

The Senate

Foreign Affairs, Defence and Trade
Legislation Committee

Budget estimates 2014–15

June 2014

© Commonwealth of Australia

ISBN 978-1-76010-028-5

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website: <http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

Printed by the Senate Printing Unit, Parliament House, Canberra

Membership of the Committee

Members

Senator Alan Eggleston, LP, WA (Chair)
Senator the Hon Ursula Stephens, ALP, NSW (Deputy Chair)
Senator Sean Edwards, LP, SA
Senator David Fawcett, LP, SA
Senator Anne McEwen, ALP, SA
Senator Peter Whish-Wilson, AG, TAS

Secretariat

Mr David Sullivan, Secretary
Mr Owen Griffiths, Principal Research Officer
Ms Shennia Spillane, Senior Research Officer
Ms Penny Bear, Research Officer
Mr Joshua Wrest, Administrative Officer

Senate Foreign Affairs, Defence and Trade Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Phone: + 61 2 6277 3535
Fax: + 61 2 6277 5818
Email: fadt.sen@aph.gov.au
Internet: http://www.aph.gov.au/senate_fadt

TABLE OF CONTENTS

Membership of the Committee	iii
------------------------------------------	------------

Report to the Senate

Introduction	1
Questions on notice	1
Defence portfolio.....	2
Foreign Affairs and Trade portfolio	10
Acknowledgements	15

Appendix 1

Tabled documents.....	17
Defence portfolio, including Veterans' Affairs	17
Foreign Affairs and Trade portfolio	18

Senate Foreign Affairs, Defence and Trade Legislation Committee Report to the Senate

Introduction

1.1 On 13 May 2014, the Senate referred the following documents to the committee for examination and report:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2015;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2015;
- Particulars of certain proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2015;
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2014; and
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2014.¹

1.2 The committee conducted public hearings with the Defence portfolio, including Veterans' Affairs, on 2 June and 3 June 2014, and the Foreign Affairs and Trade portfolio on 4 June and 5 June 2014. The committee received evidence from Senator the Hon David Johnston, the Minister for Defence, and Senator the Hon Michael Ronaldson, the Minister for Veterans' Affairs, and from officers from the relevant departments and agencies. The committee also received evidence from Senator the Hon George Brandis QC and Senator the Hon Brett Mason representing the Minister for Foreign Affairs and the Minister for Trade, and from officers from the relevant departments and agencies.

1.3 Links to the transcripts of these public hearings and to answers and additional information are available on the committee's internet site at: http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/fadtctte/estimate/s/bud1415/index.

Questions on notice

1.4 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of written answers in response to questions placed on notice would be 25 July 2014.

1 *Journals of the Senate*, No. 27, 13 May 2014, p. 778.

Defence portfolio

Department of Defence

1.5 The committee acknowledged the attendance of General David Hurley AC, DSC, Chief of the Defence Force (CDF); Mr Dennis Richardson AO, Secretary of the Department of Defence; and Mr Warren King, the Chief Executive Officer of Defence Materiel Organisation (DMO), and officers of the Defence organisation.²

Minister's opening statement

1.6 Senator the Hon David Johnston, the Minister for Defence made a brief opening statement. The Minister noted that this will be the CDF's last estimates hearings as General David Hurley AC, DSC, will complete his tenure on 3 July 2014.

General Hurley saw active service in Somalia, commanding the First Battalion Royal Australian Regiment in 1993 during Operation Solace, for which he was awarded the Distinguished Service Cross. As Chief of the Defence Force, he has led the Australian Defence Force to the end of operations in Uruzgan Province in Afghanistan, Timor-Leste and the Solomon Islands. Additionally, he has overseen significant capability development in our Defence Force. General Hurley's efforts to drive cultural reform in the Australian Defence Force, accepting the responsibility to address past mistreatments and addressing continued challenges through his pathways to change strategy, will leave a lasting legacy for which he should be justifiably proud. His leadership and dedication, including his tenure as Vice Chief and then as Chief of the Defence Force, have been fundamental in shaping the Australian Defence Force of today. Chief, can I thank you personally not only for your efforts as Chief of the Defence Force but, indeed, for your more than 40 years service as a member of our military and your career commitment to our country. Thank you very much.³

