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### **International relations**

#### Introduction

he basic condition underlying the shaping and conduct of Australia's foreign policy is that Australia is a significant middle-level power with a strong Asia–Pacific orientation.

Australia has a wide spread of regional and global interests, not least as a major trader and a country of immigration. Trade with the Asia–Pacific region and the rest of the world makes a significant contribution to Australia's prosperity. It is a relatively affluent and resource-rich country in a populous and dynamic region.

Links with the United States, Britain and other European countries remain important factors in Australian foreign policy in terms of cultural tradition, security, strategic interests and trade and investment. At the same time, the political, economic and strategic importance to Australia of countries of Asia–Pacific has led to the development of broader and deeper relationships with them and an increasing foreign policy focus on the region.

The Asia-Pacific region as a whole now accounts for about half of global production and about 40% of global trade. More than 60% of Australian merchandise exports are sold to Asian economies, and North Asia and South East Asia accounted for over 60% of Australia's total growth in merchandise exports between 1983 and 1993. Twelve of Australia's top thirteen markets are members of the Asia-Pacific Economic Cooperation (APEC) group. Awareness of the growing nexus between security and economic development has led successive Australian Governments to promote and maintain friendly and cooperative relations with the countries of the region both as means to secure our strategic interests and to develop mutually profitable trade and investment links and exchanges of technology with them. Australia gives special attention to its relations

with China, Japan, the Republic of Korea, the member countries of ASEAN (the Association of South East Asian Nations), New Zealand, Papua New Guinea and the other South Pacific states.

International issues including economic cooperation, arms control and disarmament, trade access, conflict prevention and resolution, global environmental protection, human rights, status of women, refugees and post-cold war world security have assumed importance, together with an increasing recognition of the growing interdependence of the world community. Australia regards as a high priority its participation in the resolution of these global issues not only in the United Nations and other multilateral forums, but also in the regional context through multilateral bodies such as APEC.

#### **South and South-east Asia**

#### Indonesia

Indonesia's importance to Australia is dictated by its position as Australia's largest, most populous neighbour, its location across important air and sea routes, its key role in regional affairs, and its export and investment market potential. Australia's relationship with Indonesia is a vital part of its engagement with Asia and provides a springboard for closer strategic and economic involvement in South-east Asia. It is in this context that Australia is working with Indonesia on major regional and multilateral issues. Consultation with Indonesia on post-Uruguay Round implementation issues and the post-Round agenda is taking place bilaterally, regionally through APEC and more broadly through the Cairns Group. The Australia-Indonesia Ministerial Forum, established by Prime Minister Keating and President Soeharto in 1992, gives government impetus to strengthening and broadening the bilateral economic relationship.

#### **Philippines**

The bilateral relationship with the Philippines continues to expand and develop, reflecting the new era of political stability and economic growth which the Philippines is experiencing under the Ramos Administration. While expanding trade and investment flows remains a priority objective for Australia. particular emphasis is also placed on enhancing cooperation on a range of regional economic and security issues, given the Philippines' changed relationship with the USA, and its increasing focus on the Asia-Pacific region. The visit of President Fidel Ramos in August 1995 was the first state visit to Australia by a Philippine President and a clear sign of the maturing bilateral relationship.

#### **Singapore**

The bilateral relationship between Australia and Singapore continues to develop into a broader partnership, flowing from similar approaches to regional and multilateral issues, and is underpinned by strong defence and economic links. Throughout 1994 the bilateral agenda was driven particularly by initiatives promulgated jointly by Prime Ministers Keating and Goh Chok Tong. One such initiative was the establishment of a special Singapore-Australia Business Alliance Forum (SABAF) and a dedicated \$2 million Joint Feasibility Fund to enable Australian and Singaporean businesses to forge strategic alliances in third country markets. Two-way trade between Australia and Singapore in 1994 amounted to \$5,500 million, an increase of 4.1% over 1993.

#### Malaysia

Malaysia's rapid economic development, location, active participation in the South East Asian region and its long-standing relationship with Australia in many spheres have a direct impact on Australia's interests. The bilateral relationship has active and cooperative relations in a number of areas including defence (embracing bilateral links as well as the Five Power Defence Arrangements (FPDA) and the related Integrated Air Defence System (IADS)) trade and investment, education, and other diverse activities including narcotics control, tourism, and aviation. Total bilateral trade reached \$3,200 million in 1994, with Australia's exports totalling \$1,960 million, and imports

at \$1,200 million. Malaysia's views have become an increasingly important factor in Australia's regional economic and security concerns, as Malaysia has expanded its influence and taken an increasingly active role in regional fora, particularly ASEAN and APEC.

#### **Thailand**

Australia's relations with Thailand are of long standing, close and cordial. Our bilateral relationship spans a wide range of fields, including trade, defence cooperation, tourism, education, narcotics control, refugee resettlement and development cooperation. We maintain a constructive dialogue with Thailand on a range of bilateral, regional and international economic and political matters including APEC, the Cairns Group and regional security issues including Cambodia and Myanmar. Prime Minister Keating visited Thailand in April 1994 for the opening of the Australian-funded and built "Friendship Bridge" between Thailand and Laos, Mr Banharn Silpa-archa, who was elected Prime Minister of Thailand in general elections in July 1995, paid an official visit to Australia in March 1995 in his capacity as Leader of the Opposition. Total two-way merchandise trade reached over \$2,200 million in 1994, with the balance in Australia's favour.

#### Brunei

Brunei is a country of increasing importance to Australia. Although a small nation, it is situated in a region of major strategic, political and economic interest and is a member of three regional groupings of significant importance to Australia — APEC, ASEAN and the ASEAN Regional Forum. As Australia's consultative partner in ASEAN, Brunei has provided useful insight into internal ASEAN dialogue. Brunei is an important link in Australia's developing partnership and integration with South East Asia. Trade between Australia and Brunei, valued at \$54 million in 1994, is an important component of the bilateral relationship.

#### **Vietnam**

Despite the increased profile of Vietnam's other regional relationships, in particular with the other ASEAN nations and major investors such as Taiwan and South Korea, Australia has maintained its position as an established and

long-term political and economic partner and has consolidated and expanded relations with Vietnam across a range of issues. Dialogues on strategic, security and human rights matters have been added to the bilateral relationship, which was hitherto dominated by aid and trade.

#### Myanmar

Australia continues to play a prominent role in international and regional efforts to press the Myanmar State Law and Order Restoration Council (SLORC), the country's ruling body, to implement political reforms and adhere to universally accepted standards of human rights. Australia welcomed the release of Aung San Suu Kyi in July but called on the SLORC to implement further reforms.

#### Cambodia

Australia's principal policy objectives in Cambodia are to support the democratically elected Government in its efforts to contain the Khmer Rouge, to raise overall living standards and to rebuild the structures of a civil society. As a signatory to the Paris Accords, Australia takes an active interest in developments in Cambodia, particularly in the areas of military reform, good governance and responsible economic management.

#### India

India is rapidly emerging as one of Australia's major relationships and is increasingly a focus of wide-ranging Australian government and private sector attention. Business opportunities in India for Australian companies have increased markedly as a result of the program of economic reforms set in train by the government of Prime Minister Rao. These reforms have opened important sectors of India's economy by reducing tariffs and other import controls and encouraging foreign investment and partnership arrangements.

#### **Pakistan**

Australia increased high-level contacts with Pakistan on Indian Ocean regional cooperation, disarmament, non-proliferation, human rights, narcotics, the environment and other bilateral, regional and global issues of importance to Australia. Successful negotiations have Australia poised to sign an extradition treaty with Pakistan. Some

negative domestic developments during the year, particularly the deterioration in security conditions in Karachi — the country's largest city and commercial hub — have contributed to a down-turn in Australian trade and investment activity, resulting in a 30% reduction in Australian exports in 1994.

#### **Bangladesh**

The political environment in Bangladesh in 1994–95 was dominated by a long-running dispute between the Government of Prime Minister Khaleda Zia and opposition political parties. Even with the unsettled political climate, the Bangladesh economy performed relatively well, achieving GDP growth of around 5% in 1994. Bangladesh will nevertheless continue to depend on significant international financial assistance, and Australia's relationship with Bangladesh will remain centred on development cooperation with a focus on health and population sectors, training and food aid.

