



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION
COMMITTEE

Consideration of Supplementary Estimates

FRIDAY, 22 NOVEMBER 2002

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE**FOREIGN AFFAIRS, DEFENCE AND TRADE LEGISLATION COMMITTEE****Friday, 22 November 2002**

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

Senators in attendance: Senators Barnett, Cook, Faulkner, Johnston, Marshall, McGauran and Troeth

Committee met at 9.00 a.m.

FOREIGN AFFAIRS AND TRADE PORTFOLIO

Consideration resumed from 21 November.

In Attendance

Senator Troeth, Parliamentary Secretary to the Minister Agriculture, Fisheries and Forestry.

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

Dr Alan Thomas, Deputy Secretary

Mr Peter Grey, Deputy Secretary

Mr Doug Chester, First Assistant Secretary, Corporate Management Division

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

Output 1.1 Protection and advocacy of Australia's international interests through the provision of policy advice to ministers and overseas diplomatic activity.**1.1.1 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

Ms Nicola Watts, 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

Dr Leslie O'Brien, Manager, Australia-Korea Foundation

Mr Broughton Robertson, Manager, Australia-China Council

Ms Lyn Wing, Project Officer, Australia-Japan Foundation

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

Ms Jennifer Rawson, First Assistant Secretary, South and South East Asia Division

Mr James Batley, Assistant Secretary, Mainland South-East and South Asia Branch

Mr Jurek Juszcyk, Director, Thailand, Vietnam and Laos Section, Mainland South-East and South Asia Branch

Mr Phillip Stonehouse, Director, India and South Asia Section, Mainland South-East and South Asia Branch

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

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

Mr Bill Richardson, Director, Australia-Indonesia Institute

Ms Carol Roberston, Director, Australia-India Council

1.1.3 Americas and Europe

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

Ms Margaret Adamson, Assistant Secretary, EU and Western Europe Branch

Mr Ted Knez, Acting Director, Western Europe Section, EU and Western Europe Branch

Ms Lucy Charlesworth, Director, European Union 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 Sonja Weinberg, Executive Officer, Southern Europe Section, Northern, Southern and Eastern Europe Branch

Mr Mark Fraser, Executive Officer, Southern Europe Section, Northern, Southern and Eastern Europe Branch

Ms Shirley Lithgow, Director, European Security Unit, Northern, Southern and Eastern Europe Section

Dr Brendon Hammer, Assistant Secretary, Americas Branch

Mr Michael Kourteff, Director, United States Section, Americas Branch

Ms Andrea Spear, 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 John Quinn, 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 Oliver, Assistant Secretary, New Zealand and Papua New Guinea Branch

Mr Greg Moriarty, Director, Papua New Guinea Section, New Zealand and Papua New Guinea Branch

Mr Graham Fletcher, Director, Pacific Islands Branch

1.1.5 Bilateral, regional and multilateral trade negotiations

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

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

Ms Alison Burrows, Assistant Secretary, Agriculture and Food Branch

1.1.6 Trade development/policy coordination and APEC

Mr Ralph Hillman, First Assistant Secretary, Trade Development Division

Mr Justin Brown, Head, Asia Trade Taskforce

Dr Frances Perkins, Executive Director, Economic Analytical Unit

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

Mr David Garner, Director, Trade and Investment Liberalisation Section, APEC and Regional Trade Policy Branch
Ms Elizabeth Ward, Director, E-APEC Business, Economic and Ecotech Issues Section, APEC and Regional Trade Policy Branch
Ms Pauline Bygraves, Acting Director, Regional and Bilateral Trade Policy Section, APEC and Regional Trade Policy Branch
Ms Ruth Adler, Assistant Secretary, Trade and Economic Analysis Branch
Mr Neil Batty, Director, Market Information and Analysis Section, Trade and Economic Analysis Branch
Mr David Holly, Director, International Economic and Finance Section, Trade and Economic Analysis Branch
Mr Patrick Suckling, Director, Trade Finance Section, Trade and Economic Analysis Branch
Dr Ron Wickes, Director, Trade Analysis Section, Trade and Economic Analysis Branch
Mr Martin Quinn, Manager, OECD and UNCTAD Unit, Trade and Economic Analysis Branch
Ms Sue Tanner, Assistant Secretary, Market Development and Business Liaison Branch
Mr Andrew Todd, Director, Trade Advocacy and Outreach Section, Market Development and Business Liaison Branch
Mr Tim Toomey, Acting Director, Trade Liaison Section, Market Development and Business Liaison Branch

1.1.7 International organisations, legal and environment

Dr Geoff Raby, Deputy Secretary
Ms Caroline Millar, First Assistant Secretary, International Organisations and Legal Division
Mr Christopher Langman, First Assistant Secretary, Ambassador for the Environment
Mr Chris Moraitis, Senior Legal Adviser
Mr Dominic Trindade, Assistant Secretary, Legal Branch
Dr Greg French, Director, Director, Sea Law, Environmental Law and Antarctic Section, Legal Branch
Mr Colin Milner, Director, International Law Group, Legal Branch
Mr Peter Doyle, Director, People Smuggling, Refugees and Immigration Section, International Organisations Branch
Mr Eric Van Der Wal, Director, Human Rights and Indigenous Issues Section, International Organisations Branch
Dr Mark Napier, Executive Officer, Human Rights and Indigenous Issues Section, International Organisations Branch
Ms Janaline Oh, Director, United Nations and Commonwealth Section, International Organisations Branch
Mr Rod Smith, Assistant Secretary, Consular Branch, Public Diplomacy, Consular and Passports Division

1.1.8 Security, nuclear, disarmament and non-proliferation.

Mr Les Luck, First Assistant Secretary, International Security Division
Mr Bill Paterson, First Assistant Secretary, Iraq Task Force
Mr Peter Shannon, Assistant Secretary, Arms Control Branch

Dr Terry Beven, Director, Nuclear Policy and Missiles Section, Arms Control Branch
Mr Bruce Hunt, Director, Chemical, Biological and Conventional Weapons Section, Arms Control Branch

Ms Jane Lambert, Executive Officer, Chemical, Biological and Conventional Weapons Section, Arms Control Branch

Mr David Stuart, Assistant Secretary, Strategic Affairs Branch

Mr David Nethery, Director, Anti-Terrorism Section, Anti-Terrorism and Intelligence Policy Branch

Mr Bernard Lynch, Director, Intelligence Policy and Liaison Section, Anti-Terrorism and Intelligence 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 John Richardson, Assistant Secretary, Diplomatic Security and Services Branch

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 Ian Kemish, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Rod Smith, Assistant Secretary, Consular Branch

Mr Jeff Roach, Director, Consular Operations Section, Consular Branch

Mr Marc Campbell, Division Coordinator, Public Diplomacy, Consular and Passports Division

2.1.1 Consular Operations Section

Mr Bill Jackson, Director, Consular Operations Section, Consular Branch

2.2 Passport services.

Mr Ian Kemish, 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****3.1.3 Freedom of information and archival research and clearance.**

Mr Ian Kemish, First Assistant Secretary, Public Diplomacy, Consular and Passports Division

Mr Chris DeCure, Assistant Secretary, Parliamentary and Media Liaison Branch

Ms 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

Mr Philip Moran, Assistant Secretary, Portfolio Strategy Branch, Overseas Property Office

Output 4.2 Contract management.**Enabling Services**

Ms Zorica McCarthy, Assistant Secretary, Executive, Planning and Evaluation Branch

Ms Bronte Moules, Director, Ministerial and Executive Liaison Section

Mr Bryce Hutchesson, Director, Corporate Planning Section

Mr Geoff Tooth, Director, Evaluation and Audit Section

Mr Hugh Borrowman, Acting Assistant Secretary, Staffing Branch

Ms Janette Ryan, Assistant Secretary, Staff Development and Post Issues Branch

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

Mr Daniel Sloper, Director, Budget Management Section, Finance Management Branch

Ms Alison Airey, Executive Officer, Finance Management Branch

Ms Peta Hudson, Executive Officer, Finance Management Branch

Ms Khadija Haq, Executive Officer, Finance Management Branch

Mr Anthony Burgess, Executive Officer, Finance Management Branch

Mr Ben Clanchy, Executive Officer, Finance Management Branch

Mr Greg Carter, Executive Officer, Finance Management Branch

Austrade

Margaret Lyons, Executive General Manager, Corporate

Julia Selby, Executive General Manager, Australian Operations

Ian Chesterfield, General Manager, Corporate Finance & Assets

Margaret Ward, General Manager, Export Finance Assistance Program

Michael Crawford, General Manager, International Business Services

Michael Vickers, Group Manager, Client Development and Ally Liaison

Tim Harcourt, Chief Economist

Marcia Kimball, Director, Human Resources

Denise Pendleton, Client Service Manager, Strategic Development

Lindsay Collins, National Manager, EMDG

ACTING CHAIR (Senator McGauran)—I declare open this meeting of the Senate Foreign Affairs, Defence and Trade Legislation Committee, and welcome the ever-versatile

Senator Judith Troeth, the Minister representing the Minister for Foreign Affairs and the Minister for Trade. I also welcome all the officers. The committee will commence by taking up the matters carried over from yesterday. Senator Cook?

Senator COOK—We were discussing the Australia-US FTA. I dealt with the labour standards question last night, and I do not think I need to take that any further. Shortly after US Trade Representative Zoellick had a joint press conference with the Prime Minister last week, announcing that the US was committing to proceed with the free trade agreement negotiations with Australia, he provided to the Hon. J. Dennis Hastert, Speaker of the US House of Representatives in Washington, a letter with a quite detailed discussion of areas of interest that the US has in pushing a free trade agreement with Australia. In fact, it looks like a clear description of the US claims, or the issues the US will push in negotiations with Australia. When is the Minister for Trade, Mr Vaile, going to do that for the Australian parliament?

Mr Deady—The letter you mention is the requirement of the Trade Promotion Authority for notification to Congress once a decision is taken to enter into trade negotiations. There are a number of specific requirements and an amount of detail that is required of the administration in taking forward those negotiations, and this letter reflects that statement of broad objectives for those negotiations. The Prime Minister and Mr Vaile obviously welcomed the announcement of Ambassador Zoellick, and with the announcement that negotiations will commence we are now in the process of intensifying our consultations and developing in detail our own negotiating objectives and of eventually negotiating a mandate for taking forward those negotiations. The process will involve very intensive consultations with a whole raft of stakeholders and discussions with state government authorities and other federal agencies across the broad spectrum that these negotiations will cover, with a view to the government agreeing to a negotiating mandate for taking forward the negotiations.

Senator COOK—Thank you, Mr Deady. But when is Mr Vaile going to provide a letter to the Australian parliament saying what it is that the Australian government seeks in negotiations with the United States in a bilateral trade agreement?

Mr Deady—There is no specific requirement for the minister to provide a letter along the lines of the letter that is required of the administration in the United States by legislation, so my view is that there will not necessarily be a letter like that. I think the government has made it very clear, in welcoming the announcement and the discussion that has gone on in preparation for these possible negotiations for some time now, that what we are looking for in those negotiations is a comprehensive agreement. As you will recall, last time we talked about some of the exploratory work I was doing with the administration and we talked in broad terms about the scope and coverage of an agreement.

Frankly, the letter that the administration has put forward to the US Congress reflects very broadly the sort of thinking that we talked about in those terms and the sorts of objectives, in broad terms, that the US obviously has for those negotiations. Many of those statements and broad objectives would be shared by the government of Australia. Some of the things in that letter are specific requirements that the administration has to put forward to meet the Trade Promotion Authority requirements. We do not have the same specificity or requirement for some of that material. That is the process we go through. Whilst, as you have rightly said, this is a very interesting document which sets out specific objectives, very clearly over the course of this 90 days in particular, but ongoing throughout the negotiations, I am sure the United States administration itself will continue to consult very closely with US industry and others to further define and elaborate on their own objectives for the negotiations.

Senator COOK—I understand what you are saying, Mr Deady—that under the US Constitution the President requires the Congress to give him approval. Earlier this year, and much to the relief of all of us, the US Congress passed the Trade Promotion Authority Act, clothing the President with power to negotiate trade agreements—specifically the Doha Round but also, within the umbrella of that act, bilateral trade agreements such as this one we are talking about. In that act, Congress imposed conditions on the President, one of which was that he report to the Congress what it is he is seeking so that Congress know in advance what his requests are on behalf of the United States—in the case, of Australia—and that is what the US trade representative did five minutes after he had his joint press conference with our Prime Minister.

The other point, though, here is that we are the demanders. We have been pushing the United States to agree and they have agreed. They announced their agreement shortly after the mid-term election result was in and the President's party had scored an electoral victory. They did not announce it before the mid-term election—they announced it straight after—but they announced it. So the object of our wooing is that the US is able to tell their Congress five minutes after they agree what it is they want, but at this stage we, as the demanders who have been pursuing this, are still unable to tell the Australian people and the Australian parliament what it is we want. It seems from what you are saying that there is no plan to do so. Am I right?

Mr Deady—I do not think that is an accurate representation of what the government has been saying and what we are doing in regard to this process.

Senator COOK—All right, please correct me.

Mr Deady—I think it is very clear that right from the start, and going back to the very start of any discussion of the possibility of an FTA between Australia and the United States, the key thing that the government has emphasised has been the need for comprehensive negotiations that are fully consistent with the WTO rules, and that includes very clearly, on the good side, article 24—the elimination of customs barriers on all substantial trade.

On the services side, we clearly have a very broad objective to substantial liberalisation and improved market access on services. I think we have made very clear—and the evidence is there in the negotiations with Singapore and it goes right back to the CER with New Zealand—the extent to which the government is committed to a very broad approach to these negotiations, and we will be looking at areas like competition policy, intellectual property and investment. That is the very broad sweep of the negotiations. Whilst there are some particular issues highlighted in Ambassador Zoellick's letter, I think otherwise it is a very broad statement of their objectives. It talks about the elimination of virtually any—

Senator COOK—I am not arguing any of that, Mr Deady. I have the letter here, you have it, we all have it. It is all on the public record.

Mr Deady—Yes.

Senator COOK—There is true transparency. The US tells its citizens what it is going to seek in these negotiations. My only point is that thus far, apart from broad, discursive descriptions, we are not saying in anything like the degree of particularity what it is that we want—and we are the ones that have been pushing this. It just seems odd to me.

On, I think, 7 March last year, Mr Zoellick appeared before the Trade Subcommittee of the US House of Representatives Committee on Ways and Means and gave evidence that he did not think—I am paraphrasing, as I cannot find the quote—the conditions were right for a free trade agreement with Australia, because it required bipartisan support in Australia. He cited

his experience when he was at the White House as an adviser to the then Chief of Staff at the White House, Jim Baker. An initiative had been tried back then and it had not worked because it failed on bipartisan grounds in Australia. He was saying how reticent he was, and he was explaining this to the Trade Subcommittee of the Committee on Ways and Means.

As a consequence of that and of my discussions with the minister, Mr Vaile, I put out a press release on 8 March 2001, in which I said that Labor was:

... favourably disposed towards the concept of a free trade agreement between Australia and the United States but had told Trade Minister Mark Vaile that it would need a full Ministerial-level briefing on the background and details of the initiative before it could express a view about the Howard Government's proposal.

So, speaking on behalf of the opposition, we were disposed towards that. We were not going to rub it out, but we wanted the decent thing done: 'Tell us all about what you intend.' I will not read all of my press release—that would be a bit self-indulgent—but it went on:

Senator Cook said a number of principles would guide Labor's consideration of the FTA issue. These included Labor's:

Preference for any negotiation to take place in a broader context, ie as part of a P5 or P7 (including the US's NAFTA partners) process, in order to complement our APEC objectives and highlight our agricultural interests.

That was point 1. Point 2 was:

Concern that any negotiation be driven by economic and trade interests, rather than political considerations.

You will recall the climate then. It was argued that we should do this for security reasons, not for economic reasons. Point 3 was:

Belief that any negotiation had to be undertaken in strict accordance with Article 24 of the GATT ...

We have had that discussion and we do not need to revisit it here.

So we adopted a posture of support, but with conditions about being told and about the direction in which we wanted it to go. We have never been briefed by the government. In my capacity as shadow minister for trade, I had discussions with Mr Zoellick in Washington last year and told him all of this. He has taken heart. The US are now saying that they agree because there is bipartisan consensus in Australia. Thus far, the government has not briefed the opposition about its intentions and is currently unable to tell the Australian people what its claim is. When are we going to find out? After that long diatribe—and it is not aimed at you, Mr Deady, because you are the innocent public servant at the table—the question is: when, as a parliament or as a people, are we going to be told by the government what the objectives are, and will there be any attempt at bipartisanship on this?

Mr Deady—I believe it is more accurate to say that there was a great deal of discussion leading up to the announcement by Ambassador Zoellick last week that negotiations would proceed. You might recall that there was a long debate in Australia about the coverage of the agreement—whether agriculture would be a part of it—and I think the government has been crystal clear in responding that we are talking about a comprehensive trade agreement that is fully consistent with article 24, as you have said, and is looking at deepening and widening the economic and trading investment relationship between Australia and the United States, which was already very substantial. That is the objective. We are talking comprehensively, which means that, going in, nothing is off the table as we go forward. I think that broad statement of our objectives for the negotiations is very clear.

We approached the bilateral negotiations with Singapore in exactly that way. We looked on the good side: full coverage to all tariffs from Australia. On the Singapore side, admittedly, most of the tariffs had already been removed, but those that were not will go as a result of that agreement. We have done all of that. We have looked at a very aggressive pursuit of market access and other commitments on the services side—including the negative list approach with Singapore, which is a very substantial outcome—competition, investment and all of those areas. It think it is very clear what sorts of things we are looking for and I am convinced that the notification to the Congress—which is a legal requirement in the United States; there is no such requirement here—will continue to be developed further by the United States. I do not think this is what we will see when we sit down with US negotiators—there will obviously be much more detail and elaboration of a number of things—but, very broadly, the document talks about the elimination of tariffs and duties—

Senator COOK—I know what it talks about.

Mr Deady—That is the sort of thing that we will be looking for in the negotiations, and I do not think that is at issue. We have asked for public submissions, as you mentioned last night. We will be intensifying consultations with Australian stakeholders right through the process. That is the process that we will go through. The government will consider that input, those discussions, and develop and agree a negotiating mandate which we will then take forward to the negotiations.

Senator COOK—Maybe it is a question that the minister wishes to take on notice. The question is: will Mr Vaile make a statement to the Australian parliament, for debate by the parliament, saying what our objectives are in particular sectors and areas of the free trade agreement and provide true transparency for the parliament and the community of what we are on about, as Mr Zoellick has done for the US Congress? Senator Troeth, I do not expect you to answer that question, but I would be grateful if you would pass it on. The point I make is that sure, it is a requirement of the American system and not a requirement of the Australian system, but that is not an argument for us not to do it. Because they have done it, all the Americans can see what their negotiators are doing, but we cannot see—and we are asking for this—what our negotiators are doing, other than in the broad way you have described, Mr Deady. Again, it comes down to transparency, openness and accountability.

I am running out of time rapidly, but I will make another observation in passing. In the US Trade Promotion Authority Bill and Trade Act there is a provision that there be a congressional oversight committee. So Mr Zoellick has a committee designated by the Congress to which he reports and that is able, according to the act, to visit the site of the negotiations at various times. Minister, again I am sorry that I am putting you in this position and I expect you to take this question on notice: is there any intention for Mr Vaile to ask the parliament to duplicate the congressional oversight committee in the United States within the Australian parliament, for reasons of transparency, openness and accountability? Minister, I see you making a note. I assume you are taking that on notice.

Senator Troeth—Yes, I am.

Senator COOK—In the little time available to me, I want to make note of something, which you may have a quick comment on, Mr Deady. Our biggest export market is Japan—we export \$26.2 billion worth of goods to Japan. America is about fourth down the list—we export \$16.9 billion worth of goods to America. We have no overture or representations to the China plus ASEAN trade area, as we heard last night. You would have to say that negotiations with Korea and Japan are at a very nascent level. The value of our exports to East Asia is \$75.762 billion and the value of our exports to the United States is \$16.9 billion. It does beg

the question: what are we doing about our key markets? Almost half of all Australian exports go to East Asia, and we do not have an overture to the biggest trade bloc that is being formed to come into existence in 2010—the China plus ASEAN bloc. No initiative has been taken by us since then. Is there some reason why we are neglecting Asia?

Mr Deady—I do not believe there is any way it could be said that the government is neglecting Asia in its trade policy. There was a lot of discussion last night, and Mr Gosper mentioned that the multilateral negotiations themselves are still the No. 1 priority—that area is the biggest single return that we see coming from an aggressive trade policy. You talked with other colleagues last night about the discussions we have under way with Japan, and some of the work with China; we talked briefly about the negotiations under way with Thailand; we have just concluded negotiations with Singapore; there is the AFTA CER process going on. I honestly believe that this reflects very substantial and aggressive trade policy.

There are also the bilateral negotiations with the United States, which is our largest trade partner in the broadest terms of imports plus exports. In terms of investment flows, if you look at that in the broad—at the analysis and research that is being done—there is a substantial return if we get a significant outcome from those negotiations. In terms of the hard modelling, I think that some of the deepening of the economic and investment relationship that would come with the negotiations reflects a very broad-based and strong policy approach.

Senator COOK—You say that the US is our biggest trade partner, and Senator Hill said in answer to a question in the Senate on Monday that it is our biggest trade partner. This is a worthless comment really, isn't it? The US is our biggest trade partner because the trade deficit we have with the US is the biggest trade deficit we have with any country. Let me just rephrase that—it is not our biggest trading partner at all. The EU is our biggest trading partner, by the same measure as Senator Hill's answer, so he is wrong. The US is not our biggest trade partner. He valued it at \$45 billion, which is a rounded-up figure—and that is fair enough, I am not complaining about that—but, if you apply the same calculation to the European Union, the value of our trade with them is \$54 billion, which makes them our biggest trade partner. The reason in both cases that they are big trade partners is because we have huge trade deficits with them. It is almost 2 to 1, with the United States. We are in deficit with the US to the tune of \$11 billion and that is what makes them—when you add up exports and imports—our biggest trading partner. It is also what makes the European Union our biggest trading partner. But we are almost in balance in Asia on our trade account, and it is the fastest growing market. This is a debate obviously not for us but for the public arena, and I just make those comments in passing.

The other thing I want to comment on is the figure that keeps being bandied about that a free trade agreement is worth \$4 billion to Australia. We had this discussion earlier. The figure is \$4 billion over 10 years, assuming that all barriers in the United States are removed. For the record, there is widespread disbelief that the barriers on dairy products and sugar will be removed. I do not intend to have that debate with you now, unless you want to comment on it. The \$4 billion figure is alleged to be supported by the modelling done on behalf of the department by the Centre of International Economics, published in June last year. That modelling is entitled, *Economic impacts of an Australia-United States free trade area*. It is an econometric model by the Centre of International Economics. This may be an unfair question, Mr Deady, but I am going to have to ask it. I do not see \$4 billion mentioned in this study. Can you point out to me where it is mentioned?

Mr Deady—The study talks about an increase in GDP in the 10th year—an absolute increase. It talks in terms of US dollars and mentions the figure \$US2 billion. When the figure \$4 billion came into use, it was based on the exchange rate in Australian dollars.

Senator COOK—At today's exchange rate it is under \$4 billion.

Mr Deady—Yes; it would be. This is where I have to admit that my modelling and econometrics fail me, but it is in constant today dollars at constant exchange rates.

Senator COOK—Yes, I agree. That is what it is in. It talks about GDP advantage in percentage terms. Someone has extrapolated this and, calculated on the exchange rate that applied back then, there is a \$4 billion figure. The exchange rate has appreciated in our favour since then, lowering that \$4 billion figure. The \$4 billion figure, after 10 years, is not dead accurate; but I am not going to quibble about that. It is a political slogan. But, for the \$4 billion figure to stack up, you also have to believe that the Americans are going to deregulate their dairy industry and open it and their sugar industry to Australian exports. No-one I can find seems to believe that that will happen. This study says that, to make that \$4 billion figure, the two biggest potential areas of gain are dairy and sugar, with the possible addition of peanuts and cotton. So the \$4 billion figure is looking a bit shaky in practical terms. This is a theoretical study. This study also says that it is extremely unlikely that the Americans will remove the Jones Act—the act that protects the American shipbuilding industry from our most successful export, aluminium fast ferries—but that if they did, the value of doing so would be such and such—and there is a formula—and that goes into making up the \$4 billion. Even the study says not to hold our breath on the Jones Act, and so this \$4 billion is an entirely theoretical concept, isn't it?