1.7 Senator Conroy, on behalf of the opposition, and the Chair, also took the opportunity to thank the CDF for his service to the country.⁴

Chief of the Defence Force's opening statement

1.8 General Hurley made an opening statement. The CDF began with an update on the situation in Afghanistan. He stated:

When I consider the situation on my first visit to Afghanistan in 2007, the progress to date is evident. It is evident in the infrastructure—schools, hospitals and roads—that Australian military and civilian personnel have helped to build, it is evident in the Afghan national security forces and their ability to support the 5 April presidential elections and it is evident in the significant increase in the number of Afghans who embrace the democratic process and voted in the first round of the presidential elections. While we remain cautious about the second round run-off next weekend, I am

2 *Proof Committee Hansard*, 2 June 2014, p. 5.

3 *Proof Committee Hansard*, 2 June 2014, p. 5.

4 *Proof Committee Hansard*, 2 June 2014, pp. 5–6.

immensely proud of the Defence personnel who have contributed to Australia's mission in Afghanistan since 2002. Together with our civilian partners, their service and sacrifice have made a difference.⁵

1.9 The CDF noted that much of the Australian Defence Force's (ADF) operational focus since the last estimates hearing has centred on the tragedy of Malaysia flight MH370 in the Southern Indian Ocean. The CDF acknowledged formally the 'extraordinary multinational effort undertaken in search of flight MH370' and thanked the 1,200 ADF personnel who were directly involved in the search as well as the hundreds of other who supported them.⁶

1.10 In his opening statement, the CDF provided an update on the culture reform program, noting that the fourth and final audit report from Elizabeth Broderick, the Sex Discrimination Commissioner, tabled in March, cited evidence of 'real progress and a momentum for change accelerating across all three services'. The CDF provided examples of progress in the ADF including: that the Royal Australian Navy recently achieved full white-ribbon accreditation as an institution, the first organisation of this size to do so in Australia; and the appointment of Ms Julie McKay from UN Women Australia as the first gender adviser to the Chief of the Defence Force. He noted that Ms McKay is a well-known advocate for women and is assisting the ADF continue to work towards becoming 'a more inclusive organisation'.⁷

1.11 Finally, the CDF discussed the ADF's commitment to addressing mental health. He commended the ADF Theatre Project's *The Long Way Home* as a catalyst for change, in particular the play's role in starting a conversation about mental health and post-traumatic stress.⁸

1.12 Other topics examined during the hearing on 2 June 2014 included:

Portfolio and Budget overview, and questions arising from opening statements

- The Shangri-La Dialogue: The IISS Asia Security Summit (pp. 7–8)
- The operational focus on the search for Malaysian flight MH370 (p. 8)
- Operational update on Afghanistan (pp. 8–9)

Program 1.1: Office of the Secretary and the Chief of the Defence Force

- Update on the Afghanistan transition and operations (pp. 9–11, 14–15)
- The search for Malaysian flight MH370 (p. 11)
- Defence Budget (pp. 11–12)
- The Defence White Paper process (pp. 13, 44–47)
- Recent ADF deployments and operations (pp. 13–14)

5 *Proof Committee Hansard*, 2 June 2014, p. 6.

6 *Proof Committee Hansard*, 2 June 2014, p. 6.

7 *Proof Committee Hansard*, 2 June 2014, pp. 6–7.

8 *Proof Committee Hansard*, 2 June 2014, p. 7.