#### Sri Lanka

The Sri Lankan economy continues to grow despite the high costs of the long-standing ethnic conflict with the Liberation Tigers of Tamil Eelam (LTTE). Trade and investment between Australia and Sri Lanka are now significant, with bilateral trade reaching \$200 million in 1994 — an increase of 60% over the previous year. Australia has become one of the largest investors in Sri Lanka, with a 63% increase (approximately \$300 million) in existing investments and contracts, and with investments currently in the pipeline amounting to a further \$776 million. New investment opportunities are also expected to emerge as a consequence of the Sri Lankan Government's privatisation plans.

#### **North Asia**

#### China

Australia's relationship with China continues to expand rapidly, supported by frequent Ministerial exchanges. China is now Australia's 6th largest trading partner, 9th largest market for exports and 6th largest as a source of imports. In 1994–1995, total two-way trade reached \$6,600 million. Australia's exports totalled \$2,960 million, while imports were \$3,650 million. Australia is an important supplier of the industrial raw materials,

foodstuffs and, increasingly, the manufactures China needs for its modernisation. Australia's main imports from China include clothing, sporting goods, toys, textile yarns and fabrics. Besides widening the scope for trade, structural change and rapid growth in the Chinese economy are increasing the volume of trade. The Joint Ministerial Economic Commission (JMEC) is the key institutional support for the economic relationship. The eighth session of JMEC was held in September 1995.

#### **Hong Kong**

In 1994–95, Hong Kong was Australia's tenth largest trading partner with two-way trade valued at \$3,500 million. Exports to Hong Kong totalled \$2,600 million, making it Australia's eighth largest export market. Hong Kong is Australia's sixth largest market for export of services, worth \$813 million in 1993–94. Some 30,000 Australians live in the territory and more than 350 Australian companies are based in Hong Kong. Hong Kong is Australia's fifth largest destination for foreign investment, worth \$3,500 million in 1993–94 and the fourth largest source of foreign investment in Australia with investment of HK\$14,400 million in 1993–94.

#### **Taiwan**

Australia's commercial relationship with Taiwan has expanded significantly over recent years, with two-way trade reaching \$5,700 million in 1994-95. Taiwan is Australia's sixth largest export market, valued at \$3,100 million. In the absence of diplomatic relations with Taiwan, Australian commercial interests are represented by the Australian Commerce and Industry Office (ACIO) in Taipei. Direct airlinks were established in 1991, and arrangements on investment promotion and patents were signed in August 1993 by the Australian Commerce and Industry Office and the relevant Taiwan agencies. Nearly 150,000 Taiwanese tourists visited Australia last year, making Taiwan Australia's sixth largest source of visitors.

#### Japan

Japan remains Australia's largest trading partner, with two-way trade in 1994–95 of \$29,000 million, over 20% of Australia's total trade, and with a surplus of \$3,500 million in Australia's favour. While agriculture, mineral and energy products continue to constitute

the bulk of Australian exports to Japan, about one-third of our exports there are now manufactured or processed products. Tourism continues to expand, with more than 721,000 Japanese visitors to Australia in 1994. Japan is the third largest source of foreign investment in Australia, behind the EU and USA. While total investment from Japan has declined in recent years, the proportion directed to the manufacturing sector has increased.

There is an active agenda of bilateral consultations between Australia and Japan, both at Ministerial and officials' levels. The visit by Prime Minister Keating to Japan in May 1995 resulted in a very strong Joint Declaration on the status of the relationship. The 1995 meeting of the most important consultative forum, the Australia–Japan Ministerial Committee (AJMC) was held in Canberra in August 1995. Some five Japanese and nine Australian Ministers took part in these discussions, which resulted in over thirty outcomes covering bilateral, regional and global issues.

#### Korea

Australia enjoys close and expanding relations with the Republic of Korea based on a dynamic trading relationship and shared political and economic interests in the Asia-Pacific region. The Republic of Korea is Australia's second largest export market, with exports of \$4,730 million in 1994. Australia has been seeking to diversify the economic relationship by placing greater emphasis on exports of manufactures and services and increased two-way investment, while at the same time improving the conditions for increased exports of minerals, energy and agricultural commodities. There is an active agenda of bilateral consultations, both at Ministerial and officials' levels, with President Kim Young-Sam's visit to Australia in November 1994 being the highlight of that year. Korean participation in the second National Trade and Investment Outlook Conference in December 1994 was very successful. The Australia-Korea Foundation continued its programs in the cultural, education and media fields.

Since the interruption of diplomatic relations with the Democratic People's Republic of Korea (DPRK) in 1975, Australia has had only limited official contact. In 1994 Australia

continued to play a prominent role in working to have the DPRK remain a member of the Nuclear Non-Proliferation Treaty (NPT) and to accept all its obligations under the NPT and its safeguards agreement with the International Atomic Energy Agency (IAEA). In this context Australia welcomed the DPRK's decision, following the third round of US-DPRK high-level talks in Geneva, to reaffirm its membership of the NPT and accept implementation of its IAEA safeguard obligations under the treaty. This decision by the DPRK provided for the first time a reasonable basis for the resolution of the DPRK nuclear issue by negotiation — the long-held position of the Australian Government.

#### **South Pacific**

Australia, as the major power in the South Pacific region, maintains active and friendly relations with Pacific island countries and seeks to encourage sound government, balanced development and sustainable resource management in the region.

Australia is the largest single aid donor in the South Pacific, conducting substantial aid and defence cooperation programs in the region, budgeted respectively at \$459 million and \$51 million in 1995–96 (including Papua New Guinea). Australia also assists Pacific island countries to broaden and diversify their export capacity through a range of trade and investment development activities under the SPARTECA and PATCRA agreements.

Australia actively participates in and strongly supports a range of South Pacific regional bodies, including the South Pacific Forum, the South Pacific Commission, the Forum Fisheries Agency and the South Pacific Regional Environmental Program. Australia hosted the South Pacific Forum in Brisbane in August 1994 and, as Forum Chair, has worked hard to implement the key decisions and outcomes of this meeting. Australia also took the lead in articulating the response of South Pacific countries to France's announcement in June 1995 of resumed nuclear testing on Mururoa Atoll.

#### New Zealand

Relations between Australia and New Zealand reflect their shared history, similarities in political and social structure and the

importance of economic links. Although some differences of view exist in the area of defence policy, Australia and New Zealand also share mutual security arrangements which are embodied in the ANZUS Treaty. The cooperative nature of the relationship between the two countries is exemplified in the Closer Economic Relations Trade Agreement (CER), which has achieved full free trade in goods and most services between the two countries, partly through a process of regular review in 1988, 1992 and again in 1995. Work on CER is now focusing on "third generation" trade facilitation initiatives such as a scheme for mutual recognition of regulations relating to goods and the registration of occupations, the development of a joint food standards-setting system and the finalisation of a review of the CER Protocol on Trade in Services. Australia and New Zealand also often work closely in their approaches to the international political and economic environment.

#### **Papua New Guinea**

Australia and Papua New Guinea (PNG) have a very close relationship based on ties that have continued at all levels of society since PNG attained its independence in 1975. In 1994 Australian exports were valued at \$964 million and imports at \$1,121 million. The total level of Australian investment in PNG was about \$2,293 million during 1992–93 (most recent figures available).

The 1987 Joint Declaration of Principles (JDP) provides a framework for bilateral relations between Australia and PNG and covers a range of issues including defence, trade, investment, development assistance, consular relations, communications and border administration. An important element of the JDP is its consultative mechanism, the Australia–PNG Ministerial Forum. The seventh Forum took place in Melbourne in December 1994.

PNG is the largest single recipient of Australian development assistance, accounting for about one-fifth of the development cooperation program, at around \$300 million per annum. The 1989 Treaty on Development Cooperation establishes principles, levels and forms of Australia's aid to PNG. Under the Treaty, budget support is being progressively phased out and by the year 2000 will be wholly replaced by jointly programmed aid

directed at fostering PNG's development and self-reliance.

The Torres Strait Treaty between Australia and PNG entered into force in February 1985. The Treaty defines maritime boundaries and sets down provisions to protect the traditional way of life of inhabitants on both sides of the border, to protect the environment, to regulate the exploitation of resources and to ensure freedom of navigation and overflight.

#### **The Americas**

Australia continues to have a substantial and wide-ranging political, economic and security relationship with the United States. A formal security treaty has linked the two countries for over 40 years, and at the annual Australia–United States Ministerial (AUSMIN) Talks in April 1995, the US re-affirmed its commitment to the ANZUS alliance and to a continued strategic and economic engagement in the Asia–Pacific region.