Mr Deady—It is a modelling exercise based on a number of assumptions. I do not know what I can say, other than that we know how difficult the negotiations with the United States will be. That has been very clear. But we are going into those negotiations; the United States have now agreed to those negotiations and both sides are committed to comprehensive negotiations with nothing off the table. That is reflected in Bob Zoellick's letter to the Congress. We will go forward in these negotiations to pursue our interests very aggressively. You know very well the sensitivities over there in sugar and cotton and the other industries you mentioned; the negotiations will be very hard, but we will pursue liberalisation in those areas. The study actually allows for a five-year transition period for some of this stuff and that is built into the modelling exercise, and so it is not a drop-dead start. A lot of things are possible, including longer transition periods. Who knows where we will get to at the end of the negotiations but, going in, we have an agreement to hold comprehensive negotiations and agreement on both sides to work very hard within the time frame to try to get things done. That is how we are going forward. I believe the modelling is a very good indicator of the potential benefits to the Australian economy from these negotiations, but it is no more than that.

Senator COOK—Potential benefits.

Mr Deady—The benefits could be much higher; others argue that there will be much higher numbers.

Senator COOK—It is an economic-modelling exercise. The parameters for the modelling were set by the government. The modelling work was done by the Centre for International Economics, and I do not question their competence in doing that modelling. The title is *Economic impacts of an Australia-United States free trade area*. What is the impact on jobs?

Mr Deady—I do not think there any specific numbers in there on jobs.

Senator COOK—There are none at all.

Mr Deady—No, I do not think there are.

Senator COOK—So while we set out to model the economic impacts, we never thought to ask ourselves what the impacts will be on jobs?

Mr Deady—I think that the modelling work pointing to higher levels of economic activity—

Senator COOK—leads to an assumption that jobs will flow.

Mr Deady—Yes. I do not think that it is an unreasonable assumption that jobs will flow with higher levels of economic activity, productivity growth and other things. They would be part of the model.

Senator COOK—What is the impact on regions? We did not model that either, did we?

Mr Deady—It is a macromodel, as I think you said. That model itself, though, does provide quite a lot of sector detail, which is one of the reasons we went—

Senator COOK—It does, which leads to my next question. Although this is an economic model, we did not model the impacts on jobs. We do not know how many jobs will be lost or created because of this. We did not model the impact on regions, and so we do not know where the jobs will be, which regions will suffer and which regions will grow. One of the biggest arguments that blocks the effective ability to negotiate trade arrangements relates to the structural problems of implementing economic change, but we never modelled that. The interesting thing about this is that the report says that the potential areas of gain for Australia are, as I have reported, sugar and dairy. It says:

For the United States the main gain is in the manufacturing sector. Exports of motor vehicles and parts to Australia could rise by 46.6 per cent and exports of metal products could rise by 25.2 per cent.

So we gain dairy and sugar—if you believe it—and maybe some peanuts and some bales of cotton. They gain motor vehicle components and metal products. We have the low value added; they have the high value added. Did anyone talk to the motor vehicle component parts sector about the fact that the American motor vehicle components parts sector is going to penetrate our market to the tune of 46.6 per cent more than they do now?

Mr Deady—That study is publicly available. I do not know what sort of detailed discussions there have been on the modelling. I doubt we have had much discussion on the modelling with the industry sectors. We are talking to the industry all the time. The modelling is based on assumptions. I assume that, like most of that economic modelling work, the assumption that drives the model is full employment. So adjustments are made to employment to ensure the continuation of full employment. That is how the parameters of the model are established, and that is how the thing runs. It would take a separate, much more qualitative exercise to go through and look at what actual employment might or might not be created by sectors. Again, I do not think it is an unreasonable expectation that growth in GDP, productivity and employment would respond to that sort of expansion.

Just on the growth numbers, you are right about the 46 per cent growth in auto parts. What probably has to be looked at—and I do not think it comes through from what is there—is that they are percentage numbers. They all certainly contribute to the gains for the United States, just as the sugar and dairy contribute to the gains for Australia. But there are gains right across the board. As you are well aware, for a big export sector the percentage changes could be small and the contribution could be very large. For smaller export sectors, the percentage numbers could be high but the actual contributions may not be. All of those factors need to be

looked at. They are the results that the model has produced. We went out and got this work done because we thought it was very useful and valuable. It was done independently by the CIE. The work shows that simulations were done. They said, 'If we get 50 per cent—

Senator COOK—They are a professional organisation; I do not knock them.

Mr Deady—Those numbers are there. They said, 'If we get 50 per cent liberalisation, we get about half.' There is nothing there that we are trying to—

Senator COOK—I am not saying that you are trying to do anything. The study speaks for itself. But no modelling was done on jobs. It is a pity that the minister is not here, because I would ask him about the South Australian sensitivities in the automotive industry. If you lose your job in Adelaide with a car component manufacturer because the Americans take part of your market because of our free trade agreement, you could get a job in the Victorian dairy industry or the Queensland sugar industry to compensate—if we can break through on those. The macro effect is that there may be more jobs; but in a broad, brown land such as Australia, the geographical locations of those jobs are well and truly a long way apart, and there is the effect on regions and industries. People losing jobs in Adelaide, for example, may want to know what the government is going to do to help them to relocate to where the jobs are. Because we never model jobs, we do not know what the real economic impact on Australian people might be. It might make a difference to profits in some industry sectors, but we do not know what the impact on people will be. I do not expect you to comment on that.

There is another thing about the study that I cannot leave without asking you about. We have a \$9 billion deficit in our trade with the United States. Apart from our deficit with the EU, it is our biggest trade deficit. I am not one of those bilateral trade deficit freaks; I think that, as long as the account across the board balances and we are in surplus, we are doing all right. That means that with some countries we will have a deficit and with some countries we will have a surplus. As long as you add it up and we are in front, fine. But we are not in front; we are behind. The question is: if we get further behind because of a bilateral trade agreement here, where do we pick it up to bring our account back into balance or surplus? I quote from the results of the modelling exercise on page vii:

Expressing the stream of net benefits over the next 20 years in net present value terms, the gain in welfare to Australia could be US\$9.9 billion and for the United States US\$10.3 billion (chart 1).

So in US dollars, they do better than we do. It goes on:

For GDP, the net present value of benefits is US\$15.5 billion for Australia and US\$16.9 billion for the United States.

They do better than we do. The deficit widens. A free trade agreement on our own modelling shows that the bilateral trade deficit with the United States widens. That is our own model!

Mr Deady—Senator, I do not think—

Senator COOK—That is what it says. That is the government's model.

Mr Deady—I believe it says that in fact our export growth will be stronger than our import growth from the United States as a result of the free trade agreement. It talks about the general welfare growth and the growth in GDP. Stating the obvious, the US is a much larger economy; I do not see that there is anything startling—

Senator COOK—You are right. It is cunningly presented. It is presented in terms of percentages of our GDP and their GDP and, because of the size of their economy compared to the size of our economy, the percentage terms which it shows are smaller for their economy than they are for ours, and so you could think, 'It looks good on percentages.' But, when you

consider the size of their economy, in money terms they do better than we do—and that is why those figures are there. You calculate the trade deficit in money terms, which means that the deficit opens—it broadens. So, from our own study, we are saying that the bilateral trade deficit—which is the biggest of any single country in the world—increases.

Mr Deady—I do not believe it does say that the trade deficit will increase. It says that there will be—

Senator COOK—No, it does not say it in those terms, but the figures say it—just as the figures in the extrapolation that the government uses say \$4 billion.

Mr Deady—I do not believe that that is the case. What the figures show is that in fact, as you remove the barriers in both countries, Australian exports to the United States grow more quickly than US imports into Australia. So that will narrow—

Senator COOK—After 20 years.

Mr Deady—I think it is after 10 years—

Senator COOK—Let me go to the actual page. This is all a bit confusing. I find it a bit confusing when I read it to know exactly what it means, because they give one figure for the United States after five years and about three figures for Australia after five, 10 and 20 years. After 20 years, the Australian figure is better than the United States figure after five years. But we do not say what the United States figure is after 20 years, and so we are not making an apples to apples comparison. Maybe you can take this next question on notice, Mr Deady, because I have got several other questions I want to move on to. Can the department tell me whether, according to this study—because I read out the figures and they are there on page v of the report—the trade deficit we have with the United States narrows or widens? You say you believe it does.

Mr Deady—On page 21 of the study, it does say that Australian exports rise 0.8 per cent higher than they would otherwise, and imports are 0.4 per cent higher than they would be otherwise. Of the current account, it says:

With exports rising above imports there is an improvement in the current account deficit, which improves by 0.08 per cent when expressed as a percentage of GDP.

So our exports grow more quickly than our imports, as a result of the free trade agreement. I think that reflects in part—and this partly get to the question about how that is reflected in GDP—that the United States is removing quite significant distortions in agriculture, that that is leading to a more competitive environment on the part of the United States, and that they are the multiplier effects that flow through the economy, which is a much bigger economy. So the actual numbers, the growth and the \$15 billion for the United States, reflect the size of the economy.

Senator COOK—Your explanation is perfectly consistent with the argument that I am putting that the bilateral trade deficit widens because our exports grow faster to them than their exports grow to us and the exports we grow faster in are sugar and dairy while the exports they grow faster in are automotive componentry and metal products. The value of a barrel of milk compared with some sophisticated automotive technology is greater in money terms, and we calculate the deficit in money terms. Your argument is consistent. It may well be that our exports are growing faster, but we are growing faster in a low value added area, while they are growing slightly slower in a high value added area. So the money advantage, in which you calculate the deficit or the surplus, is still in their favour. That is what that report, which I quoted earlier, said. I will not quote the figures again now, but they are on the record. We are all agreed, aren't we? Perhaps you could take that on notice.

Mr Deady—I will take that on notice. I will just make one more point. One of the strongest growing areas of our exports to the United States over recent years has been in elaborately transformed manufactures. There are still substantial tariffs in certain areas outside of agriculture that we would look to to have reduced as part of these negotiations. The contributions to the growth in Australia's GDP over that period is in all of those sectors; it is not just in dairy and sugar. That is a misrepresentation of this study.

Senator COOK—If you are going to accuse me of misrepresenting—

Mr Deady—No, not you. But there have been claims that have said that, because of these huge percentage numbers against sugar and dairy, they are the major or the sole contributors to this expansion of \$4 billion. That is a misrepresentation of what the study shows. They are large percentage gains. In dollar terms they are significant gains, but to get to the \$4 billion you add up all those dollar contributions across all those sectors—that is all I am saying. It is not as if 90 per cent of that \$4 billion comes from dairy and sugar.

Senator COOK—I could quote from the study again where it says that our biggest gains are in dairy and sugar and their biggest gains are in automotive and metal products, but I am getting pressed to conclude and I have hardly even started yet. But, in obedience to the arrangements, I will have to conclude soon. If I am right—and nothing that has been said today suggests that I am not right, but you are taking this on notice and you are going to think about it and come back to me—an FTA is going to widen the bilateral trade deficit between Australia and the United States, which is already the biggest single trade deficit we have on a bilateral basis, and we are going to have to make that up somewhere else. It seems to me that the only place where we can make it up is in the round. The round, as I quoted from the *Economist* and the *Financial Times* last night, is being undercut by—and here is the funny irony—the proliferation of free trade agreements, so maybe we are shooting ourselves in the foot. Is this the only study on the impacts of a bilateral trade agreement with the United States that the government has commissioned?

Mr Deady—Yes. It is the only economic modelling study that has been done. You would be aware that another study was done by the APEC Study Centre, which again took a more qualitative approach to—

Senator COOK—Wasn't that a report?

Mr Deady—Yes. It was not modelling work.

Senator COOK—With the greatest respect to Mr Oxley, whom I have considerable regard for, I do not place much store at all on the study that he wrote, but that is my view and others will have a different one. In surfing the Net the other day—I did not do the actual surfing, one of my staff did; I am technologically illiterate when it comes to that sort of thing—the RIRDC on their web site say that they have conducted a study. Are you aware of that?

Mr Deady—They may have done some work on it—I am not sure.

Senator COOK—It is entitled 'A US-Australia free trade zone? Issues for Australia's farmers'. ACIL Consulting Pty Ltd did it on behalf of RIRDC, and it looks as though the study has been completed.

Mr Deady—I am not aware that that study has been completed.

Senator COOK—You even get mentioned, Mr Deady. The document says:

A steering group was formed comprising Bernard Wonder (Ass Sec AFFA), Stephen Deady (Special Negotiator, DFAT) [or Alan McKinnon, Special Negotiator DFAT], Lyall Howard (NFF) and Jeff Davis (RIRDC). Research and drafting was followed by the circulation of a preliminary draft to the steering

group in early June. This was discussed at a steering group meeting on 13 June 2002. Work continued from that date taking up the steering group's drafting recommendations (especially the need for greater quantification) with completion expected in September.

It is now November. Has it been completed?

Mr Deady—No, it has not. If that is the study, it has not been completed. The last meeting we had was in September.

Senator COOK—This came off the web site yesterday and it says 'completion expected by September', but you are saying that it has not been completed.

Mr Deady—No. The steering group has not met—if that was September, I would have to check on the precise but I assume that is correct. It was around that time, I think.

Senator COOK—When do you expect it to be completed?

Mr Deady—I am not sure what RIRDC's or ACIL's timing on the rest of it is.

Senator COOK—It is not getting buried, is it, Mr Deady?

Mr Deady—It is not getting buried by the work that was done. We saw that preliminary draft and we had some comments on it. We thought there was some areas that needed considerably more work. We saw a further version in September and we still had some reservations about the work. As a member of the steering group we made those known, and there has not been a further meeting of the steering committee since then.

Senator COOK—Were the reservations about the work any reflection on ACIL's professionalism?

Mr Deady—Not at all.

Senator COOK—Did you like the conclusions or not?

Mr Deady—Again you will probably tell from this that I am not an economic modeller. There were some questions that we had about some of the modelling work and there were some other questions about the general approach to the study, but we are certainly just one voice on that steering committee. That is a study done by RIRDC and certainly in no way would we seek to bury it or in any way challenge it. If it comes out with things that we have some differences on, we would make those differences very well known. But it is an independent piece of research.

Senator COOK—This is a hot subject right at the moment. No less a person than the Prime Minister and a cabinet member from the United States government have just announced that we are going to proceed. This is a publicly funded study, which was supposed to be published in September. The department has reservations about it. They are not professional reservations about the competence of ACIL or the methodology of the study, so what are those reservations about?

Mr Deady—We thought that further work still needed to be done to the study.

Senator COOK—About what?

Mr Deady—Some of the results of the modelling that I saw seemed strange, and I made that point at the meeting.

Senator COOK—Strange?

Mr Deady—Yes, they were. In fact, I would have to look at the study again, but there were assumptions there, like all this modelling, about the contribution of unilateral trade liberalisation and the sorts of cuts that we had looked for with the comprehensive agreement,

and to my mind some of those numbers did not stack up, particularly on the unilateral liberalisation where there was a suggestion that that would not lead to the sort of positive contribution to GDP that you would normally expect from that sort of work.

That may well be able to be completely explained by the modellers in the sense that, because the levels of protection in Australia are now relatively low, you could get this perverse sort of result. That was the sort of questioning we put as part of that discussion. As I understood it, that went back into the mix with ACIL and RIRDC to consider whether they would do further work or where things would go. I honestly do not know—I have not had a discussion with them since that meeting.

Senator COOK—Can you give us a copy of the study?

Mr Deady—All I have ever seen is the draft, so it is not mine to give.

Senator COOK—Whose is it?

Mr Deady—It belongs to RIRDC.

Senator COOK—RIRDC is a government agency, isn't it?

Senator Troeth—It is the Rural Industries Research and Development Corporation, which is part of the AFFA portfolio.

Senator COOK—So it is not part of DFAT?

Mr Deady—No.

Senator Troeth—No, it is part of Agriculture, Fisheries and Forestry Australia.

Senator COOK—I would not mind seeing a copy of this study. How do I get a copy of it?

Senator Troeth—If it is in draft form, I imagine that the final form would not be available. But I will make inquiries of the department and advise you.

Senator COOK—Thank you.

ACTING CHAIR—Senator Cook, we are over time and Senator Faulkner also wants to ask a couple of questions in this area. But perhaps we can give you a minute or two.

Senator COOK—I have more questions, but I am not going to complete them. If I could have another minute to ask a couple of final questions of Mr Deady on this, that would be good. Mr Deady, could you remind me of the date when the Prime Minister and Mr Zoellick announced that the free trade agreement would proceed—was it the 12th?

Mr Deady—It was the 14th, I think.

Senator COOK—I have two letters here, both dated the 12th. They are both directed to the Hon. Robert Zoellick, the United States trade representative. The first is from the National Cattlemen's Beef Association, the National Farmers Union, the National Renderers Association—I am not sure what that is—the National Turkey Federation and the US sugar industry. These are US domestic agricultural lobby groups and they are writing to the trade representative about an Australian free trade agreement. You are probably familiar with this letter. I will not read all of it into the record—it is too long for that anyway—but it concludes:

We urge you to proceed with the utmost caution in launching free trade negotiations with Australia.

Sorry, that is not the bit that I wanted to quote. They write about all of their reservations and they say:

In this context, should the WTO multilateral negotiations begin to falter or slow, we will ask the Administration to suspend any U.S.-Australia FTA negotiations that have been launched. If the WTO

negotiations falter and Australia FTA negotiations are not postponed, we will have no choice but to work to defeat the final U.S.-Australia agreement once it is sent to Congress for an up or down vote.

So they do not want the administration to do anything bilaterally with us that is not being done in the round. Are you aware of this view?

Mr Deady—Yes, I am aware of the letter. Several letters have been written to Ambassador Zoellick about the US FTA. I think the first quote you read out also reflects the fact that the cattlemen and sugar associations—which are the two main associations that you mention there I think—certainly have strong reservations about the FTA with Australia. That is not a surprise to us. But they do not rule out beginning negotiations. They certainly made this point about moving in concert with the WTO negotiations—that is the position they put to the administration. I am sure that is well understood by the administration, but the administration has gone ahead with the announcement of negotiations with Australia. There is no specific time frame set for those negotiations, but certainly the Prime Minister, Ambassador Zoellick and Mr Vaile talked about the need to get on with this work very quickly with a view to moving ahead in the next 18 months. So that is the sort of time frame being talked about, and I think that is reflected, as I said, in the announcements of last Thursday.

Senator COOK—The National Farmers Union covers dairy farmers, doesn't it?

Mr Deady—I think you are right, but I would have to take that on notice.

Senator COOK—So this is the sugar industry and the dairy industry saying, 'Tread warily, Mr Zoellick.' The American Farm Bureau Federation, the American Feed Industry Association, the American Soybean Association, the Corn Refiners Association, the National Chicken Council, the National Grain Sorghum Producers, the National Pork Producers Council, the US Canola Association, the USA Poultry and Egg Export Council and the United States Cane Sugar Refiners Association also wrote on the same day to Mr Zoellick. I am going to have to fold shortly because I am really intruding on others' time, but I just want to get this on the record. They wrote:

We accept the initiation of FTA negotiations with Australia, but that does not necessarily imply willingness to accept the final agreement. Regardless of whether the U.S. decides to proceed with FTA negotiations with Australia, we will insist that the administration use the negotiating process to ensure that progress on SPS issues is not slowed, and, indeed, that it is accelerated. We believe that success in resolving the SPS problems must be achieved or we will oppose the continued negotiations.

Our SPS arrangements cannot be changed, can they, because they are consistent with the WTO?

Mr Deady—We are very comfortable with our SPS arrangements. The science based nature of those arrangements is fully consistent with the SPS rules. Both Australia and the United States are very strong supporters of the SPS agreement, the rules based nature of that agreement and the scientific basis on which risk assessments are done. That is very clear on both sides.

Senator COOK—So the American agricultural producers are putting big stoppers under the wheels of this negotiation. We do not know what the jobs impact is. As I have said, on the modelling we have the deficit widens. It is not a good look, is it?

Mr Deady—The sensitivities of US agriculture about the FTA are well known. That is the area where the largest barriers still remain in the United States and we will be pressing those very hard. The modelling work shows a substantial improvement in Australia's GDP as a result of these negotiations. I will get back to you on the third point. It is not worth continuing that debate; I will get the experts to respond to you. Honestly, my reading of this does not lead

to the conclusion that the actual trade balance widens with the United States. It may well do, but that is not what the deficit—

Senator COOK—That is what the study reports—I just read from a document.

Mr Deady—We must be reading from different parts.

Senator COOK—Nothing that you have said detracts from the conclusion that, in money amounts, the US does better than Australia out of this deal, according to our modelling, which means that the deficit must widen.

Mr Deady—All I can say without prolonging it is that the numbers you read out talk about welfare gains, which is consumption in GDP, and obviously the economic relationship is a much wider measurement than the trade balance. I do not see that because those numbers are slightly bigger for the United States in GDP—which is not a surprise—that leads you to conclude that the trade deficit widens in Australia. You make a good point about these being real numbers, so they are volume concepts. But then, flicking through this, it also says that rising export prices and cheaper imports see the terms of trade gain for Australia under full liberalisation. So our terms of trade actually improve, our volumes of exports go up quicker than our imports and, on that basis, the trade deficit shrinks.

Senator COOK—I was quoting from their conclusions. I will leave it at that point.

Senator FAULKNER—I think my questions are directed to Foreign Affairs officials, not Trade officials. Dr Thomas, for the first part of my questioning, I wondered if you might hold fire as I address my questions to Foreign Affairs officials in case there is a Trade overlap. I do not think there is, but I wonder if you will be able to assist me in that regard.

Dr Thomas—Sure.

Senator FAULKNER—I want to ask some questions about a high level committee of officials. I do not think your officials were involved, but perhaps I can check that before you leave. If they are involved, it will only take a short time anyway. I want to do that first because of the crossover in the portfolio arrangements.

[10.00 a.m.]

ACTING CHAIR—We will move to Foreign Affairs outcomes 1, 2 and 4.

Senator FAULKNER—The first part of my questioning might involve some Trade officials as opposed to Foreign Affairs. Are you clear on what I am saying?

Dr Thomas—I think you are saying that you might need some Trade officials as well.

Senator FAULKNER—Only for a short time. You will know immediately when we start and will be able to make the relevant judgment.

ACTING CHAIR—I am informed that some of the officers coming to the table may be new witnesses, so I make the statement that the committee has resolved that the deadline for provisions of answers to questions taken on notice at these hearings will be 31 January 2003. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. The Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees, unless the parliament has expressly provided otherwise. An officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy. However, you may be asked to explain government policy, describe how it differs from alternative policies and

provide information on the process by which a particular policy was selected. An officer shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister.

Senator FAULKNER—Dr Thomas, I am interested in whether DFAT officials attended a meeting of a high-level committee of officials on Thursday, 29 August 2002 concerning ethanol policy.

Dr Thomas—I assume that we would have attended, but my colleague is checking the details.

Mr Deady—We may well have been involved in discussions, but I would have to take it on notice to check whether we were there. It is not in my direct area of responsibility.

Senator FAULKNER—That is what I am exploring; hence my uncertainty about who might assist us. Are you able to indicate what areas of the department were represented? Is there someone who can assist us with this? We can do it a bit later in the day if someone has to come over from the department.

Dr Thomas—We can check that and get back to you.

Mr Deady—Officers from the Office of Trade Negotiations have been involved in some of the discussions on ethanol, but the relevant people are not here at the moment.

Senator FAULKNER—To save time, which I am sure is in our mutual interest, could we leave this aside for a while. I was not certain whether it involved Trade officials as opposed to other elements of the department. Would it suit you if we left that in abeyance until a little later in the day and came back to it? I am interested in exploring with officials some detail about issues surrounding that meeting and some other matters that flow from it. You can determine who the relevant officials are and, if it would assist, we can come back to it at your convenience.

Dr Thomas—That is fine. We will ensure that those people are here a bit later this morning.

Senator FAULKNER—I thought they may be Trade officials; I was not sure. We will come back to that one, if we can. Dr Thomas can tell us when that suits. I am happy to fit in with him. Having had my tutorial in the last estimates round, I will try to stick as closely as I can to the relevant outcomes and outputs. If it is of any assistance to you, Dr Thomas, and to your officials who are here, I do not believe I have any questions, to the best of my knowledge, on output 3. I hope that is of help to you to save officials sitting through the day. Just remind me of what output 3 is again—you should know that.