- Resettlement of locally engaged Afghan employees (15–16)
- The Prime Minister's press release on 1 June 2014 in relation to the 70th anniversary of the D-day landing (pp. 16–18)
- The Prime Minister's joint press conference in Adelaide on 13 March 2014 (pp. 18–23)
- Defence's fraud control program (pp. 24–25)
- Investigation of incidents in Afghanistan involving ADF personnel (pp. 25–27)
- Defence involvement in the locating a vessel that sank in the Southern Ocean in late March 2014 (pp. 27–28)
- Access to military bases for members of parliament (p. 28)
- Staffing in ministerial offices (pp. 29–32)
- Hot Issues briefs (pp. 32–33)
- Defence Capability Plan (pp. 33–34)
- United States Marine Corps and the use of Darwin as a training area (pp. 34–35)
- Australia's defence relationship with China (pp. 35–36, 54–55)
- Projected reduction in the number APS Defence employees (pp. 37–40, 56)
- Commission of Audit recommendations in relation to the Defence portfolio (pp. 40–41)
- Commission of Audit recommendations in relation to DMO (pp. 41–44)
- Basing of the C-27J fleet (pp. 47–50)
- Pacific Maritime Security Program—patrol boat program (pp. 50–52)
- The Joint Declaration on Security Cooperation with Japan (pp. 52–54, 56)
- Australia's defence relationship with the Republic of Korea (p. 54)
- Australia's defence relationship with the Indonesia (p. 55)
- Changes to superannuation schemes (pp. 57–58)
- Defence Export Control Office (pp. 58–60)
- The Defence graduate program (p. 61)
- Trilateral Strategic Dialogue with the US and Japan (pp. 61–62)
- Territorial disputes in the East China Sea and the South China Sea (pp. 62–64)
- Audit and Fraud Control Division (p. 64)

Program 1.2: Navy Capabilities

- Implementation of the recommendations of the Rizzo review (pp. 65–67)
- Submarine capability and the defence industry (pp. 67–69)

-
- Defence industry, ship building and the so-called 'valley of death' (pp. 69–72)
 - Number of Australian submarine crews (pp. 72–73)
 - HMAS *Choules* and Landing Helicopter Dock (LHD) base locations (p. 73)
 - LHDs and the Joint Strike Fighter F-35B (pp. 74–78)
 - Amphibious Ready Group (pp. 78–80)
 - HMAS *Canberra* (pp. 80–81)
 - The wreck of HMAS *Perth* and the AE1 (pp. 93–94)
 - Patrol boat capabilities (pp. 94–95)

Program 1.3: Army Capabilities

- Defence Budget—write-down of assets and impairment of assets (pp. 95–96)
- Efficiencies achieved (p. 96)
- Plan BEERSHEBA (pp. 97–8)
- Army Reserves (pp. 98–99)
- Australian Light Armoured Vehicle (ASLAV) (pp. 99–100)
- Army helicopters—ARH and MRH (pp. 100–102)
- Amphibious capability (p. 102)
- LAND 121—G-Wagons (pp. 102–103)

Program 1.4: Air Force Capabilities

- F-35 Joint Strike Fighter (pp. 104–116)
- Unmanned aerial vehicles—new Triton capability (pp. 116–117)
- Defence budget—write-down of assets and impairment of assets (p. 117)
- Flying hours (p. 118)
- Special purpose flights (pp. 118–119)

Program 1.6: Chief Operating Officer—Defence Support and Reform

- Base Security Improvement Program (pp. 119–120)
- Garden Island and naval support infrastructure (pp. 120–121)
- Sale of Defence real estate (pp. 121–122)
- Single Living Environment and Accommodation Precinct (LEAP) project (pp. 122–123)

Program 1.9: Defence Science and Technology

- Staffing in the Defence Science and Technology Office (pp. 123–126)
- Capability and Technology Demonstrator (CTD) program (pp. 126–127)

1.13 The committee continued hearings on areas under outcome 1 on 3 June 2014. Topics examined included:

Program 1.8: Chief Operating Officer—Defence People

- Number of former members of the Sri Lankan Army or Sri Lankan police employed by Defence (pp. 6–7)
- Cultural reform and Pathways to Change (pp. 10–13)

