

**SENATE FOREIGN AFFAIRS, DEFENCE
AND TRADE
LEGISLATION COMMITTEE**

**Budget estimates 2001–2002
Report to the Senate**

June 2001

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Senate Foreign Affairs, Defence and Trade Legislation Committee

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**Senate Foreign Affairs, Defence and Trade
Legislation Committee**

Report to the Senate

Introduction

1. On 22 May 2001, the Senate referred to the Committee for examination and report, the following documents:

- Particulars of proposed expenditure for the service of the year ending 30 June 2002;
- Particulars of certain proposed expenditure for the service of the year ending 30 June 2002

relating to the Defence portfolio and the Foreign Affairs and Trade portfolio.

2. The Committee has considered the proposed expenditure for the year ending 30 June 2002, and has received evidence from Ministers representing the Minister for Veterans' Affairs, the Minister for Defence, the Minister for Foreign Affairs and the Minister for Trade, and officers of the departments and agencies concerned.

3. The Committee met in public session on 4, 5, 6 and 19 June 2001. Further written explanations provided by departments and agencies will be presented separately in volumes of additional information. This information will also be placed on the Committee's Internet site (www.aph.gov.au/senate_fadt).

Questions on notice

4. The Committee has resolved that written answers and additional information should be submitted by close of business on Wednesday, 18 July 2000.

General comments

Defence portfolio

Department of Defence

5. The Committee acknowledges the presence at the hearing on Monday, 4 June, of Dr Allan Hawke, Secretary of the Department of Defence and Admiral Chris Barrie, AO, RAN, Chief of Defence Force. The Committee believes that the two senior Defence officers made a valuable contribution to the estimates process.

6. Admiral Barrie highlighted for the Committee the significant events and achievements of the Australian Defence Forces over the last year and outlined the challenges for the ADF in the coming year. In his remarks Admiral Barrie observed:

I do not underestimate the challenge that we face in delivering the objectives of the white paper. In this context, we will have much work to do to deliver the program capability updates and enhancements to the force, to budget and to timing.

...

Although the year has presented us with the continuing challenge of sustaining a high operational tempo, our personnel have met the considerable demands placed on them by continuing to deliver highly professional world class performances. ...I have no doubt that, with their exceptional talents, the men and women of the Australian Defence Force will continue to meet the challenge on every occasion.¹

7. The Committee referred the Secretary back to his 'due diligence report' (February 2000). In it he talked about the mission, vision and values of the people in Defence and their apparent lack of understanding of these attributes within a service framework. The Committee asked whether, twelve months later, people's understanding had changed. The Secretary responded that:

...The senior leadership group has been working on these issues themselves, so that they have had an input, they understand what the outcome is and, in my view, they own the outcome in a much clearer way than they had done in the past. ...part of their responsibilities—[is] to communicate those issues to their people.²

We have developed a leadership model. That sets out CDF's and my expectation of how they will engage and interact with their people. That leadership model was developed by the senior leadership team itself. ...It is designed to change the culture and the behaviour of our senior leadership group and the way in which they interact with their people.³

1 Transcript of evidence, 4 June 2001, pp. 3–4

2 Transcript of evidence, 4 June 2001, pp. 32–33

3 Transcript of evidence, 4 June 2001, pp. 29–30

8. The Secretary then outlined the progress over the past year of a number of his initiatives for change in the department.⁴

9. Based on a Committee criticism of Defence's performance at estimates in previous years, the Secretary expanded on his view that 'it is fundamental that Defence meets the highest standards of efficiency, accountability and transparency'. He also discussed with the Committee the management and organisational changes that have taken place as a result.⁵

10. The Committee raised with the Secretary, the format of the PBS in the context of accrual budgeting. In last year's hearings the Committee commented on the changing nature of the accrual structure over the last six years, and consequent lack of consistency and the difficulty in making comparisons. The Secretary responded that the Department was satisfied that they had now achieved a workable accrual structure which better reflected outputs within the organisational structures.⁶