Dr Thomas—It is not listed on today's agenda.

Senator FAULKNER—It has not been called on anyway?

Dr Thomas—No.

Senator FAULKNER—That is all right. I was not sure whether it had been called on. So we have officials for outcomes 1 to 4 and enabling services?

Dr Thomas—That is correct.

Senator FAULKNER—I just wanted to get that clear.

Dr Thomas—For your information, Senator, it is public diplomacy and information services.

Senator FAULKNER—As an expert in public diplomacy, I did not think we needed to go into that in any further detail. Thank you, Dr Thomas. I now go to output 1.1.1, North Asia. I wonder whether you or one of your officials are able to indicate to the committee the status of North Korea's weapons of mass destruction programs.

Mr Luck—For some years the government has been concerned about North Korea's proliferation of nuclear weapons. You might recall that in the early nineties it came to the notice of the International Atomic Energy Agency that there were some discrepancies in North Korea's nuclear material accounting at the point that it was establishing its nuclear safeguards agreement with the IAEA following its accession to the nuclear non-proliferation treaty. At that time there was great concern in the region about the implications of North Korea's apparent ambitions to pursue nuclear weapons, notwithstanding its commitments under the NPT, and that led to consideration within the IAEA and other areas, and subsequently to the negotiation between the United States principally and North Korea of the agreed framework which sought to freeze what was then a program for producing plutonium as a possible basis forward to the acquisition of nuclear weapons. In the intervening years there has been continuous engagement, indeed presence, of the IAEA in monitoring that freeze, but there remain unresolved questions about the full extent of North Korea's production of fissile material from the early nineties.

The most recent developments, quite recent in fact, have been that the international community—and I think in the first instance it was the Americans—have learned of North Korea's activities in pursuing high enrichment of uranium, which would be an alternative path to nuclear weapons. That has been, as we understand it, admitted by the North Korean government in discussions with an envoy from Washington a few weeks ago. That of course is the focus of much attention internationally at the moment; there is much activity and concern on the part of the government here in how we might address this and what its implications might be for the pre-existing understandings. I might need to refer to my notes here, but I think there is a view that North Korea may have other weapons of mass destruction programs such as chemical weapons—but I think very little, if anything, is known about these—and possibly those in the biological area. Of course, it also produces, and indeed exports, missiles based on old Soviet designed Scud missiles in ways which are also troubling. So the overall picture is one of great concern.

Senator FAULKNER—Thank you very much for that, Mr Luck. You would recall that this matter was dealt with by this committee at the time of the last estimates hearings. Are you able to say whether there has been any change or movement in the WMD programs since that specific period of time?

Mr Luck—As I recall, the last estimates hearings were in May and June. What I have just said about the discovery of a uranium enrichment program in North Korea is more recent than that, so that is a development.

Senator FAULKNER—It is true to say, isn't it, that effectively there has been an admission by North Korea that it had been working covertly on a nuclear weapons program? That is true, isn't it?

Mr Luck—We believe they have admitted it, yes. It is not universally accepted, though, I would say. Among the nations that we have discussed this as a matter of concern and urgency, I would say that there is not a universal view either that they in fact have the program or that they have admitted it, but our view is that they have.

Senator FAULKNER—Are you able to say how many nuclear weapons DFAT believes North Korea have in their possession?

Mr Luck—In that regard we rely on essentially intelligence information. But our view is that there is uncertainty about their earlier production in the nineties that I referred to and that they may have enough fissile material for three. But that is a process of deduction; we do not have any firm knowledge on that.

Senator FAULKNER—What has this admission meant in terms of tension between North Korea and South Korea, Japan and China? Has there been an escalation in tension that you are able to identify?

Mr Luck—I might ask my colleague Mr McLean to respond, but I think it is fair to say that the most recent developments have come at a time when we had seen North Korea, in a way, opening up to its neighbours and had seen some reciprocity from them. At the very least, it is a disappointment, but it may well be described as an escalation. May I ask my colleague to add to that.

Mr McLean—What Mr Luck has said is correct. This latest revelation or admission by the North Koreans of an uranium enrichment program—which took place during the visit of the Assistant Secretary of State, Mr Kelly, to Pyongyang about four or five weeks ago—is somewhat at odds with the mildly developing trend of North Korea appearing to be opening up somewhat. The most obvious example of that was the visit by the Prime Minister of Japan, Mr Koizumi, to Pyongyang where he had a summit meeting with Kim Jong-Il. It focused primarily on bilateral issues relating to abductions and whatnot of Japanese citizens by DPRK. But it was encouraging that during that particular visit the North Koreans had extended the moratorium that was already in place on further testing of their missiles, which had been of great concern to not only Japan but also other countries in the immediate region. So this admission of a uranium enrichment program was at odds with what was a somewhat hopeful trend.

All the countries of the region—in this case Japan, but also China, Russia and, principally, South Korea, and also the United States because of its own security presence on the peninsula—have quite clearly expressed their deep concern at this development, or admission I should say, by the North Koreans. Australia, being a significant contributor to KEDO, the Korean Peninsula Energy Development Organisation, is equally concerned. We are the major contributor, outside the members of the executive board of KEDO, to the activities of KEDO. Therefore, we have been very much involved with consultation with those principally affected. The short answer to your question is that it has aroused considerable concern, and I guess you can say there has been some increasing tensions as a result.

Senator FAULKNER—Have we been involved, as a result of these recent circumstances that you and Mr Luck have outlined, in providing any involvement—diplomatic, technical or otherwise?

Mr McLean—Yes, we have been. As I said, we have consulted with all the countries I have mentioned—the United States, South Korea, Japan, China and Russia—about an appropriate international response to this particular admission by the North.

Senator FAULKNER—Is that the diplomatic initiative?

Mr McLean—Yes, certainly.

Senator FAULKNER—Have we provided any technical or other assistance, given the current circumstances you have outlined?

Mr McLean—Before I pass that to Mr Luck, I should also say that we have, at ministerial level, called in the DPRK ambassador here in Canberra, and we have had other senior level meetings with their ambassador—in other words, using the channel that exists because of the

establishment by them, earlier this year, of an embassy in Canberra. So we have used both plurilateral and bilateral channels of communication to make very clear our concern about this admission and also to indicate very clearly to the North Koreans that they should immediately abandon this program and, until that is done, they should not expect a continuation of the activities that we and others have had in place that are largely in North Korea's interests.

Senator FAULKNER—So what about these technical or other areas?

Mr Luck—In Vienna over the last few days there has been—and today there will be—urgent consideration given by the governing board of the International Atomic Energy Agency to this issue and to what might be issued in the way of a resolution, unusually, on the subject, setting out a clear view of the members of the IAEA governing board and the agency itself as to what is expected of the North Koreans by way of response to the overtures that the agency has already made to seek clarification of their programs and intentions. We have been taking a leading role in the preparation and consideration and advocacy of the draft resolution. My understanding is that it will be decided in the next few hours. Also, and this may be what is on your mind, prior to discovery of this latest development—that is, a clandestine enrichment program—we had, through the Australian Safeguards and Non-Proliferation Office, offered and provided some technical assistance to the DPRK, in concert with the International Atomic Energy Agency, in the know-how of safeguards administration—which was seen as a technical and helpful way of reinforcing the proper habits of international scrutiny in that country.

Senator FAULKNER—So how does DFAT deduce that North Korea has sufficient fissile material for three nuclear weapons?

Mr Luck—We tend to rely on expert technical advice on that sort of thing, including advice from the intelligence agencies.

Senator FAULKNER—Can you say over what period?

Mr Luck—Yes. As I said earlier, those estimates are based on an analysis of what might have been able to be produced—and, in a way, of what is not known about that—in the early nineties under the program they were then running in a type of reactor that was suitable for the production of plutonium. They are estimates of the amount of fissile material that might have been accumulated, and technical specialists—and there is some sensitivity about this point—can make deductions, based on those estimates, as to how successful they may have been in making weapons.

Senator FAULKNER—It is still not 100 per cent clear to me what sort of technical assistance Australia might be providing.

Mr Luck—Maybe I could ask our colleagues from ASNO to give you some more detail on that, if you want to explore what I have apprised you of earlier in respect of technical assistance and safeguards.

Senator FAULKNER—Can I quickly say that, in the first instance, I have no pretensions to be a specialist in this. I was just trying to get a broad understanding.

Dr Thomas—Dr Leask from ASNO is involved in providing technical assistance. Perhaps he could give you—

Senator FAULKNER—I think that would be very helpful and no doubt he will have in mind that he is speaking to a rank amateur on this side of the table.

Mr Leask—The technical assistance that ASNO has provided to North Korea consists of helping them to understand the specific requirements of the International Atomic Energy

Agency in regard to safeguards and specifically in relation to how you account for nuclear material, what sorts of declarations are required and how those declarations might be filled in. We have provided to North Korea software that we have developed specifically for accounting for nuclear material and we understand that North Korea at least was going to use that for its national standard. We believe that there are several objectives in this and one clearly is to help North Korea to comply with IAEA requirements. We also believe that it is very important to demonstrate to North Korea that, when it comes to agency expectations and requirements, North Korea has not been singled out for any specific treatment or for anything more demanding than anybody else does. Australia believes that, as a good member of the NPT and so on, that our experience can demonstrate to them that what is asked of them is what is asked of every other member that complies with international safeguards. We believe that helping North Korea understand the agency requirements, positioning it to eventually become compliant—should it so choose—with agency safeguards is important and of benefit to Australia. That is the nature of the technical support that we have given to North Korea.

Senator FAULKNER—So it is the software that you mentioned—

Mr Leask—Yes.

Senator FAULKNER—Are any personnel involved?

Mr Leask—We have trained North Korean experts here in Australia on three occasions—in 1986, 2000 and 2001—and this year one of my staff went to Pyongyang, the capital, for further training so we were able to reach a greater number of North Korean experts.

Senator FAULKNER—Are there any other areas of technical assistance?

Mr Leask—None whatsoever.

Senator FAULKNER—So it is limited to what you have explained to us?

Mr Leask—Yes.

Senator FAULKNER—Thank you very much for that. I am very pleased that you are here. Excuse my ignorance, but is there monitoring or verification of how this software is used? Is it planned, or under way? I suppose the first thing I should ask is: is the software being used?

Mr Leask—I do not think that it is being used fully at this stage, but we have explained to the North Korean experts how to use it and we have assisted them with the use of what we would call ‘dummy data’ simply because they obviously did not wish to show us what information about their own sources they might put into the database. There is in limbo an offer of further training and assistance, should that be requested, and that would obviously be treated on its merits when it was requested.

Senator FAULKNER—What about monitoring and verification?

Mr Leask—With the International Atomic Energy Agency’s blessing and support, we have simply provided a tool to North Korea. In regard to monitoring and evaluating North Korea’s nuclear program, that is the business of the International Atomic Energy Agency.

Senator FAULKNER—Sorry, I think we are cross-purposes here. I was asking about monitoring and verification of the use of the software.

Mr Leask—It really is up to North Korea as to whether or not it wants further assistance. We believe the training that we have given them is sufficient to enable them to use the software. We have prepared, but not delivered, an upgrade to that software. If North Korea wants to use the software and wants further assistance, it could ask. If it uses the software and

it meets IAEA requirements, which we believe it ought to, then the agency presumably will be satisfied.

Senator FAULKNER—You are saying that they have got the software, certainly with assistance in terms of its appropriate use; that is right, isn't it?

Mr Leask—Yes.

Senator FAULKNER—Is whether they use it or not going to be checked?

Mr Leask—We cannot really check on that. We can only respond to North Korean requests for further assistance and so on. However, if they use the software, it is conceivable that we may get some indication from the IAEA as to whether that was a successful outcome; or the IAEA might advise us that there are still some problems and ask if there is any way that we could assist in resolving them.

Mr Luck—I am not sure if this will help you in this line of questioning, but this software is something that will help not only the North Koreans in the first instance but also the international community in monitoring their nuclear activities. It is not something which would help them in activities which would concern us. It is not something that could be used in a weapons program. So it is in their interests and in our interests—

Senator FAULKNER—So you are saying that checking or monitoring the software is of no relevance or importance, then?

Mr Luck—We offer this assistance in the hope that they will use it in our mutual interests. We believe it is of value to them. We would hope to have some indication down the track that that has been the case, but it is not something that we would necessarily seek to monitor closely.

Senator FAULKNER—Dr Leask has said—and I accept it—that we have provided this terrific software, trained the North Koreans in its use and supported them in that regard. But I am just worrying about the next step. We do not know whether or not they are going to use it. Even if we did know that, we do not know how they are going to use it. Is that a fair summation?

Mr Leask—I think that is a fair comment, but—

Senator FAULKNER—So where does that leave us with the software?

Mr Leask—It leaves North Korea with the software, which it may or may not choose to use.

Senator FAULKNER—Okay. Isn't it true that Mr Downer announced a couple of years ago that Australia would establish full diplomatic relations with North Korea?

Dr Thomas—Yes; that is correct.

Senator FAULKNER—Where is that up to now?

Dr Thomas—We did establish full relations. Our ambassador in Beijing presented credentials and is the non-resident ambassador to North Korea as well. The North Koreans themselves have set up a resident embassy here and have an ambassador living in Canberra. In terms of any further movement on our setting up an Australian embassy in Pyongyang—a resident one, at this stage—I would have to say that things are on hold because, as the minister made very clear, he called in the North Korean ambassador and said, 'There can be no movement in any direction in our bilateral relations until you do something about these recent revelations about your nuclear program.'

Senator FAULKNER—How would you describe the status of diplomatic relations with North Korea, in a formal sense?

Dr Thomas—We have full diplomatic relations and we have that channel open to us, but we are not doing any additional activity beyond keeping that channel open and talking to them. So we are not prepared to look at aid programs or things like that, for example, which they ask us for. The only other thing we do is give some humanitarian food assistance through the World Food Program, but there is no bilateral aid possible at the moment until we get some movement from them on these security questions.

ACTING CHAIR—We will have a short break.

Proceedings suspended from 10.35 a.m. to 10.51 a.m.

ACTING CHAIR—We will resume questioning on outcome 1.

Dr Thomas—Could I add to the point I was making before the break in regard to relations with North Korea. While it is true that there is no movement bilaterally in any area and there is no bilateral aid as such, there is one residual bit of aid assistance, which is through the ACIAR—the Australian Centre for International Agricultural Research—which is in our portfolio. They have an agricultural research project to do with food production. The minister has allowed that to see out its time on the basis that it really falls in the area of humanitarian assistance or food aid.

Senator FAULKNER—Thanks very much for that. It would be useful for the committee to understand where the KEDO program is up to given the circumstances that you have outlined.

Mr Luck—Before I answer, can I say that we did not make clear enough, in our response to your earlier question about technical assistance and the software package, that not only is it benign and done under the oversight of the International Atomic Energy Agency but also it is a nuclear materials accountancy package. It helps North Korea, and therefore the rest of us, to keep track of their nuclear material. So in that sense it is a good thing.

KEDO was put in place as a consequence of the agreed framework which was established between the United States and the DPRK in 1994. Its principals, from memory, are the United States, Japan, ROK and the EU. It is the organisation which supervises the delivery of heavy fuel oil to North Korea, which is part of the bargain struck when North Korea agreed to freeze its plutonium production program. It also supervises the provision, financing, design and construction of the two light water nuclear reactors which were also part of that deal to be provided to North Korea. KEDO had an executive board meeting last week at which it allowed a shipment of heavy fuel oil which was then on the water to proceed but indicated there would be no more fuel oil shipments until North Korea had met its commitments and obligations in the nuclear area.

The reactor construction project has been continuing over a number of years. I do not have a precise picture in my mind of what stage that has reached. There has been physical construction but not to the point where what we call the nuclear components of the reactor have been introduced.

Senator FAULKNER—So what is its status?

Mr Luck—Of the reactor project or KEDO?

Senator FAULKNER—Of KEDO, in the light of what we have been speaking of this morning.

Mr Luck—KEDO exists, but it is seized of the implications of this new information and it has already issued a strong statement about the expectations on North Korea to abandon its nuclear ambitions and its nuclear programs. It is no doubt reviewing how they might react and where we would proceed.

Senator FAULKNER—But it is not abandoned?

Mr Luck—No.

Dr Thomas—No decisions have been taken yet on what KEDO's future is at this stage, including by the United States.

Senator FAULKNER—Is it on hold, then?

Dr Thomas—Basically, yes.

Senator FAULKNER—That is what I am asking. That is a fair way of describing it?

Dr Thomas—That is a fair way to describe it.

Senator FAULKNER—I think it would be best to take a couple of questions on notice, Dr Thomas. I know that two DFAT delegations went to North Korea in 2001—I think it was 2001, but you can correct me if I am wrong; Mr Luck will know, of course, at the drop of a hat—to discuss diplomatic relations. I wonder if on notice you could provide the committee with the detail of the costs of those visits if that is possible, please.

Dr Thomas—We can do that.

Senator FAULKNER—I think I have the dates right.

Mr McLean—I think they were in 2000, or maybe one was in 2000 and the other was in 2001.

Senator FAULKNER—There were two, though, Mr McLean?

Mr McLean—I think that is right. But it would have been in the financial year 2000-01.

Senator FAULKNER—Dr Thomas, if you would not mind taking that on notice I would appreciate it. Also, could we have on notice a breakdown of moneys paid by Australia to North Korea in two areas: firstly, humanitarian assistance; and secondly, in support of KEDO. I understand that since about 1994 it has been upwards of \$20 million, but if we could just have a breakdown of that it would be appreciated.

Mr McLean—I can provide those figures now. The total amount that we have provided for food aid through the World Food Program primarily is \$A36 million.

Senator FAULKNER—Over what period?

Mr McLean—The last 10 years.

Dr Thomas—Since the agreed framework.

Mr McLean—It is since 1996. Since then, in those six years we have provided approximately \$6 million each year in food aid through the World Food Program. Secondly, in respect of KEDO, as I mentioned earlier, we are the largest contributor to KEDO outside the members of the executive board. We have provided \$22 million in total since 1995.

Senator FAULKNER—If it is not a problem, I would not mind the annualised figures that are contained within that. I appreciate the information that Mr McLean has provided.

Dr Thomas—We can get that information—it actually comes from AusAID, so we can get those figures.

Senator FAULKNER—Yes. I would appreciate that.

Mr McLean—We can table those figures—we have them.

Senator FAULKNER—Thank you.

[11.01 a.m.]

ACTING CHAIR—We will now move on to output 1.1.2.

Senator FAULKNER—Could we get a very brief overview of the DFAT perspective on the current structure of Kopassus?

Ms Rawson—I do not have detailed information on the structure of Kopassus. I think that would be a matter for the Department of Defence.

Senator FAULKNER—I accept that point in the broad, but I thought that the Department of Foreign Affairs and Trade would keep a weather eye on these sorts of issues. That is not the case?

Ms Rawson—I certainly do not have information that relates to the detail of the way Kopassus is structured.

Senator FAULKNER—Do you have any understanding of the training operations of Kopassus?

Ms Rawson—No.

Senator FAULKNER—Is such knowledge elsewhere in the department? In other words, tell me if I am on the wrong output.

Senator Troeth—I suspect that this matter lies largely in the Department of Defence.

Senator FAULKNER—I appreciate the assistance, Senator—I think that is a valid point—but I am wondering if in any area of the department there are officials responsible for keeping an eye on this.

Dr Thomas—Not with the sort of detail that you are seeking. Apart from Defence, intelligence agencies keep an eye on the details—the structure and functioning—of Kopassus.

Senator FAULKNER—Let us come at it in a different way. To the extent that it does happen in DFAT, and I do hear what is being said to us, does it occur in Ms Rawson's area?

Dr Thomas—It really comes to light in DFAT if Kopassus is involved in some action that gets everyone's attention. You would be aware that there have been some human rights accusations about their activities in the past in various parts of Indonesia, so to that extent DFAT follows its activities.

Senator FAULKNER—But what area of the department follows it? Would this come to the attention of Ms Rawson or someone else in the department?

Dr Thomas—It is partly hers in terms of possible Kopassus activities in, for example, certain provinces of Indonesia. That would come under Ms Rawson's division.

Senator FAULKNER—Ms Rawson, training operations, for example, are not something that you have any knowledge of?

Ms Rawson—No.

Senator FAULKNER—What about any understanding of the activities of the different Kopassus military units?

Ms Rawson—I do not have a detailed knowledge at all of the way that Kopassus is structured or what various elements of it do.

Senator FAULKNER—Following through from what Dr Thomas said, do you have an understanding in relation to Kopassus's activities in various provinces or regions?

Ms Rawson—As Dr Thomas has said, when there are reports of Kopassus or possible Kopassus involvement in various activities in parts of Indonesia, that is of interest to my division. We try to follow the developments there.

Senator FAULKNER—In the current atmosphere, what about Kopassus's role in relation to the massive concerns about terrorist activity in Indonesia?

Ms Rawson—There has been some coverage of the issue of Kopassus's role in counter-terrorism activity in Indonesia. In the legislative sense, the police have the primary counter-terrorism responsibility but, to my knowledge, within TNI, the defence forces and Kopassus—and I think that this has been referred to in parliament—there is certainly a capacity that relates to issues of hostage recovery. I am aware that that is the case, but I do not have details of how Kopassus is structured to carry out that capacity. But certainly that is an area that Kopassus has that is relevant to counter-terrorism.

Senator FAULKNER—Have you seen publicity about Kopassus's links to terrorist organisations?

Ms Rawson—Certainly. There has been some coverage of that.

Senator FAULKNER—Are you able to provide a DFAT perspective or understanding of any such links?

Ms Rawson—In a general sense. There certainly have been some indications of elements of TNI having links to organisations such as Laskar Jihad, for example, but there is no TNI institutional policy of links with such organisations, to my knowledge.

Senator FAULKNER—Are you drawing a distinction between formal as opposed to informal links?

Ms Rawson—In broad terms, yes. I am drawing a distinction between an organisation having such links as part of its policy and operational procedures, as compared with the possibility of certain elements having, as you have described them, more informal links.

Senator FAULKNER—You mentioned Laskar Jihad. What is your understanding of any Kopassus links to that organisation?

Ms Rawson—My understanding is limited to the statement that I made previously—there are some indications that some elements of TNI have links with Laskar Jihad. I have no more detailed knowledge than that.

Senator FAULKNER—But are those links to rogue elements of Kopassus?

Ms Rawson—I do not know.

Senator FAULKNER—What elements of Kopassus have the links is what I am trying to understand.

Ms Rawson—I cannot be any more specific than I have been.

Senator FAULKNER—Do you know what the Indonesian government is doing about that?

Ms Rawson—As I said, it is certainly not the policy of TNI, as I understand it, to have such links with those organisations. I do not know whether any action has been taken in that regard by the formal structure of TNI.

Senator FAULKNER—I appreciate what you have said to us. You are saying to us that there are links, that they are not institutional links and that there is no policy to have any such formal links with Laskar Jihad, but they do exist. Given that evidence, I am trying to understand, if it is possible, a little more of the background that enables you to say that to the committee.

Ms Rawson—Some of it is based on media reports of what has happened in certain instances—a whole range of information. But, as I say, it is more indications than any particular source that I could cite to you.

Senator FAULKNER—Are you aware of Kopassus links to other terrorist organisations?

Ms Rawson—No, I am not aware of other links.

Senator FAULKNER—Specifically, are you aware of any Kopassus links to Jemaah Islamiah?

Ms Rawson—Not to my knowledge—I am not saying that there are not any such linkages or that there are, to my knowledge.

Senator FAULKNER—You do not have knowledge of those, but you do have knowledge of links to Laskar Jihad.

Ms Rawson—There have been various reports, I think, in the instance of activities with regard to Papua and links to Laskar Jihad but, as I say, they are just indications.

Senator FAULKNER—Does the Department of Foreign Affairs and Trade have an awareness of West Papuans who have gone missing in unusual circumstances?

Ms Rawson—Certainly in Papua over quite a long period of time there have been a number of incidents involving deaths and disappearances of Papuans. We are certain of that.

Senator FAULKNER—Of what relevance is the terrorist organisation Laskar Jihad to those?

Ms Rawson—I am not aware of any particular instance in which Laskar Jihad has been linked to deaths or disappearances. Again, I would not pretend to know all the information that there is about that; equally, I am not aware that there has been any such linkage. I am certainly saying that I am not aware, but I would not discount the possibility.

