take that on notice, but advertisements we have taken in the vernacular press have been paid for out of embassy funds. There is extensive travel by the embassy all over the archipelago in Indonesia, collecting information, collecting intelligence, meeting

with local police in different areas and local governors, raising the profile of the issue and expressing concerns. Essentially the task has been to encourage governments in the region to treat this issue with the degree of seriousness with which we believe it should be treated. Much of it has been advocacy and explaining why inability or unwillingness to crack down on people-smuggling may undermine broader security interests of countries and pointing out the links that exist between people smugglers and other transnational criminal activities.

Senator FAULKNER—I understand that, and it seems to me to be absolutely logical that the advocacy role lies within your department. That seems perfectly reasonable and proper, and I accept it. But I am interested also in the department's role beyond advocacy. Can you help me there?

Dr Raby—I am not sure. I have outlined public affairs, advocacy, representation to governments, information exchange, coordinating activities and overall facilitation using the good offices of the ambassador and other senior officials. I think that is pretty much the extent of the defined departmental role.

Senator FAULKNER—Would you describe the disrupting activities as an important or key element of the role of the interagency coordination group?

Dr Raby—Very much so.

Senator FAULKNER—Where does that guidance come from? Who establishes that priority for the interagency coordination group?

Dr Raby—The post is reflecting the priority that the portfolio as a whole has placed on this issue as, indeed, the government has placed on this issue.

Senator FAULKNER—I am sure it is. So you are saying that it is the government? Is that the answer to the question?

Dr Raby—Yes.

Senator FAULKNER—Can we nail it down a bit more. How does the interagency coordination group have relayed to it such a priority? It does not happen by osmosis, I assume. Somebody tells somebody that this is what we want you to do. Who tells them?

Dr Raby—It comes down to the interaction between the post and Canberra. It is quite clear to all officers in the department that people-smuggling and combating people-smuggling is a major government priority. It is a quite clear that it is a major national priority, and officers understand what government priorities are. I do not think at any time a direction has gone from Canberra: 'Please establish a coordinating group.' But if you are the ambassador and you have a number of agencies in your embassy and there is a lot of activity going on, it would seem to be good management to bring the different agencies together around the table.

Senator FAULKNER—Has there been any consideration in DFAT—I know we are talking about probably less than a year but it may be longer, I do not know; let us just say for the sake of the argument within the last year—about what disrupting and dismantling activities might mean? Has there been any thought given to that in a broader sense? In other words, nailing it down: what is on and what is not on? What is encompassed within that priority objective?

Dr Raby—On the actions that are taken, that is the day-to-day operational responsibility of the relevant agencies.

Senator FAULKNER—So DFAT has not been involved in that at all? I am only talking about your role. I do not want to ask you about other agencies. I do not expect you to answer for them.

Dr Raby—We chair the interagency coordinating group, so the answer is: yes, we are involved. But what is brought to the table as far as initiatives, ideas and what is good to do and what is not good to do comes from individual agencies that have operational responsibilities.

Senator FAULKNER—So none of those ideas comes from DFAT?

Dr Raby—Not that I want to lay claim to any intellectual property for the department, no.

Senator FAULKNER—That may be wise. I do not know. It does not help me much, I have to say, Dr Raby. I am still grappling with how these decisions are arrived at and whether there is any guidance more broadly at the DFAT portfolio level about what is acceptable. These ideas bubble up from agencies. They are talked about across agencies: DFAT, DIMIA, Defence and the Australian Federal Police. At least the interagency coordination group, in the first instance, is making some level of decision about how you might progress that activity. That is right, isn't it?

Dr Raby—Yes.

Senator FAULKNER—Is guidance ever sought beyond the interagency coordination group from Canberra?

Dr Raby—I thought I had answered that; forgive me. A tasking from Canberra from different agencies to their officers in a post is an ongoing and regular event.

Dr Thomas—It has to be realised too that much tasking that comes from Canberra to overseas posts from other agencies, including DFAT, has gone all the way to ministerial level for a final seal of approval before those instructions are sent out, so they are quite often ministerial instructions from those home agencies.

Senator FAULKNER—Is that the norm in terms of the disrupting activities in country—in Indonesia? Is it the norm for ministerial level decisions on that sort of activity?

Dr Thomas—It is the norm for advice that comes out from the departments to have been cleared at ministerial level usually, yes.

Senator FAULKNER—So it is the norm?

Dr Thomas—Yes, I would think so. Most instructions, for example, that go to DFAT embassies abroad are based on policy decisions which have been taken by the Minister for Foreign Affairs or the Minister for Trade.

Senator FAULKNER—So there would not be activities carried out under the aegis of the interagency coordination group on people-smuggling that the Minister for Foreign Affairs would not approve of?

Dr Thomas—Clearly, it does not operate in a policy vacuum, but there would have to be some discretion at the local level for particular activities which may reinforce or help implement the stated policy contained in any instructing cable.

Senator FAULKNER—Are there ever legal issues in relation to what is acceptable in terms of disrupting activities or not?

Dr Thomas—I am sure there may well be, but they would be worked out before any instructing cable went out, following full consultation between Attorney-General's, our department, Immigration and others, as required.

Senator FAULKNER—Okay, you are sure there may be: have there been?

Dr Raby—I think you also need to distinguish between levels of decisions. When printing T-shirts or putting advertisements in the paper, posts use their initiative and discretion. Posts do that everywhere. The whole thing is not micromanaged from Canberra. Posts have a lot of discretion to act within a policy framework set by the minister. That framework is set out relatively clearly. I cannot recall any issues of a legally sensitive nature in this case, but anything that required higher level decision would go to the minister, if there were issues of that nature.

Senator FAULKNER—Is that framework that is set out clearly available to this committee? I am just asking if I can get a copy of it.

Dr Raby—I am just trying to think whether it is set out in any document.

Senator FAULKNER—You just said that it was set out clearly, so it must be available in a document. The issue is whether the document is available.

Dr Thomas—These things are evolving policy decisions which are fed out and directed to posts as they occur. There is no single policy document.

Senator FAULKNER—With respect, you are now pulling my leg. I was told this was set out clearly; now I am told it is an evolving document.

Dr Thomas—I am saying that the situation is not static. There was not a policy framework document decided on six months ago and that is it, in holy writ. There are a succession of ministerial decisions as events evolve. Those then provide the framework within which officers operate.

Senator FAULKNER—Whether or not it is holy writ, can I get a copy of it?

Dr Thomas—Most of this is in the form of individual submissions which have gone up to the minister—whatever's minister. It is in the nature of confidential advice to ministers, on which decisions are taken, and then instructions or what have you are given to embassies. I am not in a position to divulge that advice.

Senator FAULKNER—Its status appears to have changed dramatically in the last couple of minutes, with respect.

Dr Thomas—A number of those decisions would also reflect cabinet decisions or National Security Committee decisions, which again I am not really at liberty to divulge.

Senator FAULKNER—No, but what is available for the committee to look at?

Dr Thomas—What is available are the various public statements which have been made on this issue from time to time by our minister and other ministers—

Senator FAULKNER—I know they are available. I am well aware the public statements are available. Is there any documentation at the departmental level, in relation to this, that could be provided to the committee for the benefit of committee members? I got the distinct impression from Dr Raby's earlier evidence there was such material available. If there is not, someone should just say to me that it is not available.

Dr Raby—I did not wish to imply that it was publicly available. As Dr Thomas said—

Senator FAULKNER—It is available but it is not publicly available?

Dr Raby—It is in the form of advice to the minister, submissions, his response to the submissions—

Senator FAULKNER—There is nothing publicly available?

Dr Raby—Not that I am aware of.

Senator FAULKNER—Has the department ever sought, from any agency of the Commonwealth or outside the Commonwealth, any advices in relation to legal issues surrounding disruption or disruptive activities. Has advice been sought?

Dr Raby—I am not sure what the legal issues surrounding disruptive activities are that you are referring to.

Senator FAULKNER—I am not either. I am not referring to any specifically. I am asking whether the question of the legality of any of these disrupting activities in-country has caused the Department of Foreign Affairs and Trade to take legal advice about their nature.

Dr Raby—The answer, as far as I am aware, is no. Certainly, in my time, we have not had any need for or sought any external legal advice on that particular issue.

Senator FAULKNER—Have you sought legal advice, internal or external, in relation to the Commonwealth's role in people-smuggling activities in-country, more generally? In other words, I am not asking a question as defined as the one that you were able to give me a denial to a moment ago.

Dr Raby—The answer is no again. It is the same.

Senator FAULKNER—This would include advice from the Attorney-General's Department?

Dr Raby—With respect to the legal situation in country X, shall we say? Was your question with respect to Australia or another country?

Senator FAULKNER—I am interested in both. I have said this at a number of estimates committees and I will be quite frank with you. I am interested in examining, in as close detail as I can, what this disrupting activity means in-country in Indonesia, but I am also interested in a range of associated activities. I do not consider this department necessarily front and centre on these issues; I do understand the point you make about these operational matters being the responsibility of other agencies. Nevertheless, at a minimum, there is a coordination role for the Department of Foreign Affairs and Trade. I am very interested in what is happening in Canberra in relation to that. I am very interested in the interagency coordination group on people-smuggling operating out of your Jakarta post. I am very interested in what individuals are doing, be they DFAT officers or other officers, in your Jakarta post. I want to get to the bottom of what these disrupting activities are if I am able to.

Dr Raby—Rest assured, we are here to help you on that, but we are constrained by the scope of our departmental responsibilities in this area. To answer both of your questions: no, we have not been involved in seeking legal advice on this issue.

Senator FAULKNER—Internally or externally?

Dr Raby—For Indonesia, no. Within Australia, I presume you are talking about the action of people being smuggled into Australia and that is not our department's responsibility. Legal matters dealing with Australia are the responsibility of the Attorney-General's Department.

Senator FAULKNER—I know that. But departments, as you know—and yours does this often—seek legal advice on a range of issues. That is standard operating procedure for the Department of Foreign Affairs and Trade and every other government department. There is nothing unusual in that. All I am asking is: have you sought any legal advice in relation to people-smuggling activities?

Dr Raby—No.

Senator FAULKNER—Thank you. I want to understand a little more about the Refugees, Immigration And Transnational Crime Section in the department. Am I in the right output or division? I used to call them divisions, but we are not allowed to call them divisions anymore, are we?

Dr Thomas—We call them divisions.

Senator FAULKNER—You still do? You are nearly as old-fashioned as I am. That has been operating for quite a while, has it not? Does it have an acronym that we can use? It is the RIT, I suppose.

Dr Raby—It is called People-Smuggling, Refugees and Illegal Immigration. We call it the PRI section. That section has been around for some time. I have been running the division for about nine months. It was previously the Refugees, Immigration and Transnational Crime Section. With the increasing priority given to people-smuggling issues and increased activity in that area, we took the other transnational crime issues out of that section and moved them into one of the legal sections. That made more sense because there was a lot of crossover activity. We have allocated the resources more directly to people-smuggling, refugees and illegal immigration matters. But the section has been going for quite some time.

Senator FAULKNER—Is it effectively just a new name for your division?

Dr Raby—It is a new name, but more resources have been directed at this set of issues—a modest amount of additional resources—because we have taken the transnational crime activities out of that section now.

Senator FAULKNER—I read in the annual report that the RIT also assists in the development of strategies to combat people-smuggling and strengthen Australian cooperation with law enforcement and immigration agencies in first asylum and transit countries.

Dr Raby—That is correct.

Senator FAULKNER—I am trying to understand the departmental organisation and whether that objective or that role is what you have been talking about under another name.

Dr Raby—Yes, and that is the relevant section. The section head reports to Mr Smith, who is head of the International Organisations Branch, and he reports to me, as division head.

Senator FAULKNER—In terms of the Canberra operation, how does your coordination with DIMIA work?

Dr Raby—As I explained this morning, we have a regular deputy secretary level meeting which covers the whole range of issues, including overseas property issues and so on. At the desk level, if you like, it is on an ad hoc, as needs basis, usually over the telephone or occasionally getting together face to face. As I explained this morning, we are also the area that links the department to the PM&C high-level IDC on illegal immigration.

Senator FAULKNER—Was the establishment of the interagency coordination group on people-smuggling the ambassador's initiative?

Dr Raby—Yes. As I understand it, it was an initiative in the post.

Proceedings suspended from 3.30 p.m. to 3.48 p.m.

CHAIR—We are presently dealing with output 1.1.7, International organisations, legal and environment.

Senator Abetz—Before we commence, I understand there is a clarification to be made.

Dr Raby—There are two clarifications to two different answers I gave to Senator Faulkner just before the break. One correction regards the funding of the T-shirts and advertisements. Originally, some funding was provided for both from the public affairs budget of the embassy, but when a bigger effort was made in terms of numbers of T-shirts required and a more extensive advertising campaign that was funded by DIMIA, not by the post.

The second one is a little bit more substantive. It is not really a correction as such; I just want to be clear on this. You asked about legal advice we had sought on internal or external aspects of people-smuggling. We work jointly with Attorney-General's on extradition matters. There has been one case involving two individuals in my time with respect to extradition on charges of people-smuggling. We worked with Attorney-General's on the legal aspects of the extradition case. You may regard that as disruption of people-smuggling activities. I did not take extradition as implied in your question.

Senator FAULKNER—It was not implied, but thank you for providing that information—I appreciate it and I am sure the committee does, too. Have any concerns at all about the disruption element of our countering people-smuggling activities been raised with the Department of Foreign Affairs and Trade?

Dr Raby—Not that I am aware of.

Senator FAULKNER—Let me be clear on this: have any concerns been raised from outside the Department of Foreign Affairs and Trade with your department?

Dr Raby—Not that I am aware of.

Senator FAULKNER—Have any concerns been raised internally?

Dr Raby—No.

Senator FAULKNER—Can I go back to where we were some time ago, before we had that minor diversion, which was with the Asia/Pacific Group on Money Laundering. As I understand it, and as I hear in the media, there is a secretariat meeting of that group planned for Queensland next week. Is that right?

Dr Raby—It is taking place now, I think.

Ms Gorely—It is this week.

Senator FAULKNER—Is there a Department of Foreign Affairs and Trade involvement in that?

Dr Raby—Yes. I will ask my colleague Amanda Gorely to respond to you more fully on this, but I will just say that principally this is an Attorney-General's issue.

Senator FAULKNER—I think it is an NCA issue, isn't it, really?

Dr Raby—Yes, but we have an interest in the international dimensions of the matter. We have an executive officer level person attending from the department.

Senator FAULKNER—Does the department, for example, go to any expenditure for paying for Nauru delegates to attend this sort of thing in terms of your program funding?

Dr Raby—No.

Ms Gorely—I think we have funded Nauru delegates to attend other international meetings in the past, but certainly DFAT did not provide any funding for this meeting.

Senator FAULKNER—That is what I meant—in relation to this meeting.

Dr Raby—It is possible that AusAID may have, because part of AusAID's activity is to fund participation in international meetings. But I cannot say specifically on this case.

Senator FAULKNER—There was some publicity about this, in fact this morning. I wonder if you could indicate to me whether the department has been involved in any way in any investigations of money laundering for terrorist organisations in Nauru.

Ms Gorely—The department has not been involved in any investigations in Nauru.

Senator FAULKNER—Is the department aware of any such investigations?

Ms Gorely—I am not aware of any such investigations. They would be carried out by law enforcement agencies at the operational level and not by this department.

Senator FAULKNER—Yes, I understand that. Again, I ask these questions on the department's coordination role in relation to foreign governments. While appreciating that the operational matters would be handled by other agencies, it seems to me to be not unreasonable, and in fact it would be my expectation, that the Department of Foreign Affairs and Trade would have an awareness of it. Am I wrong about that?

Dr Thomas—No, but we are not aware of any particular investigation relating to Nauru that you mention.

Senator FAULKNER—In the ordinary course of events, if such investigations were taking place, you may expect to hear that from the responsible agency. Is that how it works?

Dr Thomas—It depends on the extent to which DFAT had to play some role in that.

Senator FAULKNER—Is your department present at this conference?

Ms Gorely—There is an Australian delegation to the meeting in Brisbane, and the Department of Foreign Affairs and Trade has one representative on the Australian delegation. The delegation is a much wider delegation involving many other agencies.

Senator FAULKNER—What is the role of the department's representative?

Dr Raby—Basically just to listen, watch and to keep DFAT briefed and informed of developments at the meeting. It is really just to keep us in the loop.

Senator FAULKNER—Would it be best described as an observer role?

Dr Raby—Yes.

Senator FAULKNER—Is that how that sort of contact normally happens?

Dr Raby—Yes. We have an interest in the subject matter and the issue and having someone there keeps us in contact with the discussions. It is a way of keeping ourselves briefed on the issues.

Senator FAULKNER—What is your interest in the subject now?

Dr Raby—The issue falls under the broader heading of transnational crime and, as we have seen in the case of people-smuggling, there are occasions and times when we need to play a broader policy-coordinating role.

Senator FAULKNER—Are you playing a broader policy-coordinating role in relation to money laundering?

Dr Raby—As I said at the outset, this question is for Attorney-General's.

Senator FAULKNER—All I am trying to do is to understand what the DFAT involvement and role is. It sounds like, from what I have been told by you both, it is fundamentally limited to an observer status.

Dr Raby—Exactly.

Senator FAULKNER—Is that right?

Dr Raby—Yes.

Senator FAULKNER—Are you aware of any interface or interrelationship between this issue of money laundering and the Pacific solution in relation to asylum seekers?

Dr Raby—No.

Senator FAULKNER—You are not aware of it?

Dr Raby—No.

Senator FAULKNER—In relation to the Pacific solution, I asked you a little earlier about those program elements. Could you just identify those program components within DFAT of the Pacific solution for me, either from the PBS or without reference to it?

Dr Raby—What our role has been in the establishment of the offshore processing facilities?

Senator FAULKNER—I was interested in what program costs were being borne by DFAT for the Pacific solution. I found this hard to nail down in the PBS, but it is hard to nail anything down in any PBS.

Ms Hazell—The 2002-03 budget provides funding of \$2.1 million for the department for the continuation of the temporary consul general in Nauru. That is set out on page 12 of the PBS under the new budget measures. That is additional funding to deal with our presence in Nauru.

Senator FAULKNER—Is that the limit of it?

Ms Hazell—That is the limit of funding we have received.

Senator FAULKNER—Is there any other departmental funding from DFAT going to any elements or any components of the so-called Pacific solution?

Ms Hazell—This is new funding.

Senator FAULKNER—I am talking about funding that would not be described as new funding.

Ms Hazell—In the current financial year we are absorbing the costs of activities in Nauru. We estimate that will be around \$580,000 for the year. Our current expenditure on that to 28 May was \$408,534. We also absorbed costs associated with the provision of a DFAT liaison officer on Manus Island—I think it actually has another name. We also incurred some costs associated with the Regional Ministerial Conference in Bali. We have also absorbed some

other costs associated with some travel to discuss potential sites and things like that—a small amount of about \$81,000.

Senator FAULKNER—To discuss some sites.

Ms Hazell—Potential sites for asylum seekers in the Pacific.

Senator FAULKNER—That was \$81,000 for that, was it?

Ms Hazell—It also includes crisis centre costs, legal costs, some travel. It was a very small amount of money.

Dr Thomas—The \$81,000 includes the total costs of running the crisis centre here in Canberra, which was an around-the-clock function for a while and has significant staff costs.

Senator FAULKNER—What was the \$81,000 for?

Ms Hazell—It was for the cost of staffing the crisis centre when the issue was first raised, some travel within the Pacific to talk to some of the countries about possible sites to house asylum seekers, some travel undertaken by the ambassador to Denmark and increased costs for the honorary consul in Norway.

Senator FAULKNER—Can you be more specific about what costs were borne in relation to Norway?

Dr Raby—Did you want the dollar figure or what was involved?

Senator FAULKNER—The dollar figure would be handy. You might want to take that on notice. I was interested in what it was used for.

Dr Raby—It was liaison with the Norwegian government during the *Tampa* crisis.

Senator FAULKNER—And Denmark.

Dr Raby—It was our ambassador from Denmark who went to Oslo and did that.

Senator FAULKNER—I assumed that, but I wanted to be clear. It is obviously not able to be absorbed locally.

Dr Raby—We do not have a diplomatic presence in Oslo. The accreditation for Oslo was with our ambassador to Denmark. As you would imagine, there was a great deal of government to government liaison during those days. It was more efficient to have the accredited ambassador go to Oslo and be on hand to meet face to face with foreign ministry officials.

Senator FAULKNER—Who undertook the travel on behalf of the government in relation to possible locations for housing asylum seekers?

Dr Raby—A couple of trips were made—I cannot recall the exact number; two to three trips, I think—which would comprise a delegation principally of DIMIA officials; an AFP officer, to advise on physical security matters; and one DFAT officer, usually from one of the Pacific posts.

Senator FAULKNER—Did you foot the bill for the whole delegation or just for the DFAT representative?

Dr Raby—No, just the departmental costs. Each agency met their own expenses.

Senator FAULKNER—To what countries did these delegations go?

Dr Raby—To Kiribati and Palau—and to Nauru, of course, on two occasions.

Senator FAULKNER—Approximately when did these trips occur?

Dr Raby—In September for Kiribati and in December for Palau.

Senator FAULKNER—And what about to Nauru?

Dr Raby—Nauru was visited on 2 September and in late November or early December.

Senator FAULKNER—What was the intention for Palau?

Dr Raby—To look at possible offshore processing sites.

Senator FAULKNER—And that took place at what time in December?

Dr Raby—In late November or in early December. We can get the exact dates for you if you wish, but either late November or early December.

Senator FAULKNER—That may have been public. I just did not have any recollection that that had occurred.

Dr Raby—There had been public—

Senator FAULKNER—Yes, it was probably well reported. I just could not recall it. They are all the program components?

Dr Thomas—I think the Ambassador for People Smuggling Issues as well. The costs filled by the department for that were half a million dollars. Some of the ambassador's activities relate to—

Senator FAULKNER—Yes, I accept, Dr Thomas, that an element of the ambassador's role goes to the Pacific solution.

Dr Raby—And part of the travelling expenses for the Ambassador for People Smuggling Issues is met by DIMIA. It is a shared arrangement.

Senator FAULKNER—What about regional consultation regarding refugee policy in the Pacific? Has that been an ongoing departmental responsibility?

Dr Raby—Mr Wise is coming to the table to speak on that subject. I would like to just say at this moment, though, that the Pacific were fully represented at ministerial level at the Bali conference on people-smuggling. They were very much engaged in and very supportive of the conference and its outcomes.

Senator FAULKNER—So that would be the key element in answer to my question?

Dr Raby—No, Mr Wise has some more information on that for you.

Mr Wise—If I can just, first of all, expand on the Bali conference: I understand that Nauru, Palau, Samoa, Solomon Islands, Kiribati, Fiji and Vanuatu attended that conference. The question of transnational crime, generally, and people-smuggling, in particular, more recently has appeared on the agenda at various stages over the last several years in deliberations in the Pacific Islands Forum and in the various committees that flow out of that forum. It has been discussed for some time in the South Pacific in a regional context. More recently, with the development of Australian policy and the need to get regional support, there has been, obviously, quite a lot of liaison involving our posts in the region and the host governments.

Senator FAULKNER—Has the department or the government indicated to Nauru and PNG how long asylum seekers might expect to be detained in those countries? Is that an involvement or a role for DFAT? Obviously, there is a DIMIA role in this, but I just wondered how significant the DFAT involvement was at that level.

Mr Wise—There is not obviously a DFAT role, because the arrangements are negotiated in the form of agreements. I do not have the exact date in front of me for the centre we have in Papua New Guinea, but it is in October. With Nauru, it is in effect an open-ended arrangement, although there is a commitment that we will try to process the people within six months or a period close to six months.

Senator FAULKNER—So there is an end date of October 2002 for PNG?

Mr Wise—At present, yes.

Senator FAULKNER—Are any negotiations under way or expected to commence about extending that period?

Mr Wise—I think that will depend on the continuing demand for the centre in Papua New Guinea. Of course, it is also difficult to negotiate with Papua New Guinea at the moment because they are in the middle of their election campaign.