The US is Australia's second largest trading partner and the largest recipient of Australian overseas investment. It is also the country which is Australia's largest source of foreign investment. The two countries also share many fundamental values and have strong historical links.

Canada is a country comparable with Australia in terms of institutions and traditions, geographical size and international outlook. This has allowed a close degree of cooperation and interchange of ideas between the two nations. Australia's relations with Canada strengthened during the year with a number of high level political exchanges. Some of these were related to the celebration of 100 years of Australia–Canada trade relations.

Australia is taking an increasing interest in developments in Latin America, especially those related to trade. Although some Latin American regional trade arrangements are relatively restrictive by nature, there has been a move towards progressive trade liberalisation, privatisation and budget consolidation in most countries. A trend towards democracy in many of the countries has also contributed to a more positive business environment for foreign firms. Australia initiated exchanges with Latin

American countries on trade liberalisation matters. There was a significant increase in political and official contacts during the year including through meetings of APEC, the Cairns Group, the OECD, and the NAM and in the World Trade Organisation. Senator Evans's visit to Cuba in January 1995 paved the way for a normalisation of commercial links. In contrast to other regions, the focus of Australia's links with the Caribbean is in sport and culture.

#### **Europe**

Australia maintains constructive relations with the countries of Western Europe and the European Union (EU) and its institutions. Bilateral relations with the individual countries of Western Europe continue to be of very considerable importance to Australia. One indication of the breadth and depth of Australia's links with the region is the fact that the Prime Minister and 34 ministers and 95 Federal and State parliamentarians visited the region during the year. This was in addition to a number of high-level visits to Australia from Western Europe.

Australia's historical, cultural and social links with Europe underpin these bilateral ties and Europe is a leading source of investment, technology, ideas and culture. Cooperation with European countries on a number of international issues is extensive, and our trade and investment links continue to develop. One area of difference was the decision of France's President Chirac to conduct nuclear tests at Mururoa Atoll. This provoked a strong response from the Australian Government, which included a freeze on defence contacts.

The EU is Australia's second most important trading partner, most important source of investment funds and second largest destination for Australian overseas investment, as well as a significant importer of raw materials and an increasingly important market for Australian manufactured products. Australia and the EU developed a new, broader relationship during the year. The bilateral agenda with the European Commission was extended to include constructive exchanges on a wide range of issues on which the two sides share concerns and interests. Negotiations were concluded on a number of trade issues.

The promotion of trade and investment links with Russia and the countries of the former Soviet Union were the key objectives in that region. Australian business interest in Russia has increased steadily in investment opportunities, particularly in Pacific Russia. Increased trade and investment opportunities in some parts of the Commonwealth of Independent States (CIS) led to the opening of an Australian Embassy in Almaty, Kazakstan, in May 1995.

Many countries in Central and Eastern Europe and in the former Soviet Union experienced continuing political and economic volatility. The disintegration of the former Yugoslavia was a primary concern. During the State Visit to Australia in June 1995 by the Croatian President, Dr Franjo Tudjman, Australia made clear its support for efforts to reach a negotiated settlement to the conflict in the former Yugoslavia and its commitment to the promotion and protection of human rights. The visit to Poland in July 1994 by Senator Evans and the visit of the Czech President, Vaclav Havel, to Australia in March 1995 acted as catalysts for closer economic and political ties. Australia's commercial interests in Romania were given a boost during the Australian-Romanian Joint Governmental Commission meeting in June 1995.

#### The Middle East

Australia has substantial trading interests and long-standing friendly relations in the area. Australia's policy towards the region is based on two main premises: a total commitment to Israel's right to exist within secure and recognised boundaries and recognition of the right of self-determination for the Palestinian people, including their right, if they choose, to independence and the possibility of their own independent state. The Middle East peace process has achieved substantial successes, such as the Israel-Jordan peace treaty of 26 October 1994 and the agreement on Palestinian autonomy, and Australia remains committed to supporting a negotiated settlement to the Arab-Israel conflict, which it believes offers the best prospects for a just and lasting peace in the region.

Australia is continuing to give material support to the peace process. The Government has provided some \$18 million

to assist the development of Palestinian autonomy, and in mid–1995, established a bilateral assistance program with the Palestinian Authority. Australia is an active participant in the Working Groups on Arms Control and Regional Security, and Water Resources, which are part of the multilateral track of the peace process.

Australia contributes a contingent of 26 military personnel to the Multinational Force and Observers (MFO), which monitors the border security arrangements agreed in the Egypt–Israel peace treaty of March 1979. An Australian Army officer, Major-General David Ferguson, was appointed MFO Force Commander in April 1994.

#### **Africa**

Australia maintains a broad range of contacts with African countries and is concerned with developmental and humanitarian issues as well as international efforts to assist peace and the establishment of democratic Governments in Africa.

The relationship with southern African countries is the central focus of Australian interests in Africa. However, the profound changes that are occurring in sub-Saharan Africa generally have broadened Australia's interests in the region. Australia wishes to promote regional security through fostering of regional peace-building and preventive diplomacy and is assisting in economic reconstruction and development. The positive political developments that have occurred in recent years in Angola, Mozambique and Malawi are encouraging.

The formation in South Africa of a transitional Government of National Unity in April 1994 was warmly welcomed by Australia. Australia's relations with South Africa in the period following the transition to a non-racial coalition government are substantially different from our past relationship, which was dominated by Australia's opposition to apartheid and the adoption of sanctions policies directed at discouraging trade, investment and access to international finance. and restricting institutional links. By contrast, the present relationship between South Africa and Australia has widened to encompass a broad range of interests. The economic relationship is of primary importance.

Institutional contacts and cooperation in areas of common interest in both bilateral and multilateral areas have deepened.

Australia has reviewed the effectiveness of its aid program and refocused it on southern Africa in recognition of the relationship already established and of the considerable progress being made in political and economic reform. In 1994-95 Australia provided about \$101 million in aid to 30 countries in Africa. A further \$68 million was directed to Africa as part of Australia's contribution to international agencies and the World Bank. In 1995–96 approximately \$190 million, or 12% of Australia's aid program, will be directed to Africa. Direct bilateral Australian aid to countries in West Africa such as Nigeria, Sierra Leone, Ghana and Gambia, will be phased out.

#### **Indian Ocean**

The combination of economic reforms in the region, particularly in India, the ending of Cold War rivalries and the re-emergence of South Africa has reawakened interest in the development of the Indian Ocean as a region. Australia, as an Indian Ocean littoral state with wide interests in the region, has sought to make a constructive contribution to the identification of possible strategies for enhancing regional cooperation among the Indian Ocean littoral and island countries. As part of Australia's 'Look West' strategy, Australia was host to the International Forum on the Indian Ocean Region (IFIOR) in Perth from 11 to 13 June 1995. Jointly sponsored by the Commonwealth and the Western Australian Governments, IFIOR brought together for the first time 122 participants from 23 countries in the region, representing academia, business and officials in their personal capacities, to discuss prospects for dialogue and cooperation in the region.

There was strong and wide support at IFIOR for accelerating cooperation in the Indian Ocean region to enhance economic and social development. Two region-wide networks covering the business community (the Indian Ocean Consultative Business Network) and the academic community (the Indian Ocean Research Network) were launched at IFIOR, and a practical program of action on economic and a range of other issues was

adopted. Participants also welcomed the networking opportunities presented by IFIOR.

IFIOR demonstrated the benefit of the 'second-track' approach towards exploring regional co-operation and its success has been significant for the region. It recognised that the inter-governmental process, started at the Mauritius meeting of seven Indian Ocean countries in March 1995, had an important role in advancing the agendas identified in IFIOR. However, this will depend on the expansion of the membership of the Mauritius process to include all interested countries in the Indian Ocean region, including all those countries represented at IFIOR.

Australia is also committed to the development of the concept of an Indian Ocean Zone of Peace (IOZP). For many years Australia has played an active and constructive role in the United Nations Ad Hoc Committee on the Indian Ocean. The Ad Hoc Committee has so far not succeeded in its attempt to convene an international conference on the Indian Ocean to develop the IOZP concept.

#### **APEC**

The Asia-Pacific (including East Asia and North America) has included a number of the fastest growing economies in the world in recent decades. Rapid development has been accompanied by massive structural change, with the impetus of manufactures export-led growth increasingly spreading from Japan and the newly industrialising economies (South Korea, Taiwan, Hong Kong and Singapore) to China, ASEAN and other regional economies. The Asia-Pacific region now accounts for around half of world output and about 40% of world trade. Economic interdependence has increased as the region has developed, reflecting strong economic complementarities and substantial intra-regional flows of trade, investment and technology.