Senator FAULKNER—Dr Thomas, we have heard from Ms Rawson—and I will certainly try to be very fair in the way that I sum this up—that there is an acknowledgment of Kopassus links but not institutional links to Laskar Jihad and an acceptance that there may be other links to other terrorist organisations. I think that is a fair summation. Do you agree with me?

Dr Thomas—Yes.

Senator FAULKNER—If that is a fair summation—and you acknowledge that it is—can the committee be satisfied that there is no intelligence failure by DFAT in relation to the inability of DFAT to provide further and better information on the nature of these possible links, whether they are substantive or not, particularly given the evidence we have received about Laskar Jihad? Is this the best information that you are able to provide the committee?

Dr Thomas—We are not an intelligence agency.

Senator FAULKNER—I know that. Is this the best information?

Dr Thomas—Information on these sorts of things is notoriously very difficult to come by. They are the sorts of issues which attract a lot of speculation in the press and, as Ms Rawson says, from time to time we see indications that there may be links between TNI or Kopassus and particular groups. The intelligence community is of course trying very hard to find information on these sorts of things and to analyse that. It is really more the Defence portfolio and organisations like DIO and our Office of National Assessments that look at these sorts of things.

Senator FAULKNER—What does the department make of the claims that Kopassus is involved in insurgency and related activities in West Papua?

Dr Thomas—Those sorts of possibilities concern us very much, and we make that very clear when opportunities arise when we talk to the Indonesian authorities, be they civilian or military. We also make it very clear to the Indonesians that it is in their own interests to ensure that their people behave appropriately in these sorts of areas.

Senator FAULKNER—I completely accept your answer and I certainly accept the concern that you express, but are you able to shed any light on the claims?

Dr Thomas—I am not. I am not in possession of any detailed information about these things.

Senator FAULKNER—Ms Rawson, are you able to shed any light on those claims?

Ms Rawson—As I have indicated, I cannot cite any specific sources for them. There may be information in intelligence material but I am not in a position to comment on that.

Senator FAULKNER—What information can you provide the committee in relation to the operation against the Freeport gold and copper mine in West Papua?

Ms Rawson—As you obviously know, two United States citizens and an Indonesian citizen were killed in an attack at, I think, the end of August. That attack is under investigation by the Indonesian authorities. There has been some media speculation about who might have been responsible for that attack, with allegations of involvement by members of TNI as well as members of the Papuan separatist movement OPM. That investigation is ongoing. I am not in a position to say what its outcome will be. The government has certainly made it clear to the Indonesian authorities that the investigation should be conducted in a thorough way and that those who are responsible should be brought to justice.

Senator FAULKNER—I have read similar newspaper stories and that is why I am asking these questions. But I must admit that I assumed that the department of foreign affairs has better information than what I might read and what I might happen to pick up in a newspaper article. I am sure that is not the only source of information and we both well know it is not the only source of information you have. Here is an opportunity for the department to nail this down with what you are able to say publicly in relation to these sorts of issues.

Ms Rawson—I am certainly am not relying, as you say, just on media information, but my earlier comment related to the fact that there is an ongoing investigation. I do not think it would be appropriate for me or other officials to profess to be in a position to state what the outcome of that investigation might be. Indeed, for that to happen would not be helpful to the conduct of a thorough and complete investigation.

Senator FAULKNER—This is all taking place in the context of Australia exploring the possibility of cooperation with Kopassus in antiterrorism activities—that is right, isn't it, Dr Thomas?

Dr Thomas—We are exploring cooperation with Indonesia in its totality in terms of counter-terrorism activities. Some of that may involve, at some stage, the use of Kopassus forces.

Senator FAULKNER—I appreciate that you are exploring these issues with Indonesia in its totality, but I am focusing here on Kopassus. That is also being explored, isn't it?

Dr Thomas—I do not have much more detail than what I have said on that.

Senator FAULKNER—What information do you have? What is the status of such an exploration?

Ms Rawson—I would like to answer that question. I think both Mr Downer, the Minister for Foreign Affairs, and Senator Hill, the Minister for Defence, have said in parliament in the past week or so that the government has not made any decision to expand or reintroduce links with Kopassus. It has indicated, as Dr Thomas has said, that the issue of such links in a counter-terrorism context would be something that would be sensibly considered by any government. But there has been no decision to expand links or reintroduce such links at this stage.

Senator FAULKNER—There is no decision, but the matter is being explored—it is under consideration; that is right, isn't it?

Ms Rawson—In terms of the counter-terrorism part of that, it is being explored and is under consideration but there has been no approach to Indonesia on that and no approach from them.

Senator FAULKNER—Okay; fair enough. It is under consideration—is that a reasonable way of describing the status?

Ms Rawson—I would go back to the answer that Senator Hill gave in the Senate on 12 November, when he set out the current status of that consideration.

Senator FAULKNER—Anyway, you are able to say to us at least that Kopassus has informal links with Laskar Jihad?

Ms Rawson—No, I don't think I used those words, Senator. I think I said something like there were indications that elements of TNI might have links with Laskar Jihad.

Senator FAULKNER—And you are unable to give any further information about possible links between Kopassus, or TNI more broadly, and other terrorist organisations?

Ms Rawson—I am not in a position to do so.

Senator FAULKNER—Is anyone in the department in a position to do that, Dr Thomas? I am drawing a distinction here between what you have been able to tell us in relation to Laskar Jihad and other terrorist organisations.

Dr Thomas—I really don't think we have any other information that we are able to offer at this stage, Senator. It is naturally an area we ourselves are very interested in. Information is extremely difficult to come by in that sort of area.

Senator FAULKNER—Of course. Why are you able to go further in relation to Laskar Jihad than other terrorist organisations?

Dr Thomas—I am not sure that we are. I think all Ms Rawson was saying is that there may be links or there may not be, based in particular on lots of media speculation.

Senator FAULKNER—No, with respect, that is not what she said.

Dr Thomas—I don't have any more information. I just can't add to the answer, Senator, I am sorry. I have no more detail about alleged links between other parts of the military and extremist organisations but it is an area in which we, like others, are keen to get information if it exists.

Senator FAULKNER—Are you kept abreast of any Australian military-to-military exchanges?

Dr Thomas—Only in a general sense of whether they are occurring and so forth.

Senator FAULKNER—Have there been any Australian military-to-military exchanges in a general sense that have involved Kopassus?

Dr Thomas—I am not aware of any in the recent past, no. There are certainly talks between our military and TNI but I am not aware of any particular links with Kopassus.

Ms Rawson—As I indicated in my previous answer, there are no institutional links between the Australian defence forces and Kopassus. The government has not made a decision on links or reintroducing links with Kopassus.

Senator FAULKNER—This definitional issue, Ms Rawson, of institutional links has become very important in this broad discussion we are having about this matter. I have got that on board.

Ms Rawson—I am happy to broaden that to no institutional links, cooperation or other activities with Kopassus.

Senator FAULKNER—I appreciate that but I am making the point that we were talking about institutional links—you were; it is your terminology—between Kopassus and terrorist organisations, which you have been able to rule out, in your knowledge.

Ms Rawson—I am sorry, Senator, I am not sure what question you are asking.

Senator FAULKNER—With respect, that was evidence you provided to this committee. It was not the terminology I adopted; it was the terminology that you adopted. I assume from your answer, Dr Thomas or Ms Rawson, that no official of DFAT is aware of any individuals from Kopassus units having been in Australia for any purposes in the period since September 1999; would that be right?

Ms Rawson—Not to my knowledge, but I could not say that is because it has not happened.

Senator FAULKNER—Senator Troeth, this is perhaps best asked of you. I do not mind if it is answered by officials, but perhaps I could direct it to you because it goes directly to the government. Is it correct to say that the government has not ruled out cooperation with Kopassus in antiterrorist activities?

Dr Thomas—What we can say is that we are not sitting around a table with Kopassus at the moment and talking about how we will cooperate on antiterrorism. In the Australian government's consideration of how we deal with terrorism in our region generally and how we will cooperate with a number of countries around the region, we look at the various contingencies. It is a simple fact that, in the event that something took place in Indonesia which involved Australians—some sort of act or a hostage situation, for example—the part of TNI which would be involved in trying to resolve that situation on the ground would, of course, be Kopassus, because that is the sort of thing that those special forces do. In that sort of hypothetical event, that is the group that Australia would have to seek to cooperate with to help resolve some issue or some particular situation. It is simply to that extent.

Senator Troeth—I quote from Senator Hill’s response to Senator Bartlett in the Senate on Tuesday, 12 November, which I am sure you would be familiar with, where he says:

... I think there is an argument that it would be in Australia’s interests if we could at least communicate with that body—

that is, Kopassus—

and satisfy ourselves ... I recognise that, because of the record of Kopassus, it is not a straightforward issue at all. In rebuilding our defence relationship with Indonesia, we have been approaching it cautiously on a step-by-step basis when we have been able to identify steps of mutual interest. That has been the preference of both sides.

Senator FAULKNER—Dr Thomas, could you briefly explain to the committee, as you understand it—and this is something that does, I think, fall absolutely in your area of responsibility—what is the constitutional role or the legal capacity in relation to involvement in counterterrorism operations with the Indonesian national police on the one hand and Kopassus on the other? There is a distinction, isn’t there? If there is, could you explain it to the committee, please?

Dr Thomas—I do not think I am the person to explain it, Senator, but I think your reading of it is correct. How any particular terrorist incident would be played out or dealt with is, of course, for the Indonesian government to coordinate at their end. What we have really been talking about on this is where we might plug into any of that at a certain stage. We have also been talking to the Indonesians—as I think you are aware, we signed a memorandum of understanding with them in February this year on combating international terrorism. Under that umbrella, it gives us various channels into various Indonesian authorities and organisations—law enforcement agencies and so forth—to have fairly practical talks about how we might deal with a terrorist incident.

Senator FAULKNER—Is there someone who could briefly explain for the benefit of the committee the constitutional distinction that we are speaking about? Dr Thomas, you said you were not the right person. Which expert in DFAT would be the right person?

Dr Thomas—It is really defence experts who know those sorts of details. I do not think any officer here could really elaborate on what I said, because it is really going to structural and command issues relating to the Indonesian military. That is really much more the sort of thing that the Defence Intelligence Organisation and others deal with.

Senator FAULKNER—Let me ask a broader question: what is your understanding of the counter-terrorism activities and role of Kopassus on the one hand and the Indonesian National Police on the other? Surely, Australia’s Department of Foreign Affairs and Trade could have a stab at that?

Dr Thomas—I do not have any more detail to add on that. It is not the sort of detail that we do have. It is an area that we are interested in exploring but we are still on a steep learning curve and they are not primarily DFAT’s responsibilities.

Senator Troeth—There is one further comment from Senator Hill which probably will not totally answer your question, but in a second answer to Senator Bartlett on Tuesday, 12 November, Senator Hill said:

... the government has not made a decision on counter-terrorism. That being so, there has not been any specific approach to Indonesia; nor has there been an invitation from Indonesia.

... ..

... as the government has not made a decision, no specific relationship arising from the Bali experience has commenced.

Senator FAULKNER—Didn't Senator Hill use these words in parliament:

Kopassus is the principal counter-terrorism capability within Indonesia ...

And 'to defeat terrorists requires cooperation and mutual support and therefore that issue of dealing with Kopassus on that specific subject is one that is before the government'. They are Senator Hill's words, aren't they?

Senator Troeth—Senator Hill stated:

Kopassus has the principal counter-terrorism capability within Indonesia ...

I would not like to comment further on Senator Hill's intent and I suspect that that should be directed to Senator Hill.

Senator FAULKNER—Have you got the answers to questions that Senator Hill has provided in the parliament?

Senator Troeth—I only have one, which was provided to Senator Bartlett on 12 November, to which I have been referring.

Senator FAULKNER—Isn't it true that Indonesia has ruled out the possibility of any Australian cooperation with Kopassus?

Senator Troeth—I would refer further to Senator Hill's answer on that day. He said:

In my talks with the Indonesian defence minister and in talks between defence chiefs, there has been discussion of the general issue of areas of greater cooperation.

Senator FAULKNER—Isn't it true that the Indonesian Charge d'Affaires said, 'I can assure you that that is not possible'?

Senator Troeth—I cannot comment on that and again—

Senator FAULKNER—Can the department comment?

Senator Troeth—I suspect that you should refer that to Senator Hill.

Senator FAULKNER—No, I do not know whether Senator Hill would be aware of what the Indonesian Charge d'Affaires said or not. I am sure that the Department of Foreign Affairs and Trade would be.

Ms Rawson—I am not sure what the Indonesian Charge meant when he said, 'I can assure you that that is not possible.' I do not know what the 'that' in that comment means. It would be helpful perhaps if we could understand what the Charge was actually responding to.

Senator FAULKNER—You have not heard those comments from the Charge d'Affaires?

Ms Rawson—With respect to that particular sentence, as I said, if I could understand what it was that he was saying was not possible, it would be helpful in answering your question.

Senator FAULKNER—Let me read the full article, and I will quote it directly to you. Let us try this article and you can tell me whether you think it is correct or not. In the *Sydney Morning Herald* of Tuesday, 24 October 2002, under the headline 'Keep your troops, Indonesia tells Hill', the article reads:

A spokesman for Indonesia's Foreign Affairs Department, Marty Natalegawa, said last night that Indonesia 'would not accept the presence of foreign military on our soil'.

Do you know whether or not he said that? Did anyone check any of this through? Does anyone on the South and South-East Asia desks keep a weather eye on what these people are saying?

Ms Rawson—That article is quoting the spokesperson for the Indonesian ministry of foreign affairs. I cannot verify that every exact word of that is correct, but I am sure the media report is reflecting his comments. I do not have a transcript of exactly what he said.

Senator FAULKNER—How do you go about collating these sorts of comments? You keep a record, I assume, of what is happening. Do you have a clipping service?

Ms Rawson—As you would appreciate, there is an enormous amount of information generated by the Australian press coverage. There is the collation of material that is relevant to the department. It is not relevant to my own area, but certainly it is available to all areas of the department and beyond. For the information specifically relevant to Indonesia there is an open source collection unit within Mr Luck's division that keeps an eye on what is covered in the Indonesian press and translates relevant material.

Senator FAULKNER—But didn't Senator Hill say that Australian troops could pursue terrorists in Indonesia, or words to that effect? That is right, isn't it, Senator Troeth?

Senator Troeth—You keep referring to the words by Senator Hill. At the risk of repeating myself, I would simply say to you that most of your questions should be directed to Senator Hill and the Department of Defence.

Senator FAULKNER—With due respect, I am absolutely certain that these issues are within the area of responsibility of both Defence and Foreign Affairs, particularly issues concerning whether there are Australian troops on Indonesian soil. It is not just an issue for the Department of Defence, is it, Dr Thomas?

Senator Troeth—The use of the word 'troops' would indicate to me—as would the references that this is based on Senator Hill's comments—that this would lie almost entirely within Senator Hill's bailiwick. Both Dr Thomas and Ms Rawson have indicated that there is some peripheral interest or notice taken by this department on this issue. But by and large the issues to which you are referring, to my mind, lie with the Department of Defence and Senator Hill.

Senator FAULKNER—I find that very hard to believe, but let us test it out. Does the department of foreign affairs, Dr Thomas, have any knowledge of Indonesian comments in relation to suggestions by Australia's defence minister that Australian troops could be on Indonesian soil in the fight against terrorism?

Dr Thomas—We have of course seen the comments by the Indonesian foreign minister to which you have referred.

Senator FAULKNER—So you have seen those. Do you know what the comments were in response to?

Dr Thomas—I assume they were in response to a comment by Senator Hill, the Minister for Defence.

Senator FAULKNER—Thank you. We have now established that. I thought we needed to do that for Senator Troeth's edification. What comments have you seen, apart from the comments by the Indonesian charge d'affaires? He did a *Lateline* interview, didn't he?

Dr Thomas—I am not sure.

Ms Rawson—Yes.

Senator FAULKNER—Yes, he did. Do you know what the date of that was, Ms Rawson? It looks like we all talking about the same thing now. Would it help if I told you it was on 6 November?

Dr Thomas—We are agreeing that Indonesians made some comments, but we are saying that the substance of the discussion or his response to Senator Hill's remarks are matters which would more properly fall within that portfolio than within ours. We take an interest in it because a foreign government has said something. Naturally, we monitor that and we look at it. But the issue that you are going to is Senator Hill's issue, not an issue for the foreign minister.

Senator FAULKNER—What I am going to is your department's response and involvement in this, if any. At least you are aware of it.

Dr Thomas—Indeed, we are.

Senator FAULKNER—How are you aware of it?

Dr Thomas—From the media reports, not least.

Senator FAULKNER—Has it generated any activity within your department at all? Or is it just 'reading the media reports'?

Dr Thomas—We have monitored the issue.

Senator FAULKNER—Who has monitored it?

Dr Thomas—Ms Rawson's division monitors it and Mr Luck's division monitors it.

Senator FAULKNER—I will go to them. What sort of monitoring, Ms Rawson and Mr Luck, has taken place in relation to this matter? Who has monitored it, how have you monitored it, what resources have been applied to monitoring it? Why wasn't Senator Troeth informed that you were monitoring it?

Ms Rawson—As I mentioned before, in terms of the range of information available from public and other sources, we certainly endeavour to keep across what is said by Indonesian government members, officials and their representatives in Australia. Sometimes what is said requires some action to be taken. In many instances, it is a matter of noting that a particular position has been stated by another government.

Senator FAULKNER—Has a ministerial brief on this issue been generated?

Ms Rawson—Which issue specifically?

Senator FAULKNER—I am speaking in the broad about Kopassus, as you know, but specifically at the moment we are talking about the respective roles of Kopassus and TNI in antiterrorist activities. Has a ministerial brief on those issues been generated?

Ms Rawson—Yes, advice has been provided to ministers on those issues.

Senator FAULKNER—Why wasn't a drop copy provided to Senator Troeth?

Ms Rawson—Normally, Senator Troeth would not be provided—

Senator FAULKNER—Let us take it back a step: was a drop copy provided to Senator Troeth?

Senator Troeth—Normally, I would not—

Dr Thomas—As Ms Rawson says, a submission was provided in relation to cabinet's consideration of the whole issue of defence cooperation and relations with Indonesia. It is not the sort of submission that you just, as you say, drop to people.

Senator FAULKNER—So there was not a drop copy to Senator Troeth.

Dr Thomas—No.

Senator FAULKNER—I have been worried that Senator Troeth is not in the loop. That explains why she is not in the loop. Has the Australian embassy in Jakarta made any representations to the Indonesian government over cooperation with Kopassus at all that you are aware of?

Ms Rawson—No, not that I am aware of.

Senator FAULKNER—Is the only ministerial brief generated in relation to Kopassus the one that you referred to, Dr Thomas? Have there been any others? I am not going to content here; I am going to a process issue.

Dr Thomas—I am not aware of any others.

Senator FAULKNER—There is only one that you are aware of.

Dr Thomas—Kopassus may get mentioned from time to time in various submissions but there has not been a submission on Kopassus or links with it as such.

Senator FAULKNER—It gets mentioned. How many times has it been mentioned in—

Dr Thomas—But you were asking a question about a submission on the issue of cooperation with Kopassus, and I am not aware of any other than this one which ministers have considered on the pace at which we step up our defence cooperation links with Indonesia and in what way.

Senator FAULKNER—Are you talking about coordination comments or are you talking about a broader based submission?

Ms Rawson—In the context of cabinet consideration of issues we would, in some instances, do coordination comments. In this instance the issues would normally result in a separate briefing for the minister.

Senator FAULKNER—That is right. For Senator Troeth's edification, the department is dealing with these issues. I am not critical of that; I would expect you to. Any reasonable person would expect you to. But let us not be fobbed off with some ridiculous suggestion to ask Senator Hill about it. What we are talking about here is DFAT's role and that gives you some idea. I do not want to explore it at particularly great lengths, I can assure you, Senator Troeth, unless you encourage me to do so. But let us not kid ourselves that this matter has not been addressed by DFAT in at least the ways that have now been explained, and possibly in other ways.

ACTING CHAIR—Okay, we will move on.

Senator FAULKNER—At this stage it is okay. Unless I am provoked, I do not intend to ask any further questions about Kopassus.

ACTING CHAIR—Heaven forbid! Then we will move to the next issue.

Senator FAULKNER—No, we will stay in this output, I think. We might come back to Kopassus. I would like to ask something about ASEAN. What is the department's assessment as to why Australia's request for an ASEAN plus Australia summit, along the lines of the current ASEAN plus China summit, has failed to be adopted? Have you got an assessment for us on that?

Ms Rawson—After the ASEAN summit that was conducted in Phnom Penh on 4 and 5 November, Mr Downer welcomed the agreement of ASEAN leaders at the summit to take forward the idea of holding the summit meeting with Australia. As we understand it, the decision was taken to do some further work over the coming months on the modalities of

that—issues such as timing and frequency et cetera—and that that would be further considered by ASEAN ministers in the course of the coming year.

Senator FAULKNER—I had read that somewhere. Thank you for that. I appreciate that this might be difficult for you to answer, but do you have positive expectations about that decision by the ASEAN leaders? I appreciate the point you make about further studying the proposal over the months ahead.

Ms Rawson—I can only rest on what I have said in terms of the need for ASEAN ministers and leaders to consider further the modalities of that. As Mr Downer also said, if a summit were to occur it would certainly be a very constructive development in the relationship, but it is now for ASEAN to consider and to take a decision.

Senator FAULKNER—The ASEAN plus Australia summit is an officials level consultation, isn't it? Am I correct on that?

Ms Rawson—I think it will be a mixture of officials, looking at leading up to consideration by ASEAN foreign ministers in due course.

Senator FAULKNER—So it involves officials first?

Ms Rawson—Yes, that is my understanding.

Senator FAULKNER—Do you interpret that as a snub to Australian efforts to engage more effectively in the region?

Ms Rawson—No.

Senator FAULKNER—Why not?

Ms Rawson—Because, as I have said, they have agreed to take the idea of a summit forward and subject it to further technical consideration. I certainly do not interpret that as a snub. An ASEAN plus India summit was held in Phnom Penh; that took place after at least two years of consideration, so there is—if you like—a previous example of just such a process occurring.

Senator FAULKNER—Earlier you ruled out any involvement by our Jakarta embassy in representations to the Indonesian government about Kopassus. You have been quite clear in ruling that out, Dr Thomas, haven't you?

Dr Thomas—To my knowledge.

Senator FAULKNER—You would know, wouldn't you? We would hope that you would know.

Dr Thomas—I do not know everything.

Senator FAULKNER—No, I accept that. Are you aware of any other representations to the Indonesian government on this issue, since no representations were made through the post?

Dr Thomas—On what issue?

Senator FAULKNER—Kopassus.

Dr Thomas—No, I am not aware of any.

Senator FAULKNER—What was the outcome of the cabinet submission on this?

Dr Thomas—I think that it relates to Senator Hill's statement about defence cooperation programs with Indonesia being stepped up on an incremental basis.

Senator FAULKNER—Thank you. I am happy to move on to 1.1.4.

Dr Thomas—You asked earlier this morning whether or not a DFAT officer was present at the IDC meeting on ethanol on 29 August. We have been able to identify the officer who attended, and he would be available to come to the committee after the lunch break, if that would be all right.

Senator FAULKNER—Thank you very much for that cooperation. I appreciate that.

[11.59 a.m.]

ACTING CHAIR—We will now move on to output 1.1.4, South Pacific, Africa and the Middle East. Senator Faulkner, that has been agreed upon with your office, but only in relation to the Middle East. I hope that fits your criteria.

Senator FAULKNER—It does. I certainly was not planning to wander beyond the Middle East.

ACTING CHAIR—There is enough information there for you to question about, I am sure.

Senator FAULKNER—I do not think we have any problems at all. You did not want me to go to the South Pacific or Africa. I will be very constrained in what I do. Is the department able to indicate, Dr Thomas, what evidence, if any, is available indicating that Iraq has provided weapons of mass destruction to terrorist organisations?

Dr Thomas—I will call on Mr Luck to give you an account of the details of that select inventory of weapons we believe Iraq is in possession of.

Mr Luck—I am not aware of any evidence of Iraq's provision of weapons of mass destruction to terrorist organisations. It is something that we would be very interested in.

Senator FAULKNER—I did ask whether there is any evidence indicating that, so I understand the answer you have given. Is there any evidence at all to indicate whether Iraq would be likely to provide weapons of mass destruction to terrorist organisations?