11. Other matters raised by the Committee included:

Portfolio overview and major corporate issues

- The effectiveness of Australian Workplace Agreements (AWA) and their impact on the department; performance linked remuneration; secretary's performance pay—self assessment and assessment by the relevant portfolio Ministers. (pp. 5–6, 130–132)
- Current use of the augmented and expanded Coastwatch arrangements. (p. 9)
- Recruitment and retention: challenges in getting the numbers through into the recruiting schools and into the initial training arena; difficulties in retaining personnel with the higher skills because of competition with the commercial market. Advertising agencies and public relations activities used to promote interest in the ADF. (pp. 12–13, 130)
- A review commissioned by the Chiefs of Staff Committee of a review on a number of issues relating to competencies required for particular work in the ADF, and, in particular, how it relates to women in combat roles. (pp. 14–15, 30)
- ANAO report on recruitment and retention—the impact that Defence Reform Program decisions is having on the number of positions in the Navy. (pp. 16–17)
- Strategic workforce plan: a re-roled and re-tasked reserve force; special funding; six initiatives to enhance the role of reserves. (pp. 17, 27–28)
- Investigation and action taken by the Department against personnel who leak information; number of administrative actions taken against staff in previous years. (pp. 23–24, 26)
- Defence's financial situation in the context of the white paper. (p. 34)
- Circumstances surrounding the investigation of the Jenkins case. (p. 35)

4 Transcript of evidence, 4 June 2001, pp. 23, 29–35

5 Transcript of evidence, 4 June 2001, pp. 41–42

6 Transcript of evidence, 4 June 2001, pp. 41–43

- Staffing matters: Defence Materiel Organisation (DMO) staff movements; the mobility management unit set in place to assist DMO staff, and others, to relocate to other positions; all staff offered counselling and training to assist them with the changes in the organisation. (pp. 44–45, 115–116)
- Under-performing executives; number of executives who have left the organisation since February 2000; forward plan for voluntary redundancies, retirements and retrenchments. (pp. 45–47, 62, 189)
- Efficiency saving identified and how they will be achieved in 2001–02 and 2002–03. (pp. 57–61)
- Defence Estate Organisation: sale of various properties; the management of proceeds from property sales; payment of a capital user charge, based on the department's closing net assets figure. Bundock Street property—decision of the Land and Environment Court. (pp. 64–67, 120–127, 191–192)
- Estimated expenditure on new projects under the Defence white paper; additional expenditure for the enhancement of ADF Cadets—outline of the three initiatives; (pp. 71–74)
- Discretionary grants program: the criteria for receiving grant moneys, types of programs, amounts received and the number of recipients; Defence family support funding program. (pp. 75–77)

Financial statements

- Military benefits: unfunded and accrued military superannuation liabilities under the DFRDB and MSBS schemes. (p. 83)
- Savings arising out of the DRP in the current budget year; savings in terms of money and savings in terms of personnel; audit done of the DRP and internal report prepared. (pp. 84–86)
- Proposed support facilities for Air 87 armed reconnaissance helicopters; tender documents and the tender process. (pp. 91–92)
- Collins class combat system selection process. (p. 95)

Output 1—Defence operations

- Situation in East Timor: rotation of battalions; reasons for predicted underspending in the operation for 2001–02 and 2002–03; the level of community violence; unauthorised discharge of firearms by ADF personnel and the disciplinary action taken. Defence using foreign registered vessels to transport equipment back from East Timor. (pp. 136–138, 145)
- Bougainville: update on peace talks between the factions in Bougainville and the government of Papua New Guinea; great problem is the lawlessness in the local community; possible reduction of personnel as a result of the imminent signing of an agreement; exit strategy. (pp. 139–141)
- Naval involvement in 'Encounter 2002' commemorative celebrations; Defence support at CHOOGM in Brisbane on 6–8 October. (pp. 143–144, 149)

Output 2—Navy capabilities

- Navy study on how to maintain access to the capability of a vessel like the *Jervis Bay* Incat. Trials done—viable for the Navy to replicate the capabilities for itself. Protection support needed by such a vessel. (pp. 149–152, 314)
- Nunn report: Navy involved in a review which is addressing all remuneration and conditions of service conditions of service affecting retention rates. Current personnel status of each ship, the staff shortages and the categories each of the Navy's current ships. (pp. 158, 176–182)
- Decommission of the *HMAS Brisbane* and its sale; implications for the Navy with regard to limited anti-air warfare capacity. (p. 157, 314)
- Strategies to overcome the recruitment and retention problems, with particular emphasis on the effects on families. (p. 158)

Output 3—Army

- Tandem Thrust: parachute drop that injured 30 personnel; nature of, and reason for, the casualties. (p. 162, 188)
- Amounts of ammunition used for training; budget for explosive ordnance supply for East Timor; budget for ammunition for next financial year. (p. 160)