Senator FAULKNER—Has there been any fallout of which you are aware as a result of the claim by PNG's former foreign minister that he was sacked because he disagreed with the process and the content of the MOU with Australia? I hope that is a fair representation of it, but you certainly know the issue I am speaking of.

Mr Wise—No, there has not been any fallout. In fact, the level of support in PNG for the processing centre there, if anything, has increased as time has worn on. I think at least four provincial premiers have been heard to say that they wished that they could have a processing centre in their province. So, at government level, there are no concerns at all about the processing centre there. Since the spate of reporting at the time of Foreign Minister Pundari's removal, there has been nothing.

Senator FAULKNER—Are the asylum seekers in Nauru and PNG described as detained—is that the appropriate terminology?

Dr Raby—They are unauthorised arrivals, essentially, and that is their status.

Mr Wise—My understanding is that part of the requirements of their visas is that they have to stay within those centres. To that extent, they are detained.

Senator FAULKNER—I was wondering about the status of the centres. Does the department describe them as detention centres?

Dr Raby—They are offshore processing centres. These people are unauthorised arrivals and their status is yet to be determined.

Senator FAULKNER—Are you aware of any legal advice being sought regarding the constitutionality of the detention of asylum seekers in Nauru and PNG?

Mr Wise—There was at one stage a case brought before the Papua New Guinea courts, challenging the legal basis for the centres. But my recollection is that that case, at least for now, has lapsed. If I remember rightly, the lawyers pursuing that case failed to turn up at court.

Senator FAULKNER—Why aren't I surprised! I was asking really about any advice that might have been sought by DFAT, or if you are aware of any Australian government effort to seek such advice, as opposed to what might be happening in the PNG court system.

Mr Wise—When those centres were established, I know during the negotiations with the governments concerned there were efforts made to ensure that the centres and the way they

were established did accord with the constitution and laws of Papua New Guinea and Nauru. Those are essentially questions for those two countries, but—

Senator FAULKNER—That is right; I accept that. But there may or may not be an issue of the legal ramifications for the two countries concerned, or Australia, and I just wondered if any advice had been sought about that.

Mr Wise—As I said, there was that sort of advice, whether we sought it or it would have been sought by the governments concerned, and we were made aware of it—which I think is the more likely course of events.

Senator FAULKNER—And that went to the ramifications in those countries themselves, in PNG and Nauru?

Mr Wise—Yes.

Senator FAULKNER—Are you able to say if the Department of Foreign Affairs and Trade bore any costs in the construction and negotiating of the first MOU with Nauru?

Dr Raby—Our costs on the first MOU were those which we have just discussed, in terms of travel to Nauru. The construction costs and so on were with other agencies.

Senator FAULKNER—Borne by other agencies?

Dr Raby—Yes.

Senator FAULKNER—Are you aware of when the idea for an agreement was first raised?

Dr Raby—The MOU?

Senator FAULKNER—Yes, with you, with DFAT. Or it may have been DFAT's idea, for all I know.

Dr Raby—The idea of an MOU I think came out of the original discussions with President Harris—I think raised by President Harris. Just a clarification, Senator: in talking about a first 'MOU' we are using that description loosely. It was not technically an MOU as such. Its official title is a 'first administrative arrangement'.

Senator FAULKNER—Can you say what meetings took place in the development of that first administrative arrangement, where and when? You might prefer to take that on notice.

Dr Raby—I will take that on notice, thank you.

Mr Wise—Senator, I think that is all covered in the answers to the questions that are on notice already.

Senator FAULKNER—That includes who attended the meetings, does it? I have not seen those answers.

Mr Wise—Yes, we believe it does.

Senator FAULKNER—When were they provided?

Mr Wise—These are the answers which are currently with the minister, discussed this morning.

Senator FAULKNER—That is why I have not seen them. I thought you were suggesting there were some answers that may have been provided to the committee and I had not seen them.

Mr Wise—No, it is that other batch of questions which were asked out of the inquiry into the maritime incident.

Senator FAULKNER—That includes attendees, does it?

Mr Wise—I understand it does.

Senator FAULKNER—And the agendas for the meetings?

Mr Wise—To the extent that there were set agendas, it would be there, but certainly the subject of the meetings would be captured there, if only in the titles.

Senator FAULKNER—I may need to get a copy of those questions. What I do not want to do—and I am sure you would appreciate this, Dr Thomas—is waste everyone's time. If those questions are basically in the process of being answered, there is no advantage to anyone in that. I might even come back to it and have a bit of a look at what is in train. Do those questions go to visits by Australians to Nauru?

Mr Wise—Yes, they do.

Senator FAULKNER—Could you take on notice a breakdown of the \$2.1 million—I think that was the figure—to Nauru in the 2002-03 budget? That is for the continuation of Australia's temporary presence. You may have that available, Ms Hazell, but if not could you take that on notice for me?

Ms Hazell—I do have that available now. I can read out the basic categories if you wish.

Senator FAULKNER—Thank you.

Ms Hazell—I am going to round these figures: salaries, about \$580,000; administrative expenses generally, \$169,000; property costs, \$527,000; other administrative costs, mainly associated with motor vehicles, plant and equipment, \$58,000; some capital costs of \$670,000—this is to actually purchase the motor vehicles instead of to continue leasing it and for communications; and accrual costs, including the depreciation on those asset purchases, \$99,000.

Senator FAULKNER—Just remind me whether that is new money.

Ms Hazell—This is the new funding. Those are estimates.

Dr Thomas—To be clear, it just relates to the cost of the temporary consul general in Nauru. It is all spent there.

Senator FAULKNER—The questions on notice, I assume, also go then to the MOU, which I hope is the correct terminology in relation to PNG. Is that right, Mr Wise? I think it does.

Mr Wise—Yes, that is right.

Senator FAULKNER—I think they are seeking details similar to those that were sought for Nauru. Isn't that right?

Mr Wise—That is my understanding, yes.

Senator FAULKNER—To save a bit of time, I think that we will not move through that, Mr Chair, and just await the answers to those questions on notice. Depending on our time frame, in the first instance I might just check the terms of the questions that have been placed on notice and, if there are one or two other areas that I think it might be appropriate to cover, I

might do that by questions on notice. That might save a lot of time today—if you are comfortable with that, Dr Thomas.

Dr Thomas—That is fine.

Senator FAULKNER—I assume the International Criminal Court comes into this subprogram. Have you got everything, Dr Raby?

Dr Raby—It is a busy division, yes.

Senator FAULKNER—In relation to the International Criminal Court, what is the current status of the ratification process of the Rome statute as far as Australia is concerned?

Mr Rowe—The current status of Australia's ratification process is that the government is currently considering whether to ratify. This follows the submission by the joint standing committee of its report on the question of Australia's ratification, in which it also considered the draft legislation which is necessary to be passed by parliament before Australia could formally ratify.

Senator FAULKNER—Are there any key dates involved in the ratification process? I think I have read of at least one—1 July. I am not sure whether that is right or not.

Senator Abetz—I think it starts on 1 July.

Mr Rowe—That is correct. The statute will enter into force on 1 July this year, because the number of 60 states parties has been reached. There are now 67 states which are party to the statute. So the statute will formally enter into force on 1 July. Of course, Australia, having been a signatory for some years, can ratify at any time, as can any state that has signed or wishes to become a party to the court.

Senator HOGG—But is that not important in the representation on the court? That is how I understood it at a previous estimates or have I got that slightly skewed?

Mr Rowe—Perhaps if I could just sketch out the landscape that follows from 1 July. There has been a preparatory process under way to prepare the documents which will relate to the establishment of the court. That has been conducted in a preparatory commission. The last session of that commission will be held in July. With the statute entering into force on 1 July, there is now a wish by the states parties, as they currently exist, to hold the first meeting of the assembly of states parties which is envisaged in the statute. The timing for that first meeting of the assembly of states parties is currently envisaged for early September. At that meeting the documents that this preparatory commission has been working on will be submitted to the assembly of states parties for adoption. These documents relate to such things as privileges and immunities of the court, financial regulations, the first budget and the procedures for the election of the judges, the prosecutor and the registrar. It is envisaged that a second meeting of the assembly of states parties will be held in January 2003, and at that meeting there will be the election of the judges, prosecutor and registrar.

Senator HOGG—But it is true, though, that if one is seen as being an ongoing participant in the process that will necessarily give one a reasonable leg up in that meeting in January 2003?

Mr Rowe—Australia can participate in the meetings of assembly of states parties either as a state party which has ratified the statute, if that is the case, or as an observer. The distinction, of course, is that only states parties can vote and can participate in the decision making, in adopting documents, in electing judges or in putting forward candidates.

Senator HOGG—It is a much stronger role if one is not there as an observer but as a full participant.

Mr Rowe—In the sense that I have just explained, that you have the mandate to participate in decision making—voting.

Senator FAULKNER—Has the department been responsible for working up a response to the report on the ICC of the Joint Standing Committee on Treaties?

Mr Rowe—That process is currently under way and involves the three relevant departments: the Department of Foreign Affairs and Trade, Attorney-General's and the Department of Defence.

Senator FAULKNER—Is that work being done to develop a government response? Is that what it is?

Mr Rowe—The work is under way to prepare a response to the committee's report and the recommendations in that report which will then be submitted to the government for consideration.

Senator HOGG—How long off is that response? Are you able to give us an idea?

Mr Rowe—Work on it is very much under way at the present time. It is well advanced.

Senator HOGG—Is it advanced enough to meet the 1 July deadline?

Mr Rowe—The process, as I understand it, is that once the draft report has been prepared it would be submitted to ministers for consideration.

Senator HOGG—I accept that. I would presume then that arising out of that report will be any legislation that would be required to give effect to our ratification of the court. Is that correct?

Mr Rowe—It is being envisaged at official level that the response to the recommendations of the Joint Standing Committee on Treaties will be to respond to each of the recommendations with proposals. It is a matter for the government to decide what to do with those recommendations. I cannot pre-empt—

Senator Abetz—This might assist you, Senator Hogg, and correct me if I am wrong: the Joint Standing Committee on Treaties looked as well at the draft domestic legislation to implement the treaty, so the treaties committee has in fact proposed some amendments to the domestic legislation that is already circulating in draft form.

Senator HOGG—The point I am getting to is that, purely and simply in terms of time, it is not likely that we will see legislation enacted on this prior to 1 July, given that there is only one sitting fortnight left. That is a statement; I am not asking you to comment. That seems as plain as can be.

Senator FAULKNER—As I understood it, if a country signs an international treaty, it effectively commits itself to abide by the principles of that treaty as well, if you like, as committing itself to ratification. Is that right?

Mr Rowe—When a country signs a treaty under the Vienna Convention on the Law of Treaties that state undertakes in effect not to act in a way that is contrary to the object and purpose of the treaty. But signature does not of itself commit the country to ratification—that is a separate treaty act.

Senator FAULKNER—But by signing the treaty a country is committed to abide by the principles of the treaty. That is right, isn't it?

Mr Rowe—Yes, in the sense that it is not meant to do anything that would contravene the object and purpose or the principles that are embodied in that instrument.

Senator FAULKNER—So there is certainly a level of commitment by the very action of signing the treaty prior to ratification?

Mr Rowe—Yes, but it is not, in an international legal sense, commensurate with being totally bound by the act of ratification. Until the act of ratification occurs, a state does not formally become bound by the treaty. Therefore, one might say that the formal obligations really flow from the act of ratification, from the act of becoming a full party.

Senator FAULKNER—That is true, but surely signing a treaty is a clear indication to the international community that it is a state's intention to ratify.

Mr Rowe—It is an indication of support for the statute or the instrument as at the time it was negotiated. I just make the point again that the question of the next formal step of whether to become a full party is a matter for separate consideration.

Senator FAULKNER—That may well be so. Nevertheless, there is a level of commitment in having signed the treaty in the first place. You are signing on to the principles.

Mr Rowe—Yes, in effect that is right.

Senator FAULKNER—That is right.

Mr Rowe—But, as I say, it is not a commitment to then proceed to ratification because that is a separate process.

Senator FAULKNER—Can you de-sign such a treaty?

Mr Rowe—In a strict sense, no.

Senator FAULKNER—That is what I thought. It is past the point of no return in that sense, isn't it?

Mr Rowe—But, as, for example, the United States has done, you can make a statement that you do not intend to ratify, and that in effect does not negate or un-sign in any formal way but it neutralises the signature because, by making that statement that you do not formally intend to ratify, you are basically signalling that you are not able to abide by the objective purpose of the treaty.

Senator FAULKNER—But it is true, isn't it, that Australia in the last few years has put pressure on some other governments to sign this treaty?

Mr Rowe—I am not aware of any pressure being put on other governments.

Senator HOGG—Have we been an active lobbyist then in seeking for other governments? I understand that was the case, given evidence that has occurred at previous estimates that the Australian government was actively lobbying other governments to ensure that they signed up to the International Criminal Court.

Mr Rowe—No, I think there is a distinction to be drawn between active lobbying and support for the development of the statute, because certainly Australia has been fully involved in the process of negotiating the statute and has contributed to the development of the instruments. Certainly that is true.

Senator FAULKNER—It was not an intended political spin from me because I am not like that. Let us take out any unintended political spin of pressure. Let me ask a question about representations, particularly in our region. Is it true to say that in the last few years the Australian government has made representations to countries in our region that would be encouraging in terms of signing the ICC treaty?

Mr Rowe—No, I am not aware of such representations having been made at all. We have worked within the process in the negotiations to develop the treaty pre-Rome in 1998 and at Rome. Since then we have not been making representations regionally and bilaterally saying to countries that they should sign on.

Senator FAULKNER—So what did we do in 1998 then?

Mr Rowe—Well, 1998 was the conference which finalised the negotiations on the statute.

Senator FAULKNER—But are you seriously saying to me that Australia was not encouraging particularly countries in our region to sign this treaty? I am really surprised to hear that.

Mr Rowe—Certainly we have supported the treaty and been very actively involved, but there was not a lobbying effort in support of signature.

Senator FAULKNER—I am trying to get away from the use of the term ‘lobbying’. I am just talking about representations and encouragement.

Senator HOGG—‘Passive influencing.’ I do not know what words we will use.

Senator FAULKNER—I am not saying it was necessarily pressuring or strong-arming countries, but I would be very surprised to hear now that the Australian government was not making encouraging noises, particularly to countries in our region, to sign and subsequently to ratify that treaty.

Mr Rowe—It has not occurred to my knowledge in the form of bilateral representations. Clearly, at negotiating sessions at Rome and post Rome there have been efforts among many countries in support of the treaty, in support of the statute, but it has not been part of any concerted effort. The statute was only open for signature until 31 December 2000.

Senator FAULKNER—I see.

Mr Rowe—It was that period from 1998 until the end of 2000 where such representations might have occurred but that has not happened.

Senator FAULKNER—What about representations in relation to the Rome statute as opposed to the treaty? I will change the terminology.

Mr Rowe—Do you mean in support of the statute?

Senator FAULKNER—We know Australia has been in support of the statute, hasn't it?

Mr Rowe—Australia has supported the statute.

Senator FAULKNER—Yes, I know. Has Australia encouraged other nations, particularly those in our region, to also support the Rome statute?

Mr Rowe—Not in any formal sense, no.

Senator FAULKNER—Has it done it informally, then?

Mr Rowe—In terms of contacts between officials, certainly there would have been discussion in terms of support of the statute.

Senator FAULKNER—So it has happened?

Mr Rowe—Informally at negotiating meetings. I want to draw the distinction very clearly between what officials are doing in talking to representatives of other countries and formal—for example, cable—representations to posts. The latter has not occurred.

Senator Abetz—To clarify that: the informal discussions would be with those other parties that were negotiating and part of the process. Is that correct?

Mr Rowe—Yes.

Senator HOGG—My point is that we have not been out there discouraging the signing up to the treaty.

Mr Rowe—No, there has not been any discouragement.

Senator HOGG—We seem to be bogged down in the description as to whether there has been active lobbying or how one might ever wish to construe it.

Senator FAULKNER—It is now informal encouragement.

Senator HOGG—Well, Senator Faulkner, that is a long way past where we were, and probably not as far as we might have gone. My recollection, and I do not have the *Hansard* of the previous estimates and I may well be misinterpreting the process post-2000 compared with pre-2000, is that there was very strong support there that we were not walking away from in terms of encouraging other governments. We might not be able to agree on the form of words that are used between us here, but in my layperson's terms that was the understanding I had.

Senator FAULKNER—Has DFAT done any work on this issue of ADF personnel who might be involved in peacekeeping operations or other operations that might lead to prosecution by the ICC? The Chief of Defence Force has made some strong public statements about that, but my question goes to your department. Has any work been done on that issue within DFAT?

Mr Rowe—There has been work in the sense that there is an interdepartmental committee that considers aspects relating to the International Criminal Court statute. That has been in existence for many years. In the context of that IDC, a whole range of issues are discussed. That particular issue has been addressed. Primarily though, the work on the Defence related aspects of the ICC insofar as they relate to Australia is with the Department of Defence, and that department made a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade in that context.

Senator FAULKNER—But Admiral Barrie said pretty clearly publicly that our own Australian legal framework and national laws would cover any crimes committed by ADF personnel. That is a pretty fair representation of what he said. I wonder if you are able to say whether that is a view that has been shared at the IDC level?

Mr Rowe—That is a shared view of the departments involved in the IDC.

Senator FAULKNER—So that would be a DFAT as well as a Defence assessment?

Mr Rowe—That is correct.

Senator FAULKNER—Have you had any instructions from your minister in relation to work being undertaken in the department on this ICC issue?

Mr Rowe—In what sense?

Senator FAULKNER—In any sense. This has become a matter of political notoriety in recent times. There are obviously differences in the coalition parties about approaches on this, and that sometimes happens in politics as we all know. My question only goes to whether, as a result of that or for any other reason, you have received any feedback from the ministerial level—the minister’s office or the minister himself—about a change of approach?

Mr Rowe—All I can say is that in the normal process of briefing the minister on matters relating to the ICC and the policy issues relating to the statute, there has been that sort of work.

Senator FAULKNER—So it is just full steam ahead as far as you are concerned?

Mr Rowe—Obviously, we have had to work on the draft government response to the JSCOT report, for example. Obviously, we do keep the minister informed of any relevant developments that occur internationally. For example, there has been reporting following the last preparatory commission meeting and reporting about the fact that the statute will enter into force on 1 July and the implications in terms of time lines that I outlined earlier.

Senator FAULKNER—But none of your work in relation to proceeding with the departmental approach on the ICC has been put on hold?

Mr Rowe—We have been proceeding with the sort of work I have outlined, and so in that sense it has not been put on hold.

Senator FAULKNER—All I am trying to ask is whether there have been any recent changes, and the answer is: no, there have not been.

Mr Rowe—Well the ICC Statute is, you might say, an ongoing work. It is within the mandate of the area I work in to work on it.

Senator FAULKNER—That is right. So it is ongoing work: it has not been stopped; it is ongoing?

Mr Rowe—It is ongoing.

Senator FAULKNER—Thank you.

Senator HOGG—Who in our region has signed up to the Rome statute?

Mr Rowe—Signed and ratified?

Senator HOGG—I presume there are two groups: I would like to know who has signed and ratified and who has just signed in our near region.

Mr Rowe—Cambodia, Fiji, the Marshall Islands, Nauru and New Zealand have all signed and ratified. Samoa and the Solomon Islands have signed.

Senator HOGG—That still leaves a number that have neither signed and ratified nor signed?

Mr Rowe—Correct.

Senator HOGG—We are in that group with Samoa and the Solomon Islands who have signed but not ratified?

Mr Rowe—That is correct.

Senator HOGG—Do we know what the likelihood of ratification will be by Samoa and the Solomon Islands prior to 1 July?

Mr Rowe—We do not know that.

Senator HOGG—Have we approached any of those who have not signed and those who have not ratified to find out what their intentions will be?

Mr Rowe—No, we have not.

Senator HOGG—Do we intend to?

Mr Rowe—Not at the present time, no.

Senator FAULKNER—Could I ask about representations that have been received by other governments, either in support or not in support of ratification. Can you quickly outline any such representations?

Mr Rowe—To Australia?

Senator FAULKNER—Yes, to Australia.

Mr Rowe—The European Union made formal representations in support of ratification.

Senator HOGG—When were they made?

Mr Rowe—About two months ago.

Senator HOGG—Have we had any representations urging us not to ratify?

Mr Rowe—We have not had any formal representations urging us not to ratify.

Senator HOGG—Any informal representations?

Mr Rowe—There have been suggestions in discussions between officials that perhaps Australia might not ratify.

Senator HOGG—When you say ‘between officials’, officials from where?

Mr Rowe—In discussions that have occurred with some United States officials, there have been suggestions that Australia might not ratify. I want to emphasise that these are not formal suggestions, just in discussion about our situation.

Senator HOGG—So that has been at the officer-to-officer level, not at the minister-to-minister level?

Mr Rowe—Correct.

Senator FAULKNER—Are you aware of any change that has occurred since Minister Downer and former Minister Moore put out their joint media release on 12 December 1999 headed ‘Australia commits to international criminal court’? The first sentence said:

The Minister for Foreign Affairs, the Attorney-General and the Minister for Defence have today announced that the Government has decided to ratify the Statute of the International Criminal Court, which was adopted at the Rome Diplomatic Conference in 1998.

And on it goes. Do you remember that press release?

Mr Rowe—Yes, I do.

Senator FAULKNER—Has there been any change to the status of the Australian government’s position that you are aware of since that time? That was the grand announcement that the statute would be ratified. It was made on 12 December 1999. Is that still your current operating instruction?

Mr Rowe—I certainly recall that statement but I also recall that, in accordance with the normal procedures for considering ratification of any international treaty, the matter had to be submitted to the parliamentary processes. Of course, that has been done in relation to the

JSCOT, and now the matter is being considered by the government. As I think you will understand, I am not able to comment on that. It is a matter for the government.

Senator FAULKNER—Maybe you are not able to, but perhaps someone from the department could comment on Mr Downer's speech of 7 May 1998, when he said:

On International Human Rights Day in December 1996, I announced the early establishment of an International Criminal Court as one of Australia's key multilateral and human rights objectives.

Dr Thomas, is this still one of Australia's key multilateral and human rights objectives? It was on 7 May 1998.

Dr Thomas—I really have nothing to add to what Mr Rowe said. The matter is currently under consideration by government.

Senator FAULKNER—Yes, but the department is aware of the government's key objectives. Do you recall that speech of 7 May 1998?

Dr Thomas—Yes.

CHAIR—I think you have the answer.

Senator FAULKNER—No, I do not.

CHAIR—I do not think you can expect any further answer from Dr Thomas on that.

Senator FAULKNER—Well, let us just try asking the questions. Dr Thomas has just told us that he recalls the speech. It is proper, I think you would agree, that a department indicates to us what departmental priorities are. I am just want to know if there is any change. Even if you cannot say whether there is any change—which I think is perfectly reasonable—has any change been communicated to the department? Can someone tell me that?

Dr Raby—No change has been communicated to the department because the government is still in the process of making a decision. Mr Rowe has explained what the process is. It is now with government until we are advised otherwise; there has been no change.

Senator FAULKNER—But these decisions have been announced in very dramatic fashion.

Senator Abetz—They are your terms. Whether or not it is dramatic, I do not think necessarily—

Senator FAULKNER—All right; they have been announced in undramatic fashion.

Senator Abetz—As the officials have indicated to you, in the context of the also announced policy of the government, prior to the ratification of the treaty it would go to the Joint Standing Committee on Treaties. It has been there and there are certain recommendations from that committee which the government is currently considering. That is the current state of play.

Senator FAULKNER—The current state of play is very different to the situation in 1998, 1999, 2000 and 2001. But the key thing is—

Senator Abetz—That is your assertion; that is not a question.

Senator FAULKNER—Mr Rowe, the key thing is that, as far as you know, it is full steam ahead.

Mr Rowe—Yes, we are continuing to work on the issue interdepartmentally, as we have over a number of years.

Senator FAULKNER—I am sure that that will come as a relief to all concerned. There is another convention, isn't there—the transnational organised crime convention? Does this fall in your bailiwick too, Mr Rowe?

Mr Rowe—No, not directly.

Senator Abetz—I understand that we do have somebody that can assist.

Dr Raby—Ms Gorely was here earlier, dealing with money laundering, and she deals with transnational crime issues.