Mr Luck—The word 'evidence' is troubling me. We can surmise about the possibility, but I am not sure—

Senator FAULKNER—No, I am deliberately using the word 'evidence' and I am deliberately using the word 'likely'. I am trying to choose my words carefully; I am often chastised for not choosing my words carefully, of course, but on this occasion I am trying to choose my words carefully. So I think it is best if you answer that question directly.

Mr Luck—I think the answer is no.

Senator FAULKNER—Dr Thomas, this question is perhaps best directed to you; if you would prefer to ask another official to answer it, I would appreciate that. What is the international legal basis for a possible United States unilateral pre-emptive strike against Iraq?

Mr Moraitis—Given the circumstances prevailing at the moment with Security Council resolution 1441 currently in force, it would be premature to discuss a speculative issue like that at this stage.

Senator FAULKNER—Did you say it was speculative?

Mr Moraitis—Yes. It is premature to discuss possible responses to Iraqi noncompliance at this stage given the fact that Security Council resolution 1441 is in force, Iraq has accepted that resolution and the processes of declaration and, hopefully, inspection will proceed in the weeks and months ahead.

Senator FAULKNER—Surely, Mr Moraitis, there is a current assessment of this. I am certainly not asking you to speculate; I do not want you to speculate and I do not think any committee member would want that. What I am asking you is: what is the legal basis for a US unilateral pre-emptive strike against Iraq? I would have thought that was pretty clear, and I would be surprised if the department had not done some work on that. Let us take it from there: has the department looked at this issue of the basis in international law for a possible such strike?

Mr Moraitis—Given the nature of my job as a senior legal adviser to the government, the department and ministers, I make the point that that goes to the heart of legal advice I would give to the government. I am not really in a position to discuss that in this forum.

Senator FAULKNER—With due respect, Mr Moraitis, that is nonsense. I am not asking you what the advice at this point was; the question I asked you concerned a process issue only. It is not an unreasonable thing perhaps for officers at the table to run the defence of legal advice to government in answer to certain questions. All I am doing is asking you about internal departmental process issues.

Mr Moraitis—Again, Senator, with respect, that goes to the question of whether the department has or has not considered legal advice, and I am not really in a position to discuss the nature or even the process of giving advice.

Senator FAULKNER—Are you seriously saying to this estimates committee that you are not willing to provide evidence on whether you have been conducting work in that area? That is preposterous. I am not asking you what the advice is; I am asking whether the department has undertaken that sort of work. It is a process question that is asked time and time again in committees like this, and I have never known a case where an officer has come to the table and said they are not willing to provide such information. I have certainly heard officers, and ministers, from time to time—I have not always agreed with them—suggest that the content of such advice should not be made public. That is a very different issue.

Mr Moraitis—I can say that, in recent weeks, we have been following with great interest the development and adoption of resolution 1441, which spells out very clearly a precise course of action which has been adopted unanimously by the Security Council and supported fully by the international community. We have followed that resolution with great interest, and we have considered the impact and nature of that resolution insofar as it affects our expectation and hope that Iraq will comply with it in its disarmament obligations, which it has been required to comply with over the last decade.

Senator FAULKNER—Sure. But that is not an answer to my question. Thank you for the information: I appreciate it; but it is not an answer to the question I asked.

Dr Thomas—Perhaps it would be helpful if I pointed out that, given the huge issue that the possible actions relating to Iraq have been, DFAT has, as I am sure you would expect, set up a mechanism so it can explore all the issues involved in as much detail and comprehensiveness as possible. The department has set up an Iraq task force for the purpose of ensuring that our ministers are appropriately briefed as this issue develops.

Senator FAULKNER—I would expect that, and I acknowledge that. I would also expect that, if I asked a question about whether departmental work had been undertaken in relation to the legal basis in international law of a US unilateral pre-emptive strike against Iraq, I would get a straight answer to that question. If I started seeking legal advices, perhaps we could have a further debate. But the question I asked Mr Moraitis—a question which I thought was a very reasonable one—goes to how departmental resources are being expended. It is clearly a

process question to which I think I am entitled to an answer, and I had hoped you would agree.

Dr Thomas—Resources have overwhelmingly been expended in relation to support of the build-up to the UN Security Council resolution 1441 and the implications that flow from that, and to our monitoring of that resolution to see if Iraq indeed implements it.

Senator FAULKNER—Have part of those resources been expended on looking at the issue of the international legal basis of a pre-emptive strike against Iraq?

Dr Thomas—We have certainly been looking in great detail at all of the United States' statements on its possible intentions and the arguments that they have advanced in support of that.

Senator FAULKNER—Is that a yes?

Dr Thomas—Yes.

Senator FAULKNER—Thank you, Dr Thomas; you have done it! See: it was not too hard, Mr Moraitis, was it?

Mr Moraitis—Obviously not.

Senator FAULKNER—Mr Moraitis, you can tell us when you did it and what resources were involved. How many officers were involved in this? Was it a difficult task? You can give me that level of background. I am probably not going to ask you what the advice to government was, and so I think you can relax.

Mr Moraitis—I am relaxed, thank you, Senator.

Senator FAULKNER—If I thought I could get away with it, I would probably ask that question. But, given that you have flagged so comprehensively that there might be some reluctance, I do not think I will even ask the question. What I am asking you about are the sorts of resources that have been involved in the preparation of such advice.

Mr Moraitis—Resources involved have included the International Organisations and Legal Division. My colleagues in the Legal Branch, as well as my colleagues from the Middle East and Africa Division, have been involved in following the multilateral debate in New York. Also, my colleagues from the International Security Division have been following UNMOVIC. So, obviously, cross-divisional resources consider these issues on a regular basis.

Senator FAULKNER—Fair enough. Is the preparation of this sort of legal advice all in-house, as far as DFAT is concerned?

Mr Moraitis—We consider issues such as this on a whole-of-government basis and therefore there would be discussions with other relevant agencies.

Senator FAULKNER—What other agencies?

Mr Moraitis—In situations like Iraq, the Attorney-General's Department's Office of International Law follows this issue as does the Department of Defence.

Senator FAULKNER—Has any non-government, outside legal advice been sought on this?

Mr Moraitis—Not as far as I know—but that is as far as I know.

Senator FAULKNER—No, I appreciate that, but you would know in relation to your own department. Speaking here specifically about the advice on the international legal basis for any US pre-emptive strike, can you tell the committee when such advice was finalised or prepared and put before ministers?

Mr Moraitis—As far as I am aware, this is a process of ongoing discussion and consultation. I will just seek confirmation of that. I can confirm that no formal advice has been given at this point.

Senator FAULKNER—At this point.

Mr Moraitis—As I said, it is an ongoing process and, coming back to my initial comment, adoption of Security Council resolution 1441 is a very important step in the international community's response to this issue and we therefore follow that, and the process engaged in that, with great interest.

Senator FAULKNER—So what you are telling us is that the work is going on—

Mr Moraitis—Correct.

Senator FAULKNER—A formal advice has not been provided to government on that issue yet?

Mr Moraitis—Correct.

Senator FAULKNER—Has advice been finalised within your division?

Mr Moraitis—No, it is an ongoing process, and given the nature of the resolution at stake at the moment, which sets out clear time lines and a process which everyone is following, that is a focus of activity and in that context we are exploring the options and situations. It is a work in progress.

Senator FAULKNER—So there is no finalised advice at this point?

Mr Moraitis—Correct.

Senator FAULKNER—Thank you. It wasn't too hard really, was it? We got there in the end. Would you be willing, Senator Troeth, to table the advice to the committee when it is provided to government?

Senator Troeth—I do not think that would be possible.

Senator FAULKNER—Why is that?

Senator Troeth—It is not normal in my experience to table advice given to government.

Senator FAULKNER—I think some advice is tabled and some is not. This is a pretty important issue, Senator, I would respectfully submit to you and I think that there would be major public interest in such advice and in the international legal basis of any such pre-emptive strike. In those circumstances, given the extraordinary public interest and the national interest involved here, would you give a commitment to table that advice when it is available?

Senator Troeth—No, I cannot give that commitment.

Senator FAULKNER—Why is that?

Senator Troeth—I simply would not be prepared to give that commitment.

Senator FAULKNER—Why not? On this issue, isn't there a high level of public interest? It is an issue of undoubted national importance and national interest. It is undoubtedly a very significant national issue.

Senator Troeth—I am sure there would be public interest in it. That would be a matter for judgment for the minister at the time. Obviously if it were a judgment of the minister that it was of sufficient public interest, I feel sure that a public statement would be made.

Senator FAULKNER—What, about the legal advice?

Senator Troeth—That is up to the judgment of the minister.

Senator FAULKNER—Dr Thomas, at this stage are you aware of whether the United States government has approached Australia about support for a unilateral, pre-emptive action in Iraq?

Dr Thomas—There have been no formal approaches by the US government for any commitment from Australia at this stage, and we would very much hope that it never comes to that. As my colleagues have said, the entire focus at the moment is based on the hope that Iraq will indeed abide by the provisions of the resolution. But, as you would expect, as an American ally and simply on a contingency basis, we are very well plugged into the United States apparatus and we have had discussions with them on a contingency basis for some time.

Senator FAULKNER—I hear the answer to my question; you said there has been no formal approach. Have there been informal or other approaches?

Dr Thomas—There have been discussions between our governments on a contingency basis about what might or might not be possible in the event that it were to come to a military operation in Iraq.

Senator FAULKNER—Are you able to say to the committee what form of assistance or support the United States has requested?

Dr Thomas—I cannot really go into any detail other than to say, as you would expect, that it relates to the degree of support Australia might be in a position to offer if it came to a military conflict.

Senator FAULKNER—That is a different issue to the one I asked about. It is a very important issue—I accept that—but I did ask about what support has been requested.

Dr Thomas—There has been no request. The United States is consulting with a number of its allies in like-minded governments on what might be possibilities. They are not in the nature of requests.

Senator FAULKNER—What are the contingencies that you speak of?

Dr Thomas—The contingency is in the event that there is a conflict with Iraq, but we are nowhere near that point yet and we hope that we will not get there.

Senator FAULKNER—But you have indicated—and correct me if I am wrong—that there have been informal discussions with the United States.

Dr Thomas—Yes, there have been. We, along with the United States and others, believe that it is very important to keep up as much pressure as possible on Iraq, and the prospect of military action by a coalition of like-minded governments is an important part of the diplomatic process. We are naturally talking about those sorts of details, in the event that it comes to that.

Senator FAULKNER—Have those informal discussions included a discussion of the possibility of a unilateral, pre-emptive strike against Iraq?

Dr Thomas—I think it is very premature to get to that sort of detail.

Senator FAULKNER—I am asking this question because you have not been very forthcoming about the nature of the discussions.

Dr Thomas—The nature of the discussions is simply to do with the situation if there were a military conflict with Iraq. Whether its basis would be UN based or whatever is not really

the issue that we have been discussing; it is more what sort of logistical and other support might be provided by us and other countries if there were a conflict.

Senator FAULKNER—If there were a military conflict of any description.

Dr Thomas—Yes. It is on that purely contingency basis at this stage.

Senator FAULKNER—Who have you been having those discussions with, Dr Thomas?

Dr Thomas—With the American military and so forth.

Senator FAULKNER—What is ‘so forth’?

Dr Thomas—I will ask my colleague Mr Paterson to provide any more detail if he is able to. This is actually his direct area.

Senator FAULKNER—I appreciate that. Thank you, Dr Thomas.

Mr Paterson—I draw your attention to the speech given by the Prime Minister to the Committee for Economic Development of Australia this week in which he said that ADF personnel have been attached to the United States military command structure for some time.

Senator FAULKNER—It is very loyal of you to point out the Prime Minister’s speech; thank you, Mr Paterson. I had had that drawn to my attention. Let us make this questioning specific to the task force, because you have taken fundamental responsibility for this in terms of the Department of Foreign Affairs and Trade’s operations. Is that right, Mr Paterson?

Mr Paterson—I head the Iraq Task Force within the department, yes.

Senator FAULKNER—Are there any non-departmental elements to your task force?

Mr Paterson—We meet several times a week with other relevant departments and agencies. I expect what you are asking is: is the Department of Defence involved? The answer to that is yes.

Senator FAULKNER—I was not asking that at this stage. I appreciate that you are meeting with people from other agencies and departments; I accept that. The task force that you head up is an internal task force, is it?

Mr Paterson—It has an internal secretariat but it meets regularly as an interagency group and provides advice to ministers on the current situation.

Senator FAULKNER—Is it the key coordinating government task force in relation to Iraq?

Mr Paterson—I think that would probably be putting too strong a construction on it. It aims to better coordinate both information on this issue and the provision of advice to ministers. Its role is, I guess, clearinghouse, and in coordination and, to that extent, interagency planning of how the issue should be taken forward for the government.

Senator FAULKNER—What other agencies are involved, Mr Paterson?

Mr Paterson—Without wishing to be exclusive—because this could vary at any time—the principal players are us, the Department of Defence, the Department of the Prime Minister and Cabinet, the Office of National Assessments, ASIO, other intelligence agencies as required and other departments as required. That sometimes includes departments such as the Department of Immigration and Multicultural and Indigenous Affairs. It could, at certain times, include other departments as warranted—for instance, the Department of Transport and Regional Services, the Protective Security Coordination Centre et cetera.

Senator FAULKNER—For how long has the task force been in existence now, Mr Paterson?

Mr Paterson—Approximately eight weeks, Senator.

Senator FAULKNER—What sorts of staff and financial resources do you have at your command?

Mr Paterson—At this point, we have no separate budget. Our activities, I expect, will be funded from a contingency fund within the department for this purpose. I have five staff working to me at the moment. To some extent, we pass out work to other areas. For instance, much of the regional work that would normally be done by a geographic division related to Iraq continues to be done by that division. When we require advice on weapons of mass destruction issues and the inspection process, we seek that from our International Security Division. We are prepared to do that with other parts of the department and other agencies as appropriate.

Senator FAULKNER—We are going to break for lunch soon. Very briefly—and we can come back to it after the lunch break—can you give the committee a very quick overview of the role of the task force.

Mr Paterson—Certainly. The Minister for Foreign Affairs was particularly keen to have a task force in existence so as to better coordinate the quite wide range of activities involved in the issue and to ensure that ministers were briefed on all aspects, as I mentioned. The task force includes representatives from all relevant departments and agencies. It provides current advice to ministers and both coordinates and, where necessary, initiates action on a range of functions. At the moment, those include action in support of the UN Security Council resolution process, which included representations to a range of governments through the eight-week negotiating period of the most recent resolution.

The task force also coordinates action on Australian participation in the UNMOVIC inspection process. It collates and reports to the ministers on the policies and actions of other governments on the Iraq issue. It initiates representations to other governments where necessary. It coordinates action on contingency consular arrangements in association with the department's Consular Branch and the safety and security of Australian missions in the region in association with our Diplomatic Security Branch within the department. It is looking at humanitarian issues—although for the most part that is done within the geographic division—and, overall, the protection of Australian interests in Iraq, again in association with the relevant geographic division.

Finally, we also play a role as a department in assisting in the putting in place of any arrangements for any ADF personnel who have been assigned or may be assigned to the region. These are things like access arrangements, legal issues and diplomatic clearances for aircraft. That does not imply in any sense that somehow some process is under way related to Iraq. That process is a continuing one. For example, much of the activity in that area was begun, and continues, as a result of our participation in the war on terrorism following September 11.

Senator FAULKNER—Thank you, Mr Paterson. I know the chairman wants to have a break. We might return to this after the break.

Proceedings suspended from 12.31 p.m. to 1.32 p.m.

CHAIR—The committee will continue dealing with output 1.1.4, South Pacific, Africa and the Middle East.

Senator FAULKNER—Given that Dr Thomas has said that there had been no formal approaches from the US for assistance in relation to a possible conflict or war with Iraq but that there had been, if you like, informal processes going on, I was wondering, Mr Paterson, whether you would be able to detail the nature of those processes for us.

Mr Paterson—Not completely, because many of them—in fact, I suspect, most of them—operate through Defence channels and are part of our ongoing alliance relationship with the United States. You asked me before about where these contacts were occurring. We have, as an alliance partner, people in the ADF seconded at any one time into United States positions and structures and in contact with them through our missions in Honolulu, Washington and other places. These contacts are ongoing and it is probably artificial to separate them out from normal alliance relationships where, in the normal course of events, you would be discussing planning for particular contingencies because, frankly, that is what military forces do.

Senator FAULKNER—Are you able to say anything to the committee about the nature of possible assistance that has been discussed on an informal basis?

Mr Paterson—No, Senator, I am not. That is something that would be discussed principally through Defence channels.

Senator FAULKNER—Your task force has not been informed about that?

Mr Paterson—The task force does not deal with that in any detail.

Senator FAULKNER—I am not asking for it in detail; I am only asking for it in general.

Mr Paterson—I was careful in what I was saying because some members of the task force—and I am thinking of Defence members in particular—will have a closer relationship to military discussions on particular contingencies than will other members of the task force. It is partly for that reason that we do not discuss those issues in detail in task force meetings.

Senator FAULKNER—But discussions have taken place on an informal basis between the US and Australia about a possible Australian contribution in a military conflict with Iraq. That is true, isn't it?

Mr Paterson—Discussions take place regularly on military contingencies. That is probably the best way to put it. In relation in particular to Iraq and to particular equipment or capabilities that could be under discussion, if any, that would be a question to be addressed to the minister or the Department of Defence.

Senator FAULKNER—Are you aware what form of assistance or support might have been requested by the US?

Mr Paterson—I do not know that the US has formally requested any form of support from us.

Senator FAULKNER—You do not know whether that has happened?

Mr Paterson—There has been no formal request for support.

Senator FAULKNER—Has there been an informal request for support?

Mr Paterson—I think it is fair to say there are ongoing discussions, as I mentioned before, which are normal between two alliance partners dealing with the particular contingencies that might be around at the time. This is obviously something we do on a continuing basis.

Senator FAULKNER—This comes down to semantics. In other words, the issue is being discussed at a senior level. That is right, isn't it?

Mr Paterson—What do you mean by 'senior level'?

Senator FAULKNER—What level is it being discussed at?

Mr Paterson—I think these things are discussed at a range of levels, from the ministerial level down to particular ADF people who may be in contact with their United States counterparts.

Senator FAULKNER—It is being discussed at a range of levels but you are unable to shed any light on these discussions at all?

Mr Paterson—That is correct, Senator.

Senator FAULKNER—Because you do not know or because you will not tell us?

Mr Paterson—There are some issues that the government would consider classified, I think, in this area. Nevertheless, the gist of what I am telling you is accurate.

Senator FAULKNER—Are you aware of discussions about timing, for example?

Mr Paterson—Yes, not least from media reports which I think bear a fair amount of accuracy as to what we understand the US is doing, in looking at building a capability which would be available should political decisions be taken around the end of the year or into the early months of next year.

Senator FAULKNER—Your task force is meeting three times a week or so, is it?

Mr Paterson—It is meeting three times a week at the moment.

Senator FAULKNER—Is it planned to continue meeting at that level for the foreseeable future?

Mr Paterson—No. It is reviewed on a regular basis. It will adjust to the situation. It could go to five days a week; it could go to seven; it could go to multiple times per day in a crisis situation.

Senator FAULKNER—Are you keeping minutes of the task force meetings?

Mr Paterson—We issue a situation report to ministers following the task force meetings.

Senator FAULKNER—What number sit rep are you up to?

Mr Paterson—I would have to take that on notice, Senator. It would be about 18 or 20.

Senator FAULKNER—I hope your administrative processes are better than those for the People Smuggling Task Force, Mr Paterson. Are you aware of the weaknesses that existed there?

Mr Paterson—Indeed, I had a discussion over lunch with Mr Holmes, the secretary of that committee, and he is coming down next week to brief my task force on lessons learnt from that exercise.

Senator FAULKNER—It should take about three or four weeks to go through all the lessons learnt from that experience. My next question may come under a different output; I think it comes under output 1.1.7.

Dr Thomas—Did you want to talk to the official involved in the ethanol issue?

Senator FAULKNER—What output is that?

Dr Thomas—It is one of the ones already dealt with, really—one of the trade outputs.

Senator FAULKNER—I am happy to do that, if you like. Could I ask what role, if any, department officials had at a meeting of a high-level committee of officials, or meetings of officials, on ethanol policy?

Mr Grey—I attended the particular meeting that I think you referred to this morning, on 29 August, which I think was essentially related to sugar. We were there essentially to advise on international obligations, particularly WTO aspects of various policy options which could have been considered.

Senator FAULKNER—What is the name of this high-level committee? Is that what it is called?

Mr Grey—It is a meeting run by PM&C. I am not sure whether there was a continued—

Senator FAULKNER—Who chairs it?

Mr Grey—It is chaired by Mr Max Moore-Wilton. I am not aware that there were further ones. I certainly did not go to any further meetings.

Senator FAULKNER—Was it a high-level committee of officials or a committee of high-level officials?

Mr Grey—I suspect more the latter. It was essentially secretaries of various agencies, particularly the industry departments involved in the policy issues themselves.

Senator FAULKNER—Anyway, it was chaired by Mr Moore-Wilton?

Mr Grey—Yes, that particular meeting was.

Senator FAULKNER—How many from your portfolio were there?

Mr Grey—I went there representing the secretary, Dr Calvert, at the table. There was another official there taking—sitting in the back in case particular technical issues came up relating to the WTO.

Senator FAULKNER—And taking notes?

Mr Grey—He probably took some informal notes. I do not think we have a formal record.

Senator FAULKNER—So there were two officials—you and another official?

Mr Grey—Yes, but I think I am probably recorded as the only official representative there.

Senator FAULKNER—What area of the department did the other official come from?

Mr Grey—From the WTO legal area of the department.

Senator FAULKNER—Are you able to say what other agencies and departments attended the meeting?

Mr Grey—I am not sure that I can recall all of them, but there was Treasury, Finance, Industry, Agriculture, maybe Attorney-General's, I cannot recall, and Environment Australia. I think they were probably the core ones.

Senator FAULKNER—Would you have a record of those departments?

Mr Grey—I could check. I think frankly I would be checking from the note which went out inviting people to attend as opposed to—

Senator FAULKNER—Would you mind doing that, just for the sake of accuracy?

Mr Grey—Sure.

Senator FAULKNER—Thank you. Was there agreement at that meeting on the advice that was to be provided to the Prime Minister regarding ethanol policy?

Mr Grey—No, there was not. As I mentioned, my recollection of it was a broader discussion of sugar industry policy, which also looked at aspects of ethanol and biofuels more generally.

Senator FAULKNER—Was there agreement in terms of the outcomes of the meeting?

Mr Grey—No, I do not recall so. It was more of an initial meeting but, as I said, we were really only there to advise on one particular aspect. The policy development process was not something for Foreign Affairs and Trade as such. Other agencies might be able to respond to that better.

Senator FAULKNER—Yes, but I am asking for the Foreign Affairs perspective. What aspect were you dealing with?

Mr Grey—We were dealing with issues related to possible options to help the sugar industry and promote biofuels. As to whether or not there are any particular WTO implications, we now try, as a matter of course, to provide advice at early stage of policy development on industry policy issues to ensure consistency with the WTO.

Senator FAULKNER—Are you aware of whether advice from the committee was provided to the Prime Minister on 29 August 2002?

Mr Grey—I cannot be certain of that.

Senator FAULKNER—Why can't you be certain?

Mr Grey—I assume some report would have gone to the Prime Minister. Whether it went on the 29th, 30th et cetera I do not know. We were not responsible for producing any advice for the Prime Minister or other ministers. We were providing input and advice on the preparation of policy options.

Senator FAULKNER—But didn't the meeting discuss the provision of advice to the Prime Minister?

Mr Grey—It may well have.

Senator FAULKNER—You cannot say whether that advice was provided on the same day?

Mr Grey—I cannot recall. I would have to check with other agencies as to whether advice was provided on the same day.

Senator FAULKNER—I am talking about the advice that was signed by some departments and agencies. There was advice like that, wasn't there?

Mr Grey—I understand that advice was being prepared for the Prime Minister as a result of the meeting. What final form that took, and who signed it, I cannot recall.

Senator FAULKNER—Did DFAT support the advice?

Mr Grey—We would have commented on the WTO implications. As I recall, we were supportive of the WTO implications which went forward in the sense that they raised no particular concerns.

Senator FAULKNER—So you only supported that part of the advice on the WTO?

Mr Grey—Yes, because our role in that process was to comment on the WTO implications.