Output 4—Air Force

- Value and timing of completion of contracts for fit-out, and facilities and airworthiness of the VIP fleet; RAAF exploring purchase price options of various aircraft from various consortiums. Flying hours per aircraft; manifests for VIP flights; authorised users of VIP aircraft. (pp. 168–188, 295)
- VIP flight by Senator the Hon Ian Macdonald to Indian Ocean Territories; reasons for travel; accompanying people on the flight; cost recovery for non-authorised travellers. (p. 183–188)

Output 5—Strategic policy

- Australian Defence Cooperation Program: funding by Australia to assist in the restructure and downsize of the PNG Defence force. (p. 194)
- ANZUS treaty: Australia's defence and security relationship with the US. (pp. 195–196)
- US missile defence systems; the anti-ballistic missile treaty; Australia's preference for the treaty to be re-negotiated. (p. 196)
- ANAO report on Defence cooperation program: comment on the systems, procedures and practice used to administer Defence cooperation. Recommendations made which Defence intends to implement. (pp. 197–198)

Department of Veterans' Affairs

12. The Committee commented on the more user friendly nature of the PBS this year. After difficulties experienced last year in finding and understanding information in the PBS, the Department was commended in its efforts to make the document easier to use.

13. However, a comment was made that the change in format does not overcome the general problems of accrual accounting to make it more user friendly for estimates.⁷

14. Other issues that were discussed included:

- POW one-off payments. List of internees and POWs—the method by which DVA arrives at the figure for POWs numbers; various sources of information. Staffing issues related to carrying out the task, estimate of overtime payment to staff to divert them away from normal duties. Entry of veterans to Australia and the subsequent rights of widows to claim the one-off payment. Distinction between Australian veterans who were interned in Europe and Japan. (pp. 202–203, 208, 212)
- Provision in last year's budget for additional counselling and medical services to Vietnam veterans and their families as a result of the morbidity study. Money spent so far; calculation of number of children who have spina bifida and cleft palate; mistake in the figures. (p. 205)
- Home and community care for veterans—expenditure on this initiative; number of people who received HACC, who are now accessing DVA home care. The 'quality of life' issues and the reduced demand on medical and hospital services; criteria for eligibility of veteran home care services; and, problems with veterans accessing lower level services. (p. 206)
- Widows who remarry—restoration of war widows pension relinquished upon re-marriage prior to 1984; extra staff required to carry out the initiative of re-admitting to benefits, upon show of evidence, those who were excluded; mortality rate in widows between 1984 and the present time. (pp. 207–208)
- McClelland Royal Commission and restored but un-archived additional material about a radiation testing program which did not go ahead. Whether any evidence documents held by the British government may not have been made available to the McClelland Royal Commission. Consideration of treating service people who were at the Monte Bello and Maralinga as eligible for a broader range of benefits. Nominal roll of participants—verification of names and particulars of people on nominal roll. (pp. 214–215)
- ADF personnel seconded to British and NATO units during the various wars in Balkans and Gulf Wars who may have been affected by the use of weapons with depleted uranium; progress of the Gulf War health study; results of the medical examinations which many Gulf War veterans have already undergone. (p. 215)
- Nursing homes and veterans: further developments coming from the Coroner's inquiry into the Alchera Nursing Home matter. Incident concerning care of World War Two veteran in the Yagoona Nursing Home. Health and Aged Care to visit the facility; issue

7 Transcript of evidence, 5 June 2001, p. 201

of DVA's obligation to investigate complaints and consult with Department of Aged Care. (pp. 218–221)

- Issue of the national service medal to all national service veterans from 1951–1972. National service people covered for benefits by DVA, and have no eligibility under the Repatriation Act. (pp. 223–224)
- Eligibility of British, Commonwealth and allied veteran to access the Pharmaceutical Benefits Scheme. (p. 225)
- DVA response to recommendations made in the ANAO report into IT out-sourcing; still having problems with system outages; working towards decreasing the length of outages; negotiating a rebate for the outages with the service provider. (pp. 226–227)
- Memorial in Hyde Park, London, to commemorate the efforts of Australia in both world wars. The monument is by an Australian designer and is expected to be completed by Anzac Day in 2003. (p. 231)
- The Committee was pleased with the Commemorations division on several successful visits overseas involving Australian veterans. The Committee discussed the cost of the trips conducted this year and the likelihood of more in 2002. Major improvements have been made to access and facilities at the Anzac site at Gallipoli Cove. Recurrent expenditure to maintain the site. (p. 232)
- Opening of the new ANZAC Hall at the Australian War Memorial; costs of the various exhibits; assessed value of the exhibition for accrual accounting purposes. (p. 233)