Senator FAULKNER—Does she? I thought this was all part of 1.1.7. It is, isn't it?

Dr Raby—As you would appreciate, there are a lot of highly specialised areas.

Senator FAULKNER—I gathered that. Everyone is terribly impressed about the breadth of your kingdom there—empire, I should say; it is an empire.

Mr Trindade—If you will bear with me a moment, I might just check my papers. Ms Gorely, who is in my branch, has been working on some of the issues in relation to that convention and I am just seeing whether she has left me a briefing note on that. I may have to take a question on notice.

Senator FAULKNER—So the relevant officer is not with us at the moment?

Dr Raby—That is what I tried to explain: she had been here to deal with your questions on money laundering. She is gone now, but we could take questions on notice or recall her from the department.

Senator FAULKNER—My questions go to status. I think you will probably be able to assist me. Can you confirm that Australia has not ratified the United Nations Convention against Transnational Organised Crime?

Dr Raby—Can we take that on notice? We think that is right.

Senator FAULKNER—Could you confirm that and, if it is the case that Australia has not, could you indicate why not. I would like to seek your confirmation that Australia has not signed or ratified the optional protocol to prevent, suppress and punish trafficking in persons, especially women and children.

Mr Smith—My understanding is that the government has decided to sign the protocol to which you refer. That is the Trafficking Protocol to the Transnational Organised Crime Convention.

Senator FAULKNER—It has decided to sign that?

Mr Smith—It has decided to sign that. I believe that signature has also taken place but if that is not the case then we will correct that in the record.

Senator FAULKNER—Thank you. I think my questions really do follow through from the status of that. I might have to place one or two questions on notice when I have received that information.

Mr Smith—Sorry, I can now confirm that Australia has signed but not yet ratified the Transnational Organised Crime Convention.

Senator FAULKNER—The convention is signed but not ratified and the protocol is—

Mr Trindade—The protocol is not signed by Australia; the convention is signed but not the protocol.

Senator FAULKNER—I do not think that is what Mr Smith told us.

Mr Trindade—I passed a note to him a moment ago about the Convention on Transnational Organised Crime, and I can confirm that Australia has signed but not ratified that convention. The protocol to prevent, suppress and punish trafficking in persons specially women and children which is a supplement to that convention has not been signed by Australia.

Senator FAULKNER—Can you say why not?

Mr Trindade—I would have to take that question on notice.

Senator FAULKNER—I would appreciate it if you would. This is what I would have preferred to follow through with the relevant officer.

Dr Raby—As I said, Ms Gorely was here and we will try to get her back.

Senator FAULKNER—The way we are going, Dr Raby, we are better off battling through as best we can. If she has escaped, she is better off than you and me, basically!

Senator PAYNE—And a few of the rest of us!

Senator FAULKNER—Could you take on notice the question of why the status is as it has been described to us: not signed. Could you also explain it from the point of view of the increasing evidence of the trafficking of women and children and links to prostitution. The other thing that might be useful to have as background, if you could take this on notice, is whether any cases of trafficking in women and children have been brought to Australian or other courts. Depending on those answers, we might be able to follow through in a future round.

Senator HOGG—And is there a timetable for the ratification?

Mr Trindade—The ratification of the convention?

Senator HOGG—Yes.

Senator FAULKNER—And a timetable for the signing and then ratification of the protocol.

Dr Raby—The questions about cases that have been brought to the courts in Australia properly belong with other agencies.

Senator FAULKNER—If that is the case, no doubt that is how you will respond to me, Dr Raby. I think that concludes 1.1.7, as far as the opposition senators are concerned.

Senator HOGG—There will be some questions placed on notice in all of these programs, as we go through.

Senator FAULKNER—What we are trying to do, Dr Thomas and Dr Raby, is to cut to the chase as much as we possibly can, which I am sure everyone would appreciate—it is just that I do not know what the chase is, that is all.

[5.07 p.m.]

ACTING CHAIR (Senator Ferguson)—The committee will now move to output 1.1.8, Security, nuclear, disarmament and non-proliferation.

Senator HOGG—Could DFAT give an assessment of the current political and security situation in Afghanistan?

Mr Paterson—It does not fall within the purview of my division to offer you an assessment of the political situation in Afghanistan. That would be done by our South and South-East Asia Division. I am happy to offer you, however, in general terms our perspective on the war on terrorism and the stabilisation measures, if that is of interest to you.

Senator HOGG—I was looking at it from the point of view of safety. I wanted to know the department's view on whether or not it was safe for refugees to return at this stage to either certain places or sections of Afghanistan. The committee thought that that may well fall within your purview.

Mr Paterson—I would be reluctant to offer you a definitive view without the advice of the relevant people in our South and South-East Asia Division.

Dr Thomas—They were from one of the earlier divisions. Those officers have now returned to the department. We could take it on notice, if that is all right, or I could get them back later this evening.

Senator HOGG—I understand that. Could you take those questions on notice and come back to me on them. Am I dealing with the right group in respect of the removal of antipersonnel landmines in Afghanistan?

Mr Paterson—Yes.

Senator HOGG—What is DFAT's contribution there? Can you give us an assessment of, firstly, the extent of the problem and, secondly, your involvement in the solution to the problem?

Mr Paterson—Essentially, this is a question for AusAID in terms of an Australian contribution to de-mining. Let me also preface that by saying that we judge the landmine problem in Afghanistan to be extensive—indeed, enormous. Landmines have been seeded there for many years, long before the recent introduction of coalition forces in the war on terrorism. It goes way back to the period of Soviet occupation. You will be aware that the casualties sustained by Australian forces there in the war on terrorism have, in fact, all been occasioned so far by landmines. Australia has had a role in the past, and AusAID will be able to provide you with details there in terms of training Afghans in de-mining techniques, including in adjoining Pakistan. We are currently examining whether there might be a role for Australia in that in the future as well.

Senator HOGG—Examining in what sense?

Mr Paterson—Whether it would be appropriate and possible for Australia to make a contribution in the period ahead to de-mining training in Afghanistan.

Senator HOGG—Let me get this straight. The assessment would be made by yourselves in Foreign Affairs, and would that be done in conjunction with elements of Defence and AusAID? The reason I am asking this is quite a simple one. I asked questions of Defence yesterday about a de-mining program in Mozambique, which they have now withdrawn from for various reasons. I am anxious to get your view as to how these programs operate.

Mr Paterson—There is no established procedure for this. There is clearly interest at the public level, which is communicated to this department quite often through our national consultative committee on peace and disarmament. There are, from time to time, representations from members of the public, and there are also assessments from the defence department and from AusAID, who are well aware of the extent of need in Afghanistan. It

really is a judgment for the government to make as to whether a further Australian contribution would be appropriate.

Senator HOGG—I accept that, but the government must act on an assessment that is made. Is that an assessment made by yourselves, or is it an assessment made by Defence officials?

Mr Paterson—The assessment could come out from any relevant part of government. In this case, it may well also be informed by coalition partners and others who may encourage us to play a role in this area.

Senator HOGG—In the period, say, since 1996, do we know how the situation has changed in terms of the existence of landmines in Afghanistan? Has it become worse? Sometimes as you have retreating forces, they tend to throw caution to the wind and seed more rather than just run and quit. Do you have an assessment of what has happened there?

Mr Paterson—I am sorry, I do not. I am happy to take that on notice and get you some considered advice on that.

Senator HOGG—It would be interesting to find out if the problem has worsened in that period of time and, if you can take this on notice at the same time, does government have under consideration addressing any deteriorating situation? In the answer to your question from me you did highlight that most of the injuries that are being inflicted in the war on terrorism are being inflicted by landmines, as much as anything else.

Mr Paterson—I will just clarify my comment on that. I made the point that the Australian casualties have been from landmine injuries, and I think that is probably not true of coalition forces overall.

Senator HOGG—No, I take your point. Nonetheless, it is still a very significant factor in attempting to return Afghanistan to some form of normality.

Mr Paterson—The best thing we can do is provide you with considered advice and assessment on that.

Senator HOGG—Have there been any approaches from the Afghanistan government to the Australian government on this issue, either formally or informally?

Mr Paterson—To the best of my knowledge, there have been no approaches to us on this subject by the interim government in Afghanistan.

Senator HOGG—I understand that they would be under a lot of pressure, even at the best of times, but it seems to me that this must rank as one of those issues that is high on their priority list. Are DFAT able to tell the committee of any criteria for the withdrawal of Australia's military commitments to Afghanistan?

Mr Paterson—That is a subject for decision by ministers and probably falls principally within the Defence portfolio as well.

Senator HOGG—You are saying that there would be a joint recommendation to the government. Are there any existing criteria by which you would be able to measure whether or not the troops would be likely to be withdrawn?

Mr Paterson—That would be a judgment for the Defence portfolio principally. Obviously, we would have an interest in terms of looking at, in broader terms, the progression of the war on terrorism. But in terms of specific tasking, specific requirements, and ongoing

requirements for various Australian force elements that have been committed to that war, that is something for the Defence portfolio.

Senator HOGG—I accept that. Is there a committee that exists between DFAT and Defence which considers these matters? And, if so, does it meet often?

Mr Paterson—The way this is normally addressed is, firstly, through contact between our department and the Department of Defence. Very often, it is then considered by the strategic policy coordination group—which is Defence, PM&C and DFAT—which meets at deputy secretary level. That group, in turn, in cases of this kind, would often make recommendations to the Secretaries Committee on National Security which, in turn, are considered at the National Security Committee of cabinet.

Senator HOGG—I understand that there is normal travel advice for Afghanistan that is put up by the department. The copy I have of the advice advises Australian citizens to defer all travel until further notice. It paints a fairly unpleasant view of the state of the country as it is. If we are prepared to place advice such as that, does the department have a view on the repatriation of Afghan refugees to Afghanistan, given the current state of the nation?

Mr Paterson—It is fair to say that much of that falls beyond the purview of my division. I would simply say that, in terms of the consular advice from which you have quoted, it is addressed, in effect, to Australian citizens.

Senator HOGG—But if it is not safe for Australians, surely it is not safe for anyone else?

Mr Paterson—It is not really within my responsibility to comment on that.

Senator HOGG—Who has the responsibility?

Mr Paterson—Largely, the assessment is to be made by our South and South-East Asia division and it is for them to comment on the situation on the ground. In terms of the formulation of consular advice, they would advise our consular branch.

Dr Thomas—The repatriation issues themselves, of course, are DIMIA's responsibility. It is not our department.

Senator HOGG—I accept that. I just want to know whether the Department of Foreign Affairs and Trade has a view on the safety or otherwise of Afghanistan, given that the foreign affairs department would, I presume, give advice to other departments. I presume DIMIA would be one of your clients that you give advice to?

Dr Thomas—Yes. Unfortunately the officers with that expertise and knowledge have already departed. They were the ones doing South and South-East Asia earlier today.

Senator HOGG—I accept that. It was one of those issues that seemed to fit in 1.1.8 but we can save those questions for another day.

Dr Thomas—Mr Grigson has returned. He is one of the relevant officers. He can briefly respond to your points.

Senator HOGG—That is great news.

Senator FAULKNER—You should tell them that once they get out of the room they should run.

Senator HOGG—I would have hidden if I were you, Mr Grigson.

Mr Grigson—It is not my area of expertise, but I will try to help.

Senator FAULKNER—I am not entirely sure it is ours, either.

Senator HOGG—No. I am interested in the view of the foreign affairs department on the security of Afghanistan as a place for repatriation of refugees, given that the department does have a view, in terms of Australian citizens, which it posts on its consular web site, which I accept is for Australian consumption. Is there a view?

Mr Grigson—Certainly, Senator. We think the Afghan interim authority is doing a reasonable job in difficult circumstances in terms of the political situation. It is giving priority to ensuring the delivery of some basic services to as many of the Afghan population as possible and to establishing a central infrastructure of government. There remains a lot to be done. In terms of Afghans returning, UNHCR figures show that 800,000 Afghans have returned willingly to Afghanistan this year. We have negotiated an MOU on returns with the Afghan interim administration. This was signed by Mr Ruddock on 16 May.

Senator HOGG—Can you give me the flavour of the MOU, please?

Mr Grigson—Certainly a key focus during discussions with the administration has been to ensure that returns are orderly and safe and that returnees will be able to re-establish their lives and contribute to rebuilding their country.

Senator HOGG—I presume that is predicated on people going into relatively safe areas. I would assume that your advice would show that there are very few relatively safe areas in Afghanistan. Is that a reasonable assumption?

Mr Grigson—Certainly the security circumstances differ across the country. I am not able to give you a comparison of whether there are more or less safe areas. It is patchy. That is a fair comment.

Senator HOGG—Would that therefore impact on our ability to repatriate refugees that may well be here?

Mr Grigson—Certainly the MOU that was signed goes to trying to ensure that returns are orderly and safe. I do not have the details of the MOU with me.

Senator HOGG—Is a copy of that available? If it is, could it be supplied to the committee?

Mr Grigson—Certainly. I will check for you, Senator.

Senator HOGG—This is probably a question for AusAID, but what formal aid are we providing to Afghanistan itself—not so much in terms of infrastructure but in terms of government and rule of law building?

Mr Grigson—Senator, I have a total here of \$41.3 million for the emergency development assistance that we have provided. The details would perhaps be better addressed by AusAID.

Senator HOGG—Sorry?

Mr Grigson—The total emergency assistance we have provided is \$41.3 million. I do not have other details with me. AusAID might be in a position to help you later.

Senator HOGG—That is fine. I did ask some questions about landmines. I do not know whether it is pertinent to ask you about that?

Mr Grigson—I think we have provided some assistance for addressing landmines. Again, unfortunately I do not have any information before me.

Senator HOGG—Have we been approached by the interim government for assistance on a government-to-government level?

Mr Grigson—I do not know the answer to that.

Senator HOGG—If you would take that on notice as well, that would be helpful.

Mr Grigson—Certainly.

Senator HOGG—Thank you, Mr Grigson, for reappearing.

CHAIR—Senator Faulkner, do you have any questions?

Senator FAULKNER—Not on that. My questions are on output 1.2.

Senator HOGG—I have a few brief questions on 1.1.8 in respect of Iraq and the weapons of mass destruction. Are you able to outline any steps that DFAT have taken to ensure the return of UN weapons inspectors to Iraq?

Mr Paterson—Senator, we have not taken any specific steps, because this is a decision for the UN Security Council, of which we are not currently a member. However, we are supportive of the full implementation by Iraq of existing UN Security Council resolutions that would provide for the return of weapons inspectors to Iraq.

Senator HOGG—If you are not able to take steps, how are we, as a country, able to influence the outcome internationally to get those weapons inspectors back in there? Are we benign, in a sense?

Mr Paterson—No, on the contrary. It is, I guess you would say, an established part of Australian policy to support that. There are, as I said, limits on the extent to which we can be influential on that. However, through our mission at the UN in New York, we do play a constructive and helpful role in encouraging that process. We have also had Australians serving from time to time on UNSCOM. They are now serving on the UNMOVIC—the successor to UNSCOM—secretariat in New York which is preparing the way, the expertise and the database for a return of inspectors when that is possible.

Senator HOGG—Do we believe there is a reasonable likelihood that that will happen?

Mr Paterson—There are negotiations under way—periodic, I should say—between the United Nations and the Iraqi government. I would have to say that these are proceeding more slowly than the international community would wish, and we believe it incumbent upon Iraq to move rather more decisively and quickly to allow for the return of inspectors.

Senator HOGG—Again, this is an issue that I have raised questions on over a period of time now. It seems to me that every time I raise them there are hopes, there are expectations, but, as you have indicated, the agenda does not seem to move all that far.

Mr Paterson—I think it is fair to say that the approach of the United States administration, where it has made clear that it regards this as an urgent and pressing priority, has probably been helpful in getting Iraq to re-engage with the United Nations on the issue. But, as yet, that is inconclusive in terms of a return of weapons inspectors to Iraq.

Senator HOGG—Does DFAT have any assessment of the Iraqi weapons of mass destruction program?

Mr Paterson—We have not prepared our own assessment of that. From time to time, we do receive assessments on that from the intelligence community on that.

Senator HOGG—Without going into the meat of that, which I would not expect you to do, do we know if there has been an increase in the weapons of mass destruction held by Iraq over the last 10 years? Is there evidence for that?

Mr Paterson—The last 10 years encompasses the period in which UNSCOM was involved in Iraq and we can be confident they destroyed a very large part of what then existed in terms of Iraq's weapons of mass destruction capability. We cannot be sure of the exact percentage of what was destroyed, but I think the judgment is now that not all was destroyed and the Iraqi government remains committed to rebuilding that capability. We believe they have taken some steps to recommence work on weapons of mass destruction. The scale or extent of that is not fully clear.

Senator HOGG—What is the evidence of rogue, for want of a better word, governments outside Iraq participating in the re-establishment of a cache of weapons of mass destruction within Iraq? Is there any evidence of that?

Mr Paterson—I think it is fair to say that there is little if any at all. It is largely an indigenous program.

Senator HOGG—Does DFAT agree with US assessments that Iraq is developing weapons of mass destruction which might be used by international terrorist organisations?

Mr Paterson—Where weapons of mass destruction are developed, there is always the risk of them falling, whether by way of a government decision or simply by way of inadvertent action, into the wrong hands. That could not be ruled out, but I do not think we have evidence that an Iraqi capability would necessarily fall into terrorist or substate actor hands. But it is always a possibility.

Senator HOGG—Do we know what the US think on that sort of issue? Do they have a stronger view than we have?

Mr Paterson—There is a breadth of views within the US system but on balance they take a pessimistic view of Iraq's intentions.

Senator HOGG—So that would be a catalyst really for driving the inspectors back into Iraq?

Mr Paterson—Yes, indeed. I should not suggest by way of my comments, incidentally, that our view at the assessment level is fundamentally different from that of the United States; I do not think it is.

Senator HOGG—There is talk of possible military action with Iraq. Is there any idea whether there is a broad time line that is being considered for this?

Mr Paterson—No, we do not have any idea of a broad time line. You will have seen President Bush's public comments, to the extent that he says that he has no military plans on his desk. There has been widespread public speculation that any military action would take some time to develop, both through the planning stage, the decision stage and the implementation stage.

Senator HOGG—Wouldn't that threat of itself serve to act as a deterrent to Iraq—deterring it from engaging in discussions and negotiations and, ultimately, from allowing the inspectors back in, rather than assisting?

Mr Paterson—I think our judgment would be that it is the threat or the determination of the United States to deal with the issue of weapons of mass destruction in Iraq that is the thing

that is driving Iraq back into negotiation with the United Nations on return of weapons inspectors.

Senator HOGG—Thank you.

Mr Paterson—You asked me this morning as to whether there was any scope for North Korea's possible capability in terms of chemical weapons to be the subject of international inspection. I have checked that, and the answer is no, because North Korea is not party to the chemical weapons convention.

Senator HOGG—Thank you.

[5.37 p.m.]

ACTING CHAIR—We move to output 1.2: Secure government communications and security of overseas missions.

Senator HOGG—Unless any other senator who is watching in the wings has questions, I do not think we have any questions on output 1.3.

Senator FAULKNER—I do not think 1.2 will take long. I read a media report that a company contracted to provide communications infrastructure for some Australian embassies, high commissions and consulates—in other words, a significant part, it seemed, of the Department of Foreign Affairs and Trade network—was likely to be taken over by a company that was owned by the Chinese government. This seemed to cause at least some consternation in the pages of the *Canberra Times*. I wondered if someone could confirm whether that was true.

Mr Tighe—There was such a press report speculating on the possible ownership of a company called Asia Global Crossing, with which the department has a contract to provide communication services to a number of our overseas posts. I cannot tell you whether the report will turn out to be true or not. It is conceivable that the ownership of Asia Global Crossing will change, but in which direction I do not know.

Senator FAULKNER—You have a contract with Asia Global Crossing; is that right?

Mr Tighe—Correct.

Senator FAULKNER—When was that entered into?

Mr Tighe—Last month.

Senator FAULKNER—What is it for? Could you explain, in the broad? It is obviously a communications contract of some description.

Mr Tighe—It is to provide terrestrial communication links.

Senator FAULKNER—What does that mean? I know what terrestrial communications are, but who are we linking up? If you read the press report, it sounds like it is embassies, consulates and high commissions around the world. That is what I read in the newspaper, but I thought it would be better for you to actually tell us. I do not necessarily believe everything I read in the newspaper.

Mr Tighe—Nor do we. It is to provide communications links to 37 of our network of missions around the world. Essentially, what it allows us to do is to transmit, via terrestrial links as opposed to satellite links, our communications from Canberra to those posts, and in between some of those posts.

Senator HOGG—Does that take the SATIN system?

Mr Tighe—Some of the posts will be on SATIN, yes. Eventually all of them will be.

Senator HOGG—But I presume it is through satellite?

Mr Tighe—It is through the cable that is the terrestrial communication.

Senator FAULKNER—So it is a cable communications system linking 37 missions around the world with DFADT here in Canberra. Is that, in a nutshell, what we are talking about?

Mr Tighe—In a nutshell, yes.

Senator FAULKNER—You entered into this contract with this organisation Asia Global Crossing last month.

Mr Tighe—Yes. It was on 14 May.

Senator FAULKNER—Can you say what the value of that contract was?

Mr Skelly—I cannot give you a straightforward answer, unfortunately, because it will involve an ongoing process of switching to Asia Global Crossing's links from our existing contracts. The background to it was that we had a whole range of separate contracts linking small pieces of the network together. Last year they went through a tender process to see whether we could roll up a lot of the individual pieces of the network into one holistic one. Asia Global Crossing came in with a tender which not only provided us with the ability to roll up more of our network into the one contract but also was at a price which would not significantly change the existing costs to our network. The network will be switched over to Asia Global Crossing as each of the existing pieces of the current network change. It will take us the full 12 months of the next financial year to get every one of the pieces stitched together.

Senator FAULKNER—You must have a fair idea of what your expectation is, to have entered into the contract, or was that so open-ended that it would have been like playing roulette?

Mr Skelly—It would be approximately \$3 million. I can get more details.

Senator FAULKNER—Is that an annual contract fee?

Mr Skelly—Yes.

Senator FAULKNER—A ballpark figure is what I was interested in. So it is around \$3 million per annum. For what period have you contracted with this particular supplier?

Mr Skelly—The initial contract is for three years.

Senator FAULKNER—So it is around \$3 million for three years. Was it an open tender process?

Mr Skelly—An open tender, absolutely.

Senator FAULKNER—You entered into the contract on 14 May this year. Have those services started to be delivered to the department?

Mr Skelly—Yes, the first two pieces of the network have come on stream. One was a much larger link to London. The second one coming on this week is to Singapore. One of the benefits of this contract is that it enables us to go to significantly greater bandwidth on the terrestrial link. That gives us the capacity to send out much bigger pieces of data. As Senator Hogg mentioned, our SATIN system will require us to have substantially greater bandwidth

than our existing systems. This contract will essentially cost the same as we pay today but will give us probably five to six times the bandwidth that we currently get for that dollar.

Senator HOGG—Does this reach worldwide?

Mr Skelly—This contract will bring into one network 37 posts. It is global, yes.

Senator HOGG—But it will not be globally through the same system; they will have to subcontract out to other systems?

Mr Skelly—One of the benefits and one of the reasons this contract was financially attractive was that this particular company actually owns the fibre and does not have to go out and sublease off another owner.

Senator HOGG—So they have fibre into all of the sites that you want to go to?

Mr Skelly—That is right.

Senator HOGG—Was anybody else able to provide that in their tender?

Mr Skelly—No, that was one of the benefits of this particular company.

Mr Tighe—No company other than Asia Global Crossing could meet either the technical or the financial requirements of the tender.

Senator FAULKNER—Is it true that Asia Global Crossing is 58 per cent owned by the Global Crossing Organisation?

Mr Skelly—That is true.

Senator FAULKNER—Is it true that the Global Crossing Organisation is trying to trade itself out of the red after filing for chapter 11 bankruptcy protection in the United States in December last year?

Mr Skelly—That is true.

Senator FAULKNER—Were you aware of this when you entered into the contract with them?

Mr Skelly—We were.

Senator FAULKNER—Are you aware of the current status of Asia Global Crossing in terms of a possible change of ownership?