Senator FAULKNER—Do you know which other attendees at the meetings sponsored or supported the advice?

Mr Grey—No, I do not.

Senator FAULKNER—Why? Were copies of the advice for the Prime Minister or the outcomes of the meetings provided to agencies?

Mr Grey—I would need to check that. I do not recall whether it was or not.

Senator FAULKNER—You do not know?

Mr Grey—No, I do not know.

Senator FAULKNER—That would be the usual form, wouldn't it?

Mr Grey—Not necessarily. If it were done by one agency for their minister, they would not necessarily circulate that back to all participants.

Senator FAULKNER—Do you know which other agencies supported the advice?

Mr Grey—No, I do not.

Senator FAULKNER—Do you know how many agencies supported the advice?

Mr Grey—No, I do not.

Senator FAULKNER—Do you know how many agencies did not support the advice?

Mr Grey—I can guess at what agencies would or would not, but I cannot be precise about which ones did or did not.

Senator FAULKNER—Share with us what you can.

Mr Grey—Frankly, I do not think it would be appropriate for me, without checking, to comment on what positions other agencies may have taken.

Senator FAULKNER—So you know there was not agreement about the advice?

Mr Grey—I know there was a robust discussion, but I do not know what form that discussion eventually took.

Senator FAULKNER—You were there for the whole discussion, weren't you?

Mr Grey—Yes, I was, but we did not come to a conclusion.

Senator FAULKNER—So you would be able to tell us from a DFAT perspective whether, for example, Treasury supported the advice. What was your impression?

Mr Grey—Treasury provided no adverse comments on the advice we were putting forward about the WTO implications.

Senator FAULKNER—What did they provide adverse advice on.

Mr Grey—As I said, I would want to check for the record what was eventually said by other agencies, but it is probably more appropriate that the other agencies speak for themselves.

Senator FAULKNER—But there is an outcome here that is supported by some agencies and not others. That is true, isn't it?

Mr Grey—In most policy advice there is a range of views. Some may have supported it in part but not as a whole. We do not normally comment on the nature of the advice that we provide to our ministers.

Senator FAULKNER—I am not asking what happens in most cases; I am asking what happened in this case. Didn't you refresh your memory? You knew that you were coming here to talk to us about this issue. I thought you might have had an opportunity to refresh your memory about what occurred. That meeting on 29 August was not that long ago anyway.

Mr Grey—It would seem, frankly, more appropriate for the agencies that were involved to explain their positions.

Senator FAULKNER—But you were involved.

Mr Grey—We were involved in one particular aspect, which was to provide advice—

Senator FAULKNER—You were there for the whole meeting—

Mr Grey—Yes.

Senator FAULKNER—in your role as a senior official with the Department of Foreign Affairs and Trade.

Mr Grey—That is correct, yes.

Senator FAULKNER—And I am asking you these questions in your capacity as the official that represented your department and supported the advice at that meeting.

Mr Grey—I am not aware of other discussions that could well have taken place after the meeting—for example, involving other agencies—or other follow-up meetings that were held and, hence, what form the final advice took.

Senator FAULKNER—So far we have established that it was robust—some agencies agreed, some did not. At that meeting, did the Department of Foreign Affairs and Trade provide advice about a possible future ethanol shipment from Brazil to Australia?

Mr Grey—Yes, we provided some information on a possible shipment of ethanol from Brazil—

Senator FAULKNER—What sort of information did you provide?

Mr Grey—We had made inquiries via our post in Brasilia as to whether the reports were correct, what quantities were involved, and whether or not the shipment was intended to actually depart.

Senator FAULKNER—So you gave advice in the broad about this imminent shipment?

Mr Grey—Yes.

Senator FAULKNER—Did you give advice about the purchaser?

Mr Grey—Not that I recall, but we may have. I would have to check.

Senator FAULKNER—I would appreciate it if you would take that on notice. Do you remember the advice you gave about the size of the shipment?

Mr Grey—I believe—but I would like to check again—that it was 12,000 tonnes.

Senator FAULKNER—Did you give advice about the purchase date?

Mr Grey—I do not believe so—not as far as I can recall.

Senator FAULKNER—What about the sailing date?

Mr Grey—I think we ascertained in general terms that the cargo in fact had not even departed at that point in time.

Senator FAULKNER—Are there any other things that you can mention to me that you gave advice on?

Mr Grey—That is about it actually.

Senator FAULKNER—What on earth has that got to do with the World Trade Organisation implications that you spoke to me about earlier? It has nothing to do with it, does it?

Mr Grey—No.

Senator FAULKNER—That is right. It is really important when we talk about these things to make sure that the evidence given is accurate. You told me it was about World Trade Organisation implications. Now you are saying that it is about other things.

Mr Grey—With respect, what I said was that we were invited to the meeting to provide advice on the WTO. We had been asked to ascertain information on a shipment, which I did at the outset of the meeting.

Senator FAULKNER—I see—you are drawing a distinction: the invitation specified World Trade Organisation implications.

Mr Grey—One was providing information and the other was providing advice and judgment as to WTO implications.

Senator FAULKNER—So how did you know about those details of the possible shipment? If you are asked to give advice on World Trade Organisation implications but you give advice on certain details of this shipment, that is well and good. But how did you know about it?

Mr Grey—As I recall, we asked our mission in Brasilia.

Senator FAULKNER—Why did you ask them?

Mr Grey—Because we had been asked to clarify or seek any information which would clarify the situation regarding a reported cargo.

Senator FAULKNER—I do not want to sound like a broken record but you were asked about more than WTO implications, then?

Mr Grey—That was an exercise that took place outside the IDC context. We could have just as easily provided, and may well have as far as I know, that advice separately to those who asked for it. A purpose of the meeting was not to provide that advice. The reason we went along was to talk about the WTO implications of possible options being developed particularly for the sugar, and it was a useful occasion to also provide information on that particular shipment.

Senator FAULKNER—What do you mean by ‘it was an exercise outside the IDC framework’?

Mr Grey—We had been asked that in advance.

Senator FAULKNER—Who asked you?

Mr Grey—I believe it was PM&C that asked for information.

Senator FAULKNER—Was it Mr Moore-Wilton?

Mr Grey—No, it was not Mr Moore-Wilton; I think it was a more junior officer.

Senator FAULKNER—Can you recall who from PM&C asked you and why?

Mr Grey—No. I could find out. I will have to check and get back to you.

Senator FAULKNER—I would appreciate it if you would take that question on notice—anyway, you took that information to the meeting.

Mr Grey—Yes.

Senator FAULKNER—So it was not an issue raised coincidentally during the meeting.

Mr Grey—No.

Senator FAULKNER—Could you provide the committee with the detail of what you were asked by PM&C?

Mr Grey—Yes, I will check.

Senator FAULKNER—Can you answer that question now, and if there is other detail take it on notice to provide that? I am asking you specifically: what did PM&C ask you to check out with the post in relation to the shipment and associated matters?

Mr Grey—The details as I understand them were, as I said before, to provide further information generally. Whether we were asked about specific aspects that were of interest, I would have to go back and check the records as to what specifically we were asked.

Senator FAULKNER—But you came armed with sailing dates, size of the shipment, purchase dates and those sorts of things.

Mr Grey—I did not mention purchase dates.

Senator FAULKNER—Maybe I did, but that is quite specific information.

Mr Grey—Yes, it is.

Senator FAULKNER—So did PM&C detail that they wanted that information from you?

Mr Grey—That is what I will need to go back and check. I am aware of what information I was given to provide at the meeting. The earlier steps are ones that I was not personally involved with.

Senator FAULKNER—I would appreciate it if you would check that and provide an early response if you can. Who checked the information? Was it done at post?

Mr Grey—Yes. I assume someone at the post would have just made a phone call.

Senator FAULKNER—And the post provided you with the information.

Mr Grey—Yes, that is correct; they provided DFAT with the information.

Senator FAULKNER—Someone in DFAT gave it to you and you took it to the IDC.

Mr Grey—That is as I recall it.

Senator FAULKNER—It is pretty cumbersome—but, anyway, that is how it worked. How did you know about that possible shipment?

Mr Grey—Again, I would have to check because I was not involved in all the issues leading up to this IDC. There was probably some activity by others in the department. Perhaps there were reports in the press, perhaps it had been brought to their attention by the industry but, again, I would have to check on what the basis was.

Senator FAULKNER—That might be the case, but I am not aware of it. Who else in the department was involved?

Mr Grey—Presumably it would have involved the desk area of the Americas and Europe division, and possibly those involved in issues related to sugar in the Office of Trade Negotiation. But, more likely, that sort of inquiry would normally be directed through the relevant desk area of the department.

Senator FAULKNER—Are they available here for us to ask questions of?

Mr Grey—Not at the moment. We can provide that information, if you like.

Senator FAULKNER—Were the inquiries in Brazil made as a result of an initiative from the Department of the Prime Minister and Cabinet?

Mr Grey—That is my understanding.

Senator FAULKNER—The post would not have had any other reason to make that sort of inquiry, would it—unless you got something like a request from PM&C?

Mr Grey—They may have been responding to reports in the press themselves. For example, if there was a report in the Brazilian press, the post may well follow it up out of interest.

Senator FAULKNER—In this case, it was done in response to PM&C.

Mr Grey—That is my understanding.

Senator FAULKNER—Was there a ministerial involvement in this particular issue, by either Minister Downer or Minister Vaile?

Mr Grey—Not that I am aware of. Presumably, they would have been involved in the normal ministerial consideration of the policy, but not—

Senator FAULKNER—First of all, were Minister Vaile, Minister Downer or their offices, to your knowledge, involved in getting this information from Brazil?

Mr Grey—Not to my knowledge.

Senator FAULKNER—So I can be assured that they were not involved?

Mr Grey—I would need to check. The inquiries could come to us—

Senator FAULKNER—I am not being critical on this. You can only give answers as far as your knowledge goes, but there is always that qualification. So that the qualified answer does not stand, could you please check and, if there was any involvement, could you report it to the committee?

Mr Grey—Certainly.

Senator FAULKNER—What about more broadly in relation to Minister Downer and Minister Vaile on the ethanol issue?

Senator Troeth—I think that we would need to qualify that. In what—

Senator FAULKNER—I am asking whether Mr Grey can assist us more broadly. I have heard his answer in relation to the requests for getting the information from Brazil. I am now asking more broadly.

Mr Grey—I am sorry, Senator—

Senator FAULKNER—In relation to the background to this high-level meeting of officials, are you aware of any involvement or contact with the office of either Minister Downer or Minister Vaile?

Mr Grey—My recollection of the IDC was in the background of ministerial and cabinet discussion of issues related to sugar industry policy, so a range of ministers were presumably involved in aspects of it. In terms of the direct involvement or relationship to the IDC, I am not aware of any—

Senator FAULKNER—The question is: in relation to the department's role with the high-level committee, are you aware of any involvement of Minister Downer, Minister Vaile or their offices? If you are not aware, that is fine. I am just asking.

Mr Grey—I am not aware of any.

Senator FAULKNER—Was the committee set up by cabinet specifically to deal with the issue?

Mr Grey—I am not sure. As I mentioned, it was chaired by PM&C, who set it up.

Senator FAULKNER—It was chaired by Mr Moore-Wilton.

Mr Grey—That is correct.

Senator FAULKNER—I am asking if you are aware—and you may not be, obviously.

Mr Grey—I am not aware of the origin specifically of it being set up.

Senator FAULKNER—Can you assist me on why DFAT might have thought that it was appropriate or necessary to get specific information like this on the shipment that we are speaking of?

Mr Grey—It was clearly an issue of trade interest which we had been asked about by another agency. That happens on a regular basis. Obviously, we respond to requests for information from other agencies and the private sector.

Senator FAULKNER—Are you aware of any request for assistance from the owners or agents for the shipment?

Mr Grey—Not myself, no.

Senator FAULKNER—Is anyone in the department aware of such a request?

Mr Grey—I would need to ask others in the department.

Senator FAULKNER—Would you mind checking it for me, please?

Mr Grey—It was not an issue, so it was not anything that was—

Senator FAULKNER—I hear what you are saying; I accept it. You are not aware of it, but could you check more broadly with those elements who are not here with us.

Mr Grey—Yes.

Senator FAULKNER—Is it normal practice for DFAT or other agencies to get involved like this, particularly where you are not aware of any requests from owners or agents? Is that normal practice?

Mr Grey—I am not sure what normal practice is in this context.

Senator FAULKNER—I am certainly not sure. That is why I am asking you.

Mr Grey—I did not see anything abnormal about it; let me put it that way.

Senator FAULKNER—How many other times have you been asked to do something like that?

Mr Grey—We would often be asked to find out about industry developments and potential trade implications in other countries.

Senator FAULKNER—This is not an industry development or potential trade implication. I am talking about the details of a shipment like this.

Mr Grey—I am not sure that it does not have trade implications.

Senator FAULKNER—Have you ever been asked to get that sort of detail before?

Mr Grey—I cannot think of an example off the top of my head.

Senator FAULKNER—I'll bet you can't! So it has never happened before. Has it ever happened to your knowledge, Dr Thomas?

Dr Thomas—I cannot recall offhand.

Senator FAULKNER—Is that a no? If you cannot recall, I assume that means you have no knowledge of it.

Dr Thomas—Yes, I do not know.

Senator FAULKNER—So this is totally unprecedented.

Dr Thomas—Requests from other agencies and other parts of the bureaucracy for particular details on things happen all the time. It is routine DFAT business.

Senator FAULKNER—That is not unprecedented, is it? But this sort of request is unprecedented, isn't it, Dr Thomas? You do not know of any examples; Mr Grey does not know of any examples.

Dr Thomas—I do not get involved particularly in the detailed trade issues.

Senator FAULKNER—I accept that, but Mr Grey does not know of any examples either. If there is any officer who knows of another occasion when this sort of detail has been requested about a shipment, please come forward to the table and give the precedent so I am aware of it. There are about 40 officers in the room. Let's hear it. Otherwise I am going to treat it as totally unprecedented. You could not blame me for that, could you?

Dr Thomas—I just do not know, Senator, and the other officers present are generally not trade officers.

Senator FAULKNER—That is right. No-one knows of it ever happening before. So what is so special about this one, Mr Grey?

Mr Grey—I do not know if there is anything particularly special about it. We have not received imports of ethanol in substantial quantities before, as I understand it. It would be a significant new development in our trade if we were in fact to receive significant imports of ethanol, in the same way as it would be if we heard reports of a significant shipment of EU white refined sugar. We would also undoubtedly follow that up, just to check out the veracity of it. I cannot recall particular examples off the top of my head, but I would not rule out that there are others.

Senator FAULKNER—But you do not know of any. You are not going to rule it out, but you do not know of any. Do you know if there is any involvement of the Prime Minister's office—and I am drawing a distinction here between the Prime Minister's office and the Department of the Prime Minister and Cabinet?

Mr Grey—I have no knowledge of any involvement by the Prime Minister's office.

Senator FAULKNER—What information was the post specifically tasked to find out about this shipment? Are you able to provide that information to the committee?

Mr Grey—I am confident that, by looking at the records, we will be able to find that out.

Senator FAULKNER—Could I ask you, if you would not mind, to do that with some alacrity. I appreciate you do not have the information with you. I had hoped you would have but, in the circumstances, I wonder if you could take that on notice and provide it to the committee as soon as you are able to. It should not be a difficult task, should it?

Mr Grey—It depends how the tasking was done. It was probably by email. So we can check that.

Senator FAULKNER—Did Mr Moore-Wilton, at the meeting you attended, indicate any expectations he or the Prime Minister might have had in relation to this matter?

Mr Grey—Not in relation to this matter, no.

Senator FAULKNER—In relation to any other matter?

Mr Grey—It was a discussion of future possible options for the sugar industry. That meant that officials were, on occasion, indicating the views of their ministers—or what they thought were the views of their ministers.

Senator FAULKNER—Are you able to recall, for the committee's edification, what he did indicate were the wishes and expectations of the Prime Minister?

Mr Grey—I think it is fair to say that, in general terms, there was a wish to have an early and speedy look at the options that were available to assist the sugar industry, which was the primary purpose of our discussion.

Senator FAULKNER—I look forward to that material when it is provided. Dr Thomas, on this occasion, I stress that you should do that as quickly as possible, as I am sure Mr Grey will. Mr Grey, correct me if I am wrong, but not long after this meeting of high level officials, a punitive tax was placed on imports of ethanol, wasn't it?

Mr Grey—No, there was no punitive tax placed on imports of ethanol.

Senator FAULKNER—And the only affected shipment in fact was the one about which you reported on to the meeting. Isn't that right, Mr Grey?

Mr Grey—As I said, there was no punitive tax placed on imports.

Senator FAULKNER—And the only affected shipment was of course the one we have been talking about. Anyway, we will inevitably revisit this. I look forward to the answers to the question on notice. Thank you for coming across, Mr Grey.

[2.12 p.m.]

ACTING CHAIR—We will move to output 1.1.7—International organisations, legal and environment.

Senator FAULKNER—Dr Thomas, I read in a newspaper yesterday that the government had decided not to put forward a candidate for the 18-strong panel of judges for the ICC. I think that may have been announced by the Attorney-General—or it was revealed, anyway, by someone from the Attorney-General's Department. Is someone able to confirm whether that is the case or not, please?

Ms Millar—I might ask my colleague Mr Trindade, who has been working on some of these issues, to answer that question for you.

Mr Trindade—I am aware that a comment was made in another Senate estimates hearing by an officer from the Attorney-General's Department about Australia's position. I am not aware of our minister having made a formal statement regarding Australian candidature. I am aware that our minister said in a media interview on the ABC yesterday about Australia's candidacy that candidacies for the International Criminal Court were being looked at by the Australian government at the moment and that there were two different types of candidacy that we were looking at. In terms of our current priority, the candidacy that we are looking at most closely is for the prosecutor position for the court. Mr Downer explained that the priority we would be giving would be for that single prosecutor's position, which is not to be through an election process but a position filled by a consensus of the states parties.

Senator FAULKNER—I thought I had heard somewhere—but I might be wrong and you can correct me if I am—that it was a prosecutor or deputy prosecutor's position. Is that right?

Mr Trindade—Both the prosecutor's position and deputy prosecutor's position would be available for consideration. In the case of both prosecutorial positions and positions as judges,

the date for nominations has not closed yet. It is 30 November that nominations by states parties must be made.

Senator FAULKNER—However, we are not going to put forward a candidate for the panel of judges. Is that right?

Mr Trindade—As I understand, from what Mr Downer has said, the main priority for us is to look for a prosecutor. I think there was some elaboration of the reasons why it might be difficult for an Australian judge to be successful in a competition where there are only likely to be very limited number of seats available to judges from similar legal traditions to the Australian legal tradition. We are aware that there are very strong candidates already nominated from very similar legal traditions to ours. I think in essence what the minister was talking about is saving, if you like, our firepower for a candidacy that we think we have a very good chance of getting and ensuring that our interests are best represented that way.

Senator FAULKNER—In shorthand, we are not going to put forward a nomination for panel of judges?

Mr Trindade—The nominations have not closed yet: 30 November is the final date.

Senator FAULKNER—I know that, but I think the effect of what you are saying is, ‘We are looking at the position of prosecutor, not on the 18-strong panel of judges.’

Mr Trindade—We have not made an announcement yet of candidacy for the prosecutor or for the judges either. It might be premature for me to make a formal statement ruling out or including announcing either a prosecutorial candidate or a judicial candidate.

Senator FAULKNER—I find that incredible. I am not being critical of you, but another Senate estimates committee can be told in definitive terms by an officer in the Attorney-General’s Department:

Australia has not nominated and does not intend to nominate a judge.

But DFAT does not know about it—or you know about it but you cannot say whether that is right or not.

Mr Trindade—What I am saying is that I am not aware that ministers have announced an Australian position in respect of candidates. I am aware that we are considering our position and the current thinking is that we would be better served seeking a candidate for a prosecutor and we are looking closely at that candidate. It would be unlikely that Australia would succeed in getting both a judge and a prosecutor elected. In fact, that would be very unlikely. That being the case, it would follow from that that it is less likely that we would be seeking a judge. It would follow that it would not be our current intention to have a judge, if it were our intention to have a prosecutor. I cannot comment on the comments made by another department’s officers in evidence.

Senator FAULKNER—But you had seen them?

Mr Trindade—I am aware of those, yes.

Senator FAULKNER—I am sure that you will get full marks, Mr Trindade, for being very careful in your response at this committee, and that is fair enough. In relation to where it appears that the focus is going, which I gleaned from your comments is in the area of the prosecutor—it is fair to say that; that is obviously getting a focus now—can you tell us how we are going about trying to find a suitable nominee for that?

Mr Trindade—The position of the prosecutor is one which, as I have mentioned, is going to be decided by consensus. That means that the President of the Assembly of States Parties

would seek expressions of interest from countries and would then conduct informal consultations to try to ensure that there is consensus. You might appreciate that, because of the informal nature of that, it may be that candidacies are not formally announced and so there will be informal discussions. We would hope that we would be able to identify a candidate from Australia who would have sufficient experience and qualifications to be a credible candidate for this position. It is obviously a very senior and sensitive position and will have a great responsibility, in the initial phase, for setting up the court and for shaping how it will work. We are in the process of looking at possible candidates who would have the right experience.

Senator FAULKNER—That is fair enough, but what I am asking is: how are you going about that?

Mr Trindade—Through consultations with people in the legal community. That is a process that both the Attorney-General's Department and the Department of Foreign Affairs and Trade have been undertaking.

Senator FAULKNER—What is the lead agency for that?

Mr Trindade—As with a lot of matters on the International Criminal Court, it is a shared responsibility really. I do not think that I could comment about who the lead agency is.

Senator FAULKNER—The reason I asked that is that I do not want to ask you questions that are better directed to another agency. So you are talking to law councils and the like, are you?

Mr Trindade—I am not aware of exactly who people have been speaking to. I think that there have been some discussions seeking the interest of possible candidates. These are people who have a prosecutorial or a judicial background, or both. They would be the relevant skills to have, given that the role of the prosecutor will involve skills which would be common to the European prosecutorial system as well as the common law prosecutorial system. There are differences between the European or civil law systems and our own. Having an element of judicial experience as well as prosecutorial experience would be very relevant for these candidates.

Senator FAULKNER—I may be wrong about this, but I remember seeing, reading or hearing somewhere that the deadline for all this was 30 November. Is that right?

Mr Trindade—That is correct.

Senator FAULKNER—The process that you are talking about would have to be pretty well advanced then, wouldn't it?

Mr Trindade—It is under way.

Senator FAULKNER—I accept that. Today is 22 November, so you have eight days to sort it out.

Mr Trindade—That is correct, for the formal closing of nominations. That is not to say that the election takes place on 28 November.

Senator FAULKNER—No, but if you have a nomination—you have a name or names—it would have to be submitted within eight days, wouldn't it?

Mr Trindade—That is correct.

Senator FAULKNER—Can you assure us that you are likely to meet that deadline?

Mr Trindade—I can assure you that we are working towards that deadline. I cannot say that there will be a nomination on a particular date. That is a matter for the government.

Senator FAULKNER—What happens if you miss the deadline?

Mr Trindade—I can only envisage that the deadline would be missed if the government chose not to nominate a candidate. The Australian government does not always nominate candidates for every vacancy.

Senator FAULKNER—But you have told us that the priority is not the panel of judges but the prosecutor. That is what you said to us.

Mr Trindade—That is correct.

Senator FAULKNER—We know that the deadline is in eight days time.

Mr Trindade—As I have said, work is currently under way on that candidacy.

Senator FAULKNER—It would want to be, wouldn't it?

Mr Trindade—We are examining it very closely.

Senator FAULKNER—I am sure that is a relief to everyone; it would certainly want to be. Does this person's appointment have to be agreed to by cabinet or is there a process where it is agreed by ministers?

Mr Trindade—I believe that it would be agreed by ministers.

Senator FAULKNER—Is it true to say that at this stage we do not have a nominee?

Mr Trindade—We have nominees under consideration.

Senator FAULKNER—But at this stage we do not have a nominee?

Mr Trindade—I am not aware that we have formally decided that at ministerial level. Again, that is a matter for the ministers to formally decide.

Senator FAULKNER—So, with eight days to go, we do not have a nominee?

Mr Trindade—I myself would not characterise it that way.

Senator FAULKNER—I am just trying to cut to the chase. Do we have a nominee?

Mr Trindade—We have people who are under consideration for nomination.