Program 1.10: Vice-Chief of the Defence Force

- Cadets (pp. 7–8)
- Reserves (pp. 8–10, 13–15)
- Australian Defence Force Family Health Program (pp. 15–116)
- Mental health and post-traumatic stress (pp. 16–18)
- ADF Parliamentary Program (pp. 18–19)

Program 1.12: Capability Development

- Defence industry policy (p. 21)
- Staffing in the Defence Capability Group (pp. 22–23)

Program 1.13: Chief Finance Officer

- Commitment's beyond the forward estimates and the 2015 Defence White Paper (pp. 23–25)
- Funding for the Middle East area of operations (p. 25)
- Gap year program (pp. 25, 31–32)
- Changes to Defence pension indexation (pp. 26–28)
- Funding for Operation RESOLUTE (p. 28)
- ICT integrated plan of work (pp. 28–29)
- Sale of specialist military equipment (pp. 29–30)
- Cost of redundancies (p. 30)
- Superannuation (pp. 31, 32)
- Grant programs (p. 32)
- Program of leadership development (p. 33)
- Protection of strategic facilities (pp. 33–34)

Outcome 2

- The Australia Indonesia Defence relationship (pp. 34–36)
- Joint Military exercises in Asia and the Pacific (pp. 36–38)
- The memorial wall at Tarin Kot (p. 38)
- ADF interactions with the Papua New Guinea Defence Force (pp. 38–39)

Program 1.6: Chief Operating Officer—Defence Support and Reform

- Introduction of paid parking at Russell (pp. 39–42)

Defence Materiel Organisation

- Joint Strike Fighter acquisition (pp. 42–44)
- Unmanned aerial vehicles—Triton and P8 (pp. 44–45)
- LAND 121 (pp. 45–48, 52)
- Air Warfare Destroyer (pp. 48–52)
- Delayed projects (pp. 53–55, 58–59, 60–65)
- LAND 400—Land Combat Vehicle System (pp. 55–57)
- Naval ship building, Defence industry and the so-called 'valley of death' (pp. 57–58, 65–70)
- Diggerworks (pp. 59–60)
- The AIR 5402—Air to Air Refuelling Capability (pp. 70–72)
- AIR 9000 MRH—Multi-role helicopter (pp. 72–73)
- Mulwala redevelopment (pp. 73–74)
- LAND 40 Phase 2—Direct Fire Support Weapons (p. 74)
- LAND 19 Phase 7A—Counter Rocket Artillery and Mortar (pp. 74–76)

1.14 At the close of the Defence hearing, Mr Richardson, the Secretary, thanked the outgoing senators, the Chair and Deputy Chair, Senator Kroger and Senator Bishop.⁹ General Hurley also thanked the Chair and all the members of the committee over the 11 and a half years that he has appeared as a witness at estimates hearings.¹⁰ The Chair expressed the committee's gratitude for the CDF's contributions to the work of the committee and wished him a 'fulfilling and enjoyable retirement and every success in whatever adventures await you in civilian life'.¹¹

Department of Veterans' Affairs

1.15 The committee welcomed Senator Michael Ronaldson, Minister for Veterans' Affairs, Mr Simon Lewis PSM, Secretary of the Department of Veterans' Affairs (DVA), and officers from DVA.¹²

9 *Proof Committee Hansard*, 3 June 2014, p. 76.

10 *Proof Committee Hansard*, 3 June 2014, pp. 76–77.

11 *Proof Committee Hansard*, 3 June 2014, p. 77.

12 *Proof Committee Hansard*, 3 June 2014, p. 77.