Foreign Affairs and Trade Portfolio

Department of Foreign Affairs and Trade

15. On trade matters, the Committee asked the Department to outline the work the Department will be doing with a group of middle-sized economies to promote the launch of a new WTO round. Officers from the Department replied:

We are not talking about an alliance as we are with the Cairns Group... What we are talking about is networking between ministers from middle size economies. That has been occurring at an accelerating pace over the last six to 12 months.⁸

16. On the issue of WTO disputes, the Committee questioned officers on 'the effectiveness of the department's WTO disputes, investigation and enforcement mechanism'. The Department replied that the program was set in place not for the advantage of big organised industry and industry associations, but more for smaller companies and smaller industry sectors. The Department is seeking to ensure that members of the small industry sector now the system and avail themselves of the benefits of the program. The Department went on say that they have more work to do to reach their target client group and to provide them with adequate access to the database.⁹

8 Transcript of evidence, 19 June 2001, pp. 365–366

9 Transcript of evidence, 19 June 2001, p. 366

17. The Department concluded ‘that most of the dispute settlement cases will come from the industries with the major trade interests in key markets, and that they have very good communications with them about dispute settlement action.’¹⁰

18. Other matters raised by the Committee included:

Portfolio overview

- Security and transport arrangements for Mr Downer to attend the Davos World Economic Forum in January this year. (pp. 341–342, 351)

Output 1.1

- Strategies for the follow-up after the Australia–Japan conference held in April 2001; particular recommendations from the conference; government departments, agencies and other bodies interested in carrying forward the recommendations. (pp. 342–344)
- A trade and investment facilitation agreement (TIFA) which came out of the conference; timetable for discussions to arrive at a proposal for the relevant trade ministers to consider. (pp. 343–344)
- Two shipments of imported Australian cattle to Korea since Easter; the outcome of the venture; review of any future shipments; the undertaking of a strengthening economic study report with Korea. (pp. 345–346)
- Unofficial business mission by Mr Vaile to Taiwan; holiday visit by the Taiwanese Foreign Minister to Australia. (p. 346)

Output 1.1.2

- Schedule for the official visit of President Wahid of Indonesia; ministers accompanying the President; (p. 347)
- Latest advice for Australians who wish to travel to Indonesia, Aceh, West Timor, Irian Jaya and East Java. Latest assessment by the department of the disturbances in Jarkata. (p. 347)
- Circumstances surrounding the detention of Kerry and Kay Danes in Laos; request from the Minister to seek urgent advice from Laos authorities on the decision making process in this case. (p. 348)
- Human rights issues in Vietnam: Australia’s commitment to working with, and making representations to Vietnam, to improve human rights; Australia’s involvement in practical initiatives, technical assistance and training programs. (p. 348)
- Update on the continued work by member nations involved in the linking of AFTA–CER. (p. 349)
- Proposal that Australia explore a bilateral free trade agreement with the Thailand government. (p. 350)

10 Transcript of evidence, 19 June 2001, p. 366

Output 1.1.3

- Costs associated with the relocation of the consulate general and the United Nations mission in New York to a single location in East 42nd Street in 1998. (pp. 351–354)
- Proposal that Australia negotiate a free trade agreement with the United States. Release of studies done by the Centre for International Economics, and the APEC study centre. Consultation with Australian industry. The proposition that a FTA would contribute to Australia's GDP. Asian reaction to our interest in promoting a FTA with the United States. (pp 354–357, 359)
- Australian ferry manufacturers joint venture with the United States; condition of use in the US of Australian made ferries. (pp. 358, 361)
- Nomination by the USTR trade estimate report of one foreign trade barrier for nominated sanitary and phyto-sanitary measures in Australia. (p. 359)
- Australia and United States trade relations on a number of issues. In particular, US response WTO decision on lamb imports, restrictions on steel imports, fast-ferry sales to the US military, Australian access to the world rice market. Access by Brazil to the US sugar market. (pp. 360–362)
- The formation of a council on Australian–Latin American relations to be serviced by DFAT. (p. 362)

Output 1.1.4

- Fiji elections: AusAID funding for Australian Electoral Commission assistance at the elections; possibility of Australian observers at the elections. (p. 364)
- Discussions with the South African government on their intention to parallel import certain medicines to treat HIV/AIDS. (p. 364)
- Australia's efforts in supporting the peace process in the Solomon Islands. The law and order situation in the Islands and the challenges facing the Solomon Islands Government over the next year. (pp. 363-4)