The Asia–Pacific Economic Cooperation process, established in 1989 as a result of an Australian initiative, has developed rapidly against this background. APEC's initial Ministerial Meeting, held in Canberra in November 1989, included 12 economies: Australia, New Zealand, ASEAN(6), Japan, Korea, the United States and Canada. Membership was expanded in 1991 to include

the economies of China, Hong Kong and Taiwan. In 1993, Mexico and Papua New Guinea were admitted, and Chile joined in 1994. APEC's agenda has expanded quickly, with initial cooperation and consultation broadening to a much stronger focus on trade and investment facilitation and liberalisation. An important step forward occurred in November 1993, when the first meeting of APEC Economic Leaders was hosted by President Clinton.

The second meeting of APEC Economic Leaders, hosted by President Soeharto in Bogor Indonesia, in November 1994, set in train a further expansion of APEC as an economic forum. APEC Leaders made a firm commitment at Bogor to achieving free, open trade and investment in the region by 2020, with industrialised economies achieving this goal by the earlier date of 2010. APEC economies are currently addressing ways to implement effectively this Declaration, in the lead-up to the Ministerial and Leaders' Meetings held in Osaka in November.

About 77% of Australia's exports were directed to APEC in 1994, up from 66% to those economies two decades ago. Exports to ASEAN have been growing particularly rapidly. Imports from APEC have risen to 69% of total merchandise imports by 1994, up from 55% in 1974. Australia has a strong stake in trade and investment liberalisation in the region and in steps to harmonise trade-related practices and procedures, particularly in the areas of standards and customs. The further development of APEC, consistent with the Bogor Declaration, should also contribute to the broader objective of building regional cohesiveness in the context of rapid change.

### Regional security dialogue — the ASEAN Regional Forum (ARF)

Over the last five years Australia has worked actively with countries of the Asia–Pacific to encourage, for the first time in the history of the region, the development of a multilateral, cooperative approach to regional security issues.

The establishment of the ASEAN Regional Forum (ARF) as a region-wide venue to discuss security-related issues is the most important step forward to date in the

emergence of new multilateral processes. The ARF met first on 25 July 1994 in Bangkok and held its second meeting on 1 August 1995 in Bandar Seri Begawan, Brunei. It is attended by the Foreign Ministers, accompanied by only one senior official, of the seven ASEAN countries (Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam), the seven ASEAN Dialogue Partners (Australia, Canada, the EU, Japan, the ROK, New Zealand and the US) along with China, Russia, PNG, Laos and, for the first time in 1995, Cambodia. It thus brings together all the major countries in the Asia-Pacific region. The Foreign Ministers meet in an informal setting to discuss regional political and security issues of concern or potential concern and to agree on cooperative measures which they might take to contribute to maintenance of peace and security in the region and to the avoidance of conflict.

In addition to the Ministerial-level discussions of the ARF, and linked directly to it, are a number of 'first track', official-level meetings and 'second track', unofficial, academic forums in which officials participate in their private capacity. The most important of these at the official-level is the ARF Senior Officials' Meeting, which as well as being a preparatory meeting for the ARF is also a regional security dialogue process in its own right, as it discusses current political and security issues in the region. The ARF at its second meeting also established a number of official-level groups or meetings to discuss confidence-building measures, peacekeeping and search and rescue. Officials from all ARF countries participate in these activities, which are directed to elaborating concrete cooperative measures for adoption by the ARF. The ARF has also indicated a number of proposals which it would like to see considered in second-track ARF meetings. For example, Russia has offered to host a seminar in 1996 on proposed Principles of Security and Stability on the Asia-Pacific region.

There are a large number of other important second-track, quasi-official, academic meetings which contribute to multilateral regional security dialogue. One second-track dialogue process is the Council for Security Cooperation in the Asia–Pacific (CSCAP), founded by 'strategic studies' institutes in June 1994. CSCAP currently has thirteen country/institution members (Australia, Canada, the DPRK, Indonesia, Japan, Malaysia,

New Zealand, Philippines, ROK, Russia, Singapore, Thailand and the US) and two associate member institutions from India and the EU. The Australian National Committee of CSCAP is co-chaired by Professor Ball of the Strategic and Defence Studies Centre and Professor Harris of the Research School of Pacific and Asian Studies at the Australian National University.

#### **ANZUS**

Following a review in 1983 of the ANZUS Treaty by the Australian Government, including a re-examination with its ANZUS partners at the 1983 ANZUS Council Meeting in Washington, the Government reaffirmed the alliance as fundamental to Australia's national security and foreign and defence policies. The text of the ANZUS Treaty of 1952 can be found in Treaty Series No. 2, for 1952, printed by the then Department of External Affairs. In 1984, the New Zealand Government implemented a policy of denying the entry to New Zealand of nuclear-powered warships or of warships (or aircraft) which might carry nuclear weapons. Consequently the United States, at the Australia-United States ministerial talks in August 1986, formally suspended its security obligations to New Zealand under the ANZUS Treaty pending adequate corrective measures. Both the United States and Australia agreed that the relationship between the United States and Australia under the ANZUS Treaty and the rights and obligations assumed by the United States and Australia towards each other under the Treaty would remain constant and undiminished. ANZUS continues to govern the bilateral defence relationship between Australia and the United States and that between Australia and New Zealand.

The 1994 Defence White Paper *Defending Australia* noted that Australia's defence alliance with the United States continued to be a key element of Australia's defence policy and that the relationship formalised in the ANZUS Treaty reflected the close alignment of enduring strategic interests.

#### **Nuclear issues**

Australia's strong commitment to effective nuclear disarmament and arms control is reflected in its support for the international non-proliferation regime. Australia ratified the

Nuclear Non-Proliferation Treaty (NPT) in 1973 and encourages universal adherence to it. The NPT currently has 179 member states and is a central part of the international security framework. The NPT was made a permanent treaty at the NPT Review and Extension Conference which was held in April–May 1995, twenty-five years after the Treaty's entry into force.

Australia has continued to encourage new adherents to the NPT and scrupulous fulfilment of the obligation for all Non-Nuclear Weapon States Parties to conclude a safeguards agreement with the International Atomic Energy Agency (IAEA).

Australia is a founding member of the IAEA and provides political and financial support to the organisation. Australia's active participation, including contributions to the IAEA regular budget and to the Technical Assistance and Cooperation Fund, helps the Agency to continue to function in an effective and efficient manner. Australia has been working with other countries through the Agency to strengthen the international nuclear safeguards regime in the light of the lessons of the Gulf War.

The stringent nuclear safeguards conditions applied to exports and subsequent use of Australian uranium are set out as binding international legal obligations in the bilateral nuclear safeguards agreements which customer countries must enter into before any uranium exports from Australia are permitted. These conditions include an undertaking not to use Australian-obligated nuclear material for any military or explosive purpose and the acceptance of IAEA safeguards in order to verify that undertaking. Australia has concluded 14 bilateral nuclear safeguards agreements covering 24 countries.

Australia has long recognised the importance of effective controls on nuclear and nuclear dual-use items and is an active member of the Nuclear Suppliers' Group and the Zangger Committee. These groups bring together countries that are principal suppliers of nuclear material and associated material, equipment and technology, and have established guidelines governing export control mechanisms to ensure that trade and cooperation in the peaceful uses of nuclear technology do not contribute to proliferation of nuclear weapons.

Australia is also a member of the Nuclear Energy Agency (NEA) of the Organisation for Economic Co-operation and Development (OECD), which consists of all European Member countries of OECD as well as Canada, Japan, the ROK, Mexico and the United States.

## Disarmament and arms control

Australia promotes global security and stability by working for arms control and disarmament objectives at the United Nations in New York, the Conference on Disarmament (CD) in Geneva and many other world forums. A key foreign policy objective is to establish and strengthen international arrangements against the proliferation of weapons of mass destruction and missile delivery systems capable of carrying them. This contributes to keeping Australia's region and other regions free from any such proliferation and so contributes to maintaining a positive security environment both in our region and globally.