Senator FAULKNER—Yes, I know that, but do we have a nominee?

Mr Trindade—We have not formally communicated a nominee.

Senator FAULKNER—So we do not have a nominee and it closes in eight days. Why don't we have a nominee when there are only eight days to go?

Mr Trindade—I think I answered that. We have a nominee under consideration at the moment. We have been giving active consideration to a number of possible nominees and we are mindful of the fact that nominations close on 30 November.

Senator FAULKNER—Thank you, Mr Trindade. I think this is in the same output. Can someone give me a quick status report on where ratification of the Timor treaty is up to?

Dr French—As you would be aware, the Joint Standing Committee on Treaties has reported on the issue of the Timor Sea Treaty and has recommended that the treaty be ratified. The government welcomes that recommendation. Also, at the same time, there was a recommendation that it would be desirable for both the conclusion of an international unitisation agreement for the Greater Sunrise field and the ratification or the entry into force of the Timor Sea Treaty to occur as close as possible in time and at the latest by the end of the

year. The government has taken that recommendation into account and is working towards that deadline.

Senator FAULKNER—There are some very significant commercial implications of this ratification, aren't there?

Dr French—Yes.

Senator FAULKNER—Without giving the details, could you identify the key commercial projects?

Dr French—Firstly, there is the Greater Sunrise project, which straddles the joint petroleum development area. It is 20.1 per cent within the joint petroleum development area established by the Timor Sea Treaty and 79.9 per cent within Australian jurisdiction. It is a project which is currently at a relatively advanced stage of planning, with a view to production in a number of years time, but there are deadlines in the consortium members being able to proceed to the next stage of planning which need to be met in order to allow that project to proceed. Australia has a major interest in seeing that project being able to proceed. In addition, there is the Bayu-Undan project, which is located entirely within the joint petroleum development area. That is a project which should commence liquids production as opposed to gas production in 2004, with gas production occurring about two years after that.

Senator FAULKNER—Can you give me any further details on the proposed time frame for the Bayu-Undan gas field, beyond what you have said? I appreciate what you have said to us.

Dr French—The companies involved have made it clear that, in order to achieve their deadlines with regard to the gas phase of Bayu-Undan, they will need to commence construction of infrastructure in the very near future.

Senator FAULKNER—Delay in ratifying the treaties has Phillips Petroleum fearful of losing their contract with Japan, as I understand it. Is that right?

Dr French—There have been statements by Phillips Petroleum to that effect. We are very mindful of the economic and political exigencies involved with the Bayu-Undan project. We are equally mindful of the great value and importance of the Greater Sunrise project. Overarching that, we are very mindful of the interests of both Australia and East Timor in seeing these resources developed and revenue flowing as soon as is practically possible. We are aiming towards a positive sum game whereby both projects, Greater Sunrise and Bayu-Undan, may proceed as soon as possible.

Senator FAULKNER—I hear what you say about Phillips Petroleum and the reports of their concerns. Have you had direct contact with them, or them with you, expressing those sorts of fears or concerns?

Dr French—We are in regular contact with the nominated representatives of both the Bayu-Undan consortium, which is Phillips Petroleum, and the Greater Sunrise consortium, in that case Woodside Petroleum. We listen carefully to what they have to say.

Senator FAULKNER—Specifically with the Bayu-Undan field, have any of those principals expressed concern to the department about the completion of the legislative and regulatory processes necessary for the project to commence?

Dr French—They have made clear in a number of fora that they have a clear process of planning that they need to fulfil, and we have listened very carefully to that and the government is taking that into account in its decision-making process.

Senator FAULKNER—There has been some suggestion that a delay into 2003 could mean the loss of the project or an opportunity for the Japanese customers to renegotiate a lower price for the contract. Is my understanding there correct?

Dr French—As with any project, there is a possibility that delays in ensuring that the regulatory framework is in place can impact upon the deadlines. As I mentioned, we are working towards the deadlines set by the government, entered into in good faith by Australia and East Timor, to achieve expeditious entry into force of the Timor Sea Treaty and also, as I mentioned, to achieve an acceptable result for both sides on the unitisation agreement, which will enable the other major project in the region—that is, the Sunrise project—to proceed. As I mentioned, we are aiming for a positive sum result here so that such issues of timing will not arise.

Senator FAULKNER—But if there is a basis for those concerns—and obviously they are genuinely held—then that has massive implications, does it not, for Australian government revenue and also for the economy of the Northern Territory more broadly?

Dr French—If that were to occur, but I think at this stage that would be speculation. We are aiming towards a positive sum result.

Senator FAULKNER—I am not speculating; I am asking you. But you accept the substance of the question. If there were to be such a delay, there are very significant implications, are there not?

Dr French—Were the Bayu-Undan project not to proceed, it would certainly be a highly undesirable outcome.

Senator FAULKNER—Has the department requested or received legal advice regarding the Timor treaty and the unitisation agreement?

Dr French—This department and the Attorney-General's Department have provided advice on the negotiation of these treaties and the process for their entry into force.

Senator FAULKNER—I am not asking you about the Attorney-General's Department; I am asking about your own. So there has been advice sought on that by DFAT?

Dr French—Advice sought by DFAT?

Senator FAULKNER—Yes. I am asking: have you requested legal advice?

Dr French—We have consulted with our colleagues in other departments, including Attorney-General's, as to these matters.

Senator FAULKNER—Have you sought outside advice or internal advice from your own people?

Dr French—There is a team of lawyers within the legal branch of the Department of Foreign Affairs and Trade and also within the Office of International Law within the Attorney-General's Department who are required to provide advice on these matters.

Senator FAULKNER—Has that advice been provided?

Dr French—With regard to what specifically?

Senator FAULKNER—I was just talking in the broad regarding the Timor treaty and the unitisation agreement. I was not being any more specific than that.

Dr French—We have provided advice on how the Timor Sea Treaty should be drafted and the legal ramifications of certain provisions. Similarly, with regard to the current negotiations

on the international unitisation agreement, advice is provided on relevant texts and their ramifications.

Senator FAULKNER—Minister, would you be able to make copies of that advice available?

Senator Troeth—We would have to consider that.

Senator FAULKNER—Can you take that on notice?

Senator Troeth—I will take it on notice.

Senator FAULKNER—Have any of the Greater Sunrise partners made representations or made contact with the department specifically regarding the Timor treaty ratification?

Dr French—I am sorry, I missed the very first part of your question.

Senator FAULKNER—I was wondering specifically whether any of the Greater Sunrise partners had made contact with the department about those issues.

Dr French—As I mentioned, we are in regular contact with the lead companies for both consortia. In the case of Greater Sunrise, that is Woodside Petroleum. Yes, they have been in contact with us, as is normal in these kinds of matters.

Senator FAULKNER—Have they contacted you regarding matters associated with the unitisation agreement?

Dr French—They have been engaged in dialogue with us. It is the view of the government that it is appropriate for the lead company within a consortium to have its views heard and to be consulted with regard to the development of a regulatory framework which will impact very directly on its operations. To put it the other way around, if the agreement which we were to arrive at with East Timor were one which was not economically implementable then we would have been wasting our time. So it is logical and common to consult with the relevantly designated operators to ensure compatibility between the kind of agreement you are attempting to negotiate and the economic achievability of a project.

Senator FAULKNER—Do you keep an eye on the broad implications? For example, with the China contract, do you keep an eye on the broad implications of the price of LNG? That contract has put downward pressure on the price of LNG, hasn't it?

Dr French—That is a little bit outside of our particular purview.

Senator FAULKNER—I appreciate that. I was asking whether you just keep a broad overview of those sorts of issues.

Dr French—As with any treaty or negotiation of this kind, a range of departments are involved in providing advice to the government and these kinds of matters are certainly factors which the relevant departments are considering and providing input about. It is not something on which DFAT provides input.

Senator FAULKNER—I appreciate that, but there are concerns, aren't there, that the Japanese might seek to take advantage of that situation if the Bayu partners cannot meet their contractual obligations?

Dr French—As I mentioned before, we are aiming to achieve the deadlines that have been set.

Senator FAULKNER—I know what you are aiming to achieve, but I am wondering how broad your perspective is in this. You have told me a number of times what your objective is and I accept it, I take it at face value, and I do not take issue with what you say and what your

intentions are. I just wonder how broadly you might look at these sorts of issues that I am raising—beyond the narrow legal considerations.

Dr French—As I mentioned, certainly other agencies are involved in the process, and their daily bread and butter is analysing and monitoring those kinds of developments. Those kinds of issues are then allowed to flow into the consideration. When you get into that more strategic sort of thing, though, I guess we are talking about decisions by ministers, and it would not be something necessarily for the Minister for Foreign Affairs alone.

Senator FAULKNER—As I understand it—and you can correct me if I am wrong—Minister Macfarlane has conceded that the China contract has had an impact on LNG prices. I think he may have said that to the shadow minister, Mr Joel Fitzgibbon. Are you aware of that?

Dr French—I am not aware of that specific comment.

Senator FAULKNER—I thought you would be far more expert than me on all this—in fact, I know you are far more expert than me on this. That had not come to your attention?

Dr French—That specific comment. Certainly the group and those involved in these matters are regularly informed about macroeconomic developments in this area, and that is a relevant consideration that is taken into account and monitored.

Senator FAULKNER—Dr Raby told the Joint Standing Committee on Treaties that it is the government's view that it is in the national interest—I think this is a fair assessment—to risk the estimated \$2 billion in revenue from the Bayu-Undan project in order to maximise the potential of all the fields across the Joint Petroleum Development Area. Has anyone had a look at what Dr Raby said to the Joint Standing Committee on Treaties?

Dr French—Yes.

Senator FAULKNER—Have I given a fair representation of his comments?

Dr French—That is a reasonable approximation of what he said.

Senator FAULKNER—Is that still the view of the government?

Dr French—As I mentioned, we are aiming to achieve both—that is to say, the speedy implementation of the Timor Sea Treaty and the speedy conclusion of the international unitisation agreement so that tension with regard to a possible delay of the Bayu-Undan project will not arise. That is our firm objective.

Senator FAULKNER—Is it true that the agreed price for the sale of the LNG from Bayu-Undan to Japan is substantially higher than the price secured for the LNG recently contracted for sale to China?

Dr French—That would be commercial-in-confidence information.

Senator FAULKNER—You are not aware of that?

Dr French—I would not be at liberty to comment on that, I am afraid. I think that would be an issue for the companies.

Senator FAULKNER—But surely all these issues have serious implications in relation to the delay in the ratification of the Timor Sea Treaty, don't they?

Dr French—In terms of delay, at this stage we are well on the way in the process of the implementation of the Timor Sea Treaty. As I said, our objective would be to ensure that the implementation of the Timor Sea Treaty occurs in a time frame which will not result in any delay that would have any negative commercial implications.

Senator FAULKNER—Is it public or departmental knowledge as to what the agreed date for the commencement of the Sunrise project is?

Dr French—I do not believe it is public knowledge. There are continuing discussions and negotiations, as I understand it, between companies and potential clients in various parts of the world, and I think that is really a matter that would be best dealt with by the companies.

Senator FAULKNER—But doesn't that have a really serious implication in terms of tax and other revenue considerations for both Australia and East Timor?

Dr French—We are monitoring these developments. But, as I mentioned, I do not think it would be appropriate to comment on the specifics to the extent that that could impact upon current commercial negotiations.

Senator FAULKNER—What sort of priority is all this getting in the department?

Dr French—A high priority.

Senator FAULKNER—How high a priority?

Dr French—Very high.

Senator FAULKNER—Somehow I knew you would say that. I might do this, Dr French, because of the hour: there is a number of questions relating to this that I would not mind taking the opportunity to place on notice. Could I ask you and Dr Thomas to try to address them as quickly as possible, just in the interests of time, so we can keep batting through this?

Dr French—Certainly.

Senator FAULKNER—Thank you very much. I was going to ask some questions about East Timor and about some concerns that have been raised with me in relation to the fact some cases of HIV have been identified for the first time in East Timor. However, I think I may have missed the boat here as that may have involved output 1.1.2. Dr Thomas, would that be right, as I fear?

Dr Thomas—It would come under that division and also AusAID. Ms Rawson is still here and may be able to help.

Senator FAULKNER—Ms Rawson, has there been a new issue, that of the notification of the first cases of HIV in East Timor? A constituent raised this with me, and I wonder if this has come to your attention.

Ms Rawson—I am not aware of particular cases having been notified, but I think the issue of HIV-AIDS has been present in East Timor for some time.

Senator FAULKNER—So it is not a new issue?

Ms Rawson—It is not something that has arisen within the last few weeks.

Senator FAULKNER—I am not suggesting that it has arisen in the last few weeks but comparatively recently.

Ms Rawson—Yes. I would refer to, for example, the latest report from the UN Secretary-General on the United Nations Mission of Support in East Timor, which refers at one point to UNMISSET including focal points on HIV-AIDS. That suggests it is a continuing issue.

Senator FAULKNER—I would appreciate it if, at some stage, you could give me some references because I would like to follow that through if I could.

Ms Rawson—Yes, certainly. I think there will also be information available through AusAID in terms of work that—

Senator FAULKNER—To save time—

Ms Rawson—We can certainly collect that; we can bring it together.

Senator FAULKNER—I do not expect you to collect it for me, but you could take it on notice to point me to where I can find it. I do not expect you to do that level of work for me.

Ms Rawson—We can certainly provide you with the relevant information.

Senator FAULKNER—All right. I would appreciate that, because it has been raised by a concerned constituent and I thought it was something that would be appropriate. If we had more time, I would deal with it at greater length today. That would be helpful. Just before we leave this output, there were rumours that after meeting with Chinese leaders the Prime Minister advised the North West Shelf consortium that they needed to lower their bid price to meet with success. Does the department have any information to indicate whether or not there is any substance to those claims?

Dr Thomas—All I can say is that the Prime Minister and a number of ministers were closely involved in making representations to help secure that contract for that company. All matters relating to price, equity and shipping arrangements were entirely commercial judgments and beyond the purview of government.

Senator FAULKNER—So, to your knowledge, those comments were not made?

Dr Thomas—Yes. As I say, all decisions relating to price were entirely a matter for the companies in the ALNG consortium.

Senator FAULKNER—I understand that point, but I am just asking—

Dr Thomas—I am sure that at a certain stage the Prime Minister and ministers had discussions with the companies, but all the judgments were entirely for them.

Senator FAULKNER—Were entirely what?

Dr Thomas—All the judgments about price were entirely for the companies. I was not privy to the actual discussions. Clearly the issue of price would have been discussed at some stage, but these were commercial matters for the companies to decide themselves.

Senator FAULKNER—Is there anyone here who was present at those meetings?

Dr Thomas—No, not at the moment.

Senator FAULKNER—So we cannot throw any direct light on those claims or rumours.

Dr Thomas—No, I cannot.

Senator FAULKNER—And nor can any other official here.

Dr Thomas—Not at present, no.

Senator FAULKNER—In the interest of trying to move this show along, I might ask you to take a few questions on notice in this particular output. I think we can move to 1.1.8. I will try and be as quick as I can here. Dr Thomas, could someone just give me a brief update here on where we are up to in terms of negotiating a verifiable protocol on the biological weapons convention?

Mr Luck—I will try to do that for you. Those negotiations have run into a lot of trouble. They proceeded over a period of about six or seven years from about 1994. They took place regularly in Geneva. The idea of the protocol was to provide a verification or compliance mechanism for the biological weapons convention—that convention never had one. In that sense, it represented a gap in the international non-proliferation system. The negotiations,

basically, broke down towards the end of 2001, with substantial gaps between the negotiating partners—the adherents to the biological weapons convention—over several issues. My memory here should be better but they basically broke down in about September last year, shortly before what was to be a review conference of the biological weapons convention. That non-result was taken to the review conference itself.

Senator FAULKNER—Was that the fifth review?

Mr Luck—Yes, it was the fifth review. That non-result was taken there. There was no resolution of the differences at the review conference itself and the review conference was suspended for a year. It resumed—I think last week or the week before—in Geneva and there was a conclusion to the review conference. The conference, even though it acknowledged that it could not resolve a verification and compliance protocol, did set up a multilateral process where this issue was kept at the forefront of the concerns of the members of the biological weapons convention and there will be an annual process of reviewing what it might be possible to do. Frankly, it is very hard going.

Senator FAULKNER—I saw the statement that Mr Downer released, along with Canadian and New Zealand ministers, after that fifth review conference. Is it fair to say that, basically, the situation we find ourselves in now, after seven years of negotiation, is that the states that are parties to the biological weapons convention have not been able to conclude negotiations on a protocol that would provide a verification and compliance mechanism for the treaty? That is basically where we are at, isn't it?

Mr Luck—Yes.

Senator FAULKNER—The US government are basically out of the picture on this one, aren't they?

Mr Luck—Not really, no. They did have major difficulties with the protocol, as did a number of other countries.

Senator FAULKNER—But they withdrew from the protocol negotiations back in November, didn't they?

Mr Luck—No, I would not say that they withdrew. They basically reached a national position. I think they lost confidence that this particular form of negotiation with the parties involved could ever resolve the differences that were apparent at that point on a whole range of issues. My memory is not perfect on this, but they basically concluded that a sort of classic form of verification protocol was not going to be achieved. They made their view clear, and there were people on the other side of the negotiation—I would say on the extreme end of the other side of the negotiation—who similarly had difficulties in the direction in which we were headed. There were a lot of us around the middle ground who remained optimistic that, despite all the difficulties, we could still get some measure of multilateral agreement which would have some worth, not so much hard verification perhaps but a useful compliance mechanism. But, in the end, we were not able to bridge differences at that point, and the process that I have already described ensued—the review conference and then the resumed review conference.

Senator FAULKNER—Yes, but there is still obviously massive concern over biological weapons in places like Iraq and North Korea, isn't there?

Mr Luck—Absolutely. There is massive concern wherever they occur.

Senator FAULKNER—The United States has refused to adopt a multilateral treaty on biological weapons verification. That is right, isn't it?

Mr Luck—I would not characterise it that way. I would say that a number of countries were unable to agree on what form and on what content there should be to such a multilaterally agreed process. There were substantial gaps on a number of issues which, in the end, we were unable to resolve. So the framework that we had been pursuing for six or seven years was not achieved. That is the nature of multilateral work. It tries to bring everybody on board on a consensus basis, and that was not achievable. There is no doubt that the American doubts and the lack of confidence in that process were an important factor. Equally, you would argue that there are other parties to the negotiation who were never going to concede on some points like the whole issue of export controls. There were attempts made at the negotiations to, I would say, water down their value as something that we and other like-minded countries support very strongly, and we and others were not going to have that. So there were large gaps on those and a number of other issues.

Senator FAULKNER—Are we lock step with the US on this?

Mr Luck—We work very closely with them and on many issues we think alike, but I think it is fair to say that we did take a different view at the end of the day about what further value there might yet be in this multilateral process. We shared views with each other very frankly, and I think we understand their position very thoroughly and they understand ours. We were not entirely of the same view but of course we are very close. I think they have been persuaded, partly because of the representations that Mr Downer and others had made, that they should continue to work with this multilateral process in some form, despite their clear and serious reservations.

Senator FAULKNER—Have we ever criticised them on this point?

Mr Luck—We have certainly taken the issue up with them. I do not think we tend to trumpet that kind of criticism, but people in the negotiation would certainly be aware of where divergences were and so on.

Senator FAULKNER—So at no stage has Australia articulated a different approach to the US on this matter?

Mr Luck—Yes, we have.

Senator FAULKNER—We have?

Mr Luck—Yes.

Senator FAULKNER—Where have we done that?

Mr Luck—I wish I could recall offhand. Certainly I remember looking up that very point once before. It is my memory, I am afraid. There have been statements of divergence, so it is not something we hide.

Senator FAULKNER—Have we been critical of the US?

Mr Luck—I do not recall characterising it as being critical. I think we have just made it clear that we have had this point of divergence. We have had much bigger points of divergence with a number of other countries in that negotiation. We certainly would not diverge from the US on the fundamental role, for example, that export control regimes play in a very proactive counterproliferation way in dealing with some of the risks we see of, as you referred to, biological and other kinds of weapons of mass destruction. That is a frontline endeavour we indulge in with a number of other like-minded countries to try and make sure there is no deliberate or inadvertent trade in any of these dangerous materials in a way which might contribute to a weapons of mass destruction program.

Senator FAULKNER—Minister, do you think there is an inability on the part of the Australian government to criticise US arms control policy, even when it undermines Australia's stated policy objectives or interests?

Mr Luck—I think we just make our views clear.

Senator FAULKNER—I am sorry, that was a political question, Mr Luck. I thought I had better direct it to the minister.

Senator Troeth—When there are objections to be made, I am sure we would be making them.

Senator FAULKNER—Could you say that again?

Senator Troeth—You did address the question to me?

Senator FAULKNER—Yes. I am sorry, I just missed your answer.

Senator Troeth—I said that, when there are objections to be made, I am sure we would be making them.

Senator FAULKNER—Have any been made?

Senator Troeth—I feel quite sure that we do not ally ourselves as a matter of course with the United States on every single issue. I could not tell you of a single instance of this, but I am quite confident that we pursue an independent course according to our own interests.

Senator FAULKNER—If you do come up with an instance, can you let us know?

Senator Troeth—Yes, I will.

Senator FAULKNER—Thanks. I will not hold my breath waiting.

Senator Troeth—Senator, I could give you one instance of meat tariffs.

[3.08 p.m.]

CHAIR—We will move to output 1.2, Secure government communications and security of overseas missions.

Senator FAULKNER—I think there is an additional \$31.7 million over five years for DFAT to increase physical security at overseas posts. That is the correct figure, isn't it?

Dr Thomas—I believe so, yes.

Senator FAULKNER—It may be best to take this on notice. I do not want to trample into areas that have an impact on the effectiveness of our security of overseas posts. I want to make that a clear caveat, if you would accept that.

Dr Thomas—Understood.

Senator FAULKNER—I want you to ensure that you do not—

Dr Thomas—give away security measures which are designed to make us secure.

Senator FAULKNER—Indeed. Let me stress with you that is not my intention, and I do not want you to provide answers to questions that you feel compromise that in any way. I want to make that clear. To the extent that you are able, and it might be best to take this on notice, could you give some sort of breakdown of that figure so we have a better understanding of where the resources are being used and, if appropriate, how they are being used? I wonder if you could do that. I do not necessarily want that information now; it might be easier to take that on notice. Therefore, you can carefully apply that caveat to the answer.

Dr Thomas—I think we can give you a general response on how that money is being used and for what general purposes. I will call on my colleague Mr Paul Tighe, who heads the relevant division.

Mr Tighe—The manner in which we will expend that \$31.7 million is that we will allocate it to those posts which we assess to be at the highest risk in the current security environment. Without going into the sort of detail that you indicated you do not need, these are predominantly—but not exclusively so—in the Middle East and South-East Asia. The sorts of measures that we will use the money for involve, for example, increasing the setback of missions from public areas; improving what we call the perimeter hardness of the mission—bolstering fences and that sort of thing; improving the inspection of visitors going into the embassy by using metal detection; and increasing public access controls within the mission so that visitors to the mission only go to the places where they have legitimate business.

Senator FAULKNER—Will this involve the placement of Australian security personnel in overseas missions?

Mr Tighe—It is not our intention to base security personnel there. We will probably be increasing contract guarding at a number of missions. We are not sending Australian based officers there.

Senator FAULKNER—So these will be locally engaged security personnel?

Mr Tighe—Yes, we will be using contract firms.

Senator FAULKNER—Is any of that \$31.7 million picking up moneys in areas cut back previously?

Mr Tighe—It is additional funding.

Senator FAULKNER—I know it is additional, but had there been some cutbacks in this area? From memory, I thought there might have been; I might be wrong.

Mr Tighe—No, we have a regular security budget, which is about \$9 million per annum, and we continue to have access to that budget. We will be expending that amount of money as well this year.

Senator FAULKNER—So this is an enhancement to that?

Mr Tighe—That is correct.

Senator FAULKNER—Has that budget been consistent over the past four or five years?

Mr Tighe—It is part of money we receive for a number of security related matters which relate, for example, to communications security, IT security and physical security at overseas missions. That amount of money in total has remained constant over the last few years. Sometimes we shift the balance of it between one form of security and another, depending upon the needs at the time.

Senator FAULKNER—But it has been a constant figure?

Mr Tighe—Yes, that is right.

Senator FAULKNER—Have there been any impacts on funding for physical security at overseas missions? Had that area been cut back at all in the broader budget cuts that DFAT has suffered?