Minister's opening statement

1.16 In his opening statement, the Minister provided the committee with an update on how DVA is tackling the mental health challenges faced by veterans and their families. He stated that:

My priority is to ensure that we have in place the mental health services and supports that are needed. I wholeheartedly believe that early intervention is the key. The quicker a veteran can access their health care and entitlements, the better the chance of leading a productive and fulfilling life. We have a comprehensive service system that stands ready to provide effective treatment, but we need to continue reaching out to the contemporary cohort and to vulnerable groups, continue to refresh our service delivery platforms to provide effective, evidence based treatment and ensure greater access to mental health services for those in need.¹³

1.17 Topics examined during the hearing on 3 June 2014 included:

- New initiatives around mental health (pp. 80–81)
- Relationship between DVA and Defence (pp. 81–82)
- Changes to indexation for pensions (pp. 82–96, 108)
- Building Excellence in Support and Training (BEST) program (pp. 96–97, 108)
- Changes to the way that increases to the veterans' disability support pension are paid (pp. 97–99)
- The enhanced compliance program (pp. 99–100, 110–111)
- The difference between assessment of claims of abuse by DVA and the Defence Abuse response Taskforce (pp. 100–102)
- The Prime Minister's press release on 1 June 2014 in relation to the 70th anniversary of the D-day landing (pp. 102–105)
- Anzac Centenary Public Fund (pp. 106–107)
- Proposed World War I interpretive centre at Villers-Bretonneux in France (pp. 107–108)
- Changes to the seniors supplement received by Commonwealth Seniors Health Card holders (pp. 108–109)
- Payments to children of war veterans (pp. 109–110)
- Eligibility for the Commonwealth Seniors Health Card (pp. 111–112)
- Eligibility for mental health services including, Veterans and Veterans Families Counselling Service (VVCS) (pp. 112–113)
- Medical specialist review of DVA clients (pp. 113–115)

13 *Proof Committee Hansard*, 3 June 2014, p. 77.

- British Commonwealth Occupation Force veterans (pp. 115–117)
- Anzac commercialisation (pp. 117–118)

Australian War Memorial

1.18 The committee welcomed Dr Brendan Nelson AO, Director, and officers of the Australian War Memorial.¹⁴

1.19 Topics examined during the hearing on 3 June 2014 included:

- The memorial wall at Tarin Kot (pp. 118–120)
- Update on the redevelopment of the First World War Galleries (p. 120)
- The introduction of paid parking in the Parliamentary Triangle (pp. 120–121)

1.20 At the conclusion of the hearing, the Minister acknowledged retiring Senators, in particular Senator the Hon Don Farrell, the shadow veterans' affairs minister.

14 *Proof Committee Hansard*, 3 June 2014, p. 118.

Foreign Affairs and Trade portfolio

Department of Foreign Affairs and Trade

1.21 The committee welcomed Senator the Hon George Brandis QC, representing the Minister for Foreign Affairs and the Minister for Trade, Mr Peter Varghese AO, Secretary of the Department of Foreign Affairs and Trade (DFAT), and officers from DFAT.¹⁵

1.22 Topics examined during the hearing on 4 June 2014 included:

Portfolio and budget overview

- The integration of AusAID and DFAT, in particular staffing and voluntary redundancies (pp. 6–15)
- Shared resources and colocation of posts (pp. 15–16)
- The process of integration of AusAID and DFAT in terms of efficiencies (pp. 16–18)
- Cost of ministerial websites (pp. 18–19, 39)
- Former foreign minister Bob Carr's book *Diary of a Foreign Minister* (pp. 19–26)
- Departmental guidelines for handling visits by portfolio ministers (pp. 26–28)
- Ministerial travel (pp. 29–31)
- Former prime ministerial travel (pp. 31–34)
- Staff cuts flowing from the 2014-15 Budget (pp. 34–38)
- Australia's diplomatic footprint overseas (pp. 38–39)
- DFAT involvement in refugee resettlement programs—Cambodia (pp. 39–43)
- Pulse staff surveys and staff wellbeing following integration of DFAT and AusAID (pp. 43–47, 58, 89)
- The Minister for Foreign Affairs meeting with heads of mission in Australia in Western Australia, May 2014 (pp. 55–57)
- The AusAID 2014 graduate program (pp. 90–91)
- The process of integration of AusAID and DFAT, including specialist training and property and logistics (pp. 91–97)

1.23 The committee moved through the program, beginning with the geographical areas under outcome 1.

15 *Proof Committee Hansard*, 4 June 2014, p. 6.