Australia attaches great importance to the early conclusion of an effective, verifiable Comprehensive Test Ban Treaty (CTBT) that would ban all nuclear testing by all states in all environments for all time. Australia has been a central and active player in the formal negotiations for a CTBT in the CD since their commencement. Australia, which has also been a strong supporter of efforts to strengthen the NPT regime, worked actively to promote the successful outcome of indefinite extension of this Treaty at the NPT Review and Extension Conference held in New York in April-May. Through membership of the IAEA, Australia is able to promote non-proliferation policies and contribute to regional and wider nuclear cooperative projects. Australia, together with other South Pacific countries, was instrumental in negotiating the South Pacific Nuclear Free Zone Treaty (Treaty of Rarotonga), which came into effect on 11 December 1986.

The opening for signature of the Chemical Weapons Convention (CWC) on 13 January 1993 saw the achievement of a long-standing Australian objective. When it enters into force (180 days after the 65th ratification), the CWC will put in place a global ban on chemical weapons, including a requirement that all existing stocks of these weapons be

destroyed. It also provides for an effective mechanism to verify compliance with the Convention. The CWC is expected to enter into force in 1996. Australia was instrumental in accelerating the final stages of the CWC negotiations and has also been an active participant in the Preparatory Commission for the international organisation based in The-Hague which will be responsible for implementation of the CWC. Australia was the sixth country to ratify the CWC, following enactment of the Chemical Weapons (Probibition) Act 1994. A Chemical Weapons Convention Office has been established to manage implementation of the CWC within Australia. Australia has also maintained, since 1988, a program of cooperation with South-east Asian and South Pacific countries on CWC issues — the Chemical Weapons Regional Initiative — which has recently been focused on helping these countries with their national implementation of the Convention.

Australia has been a strong supporter of efforts to strengthen the Biological Weapons Convention (BWC) through the development of verification arrangements. Means to verify compliance are needed if the BWC is to provide an effective global ban on these inhumane and potentially devastating weapons. Australia was pleased by the decision of a special conference of BWC States Parties in September 1994 to establish a negotiating process which is expected to result in the development of protocol to the BWC which will contain verification measures. Australia is taking a prominent role in these negotiations.

Australia chairs a group of 29 countries called the Australia Group, which works towards harmonising the export licensing measures of participating countries over chemicals, biological agents and equipment which can be used in the production of chemical and biological weapons. The Group's activities assist the achievement of the non-proliferation objectives of the CWC and BWC. As well as participating in the work of the Nuclear Suppliers' Group, Australia is an active participant in the Missile Technology Control Regime: these two bodies enable similar cooperation in the nuclear weapons and missile fields.

Australia is a strong supporter of the UN Conventional Arms Register and has provided data on our major arms imports and exports.

It has also urged our regional neighbours to participate at the CD and the UN in discussions on further multilateral measures to increase transparency in the area of conventional armaments.

Australia has taken an active role in negotiations to strengthen the Inhumane Weapons Convention and believes these should result in practical measures to prevent the widespread civilian suffering caused by the use of anti-personnel mines, which are covered by Protocol II of that Convention. Australia has also been active in encouraging other Asia–Pacific countries to accede to this Convention.

Australia is a party to the following disarmament and arms control agreements: the Partial Test Ban Treaty, the Geneva Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, the Outer Space Treaty, the Sea-Bed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, the Biological Weapons Convention, the Environmental Modification Convention, the Antarctic Treaty, the Inhumane Weapons Convention, the Moon Treaty and the South Pacific Nuclear Free Zone Treaty.

#### The Commonwealth

The Commonwealth is an association of countries drawn from every region of the globe and comprising one-quarter of the world's population. Australia seeks, through its Commonwealth membership, to foster international peace and security and political, social and economic advancement. The last Commonwealth Heads of Government Meeting was held in Auckland, New Zealand, in November 1995. The Commonwealth Heads of Government at the Auckland CHOGM agreed to suspend Nigeria's membership until satisfactory progress towards democracy has been achieved. Leaders also agreed to admit Mozambique as the 53rd member.

#### International trade relations

High priority continues to be given to strengthening Australia's international economic and trade performance. By complementing domestic structural adjustment programs and micro-economic reforms with strategies which advance bilateral, regional and multilateral trading goals, the Government is able to foster Australia's economic growth.

Australia has maintained a strong commitment to the advancement of a more liberal multilateral trading system as the most effective means of supporting and promoting global and national economic growth. Central to this commitment have been the agenda for trade liberalisation pursued through Australia's participation over the seven years of the Uruguay Round negotiations, continuing participation in the work the General Agreement on Tariffs and Trade (GATT), now institutionalised by the establishment of the World Trade Organisation (WTO), and the promotion of a trade-liberalising agenda in APEC as well as other trade and economic forums.

The WTO is now responsible for facilitating the implementation and operation of all the agreements and legal instruments which constitute the WTO Agreement, including managing the new committee structure. Australia has been closely involved in the arrangements for a smooth transition from the GATT to the World Trade Organisation and to make it quickly operational. With Australian representatives as Chairs of a number of WTO committees including the Negotiating Group on Maritime Transport Services, the Dispute Settlement Body and the Working Party on State Trading Enterprises, Australia has played a key role in the strengthening of its institutional development.

At this stage in its development, the WTO offers excellent opportunities for Australia to contribute to, and influence the direction of, further developments in the multilateral trading system. For a middle-sized trading nation like Australia, the multilateral system provides the best form of protection against the excesses of unilateral, bilateral and regional protectionist pressures. Australia is therefore an active and consistent participant in the establishment and monitoring of multilateral rules for the trading system. Bilateral and regional approaches reinforce these multilateral approaches. As with any negotiation, this cannot guarantee the outcomes we are seeking but it does provide for our positions to be taken into account in the final trade-offs and thus offers generally

better results than we could expect given the actual level of Australia's international trade.

The conclusion of the Uruguay Round brought to an end the most ambitious and far-reaching multilateral trade negotiations ever undertaken. The post-Uruguay Round multilateral trading system is much more complex than the range of activities conducted previously under the GATT. As well as the work of the new committees and structures of the WTO, Australia must continue to pursue the Uruguay Round's "in-built" agenda, which provides for follow-up negotiations in certain areas to pursue further market access opportunities. including in agriculture and services. Australia is participating in the WTO work program on trade and the environment and in debate on new multilateral trade issues such as regionalism, trade and labour, trade and culture, trade and competition policy, and trade and investment.

The formation of the WTO Committee on Agriculture (COA) was one of the most important outcomes for Australia of the Uruguay Round. The COA is to monitor and review the implementation of the member countries' Uruguay Round commitments on agriculture. Maintaining an influential role for the Cairns Group of agricultural traders in the activities of the COA is an important element of Australia's strategy for continuing reform of agricultural trade. A paramount challenge for Australia will be to maintain and strengthen the commitment of the Cairns Group to ongoing agriculture reform.

Australia has been strongly supportive of activities to bring intellectual property rules and disciplines into the multilateral trade framework with the aim of improving standards in the protection of intellectual property rights in accordance with the Agreement on Trade Related Intellectual Property Rights (TRIPs). At Sydney in May 1995, Australia hosted a seminar which was the first forum for APEC members to address intellectual property rights and cooperate on strengthening the regional IP infrastructure. The vigorous pursuit of Australia's interests has included the development of technical cooperation programs in intellectual property with Indonesia, the Philippines and Thailand, among others.

Underpinning Australia's commitment to continued strengthening of the multilateral trading system is the development of policy initiatives aimed at securing improved market access for Australian business in various international, regional, and bilateral forums. Australia continues to pursue the goal of reduced tariffs and the dismantling of non-tariff measures for our major exports, especially to ASEAN nations.

One such example of Australia's focus in this area is the current effort being directed at regional cooperation between AFTA (ASEAN Free Trade Area) and CER (Australia–New Zealand Closer Economic Relations) members. A range of ways to remove or reduce impediments to trade and investment are currently under examination.

A number of projects, to be completed by the end of 1996, have been agreed by ASEAN and CER Ministers. These include establishment of a customs compendium to facilitate ease of access to appropriate channels for potential exporters and importers, and the creation of an integrated trade and investment database and cooperation on trade-related product standards and certification systems.

By facilitating trade and business cooperation, through practical efforts that improve efficiency and reduce the costs of trade transactions for business, Australia is continuing its efforts to improve our economic integration with ASEAN and thereby also to contribute to continued trade and investment liberalisation through APEC and the WTO. Ensuring that these opportunities and developments are effectively communicated to the business community is a task of equal importance. Sectoral consultative committees have been useful forums for engaging industry representatives in all stages of the process. As the circumstances allow, these arrangements will continue to be strengthened.