Mr Skelly—We are aware that there is a process under way at the moment for seeking further investment in the company. When we looked into the contract we were aware that in the telecom sector these companies are changing ownership quite frequently, but the fibre stays in the ground. The fact that the company might change hands does not mean that the infrastructure is no longer available.

Senator FAULKNER—Where would we find the principals of Asia Global Crossing?

Mr Skelly—At the moment?

Senator FAULKNER—Yes, the ones that you have currently got nailed down.

Mr Skelly—At the moment the Global Crossing Organisation has a 58 per cent share. From memory, Microsoft has a 14 or 18 per cent share. I think the other larger investor is the Hong Kong company Whampoa.

Senator FAULKNER—Where is head office for Asia Global Crossing?

Mr Skelly—Singapore.

Senator FAULKNER—Is it registered in Singapore?

Mr Skelly—Yes.

Senator HOGG—Is it a publicly listed company?

Mr Skelly—Yes.

Senator FAULKNER—In the tender process, what sort of checks did you undertake in relation to its financial stability?

Mr Tighe—We conducted, in particular because we had the knowledge about the financial situation of Asia Global Crossing, a thorough risk analysis, which we undertook on the advice of the Australian National Audit Office, of the risks associated with going into a contract with AGC. We have also negotiated a contract with AGC, partly as a response to that exercise, which means that we will be paying for all their services in arrears. So we will not be exposed financially to any possibility of a shutdown of AGC's operations.

Senator FAULKNER—So their financial condition was sufficiently of concern to the department for it to ensure that contractual arrangements would include a regime of paying in arrears. Is that what you are saying to us?

Mr Tighe—The assessment we made is that it would be prudent to make those arrangements, so we have done that. I should add that the communications industry is one in which changes of ownership happen quite frequently. AGC itself has changed ownership twice over recent years. It now maintains the same key customers and the same management team. So none of this is particularly unusual, I have to say, particularly in the environment in the telecommunications industry at the moment.

Senator FAULKNER—I am aware that these sorts of communications companies do have changes of ownership from time to time, but what is speculated here is that the new majority shareholder will be China Netcom. Do you know the corporate ownership of China Netcom?

Mr Tighe—There is speculation in the media of a security risk in China Netcom, which has Chinese government ownership, becoming a problem for us in terms of the security of the communications links we have with our overseas posts. The ownership of the communications links is really not the issue in this. The issue is the encryption of the material that travels across those communications links.

Senator FAULKNER—My question was: are you aware of the corporate ownership of China Netcom? That is all—and I think you have said it in part. I appreciate the speculation about security, but is it true that China Netcom is a Chinese government owned communications company?

Mr Tighe—As far as I am aware, it is not wholly Chinese government owned. It is also one of a number of companies that have expressed an interest in AGC. Our understanding is that one of the part owners, for example, of China Netcom is Newscorp.

Senator FAULKNER—Can you indicate to me what the corporate structure of China Netcom is? You know of a part owner; is there a majority shareholder in China Netcom?

Mr Skelly—At the time the contract was signed there was no suggestion that China Netcom or any—

Senator FAULKNER—I know that. I am not suggesting there was. Your saying that concerns me a bit. By saying that, you are not insinuating that, if there was, a different decision would have been made?

Mr Skelly—No, it is only since this article appeared in the press that there has been any speculation about one of a number of companies that may be interested in AGC, but we have not investigated the structure of individual companies.

Senator FAULKNER—So no-one can tell me what the corporate structure of China Netcom is, but you can tell me that Newscorp has some level of interest in it?

Mr Tighe—That is correct.

Senator FAULKNER—But you do not know what level of interest?

Mr Tighe—I do not know the full details of the ownership.

Senator FAULKNER—But how do you know it has some?

Mr Tighe—It was on the basis of talking to people in the industry. We have not sought to analyse the ownership of China Netcom.

Senator FAULKNER—Why did anyone talk to people in the industry about China Netcom?

Mr Tighe—Because we deal with people in the industry fairly regularly and we are involved in the provision of the communications links. It is on the basis of hearsay, that is all.

Senator FAULKNER—It is not really evidence for the committee but hearsay about Newscorp. You may be right; I do not know. It is a leap of faith to say, ‘No-one has checked what the corporate structure of China Netcom might be,’ and then to say, ‘Newscorp has some holding.’ Do you understand what I mean?

Mr Tighe—All I am doing is making available to you the information I have. We have not checked on the ownership of any of the dozens of other potential purchasers of AGC items.

Senator FAULKNER—But the information you have in relation to Newscorp is hearsay—it may well be right but it is hearsay—and no-one at DFAT level has checked the details of the ownership of China Netcom.

Mr Tighe—That is correct.

Senator FAULKNER—Has anyone checked whether they are a serious player in the marketplace for AGC?

Mr Tighe—No.

Senator FAULKNER—Does anyone care?

Mr Skelly—Our contract will survive if the current ownership changes hands. Our contract will still be a valid contract.

Senator HOGG—So how long is the contract for?

Mr Skelly—Three years.

Senator FAULKNER—But does anyone care—you may not, and that is what I am trying to work out—that a company owned by the Chinese government may well buy and own the company that has a contractual arrangement with the Department of Foreign Affairs and Trade to run your terrestrial communications network across 37 missions around the world? Does anyone care about that?

Mr Tighe—There are a number of things we care about, Senator. One is the provision of the communications links and the other is the security of them. The contract we have with AGC, we believe, is the right contract to guarantee the provision of the links. That is not

under threat by a change in ownership of AGC. Likewise, the security of the communications links is determined, as I mentioned before, by the encryption methods rather than the owners of the cable. Again, that is not under threat by any change in ownership in AGC.

Senator FAULKNER—So the first thing you can say is that you are not concerned about the contractual arrangements in terms of the financial position of the parent company; you think it is pretty well watertight from that perspective. Is that fair?

Mr Tighe—We believe it is watertight. We also, as a matter of prudence, have redundancy arrangements, contingency arrangements, as well as a plan B. But the financial aspects of the contract with AGC, we believe, are watertight, yes.

Senator FAULKNER—What about this security element then? Of its nature I imagine it is a concern to the department. Security for any network like this would be of absolutely primary fundamental importance, wouldn't it?

Mr Tighe—That is correct.

Senator FAULKNER—So what can you say to the committee about your level of confidence in the ownership of AGC and any impact or effect at all in terms of security in relation to these terrestrial links?

Mr Tighe—We are very confident that the information that will travel over those links will be secure. It is encrypted at both ends and, as I mentioned before, the factor that determines the security of the information is the manner in which it is encrypted, not the ownership of the cable that it travels across.

Senator FAULKNER—What leads you to that level of confidence?

Mr Skelly—It is fair to say that, for the last 50 years, we have relied upon local telecommunications—some of them state owned, some of them commercially owned—to provide those links to our posts. In fact, in China, until the Asia Global Crossing links come in, we rely upon the China telecom for that last mile of cable through the normal telecom system. So, because of the encryption mechanisms we use, we have been working within the same environment now for 40 or 50 years.

Senator FAULKNER—I understand and accept that, and that sounds absolutely logical. It is a little bit different to a full 37 missions and Canberra network, isn't it?

Mr Skelly—As Mr Tighe said, we have redundancy plans in place even with today's network so that, if a particular circuit goes down or if particular groups of circuits go down, we have redundancy in the system where we can go to an alternative means until the main circuit is repaired or replaced. The financial and operational exposure we believe is very low risk.

Senator FAULKNER—Would there be any different approach in any broader purchasing guidelines from the DFAT perspective if, at the time the contract had been written, the ownership had been China Netcom? Would that have been a consideration, a factor? That is the real point of my questioning. I accept, by the way, Mr Tighe's point. He is saying to me that this is not a concluded issue. It is possible—if you read the newspaper you would think it is probable—that China Netcom will own this parent company. I accept that that has not occurred at this point, but it is possible. If it were the case that China Netcom owned that company, would that have made a difference in terms of the contractual arrangements that the Department of Foreign Affairs and Trade would have drawn for this terrestrial communications network?

Mr Tighe—It certainly would not have disqualified AGC from being part of our consideration. I doubt that it would have had a significant influence on the outcome of the tender process, given the attractiveness of AGC's offer both technically and financially. Australia's diplomatic communications at the moment are carried by a large number of different carriers—so is the traffic of every other foreign ministry around the world. It is not an unusual thing. If we had known that China Netcom was an owner of Asia Global Crossing at the time we were considering the tender, no doubt we would have looked at that issue and I am sure we would have come to the conclusion that it was not an issue that should have precluded us from considering the tender along with others.

Senator FAULKNER—You are saying that if that were known at the time—and it was not known at the time, was it?

Mr Tighe—No.

Senator FAULKNER—When did you learn about it.

Mr Skelly—When it appeared in the newspaper last week.

Senator FAULKNER—*Canberra Times* 1 DFAT nil.

Mr Skelly—As I understand it, the *Canberra Times* picked this up from a trade magazine or a technical report last Friday week.

Senator FAULKNER—One brownie point to the *Canberra Times*.

Mr Skelly—Absolutely. But at the time the negotiations and the tendering were being considered this was not known.

Senator FAULKNER—Not known to you. Did you go back and look at the *Computer Daily News* that was cited in the *Wall Street Journal*?

Mr Skelly—We have obtained copies of the various reports.

Senator FAULKNER—Do you know what the dates of those were?

Mr Skelly—It would have been last Friday week.

Senator FAULKNER—Before or after the contract was signed?

Mr Skelly—After. It was within two to three weeks after the contract was signed.

Senator FAULKNER—It was pretty recently signed. This contract was signed on 14 May this year.

Mr Skelly—It was around the end of May, but I am not exactly sure of the date.

Senator FAULKNER—When this information was published in the *Wall Street Journal*?

Mr Skelly—Yes.

Senator FAULKNER—You are saying to us that you did know that there were financial concerns and considerations with AGC—that is fair enough. You spoke to the ANAO about it.

Mr Skelly—Yes.

Senator FAULKNER—Was any further risk analysis done? I did notice, again courtesy of the *Canberra Times*, who are looking pretty good on this one at least, that the department had also sought advice from the Attorney-General's Department and a private consultant. Is that right?

Mr Skelly—That was misinformation from the *Canberra Times*, who spoke to me before they wrote that article. It was really the ANAO that we sought advice from, not the Attorney-General's Department.

Senator FAULKNER—And a private consultant?

Mr Skelly—The formal contract was drawn up in conjunction with the assistance of our legal branch, which outsourced to a legal firm that drew up the body of the contract and checked it for the government's interests.

Senator FAULKNER—So 'Attorney-General's Department' should read 'Auditor-General', and a private consultant—is that right?

Mr Skelly—Yes.

Senator FAULKNER—As a result of this information coming to the knowledge of the department, has any action been taken or initiated as a result of this now being available to you? In other words, is there more of a watching brief in relation to this issue?

Mr Tighe—We did follow it up to the extent that Mr Skelly mentioned before in terms of chasing up the original article and the other sources. We have not sought to change the contract that we have with AGC, and it is not obvious to me why we would on the basis of some media speculation.

Senator FAULKNER—Fair enough. You have looked at the *Wall Street Journal*—it was mentioned in the *Canberra Times* newspaper—but what about any other action? Was it just that you had a look at the original sources? Have you raised this with anyone?

Mr Tighe—We have spoken to some of our industry contacts about their understanding of where AGC is going—in fact, we have also received some information from AGC about the possibility of its financial restructuring—but all of it at this stage is rumour and speculation.

Senator FAULKNER—So you have raised it with industry contacts. Have you raised it with anyone within government?

Mr Tighe—No.

Mr Skelly—No.

Senator FAULKNER—Are you going to keep a watching brief on it?

Mr Tighe—Yes.

Senator FAULKNER—Why?

Mr Tighe—Because we will be asked questions like these about it no doubt. As I said before, at the end of the day the ownership of the company—

Senator FAULKNER—That is not a very good reason to keep a watching brief on it, is it?

Senator Abetz—No—just to satisfy Senator Faulkner is not a good reason.

Mr Tighe—At the end of the day, the ownership of the linkages is not the key issue. The key issue is the security of our method of transmitting material across, which we are confident in, and the structure of the contract we have, which we believe is very sound financially.

Senator FAULKNER—Mr Skelly, in relation to the contract, you are quoted as saying, 'We're pretty comfortable.' I do not know if you were quoted correctly or not.

Mr Skelly—It is approximate enough to what my position was, yes.

Senator FAULKNER—I would probably be more comfortable if you had said, ‘We’re absolutely comfortable,’ rather than, ‘We’re pretty comfortable.’ It seems pretty qualified to be ‘pretty comfortable’.

Mr Skelly—Let me say to you then, Senator, that we are comfortable. The risk analysis that we did identified—

Senator FAULKNER—You are not relaxed and comfortable, I hope.

Mr Skelly—Not at all.

Senator FAULKNER—That is all right then; we know what that means.

Senator Abetz—On this issue, but as a citizen of this country I am sure he is.

Senator FAULKNER—When you say, Mr Tighe, that you are going to keep a watching brief on it, what does that actually mean in terms of your division?

Mr Skelly—There is a board within my branch that manages the contract. They do so in a formal process of checking off benchmarks and making sure that the contractor is performing to the technical specifications required. That is the same approach we use with all of our major contracts. They are managed by a board of people who monitor the performance of a contract.

Senator FAULKNER—This might be a question for you, Dr Thomas. It is impossible for me to make any judgment of course about either the financial or the security implications, if there are any—if there are any, I am not in a position to do so and I would not pretend that I am—but something that strikes me, as I hope a reasonably objective outside observer, is that this is not known about until a newspaper article is published. There is a very short time frame between the signing of the contract and some of this material being at least speculated about in the public arena. My question to you is: is that an issue for the department?

Dr Thomas—In the way in which you put it, Senator, no, I do not think it is. We made a judgment about that tender on the basis of the information available at the time, having made all reasonable efforts to find out as much as possible about the company we were dealing with and so forth. This information has come to light after the tender, as Mr Tighe has made very clear. We do not have direct concerns about the security of our system. The ownership of the company does not determine the security. Obviously, if the ownership of the company changes, it is of interest to us, because we have a contract with this group, and we would look at that at the time to see whether it has any implications for us. That would be a natural thing to do.

Senator FAULKNER—I am sure all of that is true. My question goes to the timing. It does come to light after the event—literally only days after the event. My question to you is: is that of concern?

Dr Thomas—All that has come to light is speculation about the possible future ownership of the company. No hard information has come to light. And there will probably be a lot more speculation before the ownership does or does not change.

Senator FAULKNER—This goes to the whole issue of the viability of the organisation, at the very minimum. Forget about whether the Chinese government has a majority commercial interest in your terrestrial communications network—put that aside. Some might see that as a significant issue. I am assured by Mr Tighe and Mr Skelly—and I take it absolutely at face value—that that is not an issue. I accept what they say to me, although some might be concerned about that. The issue I raise with you goes to something that is really substantive—

that is, the financial viability of this particular organisation and a prospective change in ownership, whomever it might be.

Dr Thomas—As my colleagues said, we made inquiries about the financial state at the time. We sought assurances and advice from the Australian National Audit Office and so forth, and we made a judgment which we believe to be sound. The contract contains provisions which, in the event of something happening, protect us financially.

Mr Tighe—We were aware before we signed the contract of the possibility of a change in ownership of AGC, which is why we designed the contract and the security of our communications system around the possibility that these sorts of ownership changes can happen all the time. It is irrelevant, frankly, which companies are interested in which other companies at this point in time or in the future, because we have sought to design a contract and a security system that are bulletproof from those sorts of changes.

Senator FAULKNER—Yes, but checking was done, was there not, of the financial viability of the company at the time you entered the contract?

Mr Tighe—Of AGC, certainly.

Mr Skelly—One of the other issues about AGC is that they are listed as a preferred tenderer for the Australian government's business. These companies, as you may know, are vetted or screened by the Department of Finance and Administration. They have the responsibility in their portfolio for ensuring that providers of services to the government are financially viable, among other things. We checked with the department of finance before we signed the contract to make doubly sure that these people were still a preferred tenderer.

Senator FAULKNER—But has anyone raised with you this issue—which you are at pains to say to us is not a concern and I accept that—of the security implications, whether they be well based or not? Has that been raised with the department at all by anyone about this contract?

Mr Skelly—Only by the *Canberra Times*.

Senator FAULKNER—But there have been no other concerns expressed at this stage?

Mr Skelly—Not to us, no.

Senator Abetz—Now, Senator Faulkner too.

Senator FAULKNER—You would accept, Senator Abetz, it is a proper issue to be raised at a committee hearing like this.

Senator Abetz—Absolutely, but I am sure that if people could see into the future certain events like the Ansett collapse and a few other collapses would not have occurred. Indeed, I know the state government in Tasmania entered into a deal with Impulse Airlines I think it was 14 days before they were taken over by Qantas, and Impulse were already involved in those discussions with Qantas but nobody disclosed it to the state government in Tasmania at the time. It is difficult for people to know these things.

Senator FAULKNER—Yes, and this matter in relation to a company that has a majority ownership by the Chinese government is something that literally became public days after the contract was signed. So that point is a very valid one.

Senator HOGG—Can I just raise a security issue on this, because security really is terribly important, as Senator Faulkner has said. I had a view when I read this firstly that it was a part-terrestrial and part-satellite communication, but you have dispelled that.

Mr Tighe—Our system is part terrestrial and part satellite. The contract with AGC is purely terrestrial.

Senator HOGG—I am talking about this specific contract. That is why it seemed to me important to find out the relationship of this contract with any other business that you might have. Does that imply that communications are sent down one or either of the paths?

Mr Skelly—They can be.

Senator HOGG—So the SATIN project that you have and ADCNET, its predecessor, would operate either through the cable—

Mr Skelly—Either or both.

Senator HOGG—But there would be a preference for it to go down the cable because of the broader bandwidth?

Mr Skelly—That would be true. There is another technical problem using satellites, but we tend to rely on those where there are difficulties getting the appropriate bandwidth through a terrestrial link.

Senator HOGG—So you have the capacity, internally within your systems, to direct it down either of those paths?

Mr Skelly—Yes.

Senator HOGG—Having said that, I understood from the information you gave the committee that there was a discrete cable, in this case with AGC, that went worldwide or does it tap into other operators?

Mr Skelly—They have their own AGC owned fibre around Asia Pacific. They then link up to the Global Crossings fibre when it hits the west coast of the United States which takes it across the US and into Europe.

Senator HOGG—We are not dealing with purely and simply one provider.

Mr Skelly—Not for all of the posts, no.

Senator HOGG—The point that I was going to raise was that there would be concern if everything was concentrated in one provider. If that one provider, for some reason, was knocked out of operation, then if the only alternative route was through the satellite your ability to communicate with your various links would be hampered. Do AGC operate in Australia?

Mr Skelly—Yes.

Senator HOGG—Do they have operations in conjunction with any telco operator here?

Mr Skelly—No, they are independent.

Senator HOGG—They are in their own right. Thank you.

Proceedings suspended from 6.22 p.m. to 7.30 p.m.

CHAIR—We would ordinarily be proceeding to output 1.4, but we are going to delay that until Senator Faulkner returns. We move now to output 2.1, Consular and passport services.

Senator HOGG—Firstly, in respect of David Hicks, when did the government first become aware of David Hicks' alleged role in terrorism?

Mr Trindade—Matters relating to David Hicks and/or any activities that he might have undertaken, which might be criminal offences, are really matters for the Attorney-General's portfolio. As you would be aware, he is currently under investigation by law enforcement agencies from Australia. They were able to visit him in detention in Cuba recently, so there are probably some matters in relation to his activities that the Attorney-General's portfolio, the Federal Police and other agencies would be aware of. Foreign Affairs and Trade's involvement with him may postdate other issues that Mr Hicks has been involved in.

Senator HOGG—I am prepared to accept that. If I transgress, I am sure you will be pretty quick to point me back in the right direction. We are trying to get a view of this from the foreign affairs perspective. I do not know if any of my colleagues have done anything in the Attorney-General's portfolio. Let me rephrase the question. When did DFAT first become aware of the alleged role of David Hicks in terrorism?

Mr Trindade—DFAT and the Australian government became aware of David Hicks being in custody in early December 2001, when we became aware of his capture by Operation Enduring Freedom coalition forces in Afghanistan. At that stage, he was in detention in Afghanistan.

Senator HOGG—Do you have the specific date in December?

Mr Trindade—I am not sure of the exact date, but it was early December.

Senator HOGG—For the sake of the record, at this stage I will refer to early December. Prior to that date, the government or the department had no knowledge of any alleged role by David Hicks in terrorism?

Mr Trindade—Not that I am aware of.

Senator HOGG—You first became aware of the person once they had been detained by the coalition forces in Afghanistan?

Mr Trindade—That is correct.

Senator HOGG—Who drew it to the attention of the government or the department at that stage?

Mr Trindade—I am not sure of the answer to that.

Senator HOGG—Was it someone from the Australian forces, someone from the American forces, someone from the embassy in Afghanistan?

Mr Trindade—I understand from my colleague that it may have been brought to DFAT's attention through other Australian government agencies.

Senator HOGG—What other Australian government agencies, just for the sake of the record?

Mr Trindade—I do not know the answer; I could speculate.

Senator HOGG—No, don't speculate. I do not want to put you in that position.

Mr Kemish—We became aware of Hicks's detention through other agencies, as Mr Trindade has said. Specifically, I believe that we were informed by the Attorney-General's Department, which, as Mr Trindade has said, is responsible for this issue in a very large part.

Senator HOGG—When you became aware of the apprehension of David Hicks, did that trigger any special reaction internally within the department because he is an Australian citizen?

Mr Trindade—In the case of Mr Hicks, my understanding is that we were advised that he was captured in the course of battlefield operations in Afghanistan, and that is quite a unique situation for the Australian government to find itself in. So I do not believe it triggered any particular set response, given the unprecedented nature of this case.

Senator HOGG—Did it set off any internal processes to find out how the department should react in those circumstances?

Mr Trindade—The Australian government made contact with the US government. I am not sure—

Senator HOGG—I am referring to internally within the department. Did it set off any internal inquiries to get direction as to how to deal with this type of issue, given that it was a situation you had not been confronted with before?

Mr Trindade—I am not aware of the answer to that.

Dr Thomas—Our department was briefed by the Attorney-General's Department, as was the Department of Defence, and there were discussions between those three departments on Mr Hicks's situation.

Senator HOGG—That would have been soon after that date early in December 2001, and the three departments would have collectively formed a view as to how to handle the matter?

Dr Thomas—In due course it was considered by ministers.

Senator HOGG—What was the view that was formed as to how to handle that matter?

Dr Thomas—I am not at liberty to disclose the advice we gave to ministers.

Senator HOGG—I was not trying to get to the exact advice that was provided to the minister as such. I was trying to find out how the departments determined they would act, either together or independently, in pursuing any matters arising from this issue.

Dr Thomas—The three agencies have pursued their end of the responsibilities. The Attorney-General's Department handled all the legal issues involved in Hicks's case. The Department of Defence has been involved to the extent that the American military and related organs were involved, and DFAT's role has really been to discuss it with the American government as such.

Senator HOGG—It may well be that you need to take the majority of these questions on notice. Is it possible to have a detailed chronology of any action taken by the government after it received advice that Mr Hicks had been detained?

Dr Thomas—Do you mean action taken by DFAT?

Senator HOGG—DFAT and/or the government, or both. Is that possible? Do you have a chronology of events?

Mr Kemish—The Attorney-General's Department would be in a much better position than us to give you a chronology of the government's approach to this case. We are not in a position to do that.

Senator HOGG—What about a chronology of DFAT involvement as opposed to the broad whole of government?

Mr Kemish—We could look that.

Senator HOGG—Could you include in that any contact the department may have had with David Hicks and, if there was contact, who met Mr Hicks, when and where was that contact and what was its purpose?

Mr Trindade—I assume you are talking about DFAT officers?

Senator HOGG—Yes, I am talking about DFAT officers only. Could you let us know what the contacts were, and I also take your advice on having to approach A-G's to get other information. When putting together the chronology, please mention if you have had any liaison with the United States on this matter as DFAT. Are you able to answer that now?

Mr Trindade—I can answer that the Australian government has had a number of discussions with the United States government at different agencies, including through DFAT, with the US State Department and other agencies about Mr Hicks.