Mr Tighe—No, in fact in some cases—for example, after September 11, because there was an extra pressure on the security budget—we have been able to divert resources to that, but there has been no cut in that budget.

Senator FAULKNER—Are you able to say what counter-terrorism enhancement resources the government is considering for ASIS?

Mr Tighe—I am sorry; I am not sure that I understand your question.

Senator FAULKNER—Are there more resources going into ASIS?

Mr Tighe—I understand that was one of the outcomes of the counter-terrorism review.

Senator FAULKNER—Are you able to provide any more detail on that?

Mr Tighe—No, I do not represent ASIS.

Senator FAULKNER—I know you do not. I think you will find that ASIS will not be here. Is there any consideration being given to placing additional ASIS personnel overseas?

Dr Thomas—We cannot comment on those sorts of matters.

Senator FAULKNER—My colleagues will probably progress that in another forum. I might consider one or two questions on notice in your area, Dr Thomas. I would feel a bit constrained by the caveat I have given myself in regard to this, but I will just have a look at that.

Dr Thomas—Thank you.

Senator FAULKNER—It seems to me a bit risky to go into these things in too much detail. It might be a bit self-defeating.

[3.16 p.m.]

Senator FAULKNER—I will move along to output 2.1, Mr Chairman. I want to ask a few questions about travel advisories, Dr Thomas. First of all, could you explain to me in broad terms how DFAT travel advisories are constructed? In other words, what material is used in setting those advisories?

Dr Thomas—I invite my colleague Mr Kemish to give advice on this. He is in charge of the area that does exactly that.

Mr Kemish—I am head of the Australian consular service and responsible for travel advice and consular responses. The Australian travel advice is a composite judgment—that is something that I need to emphasise—based on a range of sources. Primarily, it is based on assessments from our overseas posts—and our heads of mission are directly involved in these assessments—about local security conditions. Secondly, it is based on our consular experience. By that I mean our experience of the kinds of difficulties that Australians find themselves in through the year. We help about 24,000 Australians every year in one way or another and we also know the kinds of questions they ask us, so it is based on that consular experience. Thirdly, it is based on intelligence material. Within that context, we give particular weight to ASIO formal threat assessments. Fourthly and finally, in the main, our travel advice is based on consultations with certain key partner governments—in particular, the governments of the United Kingdom, the United States and Canada. I am not saying we work in lock-step with those governments, but we do consult them, particularly when the travel advice relates to a particular threat or a particular crisis that may be preoccupying all of our attention.

Senator FAULKNER—Are you able to identify which intelligence agencies you are involved with?

Mr Kemish—Material comes to us from time to time from all intelligence agencies and, as I said before, within that we give particular weight to formal threat assessments from ASIO about threats to Australians and Australian interests overseas.

Senator FAULKNER—What about the sifting of this? Who determines what is and is not relevant for the travel advisories?

Mr Kemish—The consular branch, which is within my division, does precisely that. The head of the consular branch and I are the primary addressees for all intelligence that relates to a threat to Australians or Australian interests overseas as it comes into the department. Those processes are streamlined. That information comes in both hard copy and, as required, electronic form. We have our own systems for making assessments, consulting back with the intelligence agencies very quickly, as required, if there is an issue of particular concern. We are able to amend the travel advice and push it out to many thousands of subscribers—the current figure is now 12,000—in the travel industry and the media across the country within a very short time of receipt of information of a nature threatening to Australians.

Senator FAULKNER—Is there vetting of this sort of information?

Mr Kemish—What do you mean by vetting?

Senator FAULKNER—I mean vetting of the material that comes in to you for assessment.

Mr Kemish—I am not sure what to add to my last answer. Absolutely, we make judgments on the basis of the information that comes to us.

Senator FAULKNER—Does the buck rest with you in terms of the final call on the travel advice?

Mr Kemish—An important point I need to emphasize again is that travel advice does not always relate to threat. Travel advice can also relate to, for example, the fact that literally scores of Australians are turned around at Los Angeles airport every year for not having the appropriate visa documentation. It can relate to that kind of issue. It can relate to health. It can relate to all sorts of issues. Travel advice that relates to threat and threat assessments is cleared by the Minister for Foreign Affairs.

Senator FAULKNER—Does it go from you through the secretary to the minister—is that the sort of process we are talking about?

Mr Kemish—The secretary would not automatically be involved.

Senator FAULKNER—It may go directly from you to the minister?

Mr Kemish—Yes.

Senator FAULKNER—Which means you can do it more quickly, I suppose.

Mr Kemish—It is a very streamlined operation.

Senator FAULKNER—But before it is published it has got to be ministerially approved?

Mr Kemish—If it relates to threat.

Senator FAULKNER—And ministerially approved means by the minister or the acting minister as opposed to the minister's office—is that right?

Mr Kemish—That is right.

Senator FAULKNER—Do you have any committee processes in terms of pulling some of this material together, involving relevant agencies, embassies and line areas in DFAT? Is there anything like that?

Mr Kemish—No, we would not want to manage it by committee. There is a very proper process structure in place to manage the process. I can describe that to you.

Senator FAULKNER—That would be better. It will probably save a lot of questions.

Mr Kemish—There is a benchmark that we have had for the last two years that every Australian travel advice must be less than three months old. So we formally update every travel advice even if it reflects no substantive change: we review it every three months. The way we review is that we seek the view of the overseas post that is responsible for the advice concerned. The head of mission would be involved in that consultation. We also seek to download on the expertise of the relevant geographic division within the department. The final port of call within the department before it goes to the minister is within our division—well, it is me.

Senator FAULKNER—Thanks for that; that is helpful to understand.

Mr Kemish—Just to be very clear for the record: as I said, we have a formal requirement that it be updated at least every three months but, as I think you know, we update travel advice much more frequently than that in response to developments.

Senator FAULKNER—Yes. What about embassy bulletins?

Mr Kemish—They are a different thing, but they must always be and they always are consistent. The embassy bulletin is effectively a means of making sure that the travel advice is disseminated quickly to Australians in a country. Our systems are designed to ensure that these bulletins certainly go out to all registered Australians within a country. Beyond that, in many cases around the world, we also take additional steps to disseminate the embassy bulletins to hotels where Australian visitors stay and to a range of other points in the travel cycle. We do our best to intercept those points in the travel cycle with the bulletins.

The bulletins can sometimes be very slightly more detailed than the travel advice. As I think we have said in our public pronouncements, bulletins are sent out particularly when they relate to threat. As I have also said, the systems I am describing—formal travel advice on one hand and embassy bulletins on the other—are matched by most like-minded governments, particularly the United States. One of the things that has not been helpful to the families of the victims has been suggestions in the media that there was somehow a mismatch—a discrepancy—between the levels of threat in the warnings issued by the United States on one hand and Australia on the other through their respective embassy bulletins and travel advice. That is simply not the case.

Senator FAULKNER—Are the inputs to the bulletins and the processes for their production similar to, or the same as, those for the travel advisories? If they are different, perhaps you could explain what the differences are.

Mr Kemish—Do you mean between the governments, or between travel advisories and bulletins?

Senator FAULKNER—Between bulletins and advisories.

Mr Kemish—A bulletin is issued by the respective embassy. Often the bulletin will simply be the travel advice sent out to the registered community. It will sometimes alert the Australian community to the new travel advice and perhaps seek to put some context around it. It might be refreshed in response to, or around the time of, a particular local event, but there is always consistency between the two things. Embassy bulletins are very quickly viewed and approved at official level in Canberra.

Senator FAULKNER—At the end of the day, who authorises them? They are not ministerially authorised?

Mr Kemish—No; but, as I say, they are almost adjuncts to the travel advice.

Senator FAULKNER—I accept that. What about the inputs to the embassy bulletins? Is there any difference?

Mr Kemish—The embassy itself will—

Senator FAULKNER—There is an in-country input.

Mr Kemish—Absolutely.

Senator FAULKNER—Have you been called on in recent weeks to try to explain some of this background about the bulletins and the advisories? I assume you would have. Has there been a significant demand on you in that regard?

Mr Kemish—There was of course a very clear public interest in investigating every step in respect of our decisions on embassy bulletins and travel advice prior to the Bali tragedy, and we immediately moved to look at the record too. I can respond to any questions in relation to that.

Senator FAULKNER—In a moment, because I know other senators want to ask questions as well. Very briefly, if we could go to the travel bulletins, which I think are in the other category.

Mr Kemish—These are the global travel bulletins? Yes, that is correct.

Senator FAULKNER—Can you briefly give the committee a similar background to the one you have given on the embassy bulletins and the travel advisories in relation to where the differences might be with the travel bulletins?

Mr Kemish—The bulletins you refer to are global in nature; they are not country specific. They are travellers bulletins on global issues, sometimes also referred to as general advice to Australian travellers. They are made available through our web site and through various other means along the lines of what I have already described. They are approved at the officials' level within the Department of Foreign Affairs and Trade.

Senator FAULKNER—Have you taken any action to more effectively disseminate travel advisories and embassy bulletins and travel bulletins to Australian travellers over recent times?

Mr Kemish—Yes, very much so. I am happy to take you through that. The thing that probably needs to be said is that in the year or two prior to the Bali bombing, and we have discussed these issues in Senate estimates before, we had actually done quite a lot of work on the dissemination of travel advice already. Now we are not content with that, and this is a new environment following the Bali bombings. But, for background purposes, we should look at the level of access to the department's travel advice. For example, prior to September 11 2001 we were receiving about 35,000 hits a week on the travel section of the DFAT web site.

Following that crisis we worked very hard, among a range of other review processes, to increase very significantly the extent to which we disseminate information. In the period between 11 September 2001 and the Bali bombings we were recording about 100,000 hits a week on the web site. During that period we also introduced a very significant subscription system involving emailing our travel advice out to various Australian parties. The number of people to whom we emailed our travel advice at the time of the Bali bombing was about 3,500. It now stands at 12,000. That is what we have done in the last month, effectively. So

one new measure involves a very significant increase in the number of parties to whom we send new travel advice, particularly within the travel industry and the media; but it is not only that. In addition to that, we have moved, since the Bali bombings, to distribute all travel advisory updates that relate to risk and threat to 130 members of the Canberra press gallery, and that has been reflected in some of the media coverage that we have seen since then.

We have also moved quickly to establish a cooperative arrangement with the Australian Federation of Travel Agents to distribute travel advice updates to an additional 3,500 travel agents in Australia via an email alert system. That is on top of the 12,000 I have already described. We have introduced, again, a new raft of initiatives. I did want to say that we had done quite a bit prior to the Bali bombing but we are not content with that. This is a new environment, and we are looking very seriously and very professionally at additional things we can do. There are a range of other measures that we are consulting government on and which it would not be appropriate for me to speak about just yet.

Senator FAULKNER—Just specifically in relation to the Bali situation, are you able to say what information was shared between the Australia and other Western countries pertaining to possible terrorist threats across South-East Asia in the period prior to 12 October this year?

Mr Kemish—If I may, before I go on, I have sat here today listening to a lot of discussion about what we can and cannot say. I would just like to be clear about this. What I am not able to talk about is the content of intelligence and, as I think you know, this is subject to a review by Mr Blick, the Inspector-General of Intelligence and Security. I am not able to talk about that or its sharing between governments. What I can talk about is travel advice and sometimes, in a broad way, I can talk about the basis of those decisions.

Senator FAULKNER—You would be aware that I placed a caveat on security enhancements at overseas posts for the obvious reason. I appreciate the qualification you make. I am aware of Mr Blick's reports and his work. In fact, I talked to him directly about it—it seems like half a lifetime ago—just two days ago. Are you able to say anything to this committee about information that was shared about possible terrorist threats prior to 12 October?

Mr Kemish—I can say that the Australian travel advice and embassy bulletins were updated and disseminated several times, particularly in the month and a half prior to the tragedy, in response to new information. That new information was of a generic kind. It was about possible generic threats in the region. I can also say that the travel advice and the embassy bulletins were based on all information available to us. Consistent with our normal procedures, we reviewed our travel advice several times during the year or so prior to the Bali tragedy. First, on 12 July 2002, we upgraded it to include the following specific language:

Bombs have been exploded periodically in Jakarta and elsewhere in the past, including areas frequented by tourists. Further explosions may be attempted.

In response to credible threats concerning the region, not Indonesia or Bali, travel advice for all countries in South-East Asia was upgraded on 10 and 11 September 2002 to alert Australians to the potential for terrorist activity in the region. There are very clear references in that travel advice, including the Indonesian travel advice.

I would have to say that these warnings issued at the time were reported widely in the Australian media at the time—some in the Australian media have rediscovered in the last week the things that they were reporting at the time—and of course they were disseminated very widely by the department. The Indonesia travel advice was updated again on

10 September 2002 to include the following specific language, in addition to what I have described to you:

In view of the ongoing risk of terrorist activity, Australians should maintain a high level of personal security awareness at all times.

This was renewed without substantive change twice between 10 September and the Bali bombings.

Australian embassy bulletins were sent to all registered Australians in Indonesia and to tourist hotels along the lines that I have described on 13 August, 20 September and 3 October. Those embassy bulletins matched precisely what the American bulletins were doing—in fact, they went further to recommend that Australians avoid large gatherings known to cater primarily to Western clientele, including bars, restaurants and tourist areas. Beyond that, just referring back to your earlier question, we also did indeed issue a global bulletin. We did that on 11 October. That picked up on a global bulletin that had been issued by the United States government on 10 October. I should say that 10 October Australian time was 11 October. They were issued on the same day.

Senator FAULKNER—Is the level of security warning a specific element of the travel advisories and bulletins?

Mr Kemish—We try to use very clear language about security threats. You are asking about levels of security threats. We differ somewhat in our approach to that taken by some other agencies in making security assessments for staff—only in systems and only in process. Again, if it is helpful, I can describe not by numbers or colours but in plain English the four broad levels we have within our travel advisory and embassy bulletin arrangements.

Senator FAULKNER—Yes, but did the broad levels change?

Mr Kemish—Yes. It only makes sense if I very quickly describe the levels. There are four very broad levels. The very top level of travel advice reflected in embassy bulletins recommends strongly that Australians defer all travel to a country, and that is sometimes accompanied by a strong recommendation to leave the country by available means. That is the top level of Australian travel advice. Second, we provide advice to defer travel that is non-essential, and that is sometimes, depending on the individual judgment made at the time, accompanied by advice for people to consider departing if they have concerns about their security. The third level is very broad. In various different ways, depending on the situation, we provide advice about the need for personal vigilance and the need for a higher level of personal security awareness—and, within that level, we sometimes refer also to particular locations in a country which should be avoided.

Senator FAULKNER—How do you sum up that third level?

Mr Kemish—It is about the exercise of personal vigilance—

Senator FAULKNER—So personal vigilance would be a good way of summing that up.

Mr Kemish—It is expressed in different terms because it is tailored to the situation. We find, in dealing with the Australian public, that tailoring the language to the situation is more helpful than using a rigid colour-coded or number system. But often, to accompany that kind of advice, we also refer to particular locations within a country which should be avoided. To give a clear answer to your earlier question, the Indonesian travel advice and bulletins stayed within that band through the period leading up to the Bali bombing.

Senator FAULKNER—When did that band commence—because it was upgraded afterwards of course, wasn't it, to the second level?

Mr Kemish—It was, and it remains at that level.

Senator FAULKNER—That is the second level?

Mr Kemish—That is right: defer non-essential travel.

Senator FAULKNER—And the date of that was?

Mr Kemish—I am searching for the particular time of day, because it was extremely early on 13 October. A bulletin was issued before 7 a.m. on 13 October and the travel advice was issued at 9.40 a.m. on 13 October.

Senator FAULKNER—When was the personal vigilance level—I think you understand what I am talking about—that preceded that established? Many months, I assume, or years even.

Mr Kemish—A long time before.

Senator FAULKNER—Are we talking many months, or possibly years?

Mr Kemish—Many months.

Senator FAULKNER—I will come back to this. Senator Johnston has been very patient, and I know he wants to ask you some questions. I will finish off after him.

Senator JOHNSTON—I am much obliged. Mr Kemish, are you the person that I should talk to about the after-hours consular hotline?

Mr Kemish—Yes.

Senator JOHNSTON—Have we done any work to see how effectively that hotline—I think there are two numbers in fact—

Mr Kemish—During a crisis there are.

Senator JOHNSTON—dealt with this particular crisis?

Mr Kemish—Yes, we have.

Senator JOHNSTON—What was the result?

Mr Kemish—Firstly, I will very quickly explain the difference between the numbers. There is a 1300 number and a 1800 number.

Senator JOHNSTON—I have rung them both.

Mr Kemish—The 1300 number is a standing telephone number which provides access to the permanent 24-hour consular operations centre, year in, year out. The 1800 number is activated in response to a crisis. It comes with an emergency call unit which we staff with volunteers as soon as a major crisis generating high levels of public anxiety hits. We had that emergency call unit and the 1800 number activated and fully staffed with DFAT volunteers by 6 a.m. on 13 October.

Senator JOHNSTON—Is that Eastern Standard Time or Western Standard Time?

Mr Kemish—Eastern Standard Time. We went public with it at 6.30.

Senator JOHNSTON—How many volunteers were there?

Mr Kemish—Initially, 30. I should tell you that since the tragedy we have seen a total of 700 DFAT volunteers work in the department's crisis centre and the call unit. On our crisis lines we have taken 30,000 telephone inquiries.

Senator JOHNSTON—Over what period?

Mr Kemish—Over the period of the first 2½ weeks. We took 10,000 in the first 24 hours after the crisis. We also received inquiries about 4,700 individuals and were able to resolve many of those cases, to the satisfaction and relief of more than 4,600 Australian families, as safe. As to the actual functioning of the phone system, we sought to monitor wait levels and any difficulties that arose during the period of the crisis. That is an important part of a review process which we automatically kick into place immediately after every crisis.

I am broadly satisfied. I am not satisfied about a particular period in the early morning of 13 October. For a very short time there was a very major rush on the telephones, to the point where, as you may recall, we had to put out into the media pleas that families designate one person to call in. We were also using our web site very quickly and effectively to try and manage that down. This was an unprecedented disaster.

Senator JOHNSTON—Have you thought about a state based capacity—breaking it up into states?

Mr Kemish—It is worth throwing into the mix. Thank you, Senator. While I am satisfied, and in fact pretty impressed, with what my staff managed to do—more than impressed in this case—the Bali disaster, unprecedented as it is, is a new benchmark. We have to look properly at the functioning of all our systems, including call centres, against that new benchmark.

Senator JOHNSTON—I accept everything you say. The only problem I have with that is that I think a lot of Western Australian people had difficulty getting through on either of those numbers—for reasons that escape me; it should not be a state problem.

Mr Kemish—No, I cannot imagine why that would be.

Senator JOHNSTON—I was acting for about six families, and I rang both of those numbers at least 20 to 25 times and did not get through once.

Mr Kemish—When was this?

Senator JOHNSTON—This was on Sunday morning. Thankfully, I had a staffer in the minister's office to direct me to a consular official who was most helpful. But I was concerned that the numbers were completely jammed, as you quite rightly say. Those numbers do not surprise me, but I would be interested to see you do some sort of evaluation, particularly with my people in Western Australia, to see their level of satisfaction with that number, because I suspect that it would be very low.

Mr Kemish—Thank you, Senator. I am alert to the problem, particularly on the Sunday morning. I hope I have made it clear that we are very actively working on this. I was not aware of a particular Western Australian problem, and we would be very happy to follow it up.

Senator JOHNSTON—I am impressed with your grasp of the whole thing, though. Thank you very much for the answers.

ACTING CHAIR—I have a quick question also, on the same issue as Senator Faulkner. In regard to travel advice, I know that you have greatly improved your reach. What are the travel agents doing with it? If I were to go to a travel agent's web site, or in fact an airline's web site, would they now be posting the travel advice or have links to the department's web site?

Mr Kemish—It would very much depend on the travel agent or airline in question. A lot more do it now than did before. Qantas has been particularly good about our travel advice. For example, when we simply use the word 'defer' in any of our travel advice, Qantas will as a matter of course pass out our travel advice to members of the public who come in to buy a ticket to that location.

ACTING CHAIR—And on the web site? That is where most people are buying their tickets now.

Mr Kemish—Yes, that is right. It is a new field of activity. Again, we have done quite a bit and convinced a range of organisations, including Lonely Planet and various others, to hotlink to our web site. It has been a field of activity where I have had at least one staff member devoted for the last couple of years to trying to encourage this. We are very conscious that, indeed, that is how many Australians purchase their tickets. Again, it is a new benchmark and we need to do more of this sort of thing.

Senator FAULKNER—Mr Kemish, did DFAT receive the same material, or information if you like, that underpinned the 10 October US State Department global warning?

Mr Kemish—We did receive information, which I believe is the same information you refer to, and upgraded our travel advice for all countries in South-East Asia on 10 September.

Senator FAULKNER—Was any consideration given to specific alerts, if you like, to travellers to key tourist destinations? Obviously, I am thinking of places like Bali. The best part of a quarter of a million Australians visit Bali each year. There is that horrible terminology which we have seen used on many occasions—soft targets. Was any consideration given to whether specific alerts should have been issued for places like Bali in view of the ongoing risk of terrorist activity that was identified on 10 September?

Mr Kemish—That is very much part of our consideration now, obviously. The tragedy in Bali was not foreseen and the targeting of those kinds of locations was not foreseen. That is why we did not reflect it in our travel advice or embassy bulletins. Prior to the tragedy, compared to now, we are doing a lot more in this area—absolutely.

Senator FAULKNER—I accept that, and I heard what you have told the committee, but is there a particular emphasis now on these tourist destinations?

Mr Kemish—I need to say something here. Our changes to travel advice since the Bali tragedy have almost exclusively reflected new information that has come to us after the Bali bombing. You have seen us update our travel advice—for example, focusing particularly on Phuket, another resort island, off Thailand. It is not simply a matter of us saying to ourselves, ‘Well, it happened in Bali; it might happen in Phuket.’ There was new information. It was not specific and it was not anything more than generic, but it was suggested that those kinds of targets might be contemplated.

Senator FAULKNER—Comparisons have been drawn, as you would appreciate, between the US State Department’s global warning and the advisories and bulletins that have been issued by DFAT. Have you had a look at that internally?

Mr Kemish—Absolutely. Our travel advice bulletins and global bulletins stack up perfectly well against the prior American ones. There is a pervading sense in the Australian media that somehow there was a discrepancy. There was not.

Senator FAULKNER—You have made an internal assessment of that, obviously. You make these sorts of assessments and you would want to assure yourself of the objectivity and independence, if you like, of the assessments that you make, and I think you would accept the professionalism of any such assessments, too. Would you acknowledge that those elements are important?

Mr Kemish—Absolutely, I would.

Senator FAULKNER—I am sure you would. I think this is going to have to be my last question because we are about to run out of time. You might just tell us how you have been

able to ensure that those judgments are as independent, professional and objective as everyone would demand of them and, I am sure, you would demand of yourself.

Mr Kemish—I welcome that question. I would like to say a couple of things about it. First of all, this has been done on a factual, objective basis, with comparisons at every stage of the game between the respective travel advisories of the Australian government and all like-minded countries, including America. It is a longstanding process which has taken time to do, but it has been done in a very deliberative way.

On a personal level, I would tell you that, whilst I wanted to be objective, part of the reason that I have been helped to be objective is that the Prime Minister of this country has asked me many questions about the issues and I have worked through those with him. The second thing is that, as head of the Australian Consular Service, I lead a group of people who have sought to support the families of the victims over the last month and a half. These are people who have tried to help the victims through memorial services, over the telephone, in Bali and in Australia. I regard myself as head of the Consular Service, including consular people at post. These are also people who literally, within the first hour of the bombing, held the hands of those who were dying. There is nothing to make one look very carefully at these processes more than that exposure to those who suffered from the tragedy. That and a very high level of questioning from the government, added to the sheer professionalism of the agency, are serious factors underlying the objectivity and professionalism that has underpinned the approach of the department since the bombing.

Senator FAULKNER—We will have to leave it there, Mr Kemish. There are one or two other questions in those other areas that we had identified as calling today. Dr Thomas, I will look carefully at that, but if there are some questions—and I will keep it to a minimum—I would appreciate it if you might take those on notice. But I will try and ensure that it is as low a number of questions as possible.

Dr Thomas—That is fine.

ACTING CHAIR—Thank you Senator Troeth and members of the department.

Committee adjourned at 4.02 p.m.