Australia also encourages developments in the United Nations Conference on Trade and Development (UNCTAD), the OECD and the United Nations Economic and Social Council (ECOSOC), including building up their analytical capacities. A broad-ranging review of Australia's OECD involvement was conducted during 1994–95 to assess the

benefits and costs of membership in the light of APEC and the WTO. This was the first such review since Australia joined the OECD in 1971. It concluded that the OECD remained a key international organisation of great value for Australia.

Australia now participates in UNCTAD's Trade Point Program. This is a computer-based information system designed to provide exporters with easy access to key service providers relevant to developing exports. It is a gateway to global networking through an electronic link with other trade points around the world.

#### Law of the Sea

The United Nations Convention on the Law of the Sea entered into force on 16 November 1994. Australia had ratified the Convention on 5 October 1994 and was therefore an original party to the Convention. The Convention provides a framework governing all issues relating to the law of the sea.

Australia is a major beneficiary of the Convention. By reason of Australia's lengthy coastline and broad continental margin, the Convention accords Australia a large exclusive economic zone and continental shelf (and consequently significant resource benefits). It also guarantees rights of navigation for vessels, including passage through international straits and archipelagoes, which is important to a trading nation such as Australia. Further, the Convention provides a comprehensive legal basis for the protection of the marine environment. Following the Agreement Implementing Part XI of the Convention (which was also ratified by Australia on 5 October 1994), the Convention creates a regime for the mining of the deep sea-bed beyond national jurisdiction which meets Australia's interests as a land-based producer of minerals also found on the deep sea-bed.

Since the Convention's entry into force, attention has been focused on the establishment of the various institutions provided for by it. These include the International Sea-bed Authority and the International Tribunal for the Law of the Sea.

#### International environment

Australia continues to be actively involved in addressing environmental issues of international importance. Many of these issues have transboundary or global effects. Others are localised but occur in many localities simultaneously. These problems include depletion of the ozone layer, climate change, loss of biological diversity, desertification and transfer/disposal of hazardous waste. Australia has a significant national interest in many of these issues, being a diverse country in terms of its species and habitat; having an important agricultural industry which is a significant exporter; being a dry continent with very limited supplies of freshwater; having a huge coastline and surrounding oceans; and extensive Antarctic territories. International efforts to address these issues not only have important environmental implications but affect trade, human health, political/economic/ environmental security and social welfare in general.

The United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in 1992, brought to the world's attention the need for development to be placed on a more "sustainable" path whereby development meets the needs of the present without jeopardising the ability of future generations to meet their own needs. Outcomes of UNCED included Agenda 21, the Rio Declaration on Environment and Development, the Framework Convention on Climate Change, the Framework Convention on Biological Diversity and a Statement of Principles on Forests. Internationally, attention is focusing on elaborating protocols to the post-Rio Conventions objectives, as well as on addressing other areas of Agenda 21. Australia is heavily involved in addressing the domestic regulatory and economic implications of these conventions. Australia has placed priority on coalition-building to increase the level of cooperation with countries which share similar views on environmental issues of international importance, such as the Group of Temperate Southern Hemisphere Countries on Environment, known as the Valdivia Group, and cooperation in international environment

forums within the grouping of non-EU OECD countries known as JUSCANZ. Australia was also an active participant in the establishment of the International Coral Reef Initiative (ICRI), a collaborative effort among a number of nations, to ensure the conservation and sustainable use of coral reefs and similar ecosystems.

Australia participated in the first meeting in Berlin of the Conference of the Parties to the Framework Convention on Climate Change (FCCC). The meeting adopted a mandate for negotiation of a protocol or other legal instrument to apply for the period beyond the year 2000. Australia supported the major outcome of the first Conference of the Parties (COP-1) to the Convention on Biological Diversity which established a process to consider the need for a protocol on genetically modified organisms which may have adverse effects on biological diversity. Australia continues to address environmental risks associated with the use of dangerous and toxic chemicals, through international negotiations dealing with activities on chemical risk reduction. Australia participated in the third session of the Commission for Sustainable Development (CSD3), which examined progress in implementing Agenda 21. The creation of an ad hoc intergovernmental panel on forests, under the CSD, with a work program encapsulating a wide range of forests issues, was the main outcome of the session.

#### **Antarctica**

Australia has had a long association with Antarctica, commencing with early expeditions and continuing with an active scientific program. Antarctica's importance to Australia derives from its geographical proximity, the history of Australian involvement there and Australian administration of the Australian Antarctic Territory. Australia maintains three permanent bases in the Territory: at Casey, Davis and Mawson.

As one of the twelve original signatories, Australia attaches particular significance to the 1959 Antarctic Treaty, which serves important Australian scientific, environmental and security interests. Antarctic Treaty Consultative Meetings (ATCM) are now held annually in one of the Consultative Party States. The nineteenth ATCM was held in

Seoul in May 1995. There are now 42 governments which are parties to the Antarctic Treaty. Of these, 26 are Consultative Parties entitled to participate fully in Consultative Meetings.

Hobart is host to the Commission for the Conservation of Antarctic Marine Living Resources. The Commission and its Scientific Committee meet annually. On 22 May 1989, the Australian Government announced that it was opposed to mining taking place in Antarctica and that it would not sign the Convention on the Regulation of Antarctic Mineral Resource Activities but would pursue the negotiation of a comprehensive environmental protection regime for Antarctica. On 18 August 1989 the Australian and French prime ministers announced that Australia and France would pursue this initiative jointly. Following consultations relating to the comprehensive protection of the Antarctic environment and its dependent and associated ecosystems, the Protocol on **Environmental Protection to the Antarctic** Treaty was opened for signature in Madrid on 4 October 1991. The Protocol designated Antarctica as a natural reserve devoted to peace and science. It establishes a set of environment principles with which all activities in Antarctica are to be consistent. Mining activities are specifically prohibited. When it enters into force, the Protocol will establish a comprehensive regime for assessing the environmental impact of activities in Antarctica and guidelines for waste disposal, marine pollution, the conservation of fauna and flora and area protection and management.

Consistent with the priority attached to protecting the Antarctic environment, Australia enacted its principal legislation to implement the Protocol in December 1992. Australia was the first country to do so. Australia ratified the Protocol on 6 April 1994. The Protocol will enter into force when all 26 Antarctic Treaty Consultative Parties have ratified the agreement.

#### **Treaties**

The texts of bilateral and multilateral treaties to which Australia is a party are printed in the Australian Treaty Series (ATS) when they enter into force. Australia's current position in regard to individual treaties may be ascertained by referring to the *Australian* 

Treaty List (ATS 1989 No. 38) and (1994 No. 41), which was up-to-date at 31 December 1994, and supplements to the List, which appear annually in *Treaty Action* (No. I of ATS each year). Monthly updates are contained in the Department of Foreign Affairs and Trade publication *Insight*.

In addition, the texts of multilateral treaties, in the negotiation of which Australia has participated but to which it has yet to become a party, are printed in annual volumes of *Select Documents on International Affairs*. The foregoing publications are available from Commonwealth Government Bookshops, except *Insight*, which is available from the Department of Foreign Affairs and Trade, Canberra.

#### **Human rights**

Human rights issues are prominent on the Government's international agenda, consistent with Australia's strong commitment to the universal protection and promotion of internationally accepted human rights standards. Australia is actively involved in human rights promotion through multilateral channels including the UN General Assembly, the Commission on Human Rights and the Commission on the Status of Women, as well as numerous other UN bodies and meetings. Australia believes that strategies to ensure the observance of human rights have a preventive security dimension. Consistent with this, Australia supports technical assistance for the promotion of the human rights through the UN and has established its own modest human rights fund to support small, catalytic projects to encourage human rights observance. Australia also promotes the establishment of national institutions for the promotion and protection of human rights, particularly in the Asia-Pacific region, on the basis that positive action at the national level is the surest means of improving human rights observance.

In addition to multilateral and institution-building activity, Australia works to promote human rights through direct contact with other governments. Australia regularly makes representations, on behalf of individuals or groups, to governments. Many of these representations were made on behalf of the Amnesty International Group of the Australian Parliament. Since 1987, when the

Department of Foreign Affairs and Trade started maintaining a register of human rights representations, the Australian Government has raised over 3,500 individual and group cases with other governments.

#### Status of women

Australia continues to promote women's rights internationally by taking part in programs and meetings of multilateral bodies dealing with the status of women.