Outcome 1

North Asia

- Potential territorial disputes in the East China Sea and the South China Sea (pp. 47–48, 50–52)
- Former foreign minister Bob Carr's travel—China, August 2013 (pp. 49–50)
- The Prime Minister's visit to Japan, April 2014 (pp. 52–55)
- The Minister for Foreign Affairs meeting with heads of mission in Australia in Western Australia, May 2014 (pp. 55–57)
- The Prime Minister's visit to China, April 2014 (pp. 59–60)

South-East Asia

- DFAT involvement in refugee resettlement programs—Cambodia (pp. 60–67, 70–71, 75–78, 79–80)
- Burma/Myanmar nomenclature (pp. 67–68)
- Smartraveller website—current travel advisories for Brunei (pp. 68–70)
- Human rights in West Papua (pp. 71–73)
- International Court of Justice arbitration between Australia and Timor Leste (pp. 73–75)
- Human rights and democracy in Burma (pp. 78–79, 80–82)
- Update on situation in Thailand following the recent coup (pp. 80–81)
- Recent demonstration in Vietnam (p. 81)
- The legal system in Malaysia (pp. 82–83)
- Human rights and democracy in Cambodia (pp. 84–87)
- Former foreign minister Bob Carr's travel—Burma, July 2013 (87–89)
- The Open Government Partnership Asia Pacific Regional Conference in Indonesia, May 2014 (pp. 99–100)

Americas and Africa

- Kidnapping of 200 schoolgirls in Nigeria by Boko Haram (pp. 101–102)
- Human rights in Sudan (pp. 102–103)

Europe

- Former foreign minister Bob Carr's travel—United Kingdom, January/February 2013 (pp. 103–104)
- Former foreign minister Bob Carr's travel—France, April 2013 (pp. 105–106)
- Recent developments in Ukraine (pp. 106–107)

South and West Asia and Middle East

- Israeli settlements (pp. 107–119)

1.24 The committee continued hearings on areas under DFAT outcome 1 on 5 June 2014.

Minister's statement

1.25 At the start of the hearing, Senator the Hon George Brandis QC, representing the Minister for Foreign Affairs, made the following statement:

Australia supports a peaceful solution to the dispute between Israel and the Palestinian people which recognises the right of Israel to exist peacefully within secure borders and also recognises the aspiration to statehood of the Palestinian people. The description of areas which are the subject of negotiations in the course of the peace process by reference to historical events is unhelpful. The description of East Jerusalem as 'occupied' East Jerusalem is a term freighted with pejorative implications, which is neither appropriate nor useful. It should not and will not be the practice of the Australian government to describe areas of negotiation in such judgemental language.¹⁶

1.26 The committee then moved through the program, continuing with outcome 1. Topics examined included:

South and West Asia and Middle East

- Israeli settlements (pp. 6–7)
- Australia's engagement with the new administration in India (pp. 7–8)
- The case of Australian, Mr Peter Greste, detained in Egypt (pp. 8–9)
- Human rights in Egypt (p. 9)
- Humanitarian assistance for Syrian refugees (pp. 9–10)
- Indian Ocean Rim Association (pp. 11–13)
- Former foreign minister Bob Carr's book *Diary of a Foreign Minister—Israel and Palestine* (pp. 13–14)

Pacific

- Australia's relationship with Fiji (pp. 14–15)
- Economic and Cooperation Treaty with Papua New Guinea (PNG) (pp. 15–16)
- Bougainville and PNG (pp. 16–18)

Security, nuclear disarmament and non-proliferation

- The Australia Safeguards and non-Proliferation Office (pp. 20–21)
- United Nations Security Council (pp. 21–22)

Public information services and public diplomacy

- Public diplomacy and the Australia Network (pp. 22–24, 30–31)

16 *Proof Committee Hansard*, 5 June 2014, p. 5.