Senator HOGG—When you are putting the chronology together, it would be helpful if you can list the contact with the United States government, who met with them, when, where and what the purpose of the contact was. Have you met with any of the other allies of the United States in respect of this matter?

Mr Trindade—Are we referring to Mr Hicks specifically?

Senator HOGG—The detention of David Hicks in particular. Has that happened?

Mr Trindade—It would be accurate to say we have had discussions with—

Dr Thomas—There have been some discussions with other governments who have their nationals in Guantanamo Bay, for example.

Senator HOGG—Could you detail those contacts as well?

Dr Thomas—We may not be able to go into the content of the discussion, but we may be able to give you details of when the contact was made.

Senator HOGG—Under those circumstances, if you could give the broad purpose of the meeting without going into the detail, that would be helpful. Are you able to include in the chronology whether and when the government has attempted to access David Hicks to check his personal welfare and wellbeing?

Dr Thomas—I think that is actually on the public record. The minister has made announcements when there has been a visit to Hicks.

Mr Trindade—Yes, there was a joint release issued by the Attorney-General and the Minister for Foreign Affairs, advising that a team of Australian officials had visited Guantanamo Bay in Cuba for law enforcement and investigation purposes. In the course of that visit they were also able to inquire into Mr Hicks's wellbeing and were able to report back, and that report was relayed to Mr Hicks's family.

Senator HOGG—Is that similar to other visits made by consular officials when Australians might be held in prisons or the like overseas?

Mr Trindade—That visit was for law enforcement and investigative purposes. In the course of having that visit for those purposes, the team was able to assess Mr Hicks's welfare.

Dr Thomas—We would not label it as a consular visit.

Senator HOGG—That is my point. You would not label it as a consular visit?

Dr Thomas—No, we would not.

Senator HOGG—Has DFAT sought to seek legal advice for Mr Hicks at any stage?

Mr Trindade—In discussions with the United States government we have relayed to that government the requests made by Mr Hicks's lawyer for access to Mr Hicks.

Senator HOGG—Has there been any approach, based on the visit that you just previously acknowledged took place, where Mr Hicks himself may have made requests of departmental officials who may have been there in that visit to Guantanamo Bay? Were there any departmental officials on that visit?

Mr Trindade—There was a departmental officer.

Senator HOGG—And was a request made of the departmental officer by Mr Hicks for assistance to access legal advice?

Mr Trindade—I do not believe that was specifically raised.

Senator HOGG—So we had a DFAT officer as part of a larger group. How many were in the group who visited Guantanamo Bay?

Mr Trindade—There were four members of the visiting team.

Senator HOGG—Four members of the visiting team—one a DFAT officer not performing a consular role in this case. I think we have established that.

Mr Trindade—The departmental officer was not a consular officer of the department.

Senator HOGG—Would it be unusual for an Australian citizen who was incarcerated under those circumstances not to seek consular assistance from a representative from the Department of Foreign Affairs and Trade?

Mr Trindade—The circumstances under which Mr Hicks is detained is not a consular case. He is in the custody of the United States military as a consequence of being captured in a battlefield situation. So to look at it and to compare it to a consular case where somebody might have been arrested or detained in a peacetime civilian jurisdiction is a comparison that you simply cannot make.

Senator HOGG—You are saying to me that if Mr Hicks were held in a civil prison in the United States he would be treated differently in the sense of consular access from representatives from the Department of Foreign Affairs and Trade?

Mr Trindade—That involves a degree of speculation because it would also depend on what he was being held for.

Senator HOGG—Would it not be regardless of what he was held for if he were in a civil prison? There is no trick at the end of this question. I am just trying to find out—

Dr Thomas—The point is that he is not being held in a civil prison and he is not in normal, usual circumstances. These are extraordinary circumstances.

Senator HOGG—I accept that, Dr Thomas. But here we have an Australian citizen who is held in a prison—and that is what it is at Guantanamo Bay in the United States—visited by four officials from various departments of the Australian government, one of whom is a DFAT officer. I am just trying to find out if that person had the rights of access to the DFAT officer as other Australian citizens in jail in other parts of the world would have and would expect. Having been involved in a lengthy inquiry into consular services five years ago now, I recall we went into some detail on this specific issue. I also want to find out if Mr Hicks had made any requests of the visiting DFAT officer, even though that DFAT officer was not performing a

consular role in that visit. I was just trying to find out if the request for legal advice had been made.

Dr Thomas—We are not at liberty, really, to reveal the details of what was discussed during that visit. But I can say that while the officials were visiting they inquired about his welfare, they were able to see him for themselves and they also received various assurances from the American government, with which we are comfortable.

Senator HOGG—Since that visit, has Mr Hicks approached DFAT for assistance in getting legal advice? Do we know if that has happened?

Mr Trindade—I am not aware of any contact. Mr Hicks and all of the detainees at Guantanamo Bay are able to send letters through the International Committee of the Red Cross. He may have sent letters to his family or to his lawyer through that channel, but I am not aware of communication with DFAT.

Senator HOGG—That was my next question. Has Mr Hicks communicated in writing with DFAT?

Mr Trindade—He has communicated with DFAT in writing, through the Red Cross, but I understand that those communications might have preceded the visit.

Senator HOGG—When did that visit take place, by the way?

Mr Trindade—In mid-May.

Senator HOGG—So, since that visit in mid-May, there have been no further visits to him?

Mr Trindade—That is correct—not visits involving DFAT.

Senator HOGG—Are you able to speculate whether visits have been made by the other arms of government?

Senator Abetz—I am sure if they answer it will not be speculation.

Senator HOGG—I do not mean it in that sense.

Mr Trindade—Not that I am aware of.

Senator HOGG—You are not able to confirm that. Is there liaison between your department and the other departments, swapping information when it becomes available on the case of Mr Hicks?

Mr Trindade—Yes, there is.

Senator HOGG—So you would know if the other departments visited Mr Hicks and the purpose of their visits?

Mr Trindade—If they were to tell us.

Senator HOGG—That is what I am trying to establish. Is there some form of exchange of information so that you are kept up to date with the Hicks file, if we can call it that?

Dr Thomas—Yes.

Senator HOGG—Has DFAT made any representations at all to the United States government on Mr Hicks?

Mr Trindade—The government has made representations, I think, including DFAT. As indicated before, we have passed on to the US government the request for access that had been made by Mr Hicks, the lawyer acting for Mr Hicks and his family.

Senator HOGG—How many times has that request been made? Are you able to tell me?

Mr Trindade—I am not sure how many times that specific request would have been made but I believe there might have been a number of—

Senator HOGG—Has it been made more than once?

Mr Trindade—I am not aware of whether it has been made more than once but I am advised that it has been made. Their request has been relayed.

Senator HOGG—So the request of either the family or Mr Hicks's lawyer here in Australia has been made on at least one occasion that you can confirm?

Mr Trindade—That is right.

Senator HOGG—Can you take on notice then to find out if other representations have been made to the United States government, and can you supply me with the date of when the first representation was made? The next question relates again to representations that we have discussed already but it is a little bit more specific. On how many occasions have the family and/or Mr Hicks's lawyers made representations to DFAT?

Mr Trindade—I am not aware of the answer to that.

Senator HOGG—Have they made representations to DFAT?

Mr Trindade—The main channel of communication between Mr Hicks's family members and the Australian government is through the Attorney-General's Department rather than through Foreign Affairs and Trade. I am not aware of the extent of any direct representations or dealings that the Hicks family may have had with DFAT. My understanding is there have been discussions between the Hicks family and the Attorney-General's Department, but I am not aware of all the details of those.

Senator HOGG—Are you aware of the nature of those representations that have been made to Attorney General's?

Mr Trindade—I do not have the details of those.

Senator HOGG—If you do not have the details of those with you, could you take that on notice and advise us what the representations were. I am particularly interested to know whether any of the representations were to seek assistance from the Australian government to get legal representation or advice for Mr Hicks.

Dr Thomas—We can confirm that that was one of the requests of the family, because that is what each of our representations to the American government were about.

Senator HOGG—In terms of Mr Hicks's situation, as I understand it he was arrested for his alleged role in terrorism in Afghanistan: is that correct? I use the word 'alleged' advisedly.

Mr Trindade—My understanding is that he was taken prisoner in a battlefield situation during operations in Afghanistan.

Senator HOGG—As part of the war on terrorism?

Mr Trindade—That is correct.

Senator HOGG—Would it be fair to infer, therefore, that he was taken as being part of the Al-Qaeda group? Have we inferred that from his situation?

Mr Trindade—He was captured by forces in Afghanistan. The exact details of his involvement with Al-Qaeda or the Taliban or other entities in Afghanistan would be the

subject of ongoing investigations by Australian law enforcement agencies, and so I am not able to comment on those.

Senator HOGG—When will those investigations be drawn to a conclusion? Do we know?

Mr Trindade—Again, I am not able to advise on that.

ACTING CHAIR (Senator Ferguson)—I am wondering whether these questions should not be directed to the Attorney-General's Department rather than Foreign Affairs.

Senator HOGG—We had this discussion earlier and it was agreed that if I trod into areas that I should not tread into they would say so. Really I am trying to get at what the involvement of Foreign Affairs in the Hicks matter is.

ACTING CHAIR—I agree with that, but some of the questions really are in the Attorney-General's area.

Senator HOGG—That could well be possible. What advice does the department have about Mr Hicks's status in international law? Does that affect the way you as the Department of Foreign Affairs and Trade treat Mr Hicks?

Mr Trindade—Again, judgments about Mr Hicks's status in international law are matters for the Attorney-General's Department. What I could say about the status of Mr Hicks in terms of how the department has treated him is that the United States is not allowing consular access to him and on that basis Mr Hicks is not a consular case for the department.

Senator HOGG—Is it primarily because of decisions of the United States government that the Australian government or the Department of Foreign Affairs in particular have not been prepared to press for access to Mr Hicks so that his basic rights can be invoked?

Mr Trindade—The United States is not allowing consular access to any government in respect of their citizens who are detained in Guantanamo Bay, Cuba. Those persons are being detained as unlawful combatants. The United States does not regard those people as being accessible on a consular basis by other governments. That is the determinant of whether we regard Mr Hicks as a consular case or not, in effect.

Senator HOGG—What is the Australian government's view as to whether or not it is a consular matter? Have we just rolled over for the American view?

Mr Trindade—It is a matter that consular access is not being provided or allowed for anyone detained there. We have had access for law enforcement and intelligence purposes and we have been able to ascertain Mr Hicks's wellbeing during the course of that visit.

Senator HOGG—I accept that. But there have been some hairy situations over the years where governments have denied or not made access available readily for Australian nationals interned in other countries, and the Australian government have pressed the issue on gaining access to those people. I am not judging Mr Hicks's actions, but it would seem to me that as an Australian citizen overseas he could at least expect that there would be a reasonable pressing by the Australian government for consular access to him, regardless of what the American government might think or say about Mr Hicks. Is that an unfair expectation on Mr Hicks's part?

Dr Thomas—I think I can only repeat my earlier point: these are extraordinary circumstances. Mr Hicks was picked up in extraordinary circumstances. He is in the custody of the American military. The Australian government has made full contact with both him and the military and other authorities in America. We have been satisfied with his wellbeing and

the conditions under which he is being held and the circumstances in which he is held at the moment. I really do not have anything more to say than that. All these other matters that you have raised are really issues to take up with the Attorney-General's Department.

Senator HOGG—All right. I understood that right at the outset, as I said, Dr Thomas, but seeing we had officers from Foreign Affairs here this evening I felt it was necessary to pursue this issue to find the role that Foreign Affairs have played in this, so that when questions are asked of other departments in this place one does not just get shuffled round again and one has a fair idea of where one is going. I will ask about the situation in respect of Mr Habib: is his situation all that different from that of Mr Hicks?

Mr Trindade—In practical purposes his situation is very similar in terms of the conditions and circumstances under which he is being held and the access that was available to us to see him. Indeed, the team that visited Mr Hicks also saw Mr Habib on that occasion.

Senator HOGG—At the same time?

Mr Trindade—Yes.

Senator HOGG—So, if I were to ask you for a chronology of events surrounding visits to Mr Habib involving officers of the department, it would mirror that which you would give me for Mr Hicks?

Mr Trindade—I would, similarly, take that question on notice.

Senator HOGG—I presume the department have made representations to the American government again for Mr Habib?

Mr Trindade—I believe that the department may have made similar representations, including of course the representations that allowed the visit to take place in the first place.

Senator HOGG—Finally, in respect of Mr Habib and Mr Hicks, are there any prospects that DFAT offices will visit either of these people again in the foreseeable future? Where do these people now expect their contact with the Australian government to lie? It seems to me, on the surface, to have been determined not to be a consular matter, so where does their contact lie?

Mr Trindade—As to the likelihood or possibility of further visits to either of the two men for law enforcement or intelligence purposes, again, that would be a matter for the Attorney-General's portfolio to answer. The two men, as I mentioned before, are able to correspond through the ICRC with, I imagine, whomever they want to. They are able to send letters through that process. I believe that the Minister for Foreign Affairs may have said that he and the department will, of course, continue to maintain an interest in the wellbeing of both of the men.

Senator HOGG—I understand that. That is where this is curious. I understand the odd circumstances that you tell me the department finds itself in, but that is normally the role that would be adopted by consular services—looking after their wellbeing and not necessarily trying to interfere in the legal processes. I think this is the defining difference between the Attorney-General's Department being involved—where it may well be a legal matter—as opposed to consular services being involved. My interpretation of the role of consular services has always been one more of looking to the wellbeing of the Australian who is interred as well as a range of other issues—more down that path—than of trying to interfere with the legal processes of a sovereign nation.

Mr Trindade—In the case of Mr Hicks, the government was able to ascertain that he was in good condition and it was therefore able to ascertain his wellbeing in that sense, and it has made representations. The US government clearly understands that Australia continues to have an interest in the wellbeing and the humane treatment of any Australian detainees.

Senator HOGG—Yes, but my question really goes to the issue of whether it is a matter more properly left with officers of the Department of Foreign Affairs rather than with officers of the Attorney-General's Department or some other department or agency of government when it is the consular services officers who have the skill, the capacity and ability to be at arm's length, if one can call it that, from other processes that might be taking place in terms of legal investigations, prosecutions and the like.

Dr Thomas—It has been determined within government at this stage that it is the Attorney-General's Department that will have prime carriage of this issue.

Senator HOGG—Thank you.

ACTING CHAIR—I am not sure, Dr Thomas, whether this is the appropriate time, but I would like to ask some questions on recent consular appointments and contractual arrangements. Is this the place to do it?

Dr Thomas—I think so, yes.

ACTING CHAIR—There has been a very recent appointment, as you are well aware, of former premier of South Australia John Olsen to the post of consul general in Los Angeles. While it received affirmation and best wishes from the Labor premier of South Australia, it received some criticism from the shadow foreign minister in parliament only a couple of weeks ago.

Senator Abetz—It was very ungracious.

ACTING CHAIR—I understand that the shadow foreign minister suggested that the appointment of John Olsen in Los Angeles would involve a salary somewhere in excess of a quarter of a million dollars. I am just wondering whether or not you have the figures available as to the salary band that he may be receiving and whether that notion is either correct or can be corrected.

Dr Thomas—I do have details of the salary Mr Olsen will receive as consul general. He will receive a salary of \$126,835. That is a standard SES band 2 salary in the Department of Foreign Affairs and Trade and that is the level of salary which comes with that position.

ACTING CHAIR—Of course, former Premier Olsen is not the first ex-member of parliament to be appointed to overseas postings, either consular, diplomatic or as ambassadors. Can you confirm that the band that he is paid is similar to that that was paid to former consul general in New York Michael Baume and also to the current consul general in Los Angeles, Allan Rocher?

Dr Thomas—Yes, it is identical.

ACTING CHAIR—SES band 2 is the rate?

Dr Thomas—Yes.

ACTING CHAIR—I am wondering whether or not you could inform the committee as to the rates of pay that were paid to former members of parliament, either state or federal, that were appointed by the previous Labor government in the period prior to 1996. How do those

salaries compare with the current salary being paid to the newly appointed consul general for Los Angeles?

Dr Thomas—At the point at which the coalition government came to power in 1996, all of the then non-career heads of mission were paid at secretary level salaries.

ACTING CHAIR—All of them?

Dr Thomas—All of them, regardless of the post.

ACTING CHAIR—What is that level? What would it be in today's dollars?

Dr Thomas—Something around \$220,000.

ACTING CHAIR—So we are currently paying our consular appointments \$126,000, but those that were appointed under the former Labor government were appointed—

Dr Thomas—In current dollars and salaries, it is a base salary of \$220,000—about \$100,000 more.

ACTING CHAIR—And that would have applied to all—

Dr Thomas—That applied regardless of post.

ACTING CHAIR—Whether or not it was a consul position or an ambassador's position.

Dr Thomas—For example, the same salary applied to the high commissioner in London as to the high commissioner in Zimbabwe.

ACTING CHAIR—So that means that former high commissioner in Zimbabwe Kerry Sibraa, and Michael Tate and Dr Blewett, both former ministers, would have all been paid at a secretary's salary, which would be the equivalent of \$220,000 today.

Dr Thomas—That is correct, Senator.

ACTING CHAIR—As compared to the current arrangements of a SES band 2.

Dr Thomas—The current arrangements are that all non-career appointments are paid the same standard public service rates as DFAT career officers.

ACTING CHAIR—Dr Thomas, I am wondering whether you could supply to the committee in writing the contractual arrangements—so that we can see—for all of those people who are ex-serving members of parliament who have been appointed since 1996 and also a list of those that were appointed prior to 1996 by the Labor government with the salary that was contractually paid to them at that time. I can only think of Kerry Sibraa, Michael Tate and Dr Blewett—there may have been others. I know that since that time there has been former Speaker Halverson, John Spender, David Connolly and Andrew Peacock that I can think of—there may be others. Can you provide us with a list of those prior to 1996 and those post-1996 and the salaries that they were paid when they were contractually engaged to each of those positions?

Dr Thomas—We can do that.

Senator Abetz—From what commencement date, for those prior to 1996?

ACTING CHAIR—I would have thought for the term of the Labor government—commencing in 1983 to 1995—and the rates of pay in today's dollars.

Senator HOGG—That has set a good precedent.

ACTING CHAIR—Thank you, Dr Thomas.

Senator FAULKNER—Let me just follow that up. I did not hear all of Senator Ferguson's questions.

ACTING CHAIR—Perhaps I could just tell you that the question was: I was asking for recent contractual arrangements in relation to ex-members of parliament who have been appointed to consular or diplomatic positions and their rates of pay compared to all of those who were appointed prior to 1996.

Senator FAULKNER—What is the situation in relation to former members of parliament and their parliamentary superannuation entitlements?

Dr Thomas—I do not have the full details with me. As I understand it, there is a reduced entitlement during the period in which an ex-member of parliament is back on the federal government payroll according to a standard formula.

Senator FAULKNER—Can you say to us whether that relates to all former members of parliament or whether it only relates to former federal members of parliament?

Dr Thomas—I do not know what the situation is with state parliamentarians—

ACTING CHAIR—I do, Dr Thomas. There is a reduced—

Dr Thomas—but I assume it is a similar system.

Senator FAULKNER—Surely there is someone here who can give us the actual detail of it. I just want to follow on that questioning I heard—

Dr Thomas—I would have to take that bit on notice. You would appreciate we only get concerned with the federal government's share of any payment to anyone. I cannot speak for any other entitlements with regard to this.

Senator FAULKNER—Well, I just heard Senator Ferguson raise the issue of former Premier Olsen. I think I heard you correctly, didn't I?

ACTING CHAIR—That is correct. I was asking about former Premier Olsen.

Senator FAULKNER—I do not know what the details of the question were; I only just heard it. It is true that, as you say, according to a formula, former federal parliamentarians—regardless of political complexion—do give up at least part of their superannuation entitlements, don't they, while they hold those offices.

Dr Thomas—For the duration of the appointment, yes.

Senator FAULKNER—Is it all or just part?

Dr Thomas—Just part. It is following a standard—

ACTING CHAIR—It is standard.

Senator FAULKNER—A standard formula is applied?

Dr Thomas—Yes.

Senator FAULKNER—But you cannot tell me what the formula is?

Dr Thomas—Not off the top of my head, no.

Senator FAULKNER—But how does it relate to Mr Olsen? Are you able to say that?

Senator Abetz—That is going to be taken on notice.

Senator FAULKNER—No—

Senator Abetz—Yes, it is.

Senator FAULKNER—This has just happened. I would have thought you would have been in a stronger position to—

Senator Abetz—You have already asked.

Dr Thomas—I can only provide details at the moment of what he will receive from the federal government.

Senator Abetz—Which is \$100,000 less, in rough terms, in comparative terms, to what certain former Labor members get.

ACTING CHAIR—All former Labor members.

Senator Abetz—All former Labor members—thank you, Mr Chairman.

Senator FAULKNER—But it is true, isn't it, Dr Thomas, that Mr Olsen was not a member of the federal parliamentary superannuation scheme?

Dr Thomas—To my knowledge, no.

Senator FAULKNER—We are starting to—

Senator FERGUSON—How would he know that?

Senator FAULKNER—He was for a short time. He was a member of the state scheme in South Australia. You have raised it, Senator Ferguson. Big mistake!

Senator FERGUSON—No, it is not. It is not a big mistake.

Senator FAULKNER—It is a big mistake.

Senator FERGUSON—It is not a big mistake compared to what your guy's done.

Dr Thomas—But I can't comment on any other sources of income.

Senator FAULKNER—Formerly in the state scheme, then the federal scheme, then the state scheme.

Senator Abetz—The big mistake, Senator Faulkner, was—

Senator FAULKNER—The issue is: does he have—

Senator Abetz—Kevin Rudd making allegations—

Senator FERGUSON—Kevin Rudd making a political issue of it.

Senator FAULKNER—I do not know what Kevin Rudd has done.

Senator Abetz—making a political issue of it when he did not have the information. He has embarrassed himself and it amazes me that you would seek to defend him.

Senator FAULKNER—I have no idea what Kevin Rudd—

Senator Abetz—You should have let it go through to the keeper.

Senator FAULKNER—Look, let us be clear: I have no idea what Kevin Rudd has said.

Senator FERGUSON—Well, you should have.

Senator FAULKNER—No idea.

Senator FERGUSON—Everybody else does.

Senator FAULKNER—What do you mean I should have? I have been sitting in here all day. How would I know what he said.

Senator FERGUSON—Everybody else knows.

Senator Abetz—You are no worse off.

Senator FAULKNER—I may not be. But I have no idea what he said. What I would like to know is the situation in relation to a former state parliamentarian's superannuation payments.

Dr Thomas—I am not in a position to answer it.

Senator Abetz—Dr Thomas does not know and he will take it on notice. This is now the third time, Mr Chairman. I suggest the fourth time it is asked it be ruled out of order and we move on.

Senator FAULKNER—Given that you seem to be in such a strong position to comment on what Kevin Rudd has allegedly said, I would have thought you might be in a strong position to talk about the superannuation entitlements that are retained by a former state member of parliament before you open up this question. But you don't know.

Senator FERGUSON—I do.

Senator FAULKNER—Can you tell us, then?

Senator FERGUSON—No, because you are asking questions of them. But I will tell you privately afterwards.

CHAIR—Let us not debate the issue.

Senator Abetz—I don't think you will like the answer, Senator Faulkner.

CHAIR—I do not think that is quite within your purview, Minister, to be able to answer that question.

Senator PAYNE—He was just being helpful.

Senator FAULKNER—What is within perfectly reasonable questions to be directed to officials here, Mr Chairman, is: what arrangements apply to all former members of federal parliament who have a superannuation entitlement? There are some that do not, obviously.

Senator Abetz—He has answered that; that has been answered.

Senator FAULKNER—No, it has been taken on notice.

Senator Abetz—No, federal members, you said.

Senator FERGUSON—Federal members?

Senator FAULKNER—I am drawing a comparison between federal members—

Senator Abetz—That has been answered.

Senator FAULKNER—in the federal scheme and those who are beneficiaries in a state scheme. That has not been answered, and before you opened it up I think you ought to have known the answer to it. Anyway, we will move on.

Senator FERGUSON—I opened it up. They didn't open it up.