The focus of Australian multilateral attention in 1995 was the UN Fourth World Conference on Women held in Beijing 4 to 15 September and the associated NGO Forum. The UN Conference adopted a Declaration and a Platform for Action. The Platform for Action links strategies and actions to areas of critical concern to the advancement of women including the burden of poverty; unequal access to education, health care and resources; inequality with men at all levels in sharing power and decision-making; the violation of the human rights of women and the girl-child — and builds on progress made at earlier UN Conferences including that on human rights in Vienna in 1993, on population and development in Cairo in 1994 and on social development in Copenhagen in 1995. While the Platform for Action is not binding like a treaty, it does give the areas of critical concern new visibility among governments, non-governmental organisations and international agencies and serves as a guide for international and national policies.

#### **Cultural relations**

The Government seeks to project Australia overseas as a diverse, creative, technologically advanced and sophisticated country which is making its own distinctive and significant contribution to the Asia–Pacific and global community. This activity has the objective of seeking to influence international perceptions of Australia and, thereby, to promote Australia's vital economic and foreign policy interests. The Australia Abroad Council (AAC) and a number of bilateral Foundations, Councils and Institutes have been established to develop Australia's bilateral relations with a number of countries, through cultural, educational, scientific and other exchanges.

## Consular services and passports

The Department of Foreign Affairs and Trade assists and protects, where necessary, the interests of Australians' overseas in accordance with international law. For example, assistance may be given, where requested, to Australians who are in hospital overseas, who have been victims of crimes or who have been arrested or imprisoned. Such consular services to Australian citizens are provided by all Australian diplomatic and consular posts and by 24 Honorary Consuls. There are also 13 countries, mostly in Africa, where Canadian diplomatic and consular

posts provide consular services to Australians under the Australia Canada Consular Sharing Agreement.

In 1994–95, 678,699 passports were issued to eligible Australian citizens. 75.7% of all applications were lodged at Australian post offices. A toll-free passport information and enquiry service is available to the general public and over 527,000 calls were handled in 1994–95. To support the Department's consular operations the telephone information service incorporates a facility to handle large numbers of phone enquires from the public about overseas crises which might involve Australians.

3.1 Australian Honorary Consulates, 30 June 1995

City	Country	Responsible office
Barcelona	Spain	Madrid
Bogota	Colombia	Caracas
Boston	USA	New York
Bucharest	Romania	Belgrade
Chicago	USA	Washington
Denver	USA	Los Angeles
Edinburgh	United Kingdom	London
Guadalajara	Mexico	Mexico City
Guayaquil	Ecuador	Caracas
Helsinki	Finland	Stockholm
Kiev	Ukraine	Moscow
Kuching	Malaysia	Kuala Lumpur
Lae	Papua New Guinea	Port Moresby
La Paz	Bolivia	Santiago de Chile
Lisbon	Portugal	Paris
Ljubljana	Slovenia	Vienna
Monterrey	Mexico	Mexico City
Port of Spain	Trinidad & Tobago	Bridgetown
Prague	Czech Republic	Warsaw
Pusan	Republic of Korea	Seoul
Riga	Latvia	Copenhagen
Seville	Spain	Madrid
Tallinn	Estonia	Stockholm
Vladivostok	Pacific Russia	Moscow
Zagreb	Croatia	Vienna

Source: Department of Foreign Affairs and Trade.

## Australian overseas aid program

The objective of Australia's development cooperation program is to promote the sustainable economic and social advancement of people in developing countries in response to Australia's humanitarian concerns, foreign policy and commercial interests. In support of

the Australian Government's strategy of closer engagement with Asia, the development cooperation program has a strong focus on developing countries of Asian and Pacific regions. In 1995–96 Australia's official development assistance (ODA) totals \$1563.2 million (current dollars). This represents an increase in real terms of about 1.8% or \$28 million on expenditure in 1994–95. Australia's ODA to gross national product (GNP) ratio in 1995–96 is expected to be 0.33%. This places Australia above the current weighted average of 0.31% for donor members of the Development Assistance Committee (DAC) of the OECD.

The aid program is administered by the Australian Agency for International Development (AusAID) and is divided into three sub-programs: Country Programs, Global Programs and Corporate Services. In 1994–95, Country Program expenditure totalled \$852.5 million, Global Program expenditure totalled \$540.1 million and Corporate Services expenditure totalled \$45.2 million.

Although AusAID administers most of Australia's development cooperation, expenditure on ODA-related activities also takes place in other government departments and agencies. In 1994–95, more than \$49.8 million of total ODA was spent by other government agencies. In 1995–96, \$44 million of total ODA is projected to be spent by other government agencies.

### 3.2 Total Australian aid flows to major recipients, 1995–96 estimate(a)

Country	\$ million
Papua New Guinea	325.3
Indonesia	129.3
China	85.7
Vietnam	72.1
Philippines	68.5
Thailand	37.4
India	30.0
Bangladesh	29.3
Cambodia	29.0
Fiji	20.5
Laos	17.5
Solomon Islands	14.5
Mozambique	14.0
Vanuatu	13.5
Western Samoa	12.5
Tonga	10.7
South Africa	10.0
Ethiopia	10.0
Malaysia _	9.6

<sup>(</sup>a) This includes assistance provided under both Country Programs and Global Programs.

Source: AusAID.

#### **Country aid programs**

Country programming involves a development cooperation strategy which matches recipient country needs with Australia's objectives and capacity to assist. Long-term strategies for the major recipients of Australia's aid are agreed with partner countries, usually during annual high-level consultations. Additional support to individual countries is also provided through regional organisations, globally funded and multi-country activities.

For the majority of recipient countries the level of Australia's development cooperation is based on an annual programming amount. For the remainder, multi-year commitments are made. In all cases, a regular cycle is followed which includes planning, implementation and review of activities. This includes careful screening to ensure that activities are environmentally sustainable and that mechanisms are in place to ensure that the benefits of development cooperation are shared equitably between women and men. Program activities are evaluated on a regular basis to ensure that objectives are being met.

#### **Papua New Guinea**

Papua New Guinea (PNG) receives the largest share of the Australian aid program, with total flows in 1995–96 expected to be over \$325 million, which represents about one fifth of the total Australian development cooperation program.

Well over 50% of this assistance is in the form of budget support, but both Governments have agreed that there will be a progressive transition to 100% jointly programmed activities by the turn of the century. The next few years will see a rapidly increasing pace of implementation of Australian activities in six mutually agreed sectors: education and training, health, infrastructure, law and order, renewable resources and the private sector.

#### **South Pacific**

Australia has clearly signalled a more rigorous approach to the provision of assistance to the South Pacific. Increasing priority is being given to cooperating with South Pacific governments in their efforts to pursue the reforms necessary to achieve sustainable development. In 1995–96, bilateral, multi-country and regional programs in the South Pacific will total around \$112.2 million.

The focus will be on education, health, sustainable resource use, private sector development and institution-strengthening.

#### South-east Asia

Sustained economic growth in many countries of South-east Asia has led to changes in the nature of Australia's aid relationship with these countries. In 1995-96 total country programmed flows to South-east Asia will be about \$252 million. In the rapidly growing economies of the region, country programs increasingly emphasise the development of closer economic relations and the pursuit of mutual benefits, whilst also promoting social and economic development. The region also includes three of the poorest countries in the world: Laos, Cambodia and Vietnam. In these countries, Australian development cooperation concentrates on direct poverty alleviation, reconstruction of basic infrastructure and the development of long-term commercial links with Australia. In Indonesia and the Philippines Australian assistance supports human resource development, rural infrastructure development and the fostering of closer economic and trade linkages with Australia. In 1995–96, the Private Sector Linkages Program will continue to promote sustainable development and economic growth in the South-east Asian region through activities which link market-oriented enterprises in Australia and selected developing countries.

#### Other regions

Country programs in North Asia, South Asia and Africa will receive \$124.3 million in 1995–96. Australia's aid program to the region focuses on human resource development, technology transfer, health, agriculture, the environment and community development.

In 1995–96, \$38.5 million will be directed to Africa through country programs. Of this, \$10 million will be provided for South Africa to help meet basic human needs, to assist in capacity-building, institutional strengthening and human resource development and to continue the democratisation of the state and society. Assistance to China will total \$19 million (although total aid flows to China, including financing through the Development Import Finance Facility, are estimated to reach \$86 million in 1995–96). Other major beneficiaries of Australian development cooperation in the area include Bangladesh

(\$18.3 million), India (\$20.6 million) and Pakistan (\$3.1 million).

#### **Cross-regional programs**

Human resource development is a key element in the achievement of sustainable social and economic development and, as such, remains a priority in Australia's development cooperation program; 17% of the program is allocated to the education sector.