Output 1.1.5

- WTO: timetable for a new round launch at Qatar; US administration engagement in the process of the agenda for a new round; some new flexibility emerging from the European Union. (p. 364–265)
- China's accession to the WTO; settlement of some key issues standing in the way of progress; working part on China's accession convening in late June. (p. 366)
- Seminar to be conducted by the APEC study centre on the proposal for a US free trade agreement. (p. 367)

Output 1.1.6

- Forecast of the outcomes of the APEC leaders meeting this year. (p. 367)

Output 1.1.7

- Update on negotiations for a verification protocol for the Biological Weapons Convention; the United States position; representations on the issue made to the US; conference to take place in November. (pp. 273–274)
- Timor Gap: four rounds of negotiations in recent times with UNTEAT and the East Timorese. Aiming for early July to have a framework agreement for the Timor Sea. Status of the Timor Gap Treaty between Australia and Indonesia. (pp. 275–276)
- Ratification of the statute of the International Criminal Court; contact between and Australia and the United States in the preparatory commission process; US undertaking a review of its policies towards the International Criminal Court. December 1999 announcement of Australia's intention to ratify the statute; relevant legislation is being prepared for consideration by the Parliament. (pp. 276–277)

Output 1.2

- Joint investigation of the Jenkins case; the Blunn report (including the handling of AUSTEO material) and material in *the Four Corners* program; Mrs Jenkins to seek compensation from the Australian government. The Department's response to recommendations in the Blunn report; policy review to take place between agencies. Conduct of inquiries as laid out in the Cabinet-endorsed protective security manual. (pp. 280–288)

Output 2.1

- Consular and passport services: public outreach program for Australian travellers; constantly working to improve the quality, accuracy and frequency of travel advices. Department's strategies to more regular contact with major airlines, travel and tour operators etc and encourage feedback on the website. (pp. 290–291)
- Number of passports issued in 1999–2000 and 2000–2001; the ages of the applicants. (p. 291)

Output 3.1

- Cost of the Department's documentary volume on the commemoration the 50th anniversary of the ANZUS treaty. (p. 292)

Enabling services

- Likelihood of the government placing ASIS on a statutory basis and subject it to scrutiny by a parliamentary committee. (p. 292)

Austrade

19. The Committee questioned Austrade about the 'Exporting for the Future' program. In particular, the Committee was interested in anticipated expenditure on that program for 2001–02; the function of the program; and, the radio advertising campaign that was conducted during the last year.

20. Officers from Austrade gave the Committee an overview of the funding arrangements for the program.

21. With regard to function of the program Austrade responded that:

The program expects to raise the awareness of the importance of trade in the general Australian community and to increase the awareness of government assistance programs and Austrade programs for exporters, and bring more companies into exporting—maybe using our services, maybe not.

...Exporting for the Future is... an umbrella coverage for a raft of activities which the organisation undertakes on an ongoing basis, supplemented by some strategic initiatives like school curriculum materials.¹¹

22. On the question of where and why radio advertising was conducted, Austrade responded that ‘the basis of the advertising campaign was designed on ... a template of major events being held that the EFF campaign was supporting’. The events were very carefully targeted at the major events—those which had the greatest pulling power. Officers also explained that Austrade had scheduled print and radio advertising and promotions in a range of regional and metropolitan areas.¹²

23. The Committee also sought information from Austrade on a number of matters:

- Cost, and length of time, of the Austrade pricing review; number of staff involved in the process. (pp. 327–328)
- Review of administrative processes for best practice (for finance, human resources and legal activities), both centrally and overseas; whether internal and external staff will conduct the review. Selection process for the outside providers to help with both reviews. (p. 328)
- Functions of Austrade that have been out-sourced, and to whom. (p. 329)
- International Business week: the need for radio advertising to get individual companies and the public to attend the events. (pp. 337–338)
- Austrade’s contribution towards a consul-general for the Chicago office; the consul-general’s role in assisting Austrade; the appointment of a new trade commissioner. (p. 338)
- Export Market Development Grant Scheme (EMDG): Austrade’s strategy for addressing the steady decline in EMDG applications; review of the scheme for the year 2000–01; high rejection rate of first time applicants. The rationale for the higher approval rate for larger, rather than smaller businesses. (pp. 339, 340)

AusAID

24. The Committee sought information from AusAID about how it measures the results of its programs. Based on what was in the portfolio budget statement, ‘how do we know what your expected targets are and whether you have achieved them...?’