Senator Abetz—Kevin Rudd opened it up, and he embarrassed himself and the opposition.

Senator PAYNE—Chair, I am not sure where we are moving on to, but I seek your advice: are we still in output 2.1?

CHAIR—I take it we are.

Senator PAYNE—Not just for my benefit but for the officers. If we ask them in output 2.1—and one of my colleagues is conferring at the other end of the table—I want to take the opportunity to place on the record some sincere thanks from constituents of mine. I am sure many of my colleagues avail themselves of the support of consular services all over the world on many occasions. Earlier this year, one of my constituents had what they described as a desperate situation, one which would not be unusual except that it was New Year's Day. I sought the support of Australia's consul general in Hong Kong at a very early hour of the morning to ensure that an Australian family member of one of my constituents was not in a very serious situation of self-harm. I had the support of the Hong Kong authorities, our consul general and your consular duty officer, who also took my call also very early. I am very grateful for that and I wish to place it on the public record, because it was a performance of duty over and above the call which I regarded very highly. I did want to say thank you.

Dr Thomas—Thank you for those comments, Senator. I am pleased the department was of help.

Senator PAYNE—And I can record that my constituent was safe at the end of the process.

Senator Abetz—I am sure the department will forward that on to Hong Kong.

Dr Thomas—We will pass your comments on to Hong Kong.

[8.22 p.m.]

CHAIR—As there are no questions on output 2.1, Consular and passport services, or output 3.1, Public information services and public diplomacy, we will move to output 4.1, Property management.

Senator FAULKNER—Could someone explain briefly what the arrangements are for DFAT for the lease and rent of the RG Casey Building?

Mr Tighe—The Department of Foreign Affairs and Trade leases approximately 43,000 square metres of space in the RG Casey Building. The current owner of the building is the Motor Traders Association of Australia, and the lease runs through to 2012.

Senator FAULKNER—The Auditor-General made a comment at one point about the initial sale of the building by the government resulting in a potential negative financial return to the Commonwealth within the lease period. I wonder whether DFAT has a view about that? Does that conform, in other words, to DFAT's understanding of the situation?

Mr Tighe—The decision to sell the building was taken by the Department of Finance and Administration. We are not privy to the full details of the decision at the time or to the details of what the Department of Finance and Administration expects to get from the deal.

Senator FAULKNER—Did the sale make financial sense to DFAT?

Mr Tighe—We are a tenant. We pay rent, irrespective of who the owner is.

Senator FAULKNER—Is it common for foreign services internationally to rent buildings—not that it necessarily matters terribly if it is Australian practice? I wonder what the situation generally is. The building was purpose built, wasn't it?

Mr Tighe—It was purpose built in the early to mid nineties.

Senator FAULKNER—It was owned by the Commonwealth at that stage.

Mr Tighe—Yes.

Senator FAULKNER—What is the situation with Austrade and its occupancy of the building?

Mr Tighe—As I understand it, Austrade is in the final stages of negotiating the lease with the owners of the building adjacent to the RG Casey Building. Those owners are the Australian Truckers Association. It is my understanding that Austrade expects to complete those negotiations and vacate the RG Casey Building with a target date of December this year.

Senator FAULKNER—So they will move out in December?

Mr Tighe—I believe December is the target.

Senator FAULKNER—The RG Casey Building was purpose built not only for DFAT but effectively for the trade operation including Austrade?

Mr Tighe—It was purpose built for the Department of Foreign Affairs and Trade. Austrade, of course, is part of the broader portfolio. The space they occupy in the building is relatively standard office space.

Senator FAULKNER—So what will happen to that space?

Mr Tighe—The Austrade lease is directly with the MTAA, and so it will be up to the MTAA to find another tenant.

Senator FAULKNER—That is right, but there are some issues. We talked about this in relation to your communications system. Let us just try it out for size with a co-tenant of the RG Casey Building: are there possible security issues in relation to likely tenants sharing the building with the Department of Foreign Affairs and Trade?

Mr Tighe—I guess that is conceivable. The terms of our lease with the MTAA have it that the MTAA have to offer the first right of refusal on the Austrade space to the Department of Foreign Affairs and Trade. There is also a requirement for the MTAA to consult with DFAT and to consider any submissions made by DFAT in choosing a replacement tenant if DFAT chooses not to take over the Austrade space.

Senator FAULKNER—What do you think the likelihood is of DFAT expanding into that space or some of that space? Are you looking at that now?

Mr Tighe—Dr Thomas might want to comment on this. It is not on the cards as far as I am aware for DFAT to expand in terms of numbers. There may, however, be some interest in DFAT taking the space as part of a rationalisation of our current occupancy of the RG Casey Building.

Senator FAULKNER—What do you mean by a ‘rationalisation’?

Mr Tighe—A reorganisation of our own occupancy. We may find the space that Austrade is vacating to be—

Senator FAULKNER—Preferable to other space in the building?

Mr Tighe—Yes.

Dr Thomas—And also we lease quite a bit of space around the DFAT building area for training programs and things like that. So we are looking at whether we could usefully have some custom-built training rooms and things like that in these areas.

Senator FAULKNER—What part of the building is the Austrade space?

Mr Tighe—It is in the south wing adjacent to where the trade divisions are currently located.

Senator FAULKNER—You advised strongly originally against the sale of this building, didn't you? That was my recollection. I know DOFA flogged it, but you did not like the idea, did you?

Mr Tighe—As I said, the decision—

Senator Abetz—To pay off Labor debt. We can go through all that again if you want, but I do not think it assists.

Senator FAULKNER—We can go to the reasons if you want, but at this stage I was only asking what the view of the department was—which was strongly opposed to the sale of the building, wasn't it?

Senator Abetz—No.

Senator FAULKNER—That is my recollection.

Senator Abetz—You also made some derogatory comments about DOFA 'flogging it' et cetera. So remember what you said.

Senator FAULKNER—One of your witnesses referring—

Senator Abetz—Remember what you said before you make those sorts of comments.

Senator FAULKNER—It is one of your witnesses that reminds us about DOFA's role. And because—

Senator Abetz—Of course DOFA sells the building.

Senator FAULKNER—It was their idea. That is right, isn't it, Dr Thomas?

Dr Thomas—The government decided to sell the building.

Senator Abetz—It is government policy.

Senator FAULKNER—DFAT expressed strong opposition to the sale, didn't it?

Dr Thomas—I do not recall. Most of us were not here at the time.

Senator FAULKNER—Oh, so there is no corporate memory?

Dr Thomas—There will be, on the file, but I would need to check.

Senator FAULKNER—Oh, come on!

Dr Thomas—I don't know, Senator.

Senator FAULKNER—You honestly do not know?

Dr Thomas—I do not know whether we expressed opposition at the time or not.

Senator FAULKNER—Does someone in your division know what the view of the department was in relation to the sale of the building, Mr Tighe? I find that incredible.

Mr Tighe—I certainly was not in this position at the time but, as I understand it, it was a whole-of-government decision.

Senator FAULKNER—I am sure it was a whole of government decision. That is not the point. I am just asking what DFAT's view was in relation to the sale of the building. I do not

think it is a state secret. Are we really at the point now in the Department of Foreign Affairs and Trade that no-one knows?

Dr Thomas—What I do not know is whether we expressed a formal view at the time.

Senator Abetz—We can take that on notice.

Senator FAULKNER—So you think there was a view but it may not have been formal, Dr Thomas?

Dr Thomas—People have their views on these things, but I am not sure if they gave their view—

Senator FAULKNER—I am not interested in individuals' views at all.

Dr Thomas—Precisely.

Senator FAULKNER—I am interested in the department's views at the time.

Dr Thomas—I am not aware of whether there was a formal view.

Senator FAULKNER—And there is no-one from the department who knows what the department's view was?

Dr Thomas—Not here tonight.

Senator Abetz—Not available now, but I am sure we can get it for you on notice.

Senator FAULKNER—That is the case: no-one in the department—all these officers—knows what the department's view was at the sale of the RG Casey Building? You have just got to be having us on!

Dr Thomas—Most people in this room were probably overseas at the time. No-one currently here was in a position of responsibility in relation to the building at the time that decision was taken.

Senator FAULKNER—That should fill people with a lot of confidence. I consider that a joke.

Senator Abetz—That sort of comment to officers is completely unacceptable.

Senator FAULKNER—Minister, isn't it true that DFAT's view was included in the Auditor-General's report? It is so public that it was in the Auditor-General's report and now we have this nonsense evidence provided to us. Everybody knows it was in the Auditor-General's report, but I will not ask any more questions about it, because no-one has read the report. It is a joke.

Senator Abetz—What—the Auditor-General's report is a joke?

Senator FAULKNER—No, the fact that no-one knows it was even there when it is a public document and everybody should have at least that level of background. Let us move on.

Senator Abetz—Senator, if you know the answer to your question, why on earth ask it?

CHAIR—I think Senator Faulkner has indicated that he is going to move on.

Senator FAULKNER—There is a public Auditor-General's report, DFAT's view is recorded in it and nobody can tell me what DFAT's view was.

Senator Abetz—And you know.

Senator FAULKNER—I do know it, but you, Senator, and none of the officials know it. What a joke. What an absolute farce.

Senator Abetz—Mr Chairman, I would ask you or invite you to suggest to Senator Faulkner that he cannot end a session of questioning by commenting in a derogatory way about things being a joke or a farce or whatever and then seeking to quickly move on to another set of questions so that departmental officials and others cannot be defended against offensive and unnecessary commentary which adds nothing to Senator Faulkner's reputation, let alone the committee's

Senator FAULKNER—I will end my questions however I like.

CHAIR—Thank you, Minister, for your advice.

Senator FAULKNER—It is as nonsensical as everything else you say.

CHAIR—Now, now, Senator Faulkner. I think observers can make up their own minds about these things and I think they will. Senator Faulkner, do you have any further questions on this output?

Senator FAULKNER—No, it is ridiculous even bothering to ask any more. That is all on that. We will move to the next issue and see how we go on that. I just commend the Auditor-General's report to those who have an interest in these things.

[8.37 p.m.]

CHAIR—We move to output 4.2 now. Do you have questions on that output? It deals with contract managing. It also includes enabling services, covering general corporate support, human resource management et cetera.

Senator FAULKNER—I do have questions on enabling services. This is before we get to AusAID?

CHAIR—Yes.

Senator FAULKNER—We would not normally have done enabling services, but because of the last effort we will. Is this where the sacking of Ambassador Campbell comes in the batting order?

Dr Thomas—We can answer a question about Mr Campbell, but he was not sacked.

Senator FAULKNER—Well, the removal of Mr Campbell.

Dr Thomas—He retired, Senator.

Senator FAULKNER—Does this come in enabling services?

Dr Thomas—Yes.

Senator FAULKNER—I would not have normally gone to enabling services, but I am getting little cooperation on other things. Can I have, first of all, the precise dates and times of Mr Downer's visit to Santiago in Chile, please? I think it was in March last year, but I just wondered if I could get the precise times.

Dr Thomas—It was certainly in the last few days of March 2001.

Senator FAULKNER—Have we got any precise dates?

Mr Moraitis—My notes suggest that it was around 29 and 30 March.

Senator FAULKNER—Do you know when the Australian Embassy in Santiago was informed that the minister intended to visit?

Dr Thomas—I do not have that detail.

Senator FAULKNER—Could you take that on notice, please?

Dr Thomas—What I do know is that Mr Campbell was aware of the minister's visit before he went on leave, and he was away from the post for a number of weeks before the minister visited and only returned to the post about 48 hours before the minister arrived.

Senator FAULKNER—So it was some weeks beforehand anyway.

Dr Thomas—Yes.

Senator FAULKNER—Would you mind taking it on notice to check that time?

Dr Thomas—Yes.

Senator FAULKNER—Having heard that background, which is helpful, when was the post informed about any changes concerning the minister's expected arrival time in Santiago?

Dr Thomas—I would have to get on notice the exact date and time, but it was certainly the day that the minister was travelling from Buenos Aires to Santiago. We can get the exact date for you.

Senator FAULKNER—Do you know who informed the post?

Dr Thomas—I understand there was a cable and also a telephone call from the post in Buenos Aires to Santiago. A cable was sent giving the revised flight details.

Senator FAULKNER—Who did the telephone call come from?

Dr Thomas—I am not sure, but I think it was the ambassador, Sharyn Minahan. We could check that.

Senator FAULKNER—Can you say who it went to in Santiago?

Dr Thomas—An officer of the embassy—I am not sure who.

Senator FAULKNER—Could you take that on notice, please?

Dr Thomas—Yes.

Senator FAULKNER—It is true of course, isn't it, that the then ambassador was not at the airport to meet the minister for that visit?

Dr Thomas—That is correct, Senator.

Senator FAULKNER—Do you know where the ambassador was?

Dr Thomas—He was physically at the airport complex, but he missed the minister's plane.

Senator FAULKNER—He was at another part of the airport?

Dr Thomas—Yes.

Senator FAULKNER—Are you aware of what Minister Downer said to the ambassador about his not being physically present to meet him at the appropriate time and place at the airport?

Dr Thomas—No, I am not aware of what he said exactly.

Senator FAULKNER—Could you take that on notice or could the minister take that on notice? I would like to know what the minister actually said. You may not have that information; it might have to go to the minister.

Dr Thomas—I do not think we would have that information.

Senator FAULKNER—No. So I think it may have to be taken on notice by the minister if it is not available. Have you got details of the minister's program and itinerary for the visit?

Dr Thomas—Yes, we would have it in the department.

Senator FAULKNER—You do not have that detail with you?

Dr Thomas—No, I do not.

Senator FAULKNER—Could you take that on notice and provide it to the committee, please?

Dr Thomas—Yes, Senator.

Senator FAULKNER—Thanks very much. Did the itinerary contain all official meetings and events?

Dr Thomas—Yes.

Senator FAULKNER—Would the events that the minister was scheduled to attend but did not attend be included in the itinerary?

Dr Thomas—I am not aware of those events. I would need to check that.

Senator FAULKNER—Would you mind checking and detailing what those appointments and events were and what the times and durations were? Could you provide for me a list of who attended, where appropriate? If there was a limited invitation list for events—obviously, not major functions—could that also be provided?

Dr Thomas—We can consult the minister. Whether or not individuals who attended a function could have their names revealed would be a matter for the minister.

Senator FAULKNER—I am interested in what might be available at the departmental level. I wondered if you might keep that information. You would for some dinners and the like, would you not?

Dr Thomas—We would.

Senator FAULKNER—What departmental records you have will suffice.

Dr Thomas—We do not, as a matter of course, release the names of dinner guests because there may be some sensitivity, including in a host country, as to who has attended.

Senator FAULKNER—There are a lot of sensitivities about this visit. If you could have a look at that, I would appreciate it. Do we know the length of time the minister played tennis on the visit?

Dr Thomas—No, we do not.

Senator FAULKNER—Would that be in the itinerary?

Dr Thomas—I do not know.

Senator FAULKNER—We can check that out because we will follow these up at a later stage.

Senator FERGUSON—He does more exercise than you.

Senator FAULKNER—Do we know where he played tennis? This is quite a famous incident.

Dr Thomas—I do not know, off the top of my head.

Senator FAULKNER—Take that on notice too.

Dr Thomas—I assume he played it on the hotel tennis court.

Senator Abetz—Did Senator Cook ever play tennis?

Senator FERGUSON—He never got out of bed before 10 a.m.

Senator FAULKNER—Could you also establish for me with whom he played tennis and what the cost was? Could you take that on notice, please?

Senator Abetz—Guillermo Vilas. We are into the big issues.

Senator FAULKNER—I cannot ask questions about other issues and get answers, so perhaps we will get some answers on these.

Senator Abetz—I think Senator Carr might be rubbing off on you, but we will see what we can do.

Senator FAULKNER—If you do not have that available, could you take that on notice?

Dr Thomas—We can check and see if it is possible to get it for you.

Senator FAULKNER—Do you have information available as to when official motorcades were and were not provided for the minister during his visit to Santiago in March last year? Is that sort of information available?

Dr Thomas—It should be. We will check that.

Senator FAULKNER—Would you have details of what transport was provided by the Australian Embassy for each of the minister's appointments or other activities in Santiago?

Dr Thomas—We will check the program.

Senator FAULKNER—Is it true that the minister, at the conclusion of one official function, declined to use a bus that was provided by the host authorities for the minister and the other official visitors? This has received some publicity. I just wondered if it was right.

Dr Thomas—I am not sure. I need to check that.

Senator FAULKNER—If you would not mind taking that on notice. If it is the case, perhaps someone could tell us why and what was the alternative method of transport used by the minister?

Senator FERGUSON—A pushbike.

Senator FAULKNER—Does anyone know that?

Dr Thomas—I understand that on a couple of occasions in Santiago during his program he caught a taxi. That may be one of them.

Senator FAULKNER—Are we aware of what transport the ambassador was able to provide at the time?

Dr Thomas—On at least a couple of occasions there was a glitch with transport and the ambassador was not able to provide any.

Senator FAULKNER—He was unable to provide any?

Dr Thomas—That is right—not least the first time, when he missed the minister at the airport.

Senator FAULKNER—That is right. So if Mr Campbell was not able to supply any transport what did the minister actually say to the ambassador?

Dr Thomas—I do not know.

Senator FAULKNER—Could you take that on notice, please.

Dr Thomas—I can ask the minister.

Senator FAULKNER—Thank you. Could we also have the ambassador's reply on notice, please.

Dr Thomas—The ambassador is no longer with us.

Senator FAULKNER—I think someone might know. This, again, has received some coverage.

Senator FERGUSON—And what did he have for breakfast? I think we had better put that in.

Senator Abetz—Before or after tennis?

Senator FAULKNER—This is something that perhaps you can assist me with if you take all of those issues on notice: what performance appraisal ratings did Mr Campbell receive when he was the Australian Ambassador to Chile?

Dr Thomas—In Santiago he received the lowest rating that we give ambassadors, which is in effect given to the lowest-performing 15 per cent of ambassadors in the globe.

Senator FAULKNER—What performance appraisal ratings did Mr Campbell receive when he was the ambassador in Geneva?

Dr Thomas—I would have to check. I think it is the same rating, but borderline. He was recalled from that posting in Geneva for unsatisfactory performance.

Senator FAULKNER—Are there performance ratings of the embassies as well as the ambassadors?

Dr Thomas—No, there are not. Just individual officers are rated.

Senator FAULKNER—Only individual officers?

Dr Thomas—Yes.

Senator FAULKNER—Was a formal departmental process ever initiated against Mr Campbell over his performance or lack of performance at any time during his career?

Dr Thomas—Yes. During his time in Geneva, when he was ambassador, a post liaison visit was undertaken to that post. A post liaison visit is when a team headed by a deputy secretary and comprising two other senior officers visit a post for a series of days and examine the post's entire operations, including its policy work, its management and so forth. In the case of the post liaison visit to Geneva while Mr Campbell was ambassador, serious shortcomings were found in his performance. The team was highly critical of those and as a result of that he was ultimately brought out of that post.

Senator FAULKNER—Was he ever informed of these concerns?

Dr Thomas—Yes, he had discussions with the team itself on the spot and afterwards when he was brought back to Canberra.

Senator FAULKNER—Are you able to be precise about who informed him of these concerns and when? You may need to take that on notice.

Dr Thomas—The deputy secretary, Ms Joanna Hewitt, was the leader of the post liaison visit to Geneva. She and her team certainly had a detailed exchange with him, prior to his leaving the post, on what their findings had been. On return to Australia his primary discussions would have been with the secretary of the department, Dr Calvert.

Senator FAULKNER—Do you know when they took place?

Dr Thomas—I do not have specific dates of discussions.

Senator FAULKNER—Would you mind taking that on notice?

Dr Thomas—I can try and find that out.

Senator FAULKNER—You were saying before that Mr Campbell's employment was not terminated with the department?

Dr Thomas—No, it was not terminated. After he returned from Santiago we discussed other possible assignments with him. I might add that he offered to be recalled from Santiago and that led to the decision to accept his offer. He had sent a letter to the secretary which said:

As I have let down the Minister and suspect I no longer have his confidence, and as I have let down the Department and you as Secretary I feel it only appropriate that I should offer myself for recall.

The receipt of that letter from Mr Campbell led the secretary to initiate a review of Mr Campbell's performance, which was conducted by a senior SES officer of the department. It looked at more detailed aspects of his performance while in Santiago, also took into account his previous underperformance in Geneva and made a recommendation.

Senator FAULKNER—What was that recommendation?

Dr Thomas—The recommendation was that it seemed in the circumstances that it would be appropriate and the best thing to do to recall him to Canberra.

Senator FAULKNER—But the recommendation only goes to recall?

Dr Thomas—That is right. When he got back to Canberra, we discussed various possibilities for assignments with him. As there were no branch head vacancies the moment he got back—and that is quite common, with heads of mission coming and going from Canberra—we discussed the possibility of an assignment at the Australian Defence Force Academy here in the ACT. We frequently have one or two officers seconded out there, who stay for a year or two and give courses. Mr Campbell said at the time he was very attracted to that option and he accepted the assignment. We wrote to the Defence Force Academy telling them that. They were very pleased. As far as we were concerned, that was all settled. Mr Campbell then went on a short period of leave and—my colleague Mr Chester can probably correct me—I think it was just before Christmas that he telephoned the department to say he had changed his mind. He had decided he would retire instead and he would be happy to retire early and go on a voluntary redundancy package. And he did, a few weeks later.

Senator Abetz—And all Mr Campbell's personal circumstances are being trawled through the public domain because Senator Faulkner is trying to score some cheap political point against the Minister for Foreign Affairs. It does not reflect well, Mr Chair, that all these assessments and other things are being trawled through, courtesy of Senator Faulkner.

Senator FAULKNER—No, I am not, as a matter of fact. You show again your complete ignorance. All the material that is read into the record either has been previously provided or is in any number of newspaper clippings. But, if you want to raise the foreign minister, that is fine by me. What is the status of that description of some South American nations as BACs? Did that issue ever go anywhere?

Dr Thomas—No.

Senator FAULKNER—You know what I am referring to?

Dr Thomas—I recall the press comment.

Senator FAULKNER—It did not go anywhere?

Dr Thomas—Nowhere at all.

Senator FAULKNER—Do you know what BACs are?

Dr Thomas—I am aware of what the press said.

Senator FAULKNER—Is that right or wrong?

Dr Thomas—I have no comment on that.

Senator FAULKNER—They were called ‘busted arse countries’, weren’t they?

Dr Thomas—Yes, I think so.

Senator FAULKNER—Have we ever been able to establish whether the minister or the department received any representations as a result of that publicity?

Dr Thomas—Not to my knowledge.

Senator FAULKNER—No representations were received?

Dr Thomas—Not to my knowledge.

Senator FAULKNER—If there had been, you would know, though, wouldn’t you?

Dr Thomas—I think so. I am not aware of anything.

Senator FAULKNER—There is a problem with an answer, ‘Not to my knowledge.’ It is a fair enough answer of course; you may not have knowledge of it. I was just wondering if you could provide a more definitive answer. I do not mind you saying to me, ‘I do not know and I will check.’

Dr Thomas—I am not aware of any significant follow-up to that reported comment in the press. I can check to see if there were any letters, but I am not aware of any.

Senator FAULKNER—Fair enough. Is there any importance in the qualification ‘significant’?

Dr Thomas—No. I am not aware of any.

Senator FAULKNER—That is what I am trying to find out. I am just trying to get an unqualified answer—which I appreciate. Such representations could go to the minister as well as the department, couldn’t they?

Dr Thomas—Yes.

Senator FAULKNER—Were you aware of any representations that went to the minister?

Dr Thomas—Correspondence addressed to the minister invariably comes to the department.

Senator FAULKNER—That is what I am asking. Does your response to me include any possible representations to the minister?

Dr Thomas—Yes, it would.

Senator FAULKNER—What was the date that Mr Campbell left the department?

Dr Thomas—It was in January this year.

Mr Moraitis—I think it was 10 or 11 January this year.

Senator FAULKNER—After that time—let us say 11 January—has there been any other departmental involvement in any matters relating to Mr Campbell?

Dr Thomas—No. The only involvement has been that Cameron Stewart, the journalist who wrote an article on Mr Campbell, after that time did check some of these details and talk to some departmental officers about it. To my knowledge, that is it.