There are two in-Australia tertiary education scholarships: Australian Sponsored Training Scholarships (ASTAS) and Australian Development Cooperation Scholarships (ADCOS). The former comprises a program of scholarships for individuals who have been nominated by their governments. Under the latter program, individuals apply direct, without the need of government nomination.

Aid-sponsored student programs continue to make an important contribution to the internationalisation of Australian education services, which now generate more than \$1,000 million annually in export earnings for Australia. Over 6,000 sponsored students are expected to study in Australia in 1995–96.

#### **Global programs**

### Multilateral development organisations and programs

Australia supports the work of international development institutions as part of its obligations as a good international citizen and as a serious and concerned development cooperation partner. The Government recognises that multilateral cooperation can bring results that are unachievable in a bilateral program alone, especially for a medium-sized donor like Australia. Through support for these agencies, Australia also contributes to their policies and program directions. To ensure Australia is achieving its goals through multilateral development organisations, close monitoring of the various agencies is undertaken.

Contributions to international organisations in 1995–96 will total \$309.5 million. United Nations development agencies will receive \$85.8 million, with the largest contributions directed to the World Food Programme (\$51.9 million), the United Nations Development Programme (\$18.6 million) and the United Nations Children's Fund (\$4.8 million). Australia's

contributions of \$191.2 million to the multilateral development banks will go mainly to the concessional lending arms of the World Bank and the Asian Development Bank, the International Development Association and the Asian Development Fund, respectively. Other beneficiaries of Australia's contributions to international organisations in 1995–96 include Commonwealth development organisations, international health and environment programs and international non-government organisations.

#### **Emergencies and refugees**

In response to the rapid escalation in the global need for humanitarian relief, the allocation for emergency and refugee assistance has been increased from \$70.9 million in 1994-95 to \$84 million in 1995-96, a real increase of over 14%. Activities supported include assistance for emergency prevention and disaster preparedness measures, rapid-response emergency assistance and longer-term relief and rehabilitation options. Australia also supports the programs of a number of international relief agencies by making contributions to their core budgets. Agencies which benefit include the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency and the International Committee of the Red Cross. Australia also provides assistance for disaster preparedness and mitigation measures, especially in the South Pacific.

#### **Community programs**

The Government actively seeks the involvement of non-government organisations, the academic community and other professional groups in the delivery of the Australian aid program.

Total funding to non-government organisations (NGOs) is estimated to be about \$100 million in 1995–96. This includes overseas development projects, volunteer programs, emergency relief assistance and some development education activities. A key element of this funding is the AusAID–NGO Cooperation Program (ANCP), which subsidises development activities designed and implemented by the NGOs themselves. The ANCP has been allocated \$13.5 million of funding in 1995–96. Funding is also provided through a number of NGO windows in Country Programs.

The direct participation of the academic and research community in the aid program is encouraged by the Government through the support of development-oriented seminars and through the provision of funds to the National Centre for Development Studies at the Australian National University. The Government also commissions development-related research from other research institutions in Australia.

#### **Commercial programs**

Australian commercial organisations play an important role in the development cooperation program. Development assistance is provided through AusAID's commercial programs by internationally competitive Australian suppliers.

Expenditure on the Development Import Finance Facility (DIFF) is expected to total \$120 million in 1995–96. DIFF provides opportunities for Australian businesses to supply goods and services to developing countries for use in high-priority development projects. Australia's DIFF financing package combines an aid grant through AusAID with export credits provided by the Export Finance Insurance Corporation to provide concessional, mixed credit finance packages.

Within the DIFF scheme, support will continue for Green DIFF, which was introduced in 1994. Green DIFF provides opportunities for Australian business to supply developmentally important goods and services with an environmental focus to developing countries.

The Private Sector Linkages Program (PSLP) aims to provide sustainable development and economic growth in the Asian region by supporting the establishment or expansion of long-term links between Australian market-oriented enterprise and counterpart enterprises in selected developing countries.

Development activities which may be considered for funding support include: short-term training secondments and work attachments; pre-feasibility, feasibility studies and expert advice; pre-investment studies; and demonstration and adaptation of proven and appropriate Australian technologies.

#### Australian Centre for International Agricultural Research (ACIAR)

Funding provided to ACIAR in 1995–96 is \$39.6 million. ACIAR is a statutory body with its own Board, Director and Policy Advisory Council. It promotes research into improving sustainable agricultural production and natural resource management in developing countries. ACIAR facilitates research collaboration between Australia and individual developing countries for mutual advantage by mobilising appropriate Australian research expertise to help developing countries to help themselves.

As well as commissioning research, ACIAR promotes project-related training and

conducts pilot development studies to enhance the application of research results. The centre is also responsible for Australia's contributions to the international agricultural research centres, such as the International Rice Research Institute (IRRI).

## Australian representation overseas

As at 30 June 1995, Australia maintained the following diplomatic and consular representation overseas (full details of these missions are available from the Department of Foreign Affairs and Trade, Canberra, ACT 2600).

#### 3.3 Diplomatic and consular representation overseas

Country	Post
Argentina	Buenos Aires
Austria	Vienna
Bangladesh	Dhaka
Belgium	Brussels
Barbados	Bridgetown
Brazil	Brasilia
Brunei	Bandar Seri Begawan
Cambodia	Phnom Penh
Canada	Ottawa
Chile	Santiago
China	Beijing, Shanghai(a)
Cyprus	Nicosia
Denmark	Copenhagen
Egypt	Cairo
Federal Republic of Germany	Berlin(a), Bonn
Fiji	Suva
France	Paris
New Caledonia	Noumea(a)
Greece	Athens
Hong Kong	Hong Kong(a)
Hungary	Budapest
India	New Delhi
Indonesia	Jakarta, Bali(b)
Iran	Tehran
Ireland	Dublin
Israel	Tel Aviv
Italy	Rome
Japan	Tokyo
Jordan	Amman

For footnotes see end of table.

...continued

### 3.3 Diplomatic and consular representation overseas — continued

continued			
Country	Post		
Kazakstan	Almaty		
Kenya	Nairobi		
Kiribati	Tarawa		
Korea	Republic of Seoul		
Lebanon	Beirut		
Malaysia	Kuala Lumpur		
Malta	Malta		
Mauritius	Port Louis		
Mexico	Mexico City		
Micronesia	Federated States of Pohnpei		
Myanmar(Burma)	Rangoon		
Nauru	Nauru		
Nepal	Kathmandu		
Netherlands	The Hague		
New Caledonias	Noumea(a)		
New Zealand	Wellington		
Nigeria	Lagos		
Pakistan	Islamabad		
Papua New Guinea	Port Moresby		
Philippines	Manila		
Poland	Warsaw		
Russia	Moscow		
Saudi Arabia	Riyadh		
Singapore	Singapore		
Solomon Islands	Honiara		
South Africa	Pretoria		
Spain	Madrid		
Sri Lanka	Colombo		
Sweden	Stockholm		
Switzerland	Berne(b)		
Syria	Damascus		
Thailand	Bangkok		
Tonga	Nuku'alofa		
Turkey	Ankara		
United Kingdom	London		
United States	Washington, Honolulu(a), New York(a)		
Vanuatu	Port Villa		
Vatican	Holy See		
Venezuela	Caracas		
Vietnam	Hanoi, Ho Chi Minh City		
Western Samoa	Apia		
Yugoslavia	Belgrade		
Zimbabwe	Harare		

<sup>(</sup>a) Consulate-General. (b) Consulate.

Source: Department of Foreign Affairs and Trade.

#### **Permanent missions**

Australia also maintained five separate permanent missions in:

New York Geneva

UN UN

Geneva

Disarmament

GATT Geneva **Paris OECD** 

#### Other consulates

The Department of Immigration and Ethnic Affairs maintained offices with consular status

Manchester Vancouver

Consulate Consulate

#### **Trade missions**

Austrade maintained trade missions with diplomatic or consular status in the following cities:

Atlanta Consulate-General Auckland Consulate-General Bombay Consulate-General Dubai Consulate-General Frankfurt Consulate-General Consulate Fukuoka

Guangzhou

Consulate Consulate-General Houston Consulate-General Istanbul Los Angeles Consulate-General Consulate-General Milan

Nagoya Consulate Osaka

Consulate-General Consulate-General San Francisco Sao Paulo Consulate-General

Consulate Sapporo Sendai Consulate

**Toronto** Consulate-General