- Public diplomacy and Tourism Australia (pp. 24–30, 31)

Program 1.5: New Colombo Plan

- The New Colombo Plan pilot programs (pp. 32–34)

Aid Overview/Budget

- The decision not to include a separate ministerial statement on aid in the budget papers and information available on the DFAT website (pp. 34–37, 40, 49–54, 58–59, 63–65)
- The scheduled launch of the government's new aid policy on 18 June 2014 (pp. 37–38)
- Infrastructure projects funded by Australian aid (pp. 38–40)
- Aid and poverty reduction (pp. 40–41)
- Assessing aid effectiveness (pp. 41–42)
- Changes to the aid budget (pp. 42–49)
- Health research and programs—polio, malaria and tuberculosis (pp. 54–55)
- The Pacific Women Shaping Pacific Development program (pp. 55–58, 73)

Programs 1.6–1.13: Official Development Assistance

- Geographical focus on the Indo-Pacific region (pp. 59–60)
- Aid budget for PNG (pp. 60–63)
- Aid budget for the Pacific Region (pp. 65–67, 74–75)
- Sport development programs (pp. 67–68)
- Memorandum of understanding with Carnival Cruises in relation to Vanuatu (p. 68)
- Update on the tuberculosis ward and Daru Hospital (pp. 69–71)
- Specialist gender advisers (pp. 71–72)
- The branding of Australian aid (p. 72)
- The Pacific Seasonal Worker Scheme (pp. 73–74)
- Humanitarian assistance to refugee camps on the Thai-Burma border (pp. 75–76)
- Safety considerations for Australian aid workers overseas (pp. 76–77)
- Indonesia-Australia Forest Carbon Partnership (p. 77)
- Aid budget for Burma (pp. 77–78)
- Australia-Indonesia Partnership for Reconstruction and Development (pp. 78–79)
- The Australia awards Short Course Fellowships Program (p. 79)

- Aid budget for Pakistan, Bangladesh, Sri Lanka and the Palestinian Territories (p.80)
- Aid budget for the Democratic republic of Congo, Somalia and South Sudan (pp. 80–81)
- Emergency humanitarian assistance (pp. 81–83)
- New performance benchmarks for multilateral organisations (pp. 83–84)

Outcome 2

Program 2.1: Consular Services

- Number of Australian embassy staff in Bangkok (p. 85)
- Current number of Australian missions abroad (pp. 85–86)
- The case of Australian, Mr Jian Guo, detained in China (pp. 86–87)
- Review of DFAT's consular services (pp. 87–89)

Trade portfolio

DFAT trade programs, Australian Trade Commission, and Export Finance and Insurance Corporation

1.27 The committee welcomed officers of the Australian Trade Commission (Austrade), the Export Finance and Insurance Corporation (EFIC) and Tourism Australia who appeared with DFAT officers in the trade portfolio.¹⁷

1.28 Topics examined during the hearing on 5 June 2014 included:

Bilateral, regional and multilateral trade negotiations

Trade development/policy coordination

- The Australian sugar industry and Australian free trade agreements with Korea and Japan (pp. 89–92)
- Staffing in the DFAT Trade division (pp. 92–93)
- Korea-Australia Free Trade Agreement (KAFTA), including investor state dispute settlement provisions (pp. 93–95)
- Japan-Australia Economic Partnership Agreement (pp. 95–98)
- KAFTA and the bee industry in Australia (pp. 99–100)
- Trans-Pacific Partnership (TPP) Agreement negotiations, including investor state dispute settlement provisions (pp. 100–101, 108–110)
- The Australian car industry and trade agreements (pp. 101–102)
- Indonesia and investor-state dispute settlement provisions (p. 102)
- TPP negotiations and worker rights (p. 103)

17 *Proof Committee Hansard*, 5 June 2014, p. 89.