Senator FAULKNER—You would get journalist inquiries all the time, though, would you not?

Dr Thomas—Yes, we do.

Senator FAULKNER—You are saying that there was a departmental contact from a journalist on this specific matter?

Dr Thomas—Yes.

Senator FAULKNER—After the article was published?

Dr Thomas—Beyond that, we have had nothing to do with Mr Campbell.

Senator FAULKNER—That was after the article that he wrote. I read an article on 20 April 'I was ruined by Downer: envoy'. Is that the article we are talking about?

Dr Thomas—Yes.

Senator FAULKNER—So that was some time after 20 April?

Dr Thomas—Yes. We talked to the journalist before the article appeared. He was writing the article at the time.

Senator FAULKNER—Yes, but you also said that the journalist contacted you after the article.

Dr Thomas—No.

Senator FAULKNER—Did I misunderstand you?

Senator HOGG—That was the way I understood it.

Dr Thomas—While preparing the article, he spoke with some departmental officers.

Senator HOGG—I understood it the way you did, Senator Faulkner. It was the way you said it, Dr Thomas; it did sound as if you were contacted after the article had been written.

Dr Thomas—Sorry; no.

Senator FAULKNER—Just for completeness, that contact occurred before?

Dr Thomas—During preparation.

Senator FAULKNER—I thought that you were making the point, or a suggestion, that it might have been better for the journalist to contact you before the article was printed as opposed to after.

Dr Thomas—He contacted us during the preparation of it.

Senator FAULKNER—Thank you.

Senator Abetz—It is nice to know that that sometimes happens.

Senator FAULKNER—Anyway, I will progress this at a later stage when we receive answers to the questions on notice.

CHAIR—We might take a break now.

Senator FAULKNER—By all means. I did not want to go to enabling services, but I thought in the circumstances it was appropriate.

Proceedings suspended from 9.02 p.m. to 9.14 p.m.

Australian Agency for International Development

CHAIR—We move now to outcome 1, Australia's national interests advanced by assistance to developing countries to reduce poverty and achieve sustainable development. Are there any questions on outputs 1 and 2.

Senator PAYNE—I wanted to follow up on a question I asked of the department earlier this afternoon, which was about Australia's participation in the Australia-Vietnam Human Rights Dialogue, and to seek some information about AusAID's involvement in that dialogue last week.

Mr Moore—The director of the Vietnam section in AusAID participated in the discussions in Vietnam.

Senator PAYNE—The department indicated to me this afternoon that a range of human rights issues were canvassed, pertaining to the position of women, the death penalty and a number of other key issues. One of the questions I sought advice on from DFAT was whether the issue of the impact of HIV-AIDS in the region, and Vietnam in particular, was discussed. Do you have any more information on that?

Mr Moore—I do not believe that HIV was discussed at this forum but, certainly, we discussed HIV with the government of Vietnam in many other fora.

Senator PAYNE—Do we regard HIV in the region as having an impact on human rights issues broadly?

Mr Moore—It might be appropriate for me to refer that question to another officer who deals comprehensively with HIV.

Ms Gillies—I am not able really to go into the specifics within the region but, certainly, dealing with HIV-AIDS has the potential to have impacts on human rights.

Senator PAYNE—So in the normal course of discussions with countries, as Mr Moore said, we would pursue the impact of HIV issues with countries like Vietnam?

Mr Moore—Yes. For example, our paramount discussions on development issues are high level consultations and HIV issues are discussed in that context. There is also an annual consultative group meeting where donor partners from around the world discuss the pressing challenges with the government of Vietnam, and HIV is a major issue in that context.

Senator PAYNE—On the question of Australia's leadership in the HIV-AIDS area more broadly, I wanted to ask some questions about the 2001 Asia Pacific Ministerial Meeting on HIV-AIDS which was aligned with the International Congress on AIDS in Asia and the Pacific, and the follow-up on that. One of the outcomes of that forum was to indicate

Australia's support for the establishment of an Asia-Pacific Leadership Forum on HIV-AIDS which was intended to be a network for regional coordination and collaboration and to train senior political advisers in the area. Can you tell us where that is at?

Ms Gillies—Work is under way in creating the Asia-Pacific Leadership Forum. Australia has been having very useful discussions with UNAIDS based in Bangkok. They will undertake the coordination work and the implementation role. We have also had successful discussions with a number of other donors and been successful in eliciting further financial support from other donors for the creation of the fund.

Senator PAYNE—Do you mean donor countries?

Ms Gillies—Yes. Also UNDP and DFID have both made contributions or are intending to.

Senator PAYNE—Are you able to indicate to us what countries they might be?

Ms Gillies—DFID is the UK.

Senator PAYNE—When you said other donors, I thought you meant a range of countries, but you meant UNDP and DFID.

Ms Gillies—Yes, that is right.

Senator PAYNE—When is the actual practical application of training for senior political advisers expected to be up and running?

Ms Gillies—We would expect that to be rolling out towards the end of this year. We expect that there will be an opportunity for us to have further discussions with various regional groups as well. An institution within the region will be selected by UNAIDS and they will have the responsibility for implementing the more formal elements of the training and networking aspects.

Senator PAYNE—When you say 'institution in the region' what sort of institution would you be looking at?

Ms Gillies—We would expect that an educational institution within the region would be able to make that kind of undertaking.

Senator PAYNE—Although UNAIDS is making the decision, does Australia have the capacity to make suggestions or have an advisory role?

Ms Gillies—I think there will be a reference group—a group of people who will provide guidance. Certainly, Australia will be taking a continuing interest.

Senator PAYNE—It was also indicated out of the Asia-Pacific ministerial meeting that financial support would be provided to the secretariat of the Coalition of Asia Pacific Region Networks on HIV/AIDS. Are we doing that already?

Ms Gillies—Yes, I understand that that payment has been made, but I can check that.

Senator PAYNE—Thank you very much. The third leg of the results of that ministerial meeting included Australia, if requested, providing support to governments in the region, in particular on drafting of legislation—for example, if they wanted to work on more cost-effective access to drugs. Have we been asked to do any of that?

Ms Gillies—I am not aware of any requests at this stage.

Mr Davis—I would like to add one comment to your earlier question about the linkage between human rights and AIDS. That was one specific acknowledgment that was included in the ministerial statement that emerged out of that ministerial meeting last year.

Senator PAYNE—That is right. That is why I imagined that, if we were engaging in a human rights dialogue with a key country in our region that experiences a significant impact from the HIV-AIDS epidemic, that linkage might be included in the discussions across the table. I was surprised earlier today to find out that it was not.

The AusAID publication *The Guide to HIV/AIDS and Development* makes a particular reference to the impact of HIV on women in the region. You might not be able to answer my question because the particular officer is not here; my question is: in the discussions in relation to the position of women in Vietnam and human rights issues more broadly, was that impact of HIV-AIDS on them and their families part of that discussion? If you have to refer that to the particular Vietnam officer who was present, I would be happy for you to take that on notice.

Mr Moore—I will take that on notice.

Senator PAYNE—Thank you very much. I appreciate the information.

Senator HOGG—Could I take the officers to the statement by the minister. At page xii from the 2002-03 budget statement by Mr Downer on the aid program, in the table ‘Total flow to partner countries’ under the subheading ‘Total Africa and others’, I am looking at the item ‘OGD unallocated’⁸. I understand that is ‘other government departments unallocated’. It is \$143.1 million in the 2002-03 budget. In comparison with all the other regions, that is a fair whack. Could you give me a break-up of that?

Mr Dawson—Table 1 has, at that point, an entry for ‘other government departments unallocated’. That really refers to expenditure by other government agencies that meets the criteria of eligibility—according to the development assistance committee—as official development assistance but which is not allocated to any particular country in that list. The area of ‘other government departments’ expenditure has not been listed in detail in any of the previous budgetary documents from other years. That is because there are a very large number of items that are included in that list, and they comprise the provisional estimates that come from other departments about their expenditure on ODA.

Senator HOGG—Could you give me an idea of the major items? You must be able to. There must be some substantial items in that \$143.1 million. I do not want to get down to 75c for a cappuccino or something like that.

Mr Dawson—Yes.

Senator FERGUSON—You did earlier when there were questions about Ambassador Campbell.

Senator HOGG—That was worthwhile.

Senator Abetz—I am sure it was.

Mr Dawson—Some of the items are probably the major items or the largest components of ‘other ODA’.

Senator HOGG—So it is ‘other ODA’, is it?

Mr Dawson—I should point out something so that we get the discussion on this on the same basis. You are referring to table 1, but I would also refer you to table 6, at the back of

the same document, 'Total ODA by subprograms'. The fifth line down is an item, 'Other ODA'. That figure of \$238.4 million is the total 'other ODA' figure. It includes all expenditure by other government departments that is categorised as ODA.

Senator HOGG—It has got a superscript there for a note.

Mr Dawson—The note is on page 74.

Senator HOGG—But it does not, in any way, detail a breakdown of that?

Mr Dawson—That is right.

Senator HOGG—Is there a breakdown of that available?

Mr Dawson—We can certainly get that information.

Senator HOGG—If you could get a breakdown of that, that would be helpful. If you could now give me a broad breakdown of what the \$143 million is for, that would indeed be helpful as well.

Mr Dawson—I do not have a breakdown of the \$143 million, but I can give you an indication of the sorts of items that occur under 'other government departments' expenditure.

Senator HOGG—An indicative outline at this stage would be helpful. If you could give me indicative amounts—and I am not going to hold you to those—and then later come back to me with a more conclusive document, that would indeed be helpful as well.

Mr Dawson—Some of the larger items that are included in that expenditure—the amount that I identified in table 6—include things such as payments of core contributions to the World Health Organisation by the Department of Health and Ageing, expenditure by the Department of—

Senator HOGG—Could you give me an indicative figure there? As I say, I am not going to hold you to these figures, because you are going to come back to me with a more accurate figure later on. Can you tell me just roughly—of that \$143 million, are you talking \$30 million or \$60 million?

Mr Dawson—In 2002-03, the provisional estimate for that amount—and I have to emphasise, as we are going through, that all of these are estimates only—

Senator HOGG—You use the term 'provisional estimate', if I can just stop you there for a moment. That is a double whammy in effect—not only are you saying it is an estimate; you are also saying it is a provisional estimate. When does it cease being provisional and become an estimate, and when does it take on a more solid characteristic again other than being an estimate—or is it an estimate like any other estimate in the budget and it holds for the 12 months of the financial year?

Mr Dawson—It is an estimate, the same as any other estimate.

Senator HOGG—I will accept that. Can you tell me what the provisional estimate in that World Health Organisation area is?

Mr Dawson—For the financial year coming, that is estimated to be somewhat over \$13 million.

Senator HOGG—So that is \$13 million out of the \$143 million.

Mr Dawson—Sorry, that is expenditure by the department of health. I do not think I have that broken down in more detail than that at the moment.

Senator HOGG—That is fair enough.

Mr Dawson—So some of that will be payments to WHO and some of it may be other things as well.

Senator HOGG—That is fine, but it is made by the department of health.

Mr Dawson—That is right.

Senator HOGG—Of that \$143 million that is mentioned there—

Mr Dawson—Some of that amount will be definitely in the \$143 million and some of it will be elsewhere in the individual country allocations in that table. That was why I was directing you to table 6 at the back, which gives the total figure for other government department expenditure.

Senator HOGG—If you come back to me with a more complete document, obviously that will be of great assistance. What else can you identify in that \$143 million for me?

Mr Dawson—Department of Defence expenditure, for example, for peacekeeping operations on Bougainville. Again, I am not sure whether that item is part of the \$143 million or whether it is actually amongst some of the individual country allocations.

Senator HOGG—So you cannot give me a ballpark figure there, but one would assume that it is not insignificant.

Mr Dawson—I think it is in the order of \$20 million.

Senator HOGG—Again, I am not holding you to any of these. Anything else?

Mr Dawson—Expenditure by the Australian Federal Police in East Timor, for example. The estimated expenditure on that is in the order of somewhat over \$26 million. The other major item in that list is expenditure by DIMIA on accommodation and upkeep of unauthorised boat arrivals on Manus Island and Nauru.

Senator HOGG—What does that come to?

Mr Dawson—The expenditure by DIMIA for 2002-03 in the case of Nauru is estimated at somewhat over \$65 million. In the case of PNG and Manus Island it is estimated at somewhat over \$50 million.

Senator HOGG—The figures that you have given me there—I am not being critical—obviously exceed the \$143 million.

Mr Dawson—That is why I was pointing out that I am trying to paint a picture of total other government department expenditure and that you really need to look at table 6 to see that total figure. The reason for that is that some other government department expenditure can be directly attributed to a particular country and some of it cannot be—or, in that table, it has not been.

Senator HOGG—Going back to that table so I can understand it, that is talking about the total flow to partner countries of our overseas aid. That is correct, isn't it? That is what it is meant to portray.

Mr Dawson—That is right. It is meant to give a picture of the underlying trend of total flows of ODA to our major partner countries.

Senator HOGG—For my benefit, how then would something like peacekeeping in Bougainville fall into the category of being overseas development aid?

Mr Dawson—The operations of our defence forces overseas—for example, when they are lending support to the civil community—will be classified in many cases as official development assistance. For example, in East Timor, when peacekeeping forces conduct a hospital clinic or a dental clinic, the general costs associated with that would be categorised as official development assistance.

Senator HOGG—You leapt to East Timor, I note. I was referring to Bougainville but I do not care which category we talk about. Is it up to your organisation to classify it as aid, or is it up to the agency to which the money is being attributed to classify it as aid, so that then it just gets pooled into your minister's tabling statement on budget night as being overseas development aid.

Mr Dawson—It is AusAID's responsibility to report to the Development Assistance Committee of the OECD on Australia's overall ODA level. In fulfilling that responsibility AusAID regularly asks for information from other government departments on their ODA expenditure or their expenditure overseas. The details of that expenditure are then looked at by AusAID against the guidelines which are laid down by the Development Assistance Committee of the OECD and a decision is made about whether particular items are to be classified as ODA or not.

Senator HOGG—So there is a strict definition that applies?

Mr Dawson—There is a very comprehensive set of statistical definitions used by the development assistance committee.

Senator HOGG—You might take that on notice and table it for us at some time. How then would the accommodation at Manus Island and Nauru fall under that category?

Mr Dawson—I would imagine that it would fall under that category in the sense that it is assistance being provided to displaced persons in a developing country.

Senator HOGG—Displaced by whom?

Mr Dawson—It does not matter who they are displaced by.

Senator HOGG—So the fact that our government negotiated that PNG and Nauru would take these people is not a consideration. We can then label this as being overseas development aid.

Mr Dawson—The categorisation of particular items as official development assistance is a purely technical matter, and AusAID applies the OECD definitions and guidelines to the information that comes from other departments. It has done it in this case in the same way as it has done it in previous years.

Senator HOGG—Broadly speaking, what are the objectives of our overseas development aid? Can that be categorised easily?

Mr Dawson—The objective is to promote sustainable development in the national interest.

Senator HOGG—Is our aim also to alleviate poverty in some of these countries?

Mr Dawson—Absolutely.

Senator HOGG—And that would be part of the sustainable development. If I wanted to find the various components of \$143 million in table 1 on page xii and table 6 at page 67, would they be reasonably evident in the PBSs of the various departments?

Mr Dawson—I cannot answer that. I do not know how those individual items of expenditure might be expressed in individual departments' portfolio budget statements.

Senator HOGG—So they do not let you know that?

Mr Dawson—They report on a statistical survey which is sent to those departments twice a year.

Senator HOGG—I am looking more from the transparency point of view, to be able to find the elements of that \$143 million in table 1 and the \$238 million in table 6.

Mr Dawson—Sorry, Senator, I have to keep coming back to this. The \$143 million is a subset of the total figure.

Senator HOGG—I accept that that is a subset. I am trying to look at how they would be represented in the various PBSs. I know and accept that they are not your PBSs, but I thought you might have some knowledge if there is an obligation for that to be a clear item in the various departmental portfolio budget statements. You do not know?

Mr Dawson—No. I am sorry, I cannot help you there, Senator.

Senator HOGG—I can pursue that through other estimates committees in the future and we can get your answers on notice that I have requested from you. I will just ask a question now on the issue of Afghanistan. I asked your colleagues in Foreign Affairs earlier about Afghanistan. Do you as an organisation have a view of the current security, law and order arrangements and human rights situation in Afghanistan?

Mr Moore—I think that we take our advice very much from the department of foreign affairs and other agencies.

Senator HOGG—So you do not necessarily form your own view—because I would imagine you would have a lot of people there active on the ground, would you?

Mr Moore—We are working principally through international agencies. There are of course Australians on the ground, some of whom are working with NGOs as well. But, principally, we have not deployed a lot of people through the Australian aid program.

Senator HOGG—Do you form a view as to whether or not it is a viable proposition for Afghani refugees to be returned to Afghanistan?

Mr Moore—That is not something that comes within our purview, Senator.

Senator HOGG—At the recent donors conference in Japan, what commitment did Australia make?

Mr Moore—Australia made a commitment of \$40.3 million of assistance.

Senator HOGG—Was that for this coming financial year?

Mr Moore—The commitment was what Australia was putting on the table at that stage. Some of that commitment will be discharged next financial year, but the vast bulk of it will be this year. The estimate that I have in that regard is just over \$37 million.

Senator HOGG—So \$37 million in 2001-02.

Mr Moore—That is correct, Senator.

Senator HOGG—And the balance of that in 2002-03.

Mr Moore—Correct. We anticipate that there would be further allocations in the course of the next financial year.

Senator HOGG—Whilst you anticipate it, were there any firm undertakings given that there would be ongoing commitments?

Mr Moore—There are some estimates in the budget papers. We look out in the course of next year and make some assumptions about the pressures that will be on us in relation to humanitarian and emergency situations, and we have notionally allocated funding towards Afghanistan.

Senator HOGG—What did other countries commit at the same donors conference?

Mr Moore—We can provide that information to you.

Senator HOGG—I would appreciate it if you had a simple table.

Mr Moore—My colleague Mr Flanagan may have some additional information there.

Senator HOGG—Given the hour of the evening, if you could provide that to me now in table form that would be great. How did our commitment compare with those of other major donors at the conference? Were we comparable, above or below the others?

Mr Moore—I think our commitment was seen as being commensurate with our interests.

Senator HOGG—Can you give me an idea of some of the major contributors?

Mr Davis—We can provide you with a table of the commitments that were made at that meeting.

Senator HOGG—Thank you. The other issue I raised earlier with your colleagues was that of de-mining. Do you have a view of the de-mining problem that there will be in Afghanistan?

Mr Moore—We have obviously been watching that because it is a very heavily mined country. It is one of many very pressing needs. We have made a contribution to de-mining activities in Afghanistan over several years and, most recently, out of the \$40.3 million that has been allocated. That is a situation which is being kept under review, and I would anticipate further support in that area in the future.

Senator HOGG—Did I understand you to say that part of that \$40.3 million is for de-mining?

Mr Moore—That is correct. Within that \$40.3 million there was an allocation of half a million dollars for the United Nations Mine Action Program for Afghanistan.

Senator HOGG—Have we committed any other funds to de-mining in Afghanistan?

Mr Moore—My recollection is that over a period of some years—so that is before the current crisis and its ramifications—we had committed a total of about \$3½ million. So, all up, it is about \$4 million.

Senator HOGG—When was that allocation last reviewed in any serious way? I am not talking about the additional half a million; but, given the seriousness and the size of the problem and the need to restore the country to some form of liveability so that people can be repatriated and refugees can return home, when was that last reviewed?

Mr Moore—I have been reviewing it very recently. In the course of this calendar year, it did appear as if the contributions to de-mining efforts would be fully subscribed. Unfortunately, that is proving not to be the case and so we are re-examining that at the moment.

Senator HOGG—Fully subscribed by whom?

Mr Moore—An appeal was put out by the United Nations, and the early indications were that other donors would meet all of the needs in that area, consequently allowing us to meet other needs. But that is something that we have got under continuous review.

Senator HOGG—So that UN appeal is likely to fall short of the desired funds—is that what you are telling us?

Mr Moore—That is my current understanding, yes.

Senator HOGG—Do you know what the shortfall will be?

Mr Moore—This is clearly a situation which is changing all the time as people deliver on their promises.

Senator HOGG—Fair enough. What is a ballpark figure?

Mr Moore—I understand that it is only at about 60 per cent of what was required.

Senator HOGG—And what were they asking for? I presume it is in US dollars.

Mr Moore—I would have to check that.

Senator HOGG—All right. Are you saying that, given that the current status of contributions to that fund seems to be in the order of 60 per cent, a review is going on of our commitment to the special one-off fund the UN has established for de-mining in Afghanistan? What do we contribute to the global de-mining activities of the UN?

Mr Tapp—We are working within a pledge to de-mining activities of \$100 million over a 10-year period.

Senator HOGG—That is roughly \$10 million per year?

Mr Tapp—That roughly works out at \$10 million per year. At the moment, we are certainly well on track to achieving that commitment.

Senator HOGG—If I understand correctly the information that I have just been given, if we are allocating \$3½ million this year to de-mining activities in Afghanistan, excluding the extra half a million that comes out of the \$40.3 million, it is roughly a third. Is that a reasonable way to look at it? A third of what would be allocated for de-mining worldwide is going to Afghanistan this year?

Mr Tapp—I believe that the \$3½ million to Afghanistan is over the last few years, not just in this year.

Senator HOGG—So my proportions are out. It might be as little as 10 per cent of the overall budget for de-mining? I am just trying to see if there is a bit of flexibility and a good reason for government—and the minister can comment on this—to boost the amount of money that is allocated for de-mining in Afghanistan, given the desperation of that country.

Mr Tapp—As Mr Moore has indicated, as is the case when we are looking at de-mining activities in a number of other parts of the world, we are very mindful of the size of the specific appeal and the level of commitments which have been made. We would not want to provide funding if an appeal had already been fully subscribed.

Senator HOGG—No, I accept that.

Mr Tapp—As I think Mr Moore has also said, we are reviewing the situation now with the knowledge we have more recently gained that there is an underdelivery on the commitments that were made to pledges for mine action in Afghanistan this year.

Senator HOGG—I would imagine that that would have to be filled reasonably soon, to give the UN some sort of certainty as to what activities they could undertake in de-mining over the next 12 months. Is that correct?

Mr Tapp—Yes.

Senator HOGG—So you would be looking for a reasonably immediate response, if there were to be a response, from AusAID to boost funds in that area?

Mr Tapp—Yes.

Senator HOGG—That is as far as I want to take that point, thanks. What is the total commitment by the agency of funds to Afghanistan for the next financial year?

Mr Moore—I can give you our best estimate at the moment for next year. Because our funding for Afghanistan is not on what we call a country program basis—it is drawn predominantly from humanitarian and relief responses, which are not preprogrammed—it is an estimate rather than a hard and fast figure.

Senator HOGG—All right, give me your best estimate.

Mr Moore—In table 3 on page 64 of the budget paper, there is an estimate of \$22.7 million. We anticipate that there may well be additional funds on top of that. The situation is constantly being reviewed vis-a-vis other priorities.

Senator HOGG—Thank you.

Senator FAULKNER—Can I just be clear about an issue that I have raised in other estimates hearings that does have an AusAID involvement. At a meeting in Sydney on the morning of 8 October 2001 there was a \$20 million defence arrangement made in relation to PNG and also discussion on the issue of asylum seekers. Firstly, was there a representative of AusAID at the meeting?

Mr Davis—Not at the meeting on 8 October, no.

Senator FAULKNER—Are you aware of the detail or the outcome of the meeting of 8 October?

Mr Davis—No.

Senator FAULKNER—In relation to numbers of asylum seekers?

Mr Davis—No.

Senator FAULKNER—How did you find out about it?

Mr Davis—We were not part of that discussion at all.

Senator FAULKNER—Not at all?

Mr Davis—No.

Senator FAULKNER—What about the lead-up to the discussion?

Mr Davis—We were not part of those discussions at all. The discussions we were a part of, which we were talking about at the last senate estimates, were later discussions that involved

the reprioritisation of some aid. We were not involved in any of those discussions around 8 October.

Senator FAULKNER—You were involved when our Prime Minister met the Prime Minister of PNG at the APEC meeting in Shanghai?