11 Transcript of evidence, 19 June 2001, pp. 329, 330, 337

12 Transcript of evidence, 19 June 2001, p. 333, 336

25. AusAID responded that in terms of the quantity indicators, they have not set any numeric targets, either in terms of number of activities or what in particular will be achieved.

...What we are seeking to do in that quantity side is to provide a picture to you, when we report on it through the annual report, of the actual development outcomes that are being achieved on the ground. That will vary from program to program. ...It is more to be able to present, through the activities we have undertaken under each program, an understanding of the actual development impacts.¹³

26. The Committee was interested to hear from AusAID about the program activities to be undertaken or continued as part of a treaty between Australia and Papua New Guinea. The programs funded through the treaty are in the primary sectors of governance, infrastructure, education and health.¹⁴

27. AusAID explained that there was 'a significant program ...in the law and justice sector, working with the RPNGC, which is the police force in Papua New Guinea... Assistance is also being provided to other areas of government, such as the public sector reform program and in areas such as corrections facilities'.¹⁵

28. In the education program the focus is on AusAID providing broad support with the PNG Department of Education to assist in all levels of education. In response to questions about health issues in Papua New Guinea, officers of the agency stated that the PNG government has recognised the growing problem of HIV/AIDS. And that...

[It] is a very significant issue now within Papua New Guinea and one which we are looking to address through the health program. ...The project which we are undertaking... is looking at the issue of prevalence rates and will also be bringing together information on the causes of the spread of HIV/AIDS in PNG.¹⁶

29. The Committee sought information from AusAID on a number of matters:

- Projected AusAID staff numbers. (p. 245)
- Australian funding to Official Development Assistance (ODA) through AusAID. (p. 246)
- Australia's ranking as an OECD member of the Development Assistance Committee. (p. 248)
- UNFPA programs in countries, in particular the Peoples' Republic of China, which have population control policies; and, the lifting of targets and quotas. (pp. 256–257)
- The role of, and the funding for, the Australian Electoral Commission to assist the Fiji Electoral Commission in running the elections. (p. 260)
- Overview of Australia's program of development cooperation with Indonesia. (p. 261)

13 Transcript of evidence, 6 June 2001, p. 244

14 Transcript of evidence, 6 June 2001, pp. 249–252

15 Transcript of evidence, 6 June 2001, p. 249

16 Transcript of evidence, 6 June 2001, pp. 253–254

- Overview of the comprehensive aid program to East Timor. In consultation with the provisional government, the main focus for AusAID is ‘one of capacity building in preparation for independence and immediately thereafter’. Australian government departments have been seconded to help assist a budgetary framework, assist with tax regimes, and, democratic institutions. (pp. 262–264)
- Other areas covered by the program to assist East Timor in its reconstruction, include governance, key poverty related sectors, particularly health, agriculture, and rural development, education, water supply and sanitation. (pp. 262–264)

Australian Centre for International Agricultural Research (ACIAR)

30. The Committee commented on the change in the portfolio budget statements format this year.

31. The Director of ACIAR responded that ‘we have changed our outcome and output statements to more specifically reflect our core business and show how we are aligning ourselves with the government’s priorities’.¹⁷

32. ACIAR gave the Committee a summary of the 200 projects that will be active for 2001–2002. In terms of the distribution of the projects, the focus is on the Asia-Pacific region in line with government policy, where about 50 per cent of projects will be in South-East Asia. The 200 projects include some multilateral projects—funded by restricted grants—which are conducted with, and support, approximately 21 international agricultural research centres.¹⁸

33. The Committee inquired about the departmental statement of financial performance. In particular, the grants estimated in the budget for 2001–02 did not seem to grow very much over the ensuing years. Along with a more detailed financial explanation, the Director responded simply that the ‘budget has been relatively flat for some time. So we are not expecting a very significant growth in grants’.¹⁹

Acknowledgements

34. The Committee expresses its appreciation of the assistance given during its hearings by Senator the Hon Ian Macdonald, Senator the Hon Rod Kemp and Senator the Hon Robert Hill. The Committee also acknowledges the attendance and cooperation of departmental and agency officers and the services of various parliamentary staff involved in the estimates process.

Sandy Macdonald
Chair

17 Transcript of evidence, 6 June 2001, p. 270

18 Transcript of evidence, 6 June 2001, pp. 270–271

19 Transcript of evidence, 6 June 2001, pp. 272–273

**Foreign Affairs, Defence and Trade
Legislation Committee**

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