-
- China-Australia Free Trade Agreement negotiations (pp. 103–108)
 - International Mining for Development Centre (pp. 111–112)
 - World Trade Organisation (WTO) Agreement on Trade Facilitation and Trade in Services Agreement (pp. 112–113)
 - G20 preparations (pp. 113–114)

1.29 At the close of the DFAT trade section of the hearing, Mr Varghese, the Secretary thanked the retiring members of the committee.¹⁸

Export Finance Insurance Corporation (EFIC)

- EFIC Statement of intent and statement of expectations (pp. 114–115)
- Projects funded by EFIC (pp. 115–116)
- Loans for small and medium enterprises (pp. 117–118)

Austrade

- Tourism grant to Cadbury's Hobart (pp. 118–120)
- Tourism Research Australia (p. 120)
- Austrade staffing and appointments (pp. 120–121)
- Australian investment forum in July 2014 (pp. 121–122)

Tourism Australia

- Commission of Audit recommendations in relation to Tourism Australia (p. 122)
- Update on Restaurant Australia (pp. 122–123)

1.30 At the conclusion of the hearing, Senator David Fawcett, on behalf of the other committee members, thanked the Chair and Deputy Chair for their leadership and their contributions over many years to the foreign affairs, trade and defence interests of Australia.¹⁹

18 *Proof Committee Hansard*, 5 June 2014, p. 114.

19 *Proof Committee Hansard*, 5 June 2014, p. 123.

Acknowledgements

1.31 The committee thanks Senator the Hon David Johnston, Senator the Hon Michael Ronaldson, Senator the Hon George Brandis QC and Senator the Hon Brett Mason for their assistance during its hearings. The committee also acknowledges the attendance and cooperation of the many departmental and agency officers and the services of various parliamentary staff involved in the estimates process.

Senator Alan Eggleston
Chair

Appendix 1

Tabled documents

Budget estimates 2014–2015

Defence portfolio, including Veterans' Affairs

Monday, 2 June 2014

General David Hurley, AC, DSC, Chief of the Defence Force, 'Opening Statement: Budget estimates hearing, 2 June 2014'.

Senator the Hon Stephen Conroy, Photographs, Joint Press Conference, Adelaide 13 March 2014.

Tuesday, 3 June 2014

Department of Defence, 'What operations and exercises planned with TNI have been cancelled since September 2013?'

Department of Defence, 'Project delays from 2009 to Sep 2013', attachment to Question on Notice No. 3 from Additional estimates 2013-14, 26 February 2014.

Senator the Hon Michael Ronaldson, 'Opening Statement—Budget Estimates: Tuesday 3 June 2014, Main Committee Room'.

Senator Nick Xenophon, Advertisement, 'The AIF wants recruits for overseas service'.

Foreign Affairs and Trade portfolio*Wednesday, 4 June 2014*

Department of Foreign Affairs and Trade, 'Message from the Secretary—Staff cuts flowing from the 2014-15 Budget', 14 May 2014.

Department of Foreign Affairs and Trade, 'Message from the Secretary - DFAT staffing profile in 2014-15'.

Department of Foreign Affairs and Trade, Ministerial travel: December 2013—May 2014.

Department of Foreign Affairs and Trade, 'Pulse Survey Results—May 2014: Message to all staff'.

Department of Foreign Affairs and Trade, 'Integration Progress Report April 2014: Machinery of Government formal requirements'.

Thursday, 5 June 2014

Senator the Hon George Brandis, Attorney General, 'Statement by the Attorney-General'.

Department of Foreign Affairs and Trade, Aid expenditure by country: 2012/13 expenditure and 2013/14 proposed expenditure.