Mr Davis—That is right, yes.

Senator FAULKNER—But the actual outcomes of 8 October were never provided formally to AusAID.

Mr Davis—No.

Senator McKIERNAN—I move to multilateral organisations. Firstly, Australia's Overseas Aid Program 2002–03 at page 48 states:

The United Nations High Commissioner for Refugees (UNHCR) currently estimates that there are some 25 million internally displaced people in the world (some 1.3 million in Indonesia) and 12 million refugees.

Do you know where those figures are sourced from?

Mr Tapp—These figures are coming from the United Nations High Commissioner for Refugees.

Senator McKIERNAN—Can you be more specific?

Mr Tapp—They would be coming from their various publications. They produce each year a Global Appeal, and within that Global Appeal, in which they highlight their various activities and operations occurring around the world, they will be detailing the numbers of refugees and also internally displaced people. Some of the figures for the internally displaced can be a little bit more difficult to pin down than those for the refugees. The point being made very clearly here is that the number of internally displaced is significantly greater than the number of refugees.

Senator McKIERNAN—I was looking for a reference to a specific publication that the UNHCR had put out.

Mr Tapp—If I can take that on notice, we can come back with the exact reference for that. It will be in a number of documents, but we will give you a specific reference for that.

Senator McKIERNAN—Thank you. I would appreciate that. Could you at the same time, for the committee's enlightenment, provide details of what has been happening in this area over the last five years so we can get an indication of whether the figures that are delineated here are increasing or decreasing—whether the numbers of displaced are increasing or the numbers of refugees, for example, are decreasing?

Mr Tapp—We can provide you with some detailed figures on that; I will take the exact numbers on notice. Certainly, one of the trends that has been occurring in recent years is that we have been seeing increasing numbers of internally displaced around the world.

Senator McKIERNAN—Which parts of the world in particular?

Mr Tapp—You see this in virtually all parts of the world. Very often, you find that you have internally displaced as a result of conflict which may be going on in countries. In time, those can lead to refugee flows, but very often they will also lead to people being displaced within their own countries.

Senator McKIERNAN—Which parts of the world? Would it be Africa in the main?

Mr Tapp—There are a number of places in Africa; it is also within the Asia region. In Indonesia, there are over a million internally displaced people as a result of troubles which are occurring in different parts of the country.

Senator McKIERNAN—You cannot be more specific than that?

Mr Tapp—I said that I would provide you with some specific details on notice. I am not going to be able to give you the exact numbers by country here, but I am happy to take that on notice.

Senator McKIERNAN—I did ask for region rather than country; country makes it a bit more difficult.

Mr Tapp—We have been talking about Afghanistan; that is another example. There are significant numbers of internally displaced within Afghanistan. On a regional basis, there are significant numbers of internally displaced within the Asia-Pacific region, Africa and Europe—the Caucasus.

Senator McKIERNAN—Is the trend increasing or decreasing?

Mr Tapp—In terms of the internally displaced, over the last 10 years we have seen some increases. As I said, we can provide you with some more information on that.

Senator McKIERNAN—I take you to page 66 of the same document and ask you to look at the contribution Australia proposes to make during the next financial year to the UNHCR, whose figures we have just been quoting. The line tells me that in the current year we are making a donation of \$14.3 million and next financial year we are making a contribution of \$7.3 million.

Mr Tapp—That is just the core funding to the UNHCR.

Senator McKIERNAN—Is the \$14.3 million this financial year core funding?

Mr Tapp—That is core contributions. If I take the current financial year, as well as making a core contribution we are making contributions to a number of other specific activities which the UNHCR is engaged in through the various appeals and other things that they have. For example, we have provided \$4 million for Afghans in Afghanistan and neighbouring countries; we have provided \$7 million—again for the UNHCR—within the South West Asia Appeal, which is the Afghan appeal. We provided a sum of money for the support of their office in Port Moresby, for example. In this particular year, the total funding for the UNHCR from the AusAID appropriation is close to \$26 million. So, in terms of looking at the funding to the UNHCR, the core contribution is merely a part of that funding.

Senator McKIERNAN—Can you point me to where, in this document, I can do that comparison? Where will it give me the figures that you have just given me now?

Mr Tapp—Those sorts of data figures would not be in this document; we can provide those figures. I am talking about those of the actual estimated outcome for the current financial year.

Senator McKIERNAN—I am asking questions with regard to this document. Where can I get that? When I want to compare apples with apples, core funding with core funding or total funding with total funding, where in this document—or any other document that is published now—can you direct me to get that information?

Mr Tapp—You are able to compare apples with apples in terms of the core funding for the UNHCR, which has reduced.

Senator McKIERNAN—With due respect, that is where I started the questions. I take the line for the UNHCR and it tells me that this year the core funding is \$14.3 million and next year it is \$7.3 million. I asked you about that. Do you recall what your answer was?

Mr Tapp—I was explaining to you that there were other funding—

Senator McKIERNAN—You explained that this was core funding but that there were other programs as well, so I am asking you now to separate the core funding. Can you add the whole lot together and point me to where those figures are available?

Mr Tapp—They are not in this document, Senator.

Senator McKIERNAN—Where are they?

Mr Tapp—It would be impossible for us to be able to state now what the final outcomes will be next financial year. We have established a refugee fund which has \$15 million in it, plus we have other humanitarian funding. The UNHCR will obviously be one of the international agencies eligible to apply for funding from the refugee fund. One would expect, and would very much hope, that they would be doing so. Also we have other funds available through the humanitarian program, which will be available for funding UNHCR as we have done this year. One of the issues, though, from the perspective of the aid program, is that we are finding that just funding through into the core programs is not necessarily ensuring that adequate funds are being allocated to some of the priorities that occur within our own region. In the context of UNHCR, being able to use the refugee fund as well as the other humanitarian funds means that we ensure that we can earmark funds for specific needs and priorities for refugees and displaced people within the region—as well as still make a core contribution to the agency.

Senator McKIERNAN—Could you tell me then how much of the core funding in previous years would have been used to maintain the UNHCR organisation as an international refugee organisation?

Mr Tapp—The core contribution we made in 2000-01 was \$14.3 million, and in 1999-2000 it was \$13.9 million.

Senator McKIERNAN—I did not ask that question. The question I asked was if you could tell me how much of the core funding was used by UNHCR to maintain its role as an international organisation looking after the welfare of refugees.

Mr Tapp—The core funds which are provided go into a central pool within the UNHCR. That central pool is used to allocate funds to their different operations and also to cover their costs and their headquarters costs.

Senator McKIERNAN—Can you tell me how much it is?

Mr Tapp—I do not have the breakdown of the total of their headquarters costs as opposed to the percentage which is going to the operations.

Senator McKIERNAN—What was the thought process behind the reduction by some 50 per cent of Australia's contribution to core funding?

Mr Tapp—Out of its total global appeal in 2002, UNHCR has requested \$123 million for activities in the Asia-Pacific region, including the Middle East. That is only 16 per cent of the UNHCR's total budget, yet this region supports nearly 35 per cent of the global population outlined by UNHCR as being of concern. One of the thought processes behind looking at the reduction in core contribution and setting up the refugee fund—which is for activities within

our region—is to highlight the fact that we consider that the problem of refugees and displaced people within our region is very significant and needs further attention.

Senator McKIERNAN—But when I asked earlier what region in the world was escalating you were not able to tell me.

Mr Tapp—I said that there are displaced people and refugees in many regions of the world.

Senator McKIERNAN—I know you did. Now you are telling me that Australia has halved its donation to the UNHCR because of what is happening in our region. Why were you not able to tell me this when I asked the question in the first instance?

Mr Tapp—I must have misunderstood the direction of your question.

Senator McKIERNAN—I think I asked that particular question twice.

Mr Tapp—I apologise. I must have misunderstood the thrust of your question.

Senator McKIERNAN—Let us go back to the beginning, even at 11.10 p.m.

Senator FAULKNER—It is 10.10 p.m. We just lost an hour.

Senator Abetz—We will not be here at 11.10 p.m.

Senator McKIERNAN—We started at page 49 of the budget paper. I quoted:

UNHCR currently estimates that there are some 25 million internally displaced people in the world (some 1.3 million in Indonesia) and 12 million refugees.

I asked where the escalation was taking place. In what region of the world—not country—was that escalation in the figures taking place?

Mr Tapp—I said that I would be able to provide you with a detailed breakdown by the regions.

Senator McKIERNAN—But when I asked about the allocation of Australia's core funding to the UNHCR, quoting from page 66, you told me what was happening within the region.

Mr Tapp—I can provide the information in terms of the 35 per cent.

Senator McKIERNAN—Well, please do.

Mr Tapp—But I cannot provide the details of the other regions. I thought you were looking for a detailed breakdown of all the regions around the world. I may have misunderstood.

Senator McKIERNAN—Did I ask that?

Mr Tapp—I thought you had asked for a breakdown by the regions where these populations occurred. I was trying to explain to you that they occur in a number of different parts of the world.

Senator McKIERNAN—What is happening in our region?

Mr Tapp—Within the context of our region, the only figure I have immediately to hand is that 35 per cent of the group of concern to the UNHCR is within our region—the Asia-Pacific region.

Senator McKIERNAN—I would be interested to see that figure and see what it correlates to. You will provide that figure?

Mr Tapp—I have taken on notice the fact that I will be providing you with further information on those numbers.

Senator McKIERNAN—I am given to understand that the UNHCR has, over the last couple of years, dramatically cut its staff because of reductions in donations and contributions from member countries, including the United States.

Mr Tapp—I do not have at hand the details of the cuts that the UNHCR has made to its staffing. I am able to point out that Australia's total contributions to the UNHCR, core and non-core, have actually increased over the last few years.

Senator McKIERNAN—Could you give me those figures in real dollar terms—2002 dollar terms—over the last seven years?

Mr Tapp—We can certainly provide that information.

Senator McKIERNAN—The UNHCR has provided tremendous assistance to Australia in recent times, when Australia was under pressure in the region. If there were further dramatic cuts to UNHCR resources, what impact, if any, would that have on Australia maintaining its humanitarian commitment within the region?

Mr Tapp—Our concern is that, by establishing the refugee fund, we are able to ensure that resources will be available to the UNHCR and other international organisations that are engaged in dealing with refugees and internally displaced people within our region.

Senator McKIERNAN—Will these funds be tied funds?

Mr Tapp—We will be looking to have them earmarked to specific programs, yes.

Senator McKIERNAN—As opposed to the \$7.3 million core funding?

Mr Tapp—Yes.

Senator McKIERNAN—So Australia will be ensuring that these funds are spent in our region?

Mr Tapp—Exactly.

Senator McKIERNAN—But if the overall international organisation is falling over because of lack of core funding, isn't there a danger or a possibility at least that UNHCR might not be able to fulfil those commitments even with this additional funding being available to them?

Mr Tapp—The funding which is provided under core funding goes to some of the administrative costs and also to field operations. If UNHCR were to apply for some funding which we provided under the refugee fund, it would be going to field operations, but UNHCR would also be taking out an administrative element. We are looking to ensure that those funds are being applied within our region. I made the point that, whatever UNHCR's issues may be with donor funding not reaching the levels of their appeals, only 16 per cent of the funds that they do have are being applied to this region although, as I said, it contains 35 per cent of the population of concern to UNHCR. So, very specifically, we want to ensure that the funds we are providing will ensure that the UNHCR and other organisations are able to continue to operate within our region. That is exactly the point.

Senator McKIERNAN—Is that written up anywhere? Has any academic exercise been done on that 16 per cent contribution—the allocation of the money returned to the region by the UNHCR?

Mr Tapp—It comes out of the appeal that they issue. It is very easy to come up with those figures and, again, I can provide you with some more information on that when I give you some of the other figures that I promised you.

Senator McKIERNAN—Thank you. Is there any departmental analysis that has been published in regard to that?

Mr Tapp—We have not published anything in relation to this, no.

Senator McKIERNAN—Are you aware of any publication that has written up this matter of the disparity in spending in the region?

Mr Tapp—I am not aware of any publication. I am aware of the fact that the UNHCR appeal, which is a publicly available document, is very clear in terms of how they are proposing to allocate funds.

Senator McKIERNAN—How does Australia's contribution to the UNHCR compare with that of other OECD countries?

Mr Tapp—I do not have that information immediately at hand. I would point out, though, that when recently talking to the UNHCR representative here in Canberra—and he used to be the individual in charge of, essentially, dealing with donors and securing financing from donors to UNHCR's operations—he indicated that the process of reductions in core funding and increased earmarking was a very common theme amongst other donors over the last decade. I do not have information immediately at hand on the exact dollar numbers being provided by other donors to the UNHCR.

Senator McKIERNAN—Does the department have that information?

Mr Tapp—We would be able to get hold of that information. It would depend on the information provided to us by UNHCR.

Senator McKIERNAN—From what you have told me, the UNHCR has got that information already, so it may be readily available.

Mr Tapp—That is right. We would see what they have that they have published and, if we need any further information, we can ask them the question and wait for them to come back to us. But we will try and get hold of that information.

Senator McKIERNAN—If you would do that, Mr Tapp, I would appreciate it. Could you also ask the UNHCR where Australia sits on the list of voluntary donors to the UNHCR, so we can do a comparative analysis.

Mr Tapp—In what sense?

Senator McKIERNAN—In the sense of responding to individual appeals which are raised from time to time by UNHCR.

Mr Tapp—So you would like to see a breakdown by donors both in the core funding and in the earmarked funding.

Senator McKIERNAN—Indeed. If you would use the OECD countries as the base for that, I think it would give a more representative analysis.

Mr Tapp—We will provide you with that.

Senator McKIERNAN—Thank you very much. There has also been a decrease in funding to WFP and UNDP. Can you enlighten the committee as to the background to those decreases?

Mr Tapp—Yes. The reduction in funding to the UNDP is a slight reduction in the core funding but, again, like the UNHCR, the UNDP is a significant recipient of non-core or earmarked funding for specific activities. An example of that would be discussions we have been having with the UNDP very specifically about work they may be doing in the Solomon Islands. The overall funding to the UNDP in the current financial year we estimate will be something in the region of \$15 million—significantly more than the core funding. As I was explaining in relation to the UNHCR, we are concerned to see that the UNDP and other international agencies are able to operate effectively within our region, and we are able to use other funds—the non-core funds—to be able to do that.

In relation to funding for the World Food Program, again, we have a core contribution and then there are other humanitarian funds and some of the bilateral funds for food aid for funding to the WFP. Total funds to the WFP this financial year are estimated to be in the region of \$90 million—significantly more than that core figure in the budget paper.

Senator McKIERNAN—Thank you very much for that explanation. I appreciate receiving that information. The difficulty one has in reading these papers is that they do not give you that fulsome explanation that you have just given the committee. Do you understand my difficulty?

Mr Tapp—That is correct.

Senator McKIERNAN—We are, therefore, grateful for the estimates committee process, even at this time on a Thursday night—it is very helpful. Could I ask you to put in writing the comparative figures that you have just told me, both in the area of core funding to the WFP and UNDP programs and total program funds over five years?

Mr Tapp—We can do that. The current financial year is obviously more difficult in terms of knowing quite how the humanitarian funds are going to be applied and what have you, but we can certainly give you the historical information.

Senator McKIERNAN—I appreciate what you are saying about the next year that we are still in—we are still in the current year now, but there is a new one coming!

Mr Tapp—For the current year it is absolutely fine. We can provide that information.

Senator McKIERNAN—We would appreciate receiving that; thank you very much for the offer. Is the \$10 million promised to the UNHCR for Afghanistan in 2002-03 the same \$10 million that was unspent for this current year from the \$14.3 million commitment to the UNHCR for Afghanistan?

Mr Tapp—No.

Senator McKIERNAN—So it is on top of that?

Mr Tapp—That would be additional, yes.

Senator McKIERNAN—Is that \$10 million unspent this year still available to the UNHCR?

Mr Tapp—Mr Moore may also be able to help answer this question. I cannot be exactly sure when payments of those funds allocated to UNHCR may be made. The numbers within the budget papers relating to next financial year are not the same as the funds to UNHCR which have been announced for this financial year.

Senator McKIERNAN—I appreciate that. What has happened with the \$10 million that was not spent last year—or this year?

Mr Moore—If I understand your question correctly, the figure is more like about \$6 million. That is not money that is in any sense owing to the UNHCR; it is money which has been committed by the government. We are still looking at the range of needs and how we might best use that.

Senator McKIERNAN—So the money is still available for expenditure prior to 30 June?

Mr Moore—The \$6 million from within the \$40.3 million that was committed at Tokyo will be spent next financial year.

Senator McKIERNAN—There will be a carryover?

Mr Moore—We will be spending it from next financial year's allocations.

Mr Tapp—Senator, just to clarify your question, you are asking about the \$10 million to UNHCR out of the \$14.3 million commitment—

Senator McKIERNAN—For this current financial year.

Mr Tapp—The \$14.3 million core commitment in this financial year has already been committed and paid to UNHCR.

Senator McKIERNAN—And the \$6 million that Mr Moore was talking about is available for next financial year. So we are talking about two things. You have given me the assurances on the questions I have asked.

Mr Tapp—Yes, we are talking about two different things.

Senator McKIERNAN—Thank you. It is handy getting two questions answered at once. I do not normally have to ask a question three times in my other committee, though. I am very pleased with that. Let us move on—when you are on a winner, stick to it. In regard to the funding to multilateral organisations that we have been talking about, have the government or any members of the government—ministers or parliamentary secretaries—expressed any negative views on multilateral organisations and, if so, who was it, and what did they say and when did they say it?

Mr Tapp—I cannot comment in relation to that; I have no information on it.

Senator McKIERNAN—What do you mean when you say that you have got no information?

Mr Tapp—We are not aware of any comments that may have been made.

Senator McKIERNAN—Even about the disparity of use of Australian funding in the region—no public comment about that?

Mr Tapp—No, the only issue with respect to the government is that it has made a commitment to a \$15 million refugee fund in recognition of the fact that there is a significant issue within our region in relation to refugees and displaced people. It is a very clear commitment.

Senator McKIERNAN—I understand that clear commitment in regard to that, but there has been somewhat of a shift. I would call it substantial; you might call it not quite so substantial. I am just wondering why there is no communication out there to the public, to the Australian community, about this shift and the reasons behind it.

Mr Tapp—What sort of shift are we talking about?

Senator McKIERNAN—We have halved the core funding allocation to UNHCR and changed substantially the funding arrangement to the WFP and UNDP with respect to core funding.

Mr Tapp—The change to the core funding of UNDP is very slight. The budget paper—and this is a publicly available document—very specifically talks about the refugee fund. It also states quite clearly the change to the core funding of the UNHCR. In regard to the World Food Program, I recollect that the core funding figure may actually have moved up and down a bit in different years. That is not an unusual occurrence. There is the balance between the development food aid of the World Food Program and the humanitarian emergency food aid of the World Food Program. So there is no shift in those terms whatsoever. In relation to the UNHCR and the refugees, on its budget paper, the government has made perfectly clear the change in reduction of UNHCR core funding and the refugee fund.

Senator McKIERNAN—I might dispute with you about whether it has been made perfectly clear or not. We have not really been getting that analysis through these papers, otherwise it would be there. I would not have had to ask some of the questions I had to ask earlier if it were there.

Mr Tapp—You have asked the question in terms of whether we have provided information in relation to this change, and I have said, ‘Yes, we have.’

Senator McKIERNAN—My next question is: is the department satisfied with the role multilateral organisations are playing in the region and the manner in which they operate?

Mr Tapp—We certainly have a concern about multilateral organisations and their focus on and commitment to our region. We have conversations on an ongoing basis with many of the multilateral organisations. Ensuring that adequate attention is being paid to our region is a concern. I am sure you are aware that there is a great deal of discussion at the moment at an international level about many of the development needs within the Africa region. There are certainly very significant development needs within that region. However, it remains very clear and obvious to us that there are a larger number of people living in poverty—below \$1 per day—in the Asia and Pacific region than in Africa. Therefore, it is quite important to ensure that those international agencies do retain a focus within our region.

We are particularly concerned as well that the Pacific can be a region that is often forgotten. I am not just talking about the Asia-Pacific region but looking very specifically at the Pacific itself. There are significant needs within the Pacific. The scale may not be the same as in other parts of the world, but there are still some very important issues to deal with within that region, which is a region of particular concern to Australia. To that end, as I think I mentioned earlier, we provided some assistance to UNHCR, for example, to ensure they have a presence in Port Moresby. We have also been providing assistance to the International Committee of the Red Cross, supporting their regional office in Suva. We are also undertaking discussions with other international organisations. The deputy administrator of UNDP was in Canberra just before Christmas last year, and we had very specific discussions with him about what UNDP’s focus in the region would be. We had a positive discussion, talking about issues of core and non-core funding and those sorts of things with him. In summary, in answering the question about whether we have concerns: yes, we do, and those form part of our ongoing discussions with international organisations.

Senator McKIERNAN—Obviously, those concerns would be relayed up the stream to the minister and the parliamentary secretary?

Mr Tapp—Yes.

Senator McKIERNAN—I am not going to the lengths of asking what advice you give but, if the department has concerns and those concerns are relayed to the minister, it is a bit strange that neither the minister nor the parliamentary secretary has had cause to make public the concerns the department has—to inform the Australian community.

Mr Tapp—In terms of informing the Australian community, both the minister and the parliamentary secretary are extremely active in promoting the very successful activities of the Australian government's aid program and trying to garner general support for the aid program.

Senator McKIERNAN—I am asking about the negatives, and you indicated earlier that there were no statements from the parliamentary secretary or the minister about the negatives.

Mr Tapp—I said there were none I was aware of.

Senator McKIERNAN—Could you take that on notice, and see if you can find out if there have been any? The department has concerns about how some organisations are operating in our region. You have expressed those concerns to the organisations themselves, as you have clearly stated to the committee, and that is well done and you are doing your job in doing that. I would expect in the normal course of events that you would be expressing those concerns to the minister and that the minister would seek from time to time to tell the community—the electorate, the Australian people—about those concerns, to inform them, even if only by making a public statement directly to the organisations. But you are not aware of any of those statements being made?

Mr Tapp—No, the point being that these types of issues are issues that we would normally be dealing with privately with the organisations. We would be engaging in a dialogue with them rather than looking to have it conducted in a public manner. We are looking to try and influence the agencies to have a greater engagement within our region.

Senator McKIERNAN—When you see the core funding getting halved there must be something pretty substantial happening.

Mr Tapp—There is a commitment to a \$15 million refugee fund in our region to be able to deal with the significant issues of refugees and displaced people that are occurring within the region. There is a very clear commitment to that issue and to that question.

Senator McKIERNAN—We also pride ourselves that we will participate in burden sharing with the rest of the world on the refugee question, and we are very proud of the fact that we have done that over a large number of years, yet we are halving our core funding to the UNHCR.

Mr Tapp—But our overall funding to the UNHCR has been going up steadily over the last few years.

Senator McKIERNAN—I have asked for those details. They are not here in front of me.

Mr Tapp—I will be providing those details. Certainly, numerous media releases have been put out relating to funding allocations which are made to international agencies which publicly highlight the work that those agencies are doing and Australia's support to them.

Senator McKIERNAN—Thank you. I look forward to seeing your responses to the questions you have taken on notice. You will probably need to take this one on notice as well,

but could you provide a breakdown of funding to the multilateral development banks over, say, a period of time so we can do a comparative analysis?

Mr Tapp—Yes, we can do that, Senator.

Senator McKIERNAN—Thanks very much, Mr Tapp.

CHAIR—Minister, Mr Davis, Mr Tapp and witnesses from AusAID, thank you very much indeed for your time this evening. Before I close, Senator Hogg would like to say something.

Senator HOGG—I would like to put on the record my thanks to Senator West, who will be leaving this committee as from 30 June. It has been said already by one of the Defence officials, but I think it would be remiss if someone from my side did not put on the public record an acknowledgment of the work that Senator West has done on this committee over a long period of time, and the interest that she has shown, particularly in areas affecting equal opportunity and discrimination against women in the defence forces. My colleagues and I wish her well in her new life.

CHAIR—Those sentiments are nicely expressed, Senator Hogg. On that basis, thank you all very much for your time.

Committee adjourned at 10.38 p.m